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Coffee Rust Update

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Report Highlights:

Due to the coffee rust outbreak affecting plantations in Mexico, the government of Mexico and other coffee organizations are implementing actions geared toward preventing and controlling the pest. The media has been reporting opinions, government actions, and positions about the situation. This report gathers some of that material to give an overview/update of the recent information

General Information:

As soon as it became evident that coffee rust was affecting coffee production in Mexico and Central America, the media began reporting opinions, government actions, and positions about the situation. This report gathers some of that material to give an overview of the recent information. The Secretariat of Agriculture (SAGARPA), the National Service of Health, Food Safety, and Food Quality (SENASICA), the Integrated Coffee Production Chain (Sistema Producto Café), and the Mexican Coffee Association (AMECAFE) are all working to prevent and control coffee rust in Mexico. The government has implemented an emergency program for the country, and the state governments of Chiapas and Veracruz have also begun to work with the Plant Health Officials on this issue. (See report MX3015: [Coffee Rust in Mexico](#)).

COFFEE RUST DEVELOPMENTS

According to SENASICA, coffee rust is a disease of economic interest and was qualified as unregulated until 2012, but since 2013 has been included as an agent subject to an official program. Officials indicate that coffee rust has not been as harmful as in other countries with resurgent rust problems (Central America) since the implementation of cultural practices such as regulating shade coffee, pruning of plants, weed control, and preventive use of fungicides based on copper, have resulted in a low presence of the pest. However, in September/October 2012, different conditions of humidity and temperature in the region of Soconusco in the State of Chiapas, as well as strong winds and the dispersion of personnel laboring in the harvest, resulted in a more aggressive behavior of the coffee rust. Therefore the Federal government implemented the emergency program.

The latest [March 2013](#) report from SENASICA indicates that the confirmed detections of coffee rust are mostly in plantations above 600 meters above sea level (MAMSL), with some detection at lower levels. Coffee plantations in Chiapas are found predominantly at altitudes of 644 to 1,207 MAMSL or more and in the State of Veracruz, plantations are found at altitudes of 150 to 1,207 MAMSL. This report adds that at this time of the year there are no epidemic outbreaks of risk, as the coffee plantations in the main producing areas are at the final stage of harvest with mature foliage with no young tissue than can be infected. The Plant Health officials' recommendation to coffee growers is to keep checking their plantations and take preventative actions (fertilization, check shade trees, and weed control) to reduce damages to the 2013 harvest.

In order to design public policies for better production and productivity in the coffee sector as well as to protect the interests of about 500,000 coffee producers, the House of Representatives initiated on March 2013, a Special Committee of Coffee, to propose and create investment policies, financing to small producers with direct supports, training, technical assistance and agricultural insurance with wide coverage to be protected from natural risks, to support marketing as a value added product. Although coffee farming contributes on average a 16.3 percent of GDP, the House of Representatives indicates that the sector suffers from lack of credit, low international prices, pests, little maintenance, lack of fertilizers and technical assistance, as well as financing and infrastructure. The Committee is calling for plant renewal, technical assistance and investment, among other activities. The 500,000 producers work in about 760,000 hectares in 14 states, where 90 percent of the land is under 5 hectares, which indicates a problem with fragmented land ownership. According to the Representatives, about 70 percent of the workers in plantations are from indigenous cultures and 30 percent are female workers.

Coffee growers estimate that coffee rust could affect up to 30% of the domestic production by the end of MY 2013-2014, with economic losses exceeding \$480 million dollars, while authorities say that timely diagnostics and detection will enable sufficient control of this pest. Producers indicate that about 60,000 hectares in the state of Chiapas (out of the state's 256,000 coffee hectares) are tainted. In this regard, the Director in Chief of SENASICA, Enrique Sanchez Cruz, confirmed that 14 states in Mexico are being strongly monitored, with areas along the Guatemalan border (considered the sites of highest disease incidence) targeted for programmatic attack with copper oxychloride fungicides and plant nourishing fertilizers.

The situation gets complicated for growers as they face low international coffee prices that fell from about (NY Futures) US¢261.41/ pound in January 2011, to about US¢227.50/ pound in January 2012 and US¢144.95/pound in February 2013. The president of the Integrated Coffee Production Chain in Mexico, Gabriel Barreda Nader, indicated that from about four million bags of 69 kg harvested annually in Mexico, the next harvest 2013/14 might reach scarcely three million bags.

Coffee organizations are not pleased with the present situation and claim that government supports have not reached small producers at all, adding that coffee rust has led to an abandonment of the crop and immigration to other places. The Mexican Coffee Association (AMECAFE) complained that during the past 15 years there has been a lack of leadership from the government in the coffee sector.

OPPORTUNITIES FOR COFFEE PRODUCERS

AMECAFE and the coffee sector are receiving support from SAGARPA to hold the second edition of the Cup of Excellence Competition in Mexico, scheduled for April and May of this year. The competition aims to promote the marketing of value added Mexican coffee in international markets. Rodolfo Trampe, executive coordinator of AMECAFE indicated that the previous edition yielded good results, helping growers to market their product, and noted that the Cup winner received a record price of \$50 dollars per pound of coffee, where the normal price fluctuates at \$1.50 dollars a pound. This competition has been positive for Mexican producers, as the world is starting to see Mexico as a potential producer of specialty coffees.

In addition, the II Latin American Coffee Conference will be held in Puebla, Mexico from August 1 to 3, 2013, and expects the attendance of more than 10,000 representatives (producers and processors) of Latin American countries. According to Luz Maria Osuna Delgado, Director General of the Conference, the goal is to create a forum for representatives of all links of the coffee production chain with leaders and experts from the invited countries providing Mexican producers with another place to showcase their product and do business.

For More Information

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work
<http://www.youtube.com/user/ATOMexicoCity>

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX 3015	Situation Update--Coffee Rust in Mexico	02/27/2013
MX2029	Coffee Annual Report	05/14/2012
MX 1039	Coffee Annual Report	09/10/2011
MX1027	Coffee in 40 Gram Containers Allowed Duty Free	03/28/2011

Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.