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Nicaragua

Coffee

NICARAGUA, HURRICANE MITCH AND COFFEE 1999

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Report Highlights:

Previous estimates of a 30-percent loss to the Nicaraguan coffee crop due to Hurricane Mitch now appear to have been overstated. The actual loss compared to pre-Mitch expectations according to the Government of Nicaragua was around 6 percent.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
San Jose [CS1], NU

NICARAGUA, HURRICANE MITCH AND COFFEE**HURRICANE MITCH EFFECTS ON PRODUCTION OF VARIOUS NICARAGUAN CROPS**

Commodity	1998/99 Planted Area	1998/99 Damaged Area	1998/99 Production Estimate Before Mitch	1998/99 Production Estimate After Mitch	1998/99 Percentage Losses in Production	1999/2000 Production Forecast
Coffee	92,068 ha	1,275 ha	68,461 tons	64,097 tons	6.4%	70,400 tons

Source: Nicaraguan Ministry of Agriculture and Forestry

PRODUCTION

Although the initial estimates of losses was inflated (now only 6% estimated loss vis-a-vis 30%), there are still concerns about the effects of Hurricane Mitch on the coffee harvest. Previous to the hurricane, the Government of Nicaragua had expected a 1998/99 of about 1,140,000 60-kg bags with area planted of about 92,100 hectares. Hurricane Mitch damaged 1,275 hectares and dropped production to about 1,068,000 bags (our estimate is a more conservative rebound from the hurricane of 1,050,000 bags).

The GON estimates coffee production for 1999/2000 of about 1,170 bags. Producers believe this is about right or possibly a little optimistic. Our estimate is 1,150 bags.

THE ROADS AND OTHER CONCERNS

The roads had been the major concern, but repairs done by the U.S. military and through European Union support have addressed most of the problem in all production areas. Repair of the roads, at least to the point that they are passable, has been one of the Ministry of Agriculture and Forestry's top priorities in the immediate aftermath of Hurricane Mitch. The Ministry reports that these repair efforts was substantially completed by the end of November.

Another concern was the availability of labor, but that has not been an issue in any production area.

With the extra moisture this year, there are also concerns about an increase in the incidence of coffee rust. Moreover, there is a risk of higher than normal post harvesting losses since many coffee processing facilities (beneficios de café) were located close to rivers and consequently got damaged.

PRODUCTION, SUPPLY AND DEMAND TABLE: COFFEE

PSD Table						
Country	Nicaragua					
Commodity	Coffee, Green				(1000 HA)(MILLION TREES)(1000 60 KG BAGS)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Planted	90	90	99	99	0	99
Area Harvested	90	90	99	90	0	90
Bearing Trees	333000	333000	334000	334000	0	334000
Non-Bearing Trees	40000	40000	41000	41000	0	41000
TOTAL Tree Population	373000	373000	375000	375000	0	375000
Beginning Stocks	0	224	260	272	227	264
Arabica Production	1075	1075	792	1050	0	1150
Robusta Production	0	0	0	0	0	0
Other Production	0	0	0	0	0	0
TOTAL Production	1075	1075	792	1050	0	1150
Bean Imports	0	0	0	0	0	0
Roast & Ground Imports	0	0	0	0	0	0
Soluble Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	1075	1299	1052	1322	227	1414
Bean Exports	888	888	700	950	0	1100
Roast & Ground Exports	0	0	0	0	0	0
Soluble Exports	10	10	0	0	0	0
TOTAL Exports	898	898	700	950	0	1100
Rst,Ground Dom. Consum	118	118	115	100	0	110
Soluble Dom. Consum.	11	11	10	8	0	10
TOTAL Dom. Consumption	129	129	125	108	0	120
Ending Stocks	260	272	227	264	0	194
TOTAL DISTRIBUTION	1287	1299	1052	1322	0	1414