

**Required Report:** Required - Public Distribution

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## **Report Name:** Coffee Semi-annual

**Country:** India

**Post:** New Delhi

**Report Category:** Coffee

**Prepared By:** Dhruv Sood

**Approved By:** Nicole Podesta

### **Report Highlights:**

The coffee production forecast for marketing year (MY) 2025/26 is 6.0 million bags, unchanged from the previous estimate. This projection accounts for anticipated yield declines due to excessive monsoon rainfall, which has led to berry drop and an increase in fungal diseases. Export volumes are forecast to decline by three percent, pressured by record-high prices that force European buyers into short-term contracts. Domestically, Indian coffee prices are rising higher than global prices because of worldwide shortages, and growers holding back their coffee in anticipation of further gains. Consumption is stable, heavily relying on the soluble segment, which has been strategically boosted by the government's reduction of the GST to five percent to stimulate retail sales and improve India's extremely low per capita consumption rate.

## Production, Supply and Distribution

Coffee, Green Market Year Begins	2023/2024		2024/2025		2025/2026	
	Oct 2023		Oct 2024		Oct 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>India</b>						
Area Planted (1000 HA)	477	489	475	475	-	475
Area Harvested (1000 HA)	434	443	434	434	-	432
Bearing Trees (MILLION TREES)	550	550	549	549	-	550
Non-Bearing Trees (MILLION TREES)	95	95	96	96	-	95
Total Tree Population (MILLION TREES)	645	645	645	645	-	645
Beginning Stocks (1000 60 KG BAGS)	475	475	242	31	355	128
Arabica Production (1000 60 KG BAGS)	1,480	1,692	1,400	1,400	1,350	1,350
Robusta Production (1000 60 KG BAGS)	5,080	4,317	4,800	4,800	4,700	4,700
Other Production (1000 60 KG BAGS)	-	-	-	-	-	-
Total Production (1000 60 KG BAGS)	6,560	6,009	6,200	6,200	6,050	6,050
Bean Imports (1000 60 KG BAGS)	1,295	1,295	1,350	1,180	1,270	1,270
Roast & Ground Imports (1000 60 KG BAGS)	1	1	5	4	3	3
Soluble Imports (1000 60 KG BAGS)	67	67	65	70	60	60
Total Imports (1000 60 KG BAGS)	1,363	1,363	1,420	1,254	1,333	1,333
Total Supply (1000 60 KG BAGS)	<b>8,398</b>	<b>7,847</b>	<b>7,862</b>	<b>7,485</b>	<b>7,738</b>	<b>7,511</b>
Bean Exports (1000 60 KG BAGS)	4,360	4,360	3,700	3,700	3,560	3,560
Rst-Grnd Exp. (1000 60 KG BAGS)	11	11	7	7	6	6
Soluble Exports (1000 60 KG BAGS)	2,535	2,535	2,500	2,500	2,420	2,420
Total Exports (1000 60 KG BAGS)	6,906	6,906	6,207	6,207	5,986	5,986
Rst,Ground Dom. Consum (1000 60 KG BAGS)	370	230	400	330	410	410
Soluble Dom. Cons. (1000 60 KG BAGS)	880	680	900	820	950	950
Domestic Consumption (1000 60 KG BAGS)	1,250	910	1,300	1,150	1,360	1,360
Ending Stocks (1000 60 KG BAGS)	242	31	355	128	392	165
Total Distribution (1000 60 KG BAGS)	<b>8,398</b>	<b>7,847</b>	<b>7,862</b>	<b>7,485</b>	<b>7,738</b>	<b>7,511</b>
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

### Area and Production

Post maintains its forecast for marketing year (MY) 2025/26 coffee area and production unchanged from the previous projection. The planted area is estimated at 475,000 hectares, with a harvested area of 432,000 hectares. Total coffee production is forecast at six million 60-kilogram bags, consisting of 1.35 million bags (81,000 metric tons) of arabica and 4.7 million bags (282,000 metric tons) of robusta. The arabica harvest occurs from November to January, and the robusta harvest takes place from December to February.

The 2025 southwest monsoon, spanning June to September, delivered rainfall 10 percent above the long-term average across the southern Indian peninsula, which includes the states of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, and Kerala. In Karnataka's key coffee-growing districts, rainfall patterns varied significantly: Chikmagalur and Kodagu received 28 percent and 13 percent above-average rainfall, respectively, while Hassan experienced below-average rainfall. The northeast monsoon (October–December) further added excess moisture (49 percent above normal in Chikmagalur and 64 percent in Hassan), though Kodagu saw a 15 percent deficit as of early November. Overall, the abundant rains improved soil moisture and crop conditions but also increased the risk of fungal infections. The coffee crop, now in the berry formation stage, is benefiting from improved moisture, yet excessive rainfall has raised concerns over drainage, berry drop, and root rot. Government advisories urge growers to maintain proper field drainage, monitor for fungal diseases, and avoid foliar sprays (liquid fertilizers or pesticides) during heavy rains as the spray washes off, becomes ineffective, and can increase disease risk.

For MY 2025/26, arabica yields are projected to decline by three percent to 384 kilograms per hectare, and robusta yields by two percent to 1,276 kilograms per hectare. The decline, mainly due to excessive rainfall during berry formation has led to higher fungal disease incidence, premature cherry drop, and fruit splitting, reducing marketable output. These conditions are gradually encouraging a shift toward more robusta cultivation in key growing regions in Karnataka.

Post revised its MY 2023/24 production estimate to six million 60-kilogram bags (360,500 metric tons), aligning with data published by the Coffee Board of India.

### **India Coffee Production Overview**

In 2024, India ranked as the world's seventh-largest coffee producer, after Brazil, Vietnam, Colombia, Indonesia, Ethiopia, and Uganda. Approximately 95 percent of India's coffee production is exported, with green coffee accounting for about 64 percent of total exports and instant (soluble) coffee making up the remaining 36 percent (refer figure 1).

Indian coffee is typically cultivated under a two-tier shade canopy of evergreen leguminous trees and is often intercropped with spices and fruit crops such as pepper, cardamom, vanilla, orange, and banana. Arabica is primarily grown at elevations between 700 and 1,200 meters above sea level and can be processed using either the natural ("cherry") or washed ("parchment") methods. Drying is carried out on patios, raised tables, or through mechanical dryers on larger estates.

Arabica coffee thrives at higher altitudes but is more vulnerable to pests and diseases. Robusta, on the other hand, grows well at lower elevations, is more pest- and drought-resistant, and contains roughly twice the caffeine content of arabica. Because of this, robusta is commonly used in commercial coffee blends and instant coffee production, while arabica is favored for freshly brewed coffee, especially in more developed markets. Overall, India's coffee production comprises about one-third arabica and two-thirds robusta.

## Exports

Post forecasts MY 2025/26 exports will decline by three percent to 5.98 million bags (359,160 MT) due to slow international demand spurred by record-high green bean prices. This volatility has caused European buyers to shift from 12-month commitments to short-term 3-4-month contracts, maintaining a cautious approach. Italy remains the major buyer for Indian coffee, followed by Germany, Russia, Belgium and the United Arab Emirates.

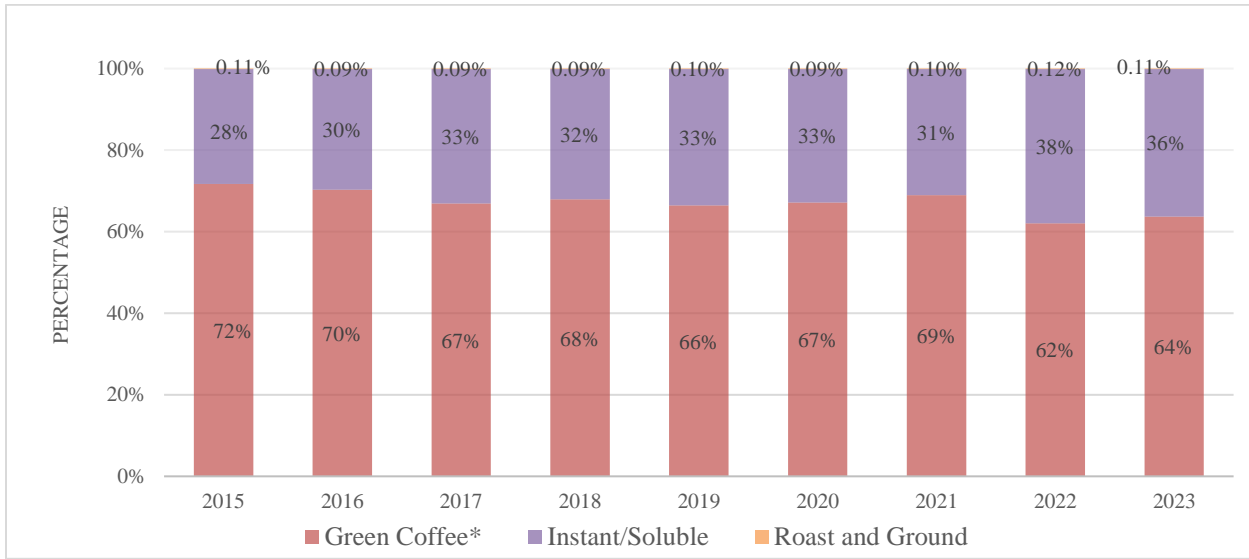
On November 20, the United States [removed](#) a 40 percent tariff on Brazilian coffee, effective mid-November 2025, which had been in place since August. This was in addition to a ten percent [reciprocal tariff on coffee](#) from most countries, which was also eliminated on November 14. As a result, the import duty on coffee from Brazil is now effectively zero percent. Competition is intensifying as Brazil shifts more arabica to the now more profitable U.S. market, prompting other suppliers to compete more aggressively in Europe. This increases pricing pressure on Indian exporters, particularly for higher cost arabica. This environment will likely force competitors, including Indian exporters, to lower their price premiums (differentials) to remain competitive and secure contracts. As a result, the stable pricing and profitability of Indian coffee—particularly its highly valued specialty arabica and fine arabica—are at risk due to intensified price competition and heightened market volatility in Europe.

With the duty now eliminated, Indian coffee is no longer at a price disadvantage in the U.S. market. However, the overall impact is expected to remain limited, as the United States accounts for only about four percent of India's total coffee exports (see figure 2).

Year-to-date (Oct-Aug) coffee shipments have seen an 11 percent volume decline (refer to figure 3) as international roasters, after initially absorbing price hikes to protect market share, are now limiting purchases strictly to immediate needs. These soaring costs are squeezing margins for cafes and retailers, but the global demand for robusta remains high—a key factor driven by its essential use in instant coffee and espresso blends, while inventories remain low. Preliminary [trade data](#) published by Ministry of Commerce indicates that September exports of coffee by value are down by 6.84 percent from last year, and 19 percent by volume.

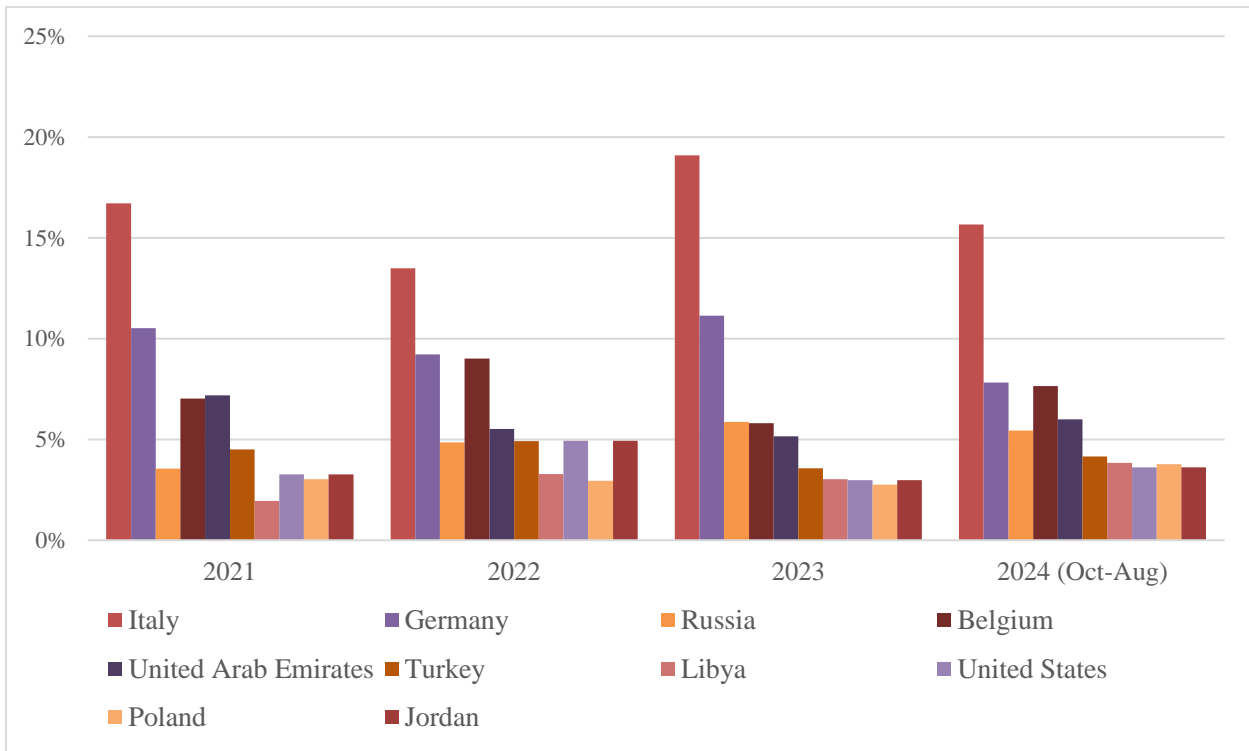
Indian domestic green bean prices for arabica parchment have surged 58 percent (refer figure 4), considerably exceeding the 46 percent increase observed in the global arabica prices. Concurrently, domestic robusta cherry prices advanced by 10 percent, contrasting sharply with a three percent decline in the International Coffee Organization (ICO) indicator price for arabica since the commencement of India's marketing year in October 2024. These highly disproportionate domestic price escalations are fundamentally driven by a global supply crisis in the primary producing nations (Brazil and Vietnam), which positions India's high-quality, limited output as a critical, high-demand commodity. These domestic hikes are fundamentally caused by global supply shortages combined with strong demand and growers retaining stock in India.

**Figure 1. Export Share of Coffee by Forms**



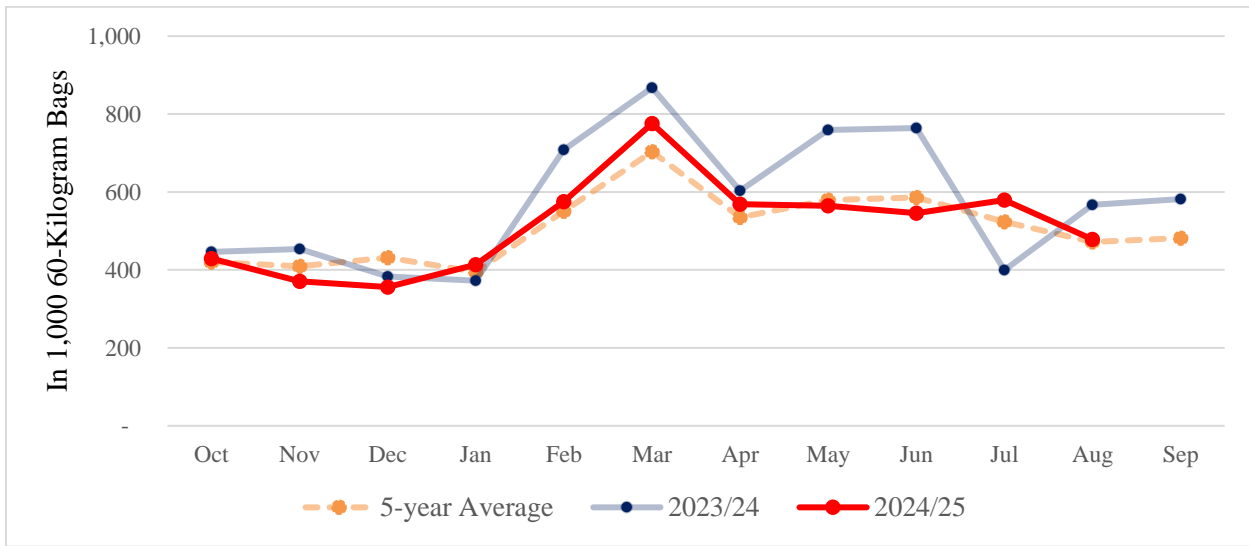
\*Green Coffee - The raw, unroasted coffee beans that are processed and dried but not yet roasted.  
Source: Coffee Board of India

**Figure 2: Coffee\* Export Share by Country (in percentage)**



\*Includes green beans, soluble, roast and ground coffee in green bean equivalent (GBE)  
Source: Trade Data Monitor, LLC

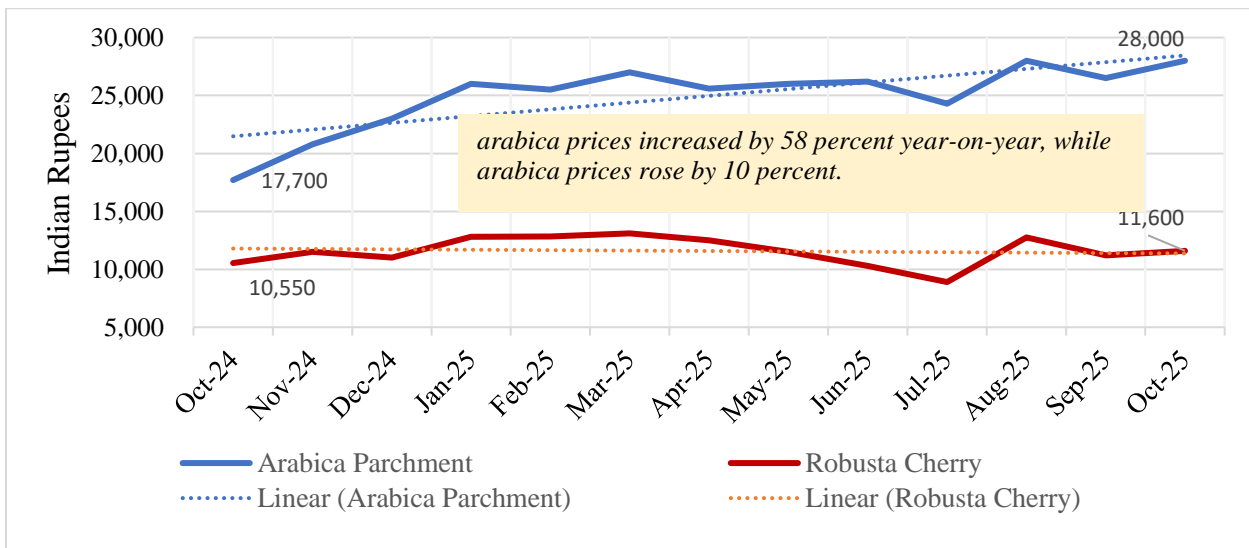
**Figure 3: Monthly Coffee\* Exports by Volume**



\*Includes green beans, soluble, roast and ground coffee (HS Code - 090111, 090112, 090121, 090122, 210111, 210112) green bean equivalent (GBE)

Source: Trade Data Monitor, LLC

**Figure 4. Farmgate Raw Coffee Prices in Karnataka (Indian Rupees\* per 50-kilogram bags)**



\* Exchange rate equals Rupees 88.68 per dollar as of November 08, 2025

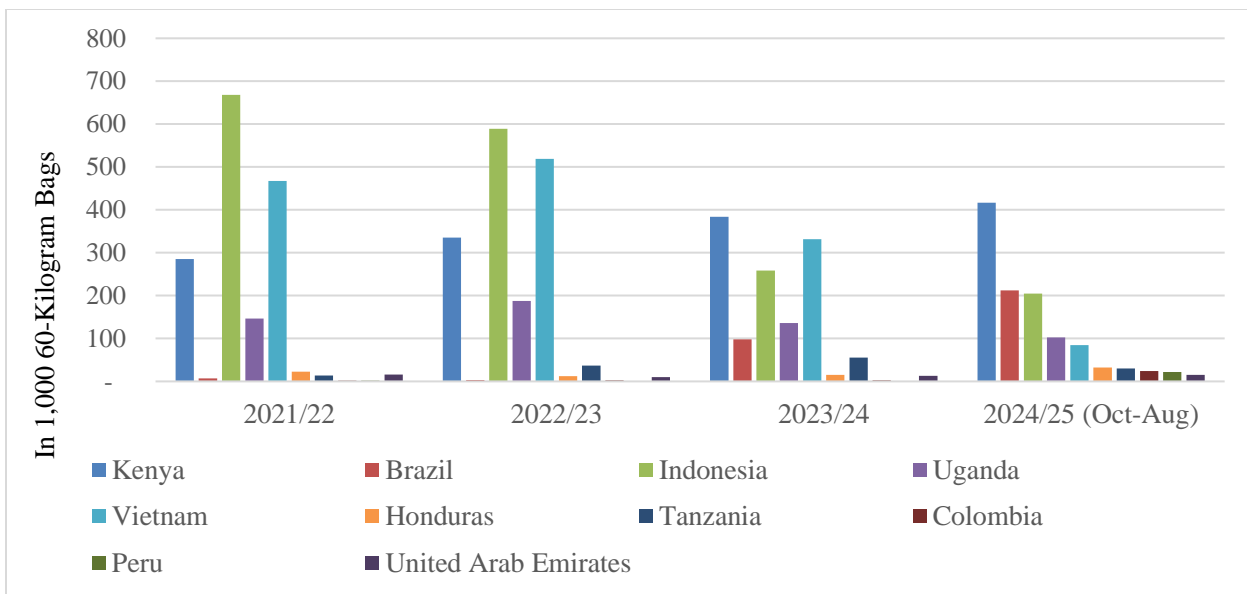
Source: Coffee Board of India

## Imports

Post forecasts MY 2025/26 imports at 1.33 million 60-kilogram bags (80,000 MT). Soluble coffee exporters import green beans for processing, value addition, and re-exports. Importers are expected to limit imports due to record-high global bean prices, further exacerbated by 6.37 percent depreciation of the Indian rupee over the past year. The relaxation of import regulations for coffee beans for consumption or processing from all countries last year led to a rise in shipments from non-traditional suppliers such as Kenya and Brazil, thereby reducing dependence on coffee imports from Indonesia and Vietnam (refer figure 5).

Post lowered its MY 2024/25 import estimate to 1.25 million 60-kilogram bags (75,240 metric tons), aligning with the trade data published by the Ministry of Commerce.

**Figure 5: Coffee\* Imports by Country**



\*Includes green beans, soluble, roast and ground coffee (HS Code - 090111, 090112, 090121, 090122, 210111, 210112) green bean equivalent (GBE)

Source: Trade Data Monitor, LLC

## Stocks

Post forecasts MY 2025/26 opening (carryover) stocks at 128,000 60-kilogram bags (7,680 metric tons), supported by strong domestic demand. All stocks are privately held by growers and traders. Over the past two years, carryover stocks have remained tight due to robust export performance combined with steady domestic consumption. Currently, high prices have resulted in limited unsold arabica stocks on the market. However, stronger pressure from European buyers to secure competitively priced arabica particularly in Europe, India's key export market is expected to intensify competition for Indian

exporters. This could put downward pressure on prices, especially for arabica, and may lead to the highest ending stocks in three years.

## **Consumption**

The domestic coffee consumption forecast for MY 2025/26 remains stable at 1.36 million 60-kilogram bags (81,000 MT), sustained by the dominant soluble (instant) coffee sector, which is projected to command a 70 percent market share next year as compared to 30 percent share of roast and ground coffee. India's per capita coffee consumption stands at just 0.07 kilograms, far below the global average of 1.3 kilograms, highlighting significant growth potential. This gap is driving manufacturers to focus on premium segments, leveraging strategic brand-building efforts to tap into this opportunity. The soluble sector received a significant boost following the Government of India's decision, effective September 22, 2025, to reduce the Goods and Services Tax (GST) on instant coffee, extracts, and essences from 18 percent to 5 percent—aligning it with filter coffee's existing rate. This tax cut is expected to lower retail prices by 11–12 percent, stimulate domestic consumption, and benefit small processors by harmonizing India's taxation structure with global norms.

In addition, the rapidly expanding specialty café sector, led by both domestic and international chains, is reshaping consumer preferences in urban centers driving demand for high-quality, freshly brewed coffee and adding an aspirational dimension that reinforces the overall consumption growth trend.

Furthermore, on August 8, 2025, the Food Safety and Standards Authority of India (FSSAI) notified an [amendment](#) mandating that coffee–chicory mixtures must contain at least 51 percent coffee by mass, with the specific percentage of coffee and chicory clearly declared on the front of the package, effective July 1, 2026. This regulation applies to both regular and instant mixtures. The FSSAI [observed](#) widespread non-compliance, noting that several products in the market were either misrepresenting coffee–chicory blends as pure coffee or failing to declare separate content percentages, thereby violating existing food safety and labeling standards.

## **Policy**

### **New Sustainability Standards for Indian Coffee**

The Coffee Board has launched a two-phase initiative to promote sustainability in the Indian coffee sector, first by developing the “Sustainability Standards for Indian Coffee Plantations”, followed by the “Chain of Custody Standards.” On September 26, the Board [released](#) the draft Indian Coffee Board Sustainability Certification Scheme (INDICOFS) for public consultation. The draft outlines sustainability standards, inspection processes, and certification protocols. This national effort aims to establish Indian coffee as a global model for sustainability. Through these standards, coffee producers can align with internationally recognized sustainability practices, boost their market competitiveness, and support the global shift toward sustainable agriculture. The standards will boost Indian coffee exports by improving global market acceptance, compliance, and access to premium buyers.

**Attachments:**

No Attachments