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# Brazil

# Coffee Semi-Annual

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**Report Highlights:**
Brazilian coffee production for 2014/15 was revised upward to 51.2 million 60-kg bags, a 1.7 million bag increase compared to previous estimate due to better than expected yields in some growing areas, but still off 3.3 million bags from the previous year. Similarly, coffee exports were revised up marginally to 33.53 million bags, but remain 600,000 below the previous year. Carry-over stocks are projected at 6.98 million bags.

**Commodities**

Coffee, Green

**Production**

The Agricultural Trade Office Sao Paulo (ATO) revised Brazilian coffee production estimate for marketing year (MY) 2014/15 (July-June) to 51.2 million 60-kg bags, green equivalent, up 3 percent compared to previous figure due to better than expected agricultural yields in growing areas such as center-western Minas Gerais, Sao Paulo and Espirito Santo. Arabica production is estimated at 34.2 million bags, whereas Robusta output is estimated at 17 million bags.

Harvest was completed in September and according to industry sources, beans size is significantly worse than previous year. However, the overall coffee cup quality for 2014 crop is better than 2013. Area harvested and tree inventory estimates are unchanged. The table below shows production estimates by state from MY 2010/11 to MY 2014/15.

| **Brazilian Coffee Production (Million 60-kg bags)** | | | | | |
|---|---|---|---|---|---|
| **State/Variety** | **MY 10/11** | **MY 11/12** | **MY 12/13** | **MY 13/14** | **MY 14/15** |
| **Minas Gerais** | 28.50 | 23.50 | 29.50 | 27.90 | 23.30 |
| **Southwest** | 16.00 | 11.50 | 15.70 | 14.10 | 11.50 |
| **Central-western** | 5.50 | 4.50 | 6.40 | 5.00 | 6.00 |
| **Southeast** | 7.00 | 7.50 | 7.40 | 8.80 | 5.80 |
| **Espirito Santo** | 11.50 | 13.50 | 15.20 | 15.50 | 16.10 |
| **Arabica** | 3.10 | 2.70 | 3.00 | 3.50 | 3.00 |
| **Robusta** | 8.40 | 10.80 | 12.20 | 12.00 | 13.10 |
| **Sao Paulo** | 5.00 | 4.10 | 5.40 | 4.30 | 4.60 |
| **Parana** | 2.40 | 1.90 | 1.80 | 1.70 | 0.90 |
| **Others** | 7.10 | 6.20 | 5.70 | 5.10 | 6.30 |
| **Arabica** | 2.80 | 2.50 | 2.40 | 2.10 | 2.40 |
| **Robusta** | 4.30 | 3.70 | 3.30 | 3.00 | 3.90 |
| **Total** | 54.50 | 49.20 | 57.60 | 54.50 | 51.20 |
| **Arabica** | 41.80 | 34.70 | 42.10 | 39.50 | 34.20 |
| **Robusta** | 12.70 | 14.50 | 15.50 | 15.00 | 17.00 |
| Source: ATO/Sao Paulo. | | | | | |

In September 2014, the Brazilian government (GOB), through the National Supply Company (CONAB) of the Ministry of Agriculture, Livestock and Supply (MAPA), released the third official coffee production estimate for MY 2014/15. As reported by CONAB, coffee production is estimated at 45.14 million bags (32.11 million bags for Arabica and 13.03 million for Robusta coffee), up 570,000 bags from the previous estimate in May.

The September 2014 coffee production estimate for MY 2014/15 released by the Brazilian Institute of Geography and Statistics (IBGE) shows the production of 2.707 million metric tons of coffee, or 45.12

million 60-kg bags (32.28 million bags for Arabica and 12.84 million for Robusta coffee), a 7 percent drop vis-à-vis MY 2013/14 (48.68 million bags). No official forecast has been announced for MY 2015/16.

**Coffee Prices in the Domestic Market**

The table below shows the Coffee Index price series released by the University of Sao Paulo's Luiz de Queiroz College of Agriculture (ESALQ). Lower supply supported the increase in coffee prices during 2014 both in the local currency, the real, as well as in U.S. dollars (US$ 184.87/bag during the July-October 2014 compared to US$ 121.07/bag during the same period in 2013).

| **Arabica Coffee Prices in the Domestic Market (Real, 60kg/bag).** | | | | | |
|---|---|---|---|---|---|
| **Month** | **2010** | **2011** | **2012** | **2013** | **2014** |
| **January** | 280.75 | 433.34 | 485.04 | 341.16 | 289.44 |
| **February** | 278.68 | 495.98 | 441.31 | 317.72 | 366.32 |
| **March** | 279.70 | 524.27 | 387.53 | 303.42 | 437.24 |
| **April** | 282.18 | 524.41 | 379.53 | 300.51 | 449.45 |
| **May** | 289.46 | 530.76 | 382.65 | 297.25 | 429.28 |
| **June** | 305.98 | 514.99 | 360.61 | 285.71 | 396.74 |
| **July** | 302.36 | 457.81 | 408.06 | 287.57 | 387.87 |
| **August** | 313.93 | 470.62 | 378.48 | 286.18 | 437.19 |
| **September** | 328.23 | 511.57 | 385.92 | 273.90 | 433.52 |
| **October** | 327.15 | 490.45 | 374.97 | 253.94 | 480.13 |
| **November 1/** | 355.51 | 493.83 | 355.23 | 247.73 | 453,57 |
| **December** | 387.01 | 491.35 | 341.40 | 272.10 | -- |
| Source: CEPEA/ESALQ/USP. 1/ November 2014 refers to November 11. | | | | | |

**Consumption**

No changes have been made to coffee domestic consumption estimates. ATO/Sao Paulo estimates the Brazilian coffee domestic consumption for MY 2014/15 at 20.1 million coffee bags, similar to MY 2013/14.

**Trade**

**Exports**

Brazilian coffee exports for MY 2014/15 are estimated at 33.53 million bags, up 1.15 million bags from previous estimate to reflect updated information from industry contacts. Green bean exports are expected to contribute 30 million bags, while soluble coffee exports are estimated at 3.5 million bags.

Coffee exports for MY 2013/14 were revised upward to 34.13 million 60-kg bags, green beans, up 755,000 bags from previous estimate, based on updated information from the industry. Green bean (arabica and robusta) exports are estimated at 30.59 million bags, whereas soluble coffee exports are estimated at 3.5 million bags.

The table below shows green coffee bean (NCM 0901.11.10) and roasted coffee exports (NCM 0901.21.00) by country of destination, according to SECEX, for MY 2013/14 (July-June), 2013/14 (July-Sep) and 2014/15 (July-Sep).

| **Brazilian Green Coffee Exports by Country of Destination** | | | | | | |
|---|---|---|---|---|---|---|
| **(NCM 0901.11.10, MT,US$ 000 FOB)** | | | | | | |
| | **MY 2013/14 1/** | | **MY 2013/14 2/** | | **MY 2014/15 2/** | |
| **Country** | **Quantity** | **Value** | **Quantity** | **Value** | **Quantity** | **Value** |
| Germany | 370,977 | 962,293 | 72,863 | 176,242 | 98,350 | 339,401 |
| USA | 371,998 | 950,771 | 77,322 | 185,288 | 108,355 | 338,958 |
| Italy | 163,766 | 448,572 | 40,491 | 106,033 | 42,274 | 147,968 |
| Japan | 130,078 | 386,993 | 26,342 | 77,138 | 32,352 | 114,720 |
| Belgium | 135,278 | 370,064 | 26,253 | 70,612 | 47,064 | 147,197 |
| Spain | 45,606 | 116,500 | 12,474 | 32,121 | 10,618 | 35,480 |
| UK | 39,287 | 110,646 | 8,341 | 22,518 | 8,542 | 30,984 |
| Slovenia | 52,913 | 104,246 | 16,064 | 33,901 | 11,570 | 26,555 |
| France | 42,086 | 103,387 | 9,819 | 23,548 | 10,213 | 31,750 |
| Canada | 37,807 | 101,592 | 6,574 | 17,258 | 10,671 | 37,326 |
| Others | 459,214 | 1,116,839 | 110,362 | 265,425 | 113,324 | 336,892 |
| Total | 1,849,010 | 4,771,904 | 406,904 | 1,010,085 | 493,333 | 1,587,231 |
| Source : Brazilian Foreign Trade Secretariat (SECEX) | | | | | | |
| Note: Numbers may not add rounding 1/July-June, 2/July-September | | | | | | |

| **Brazilian Roasted Coffee Exports by Country of Destination** | | | | | | |
|---|---|---|---|---|---|---|
| **(NCM 0901.21.00, MT,US$ 000 FOB)** | | | | | | |
| | **MY 2013/14 1/** | | **MY 2013/14 2/** | | **MY 2014/15 2/** | |
| **Country** | **Quantity** | **Value** | **Quantity** | **Value** | **Quantity** | **Value** |
| USA | 774 | 7,116 | 114 | 877 | 178 | 1,594 |
| Argentina | 183 | 1,140 | 54 | 335 | 31 | 200 |
| Japan | 144 | 902 | 35 | 210 | 45 | 281 |
| Chile | 78 | 597 | 23 | 140 | 2 | 24 |
| Uruguay | 85 | 569 | 23 | 138 | 16 | 126 |
| France | 43 | 545 | 0 | 0 | 9 | 110 |
| Germany | 65 | 496 | 14 | 103 | 0 | 0 |
| Italy | 123 | 476 | 22 | 75 | 88 | 434 |
| Russia | 63 | 457 | 20 | 136 | 0 | 0 |
| Paraguay | 72 | 401 | 14 | 78 | 23 | 139 |
| Others | 168 | 1,105 | 44 | 313 | 55 | 352 |
| Total | 1,799 | 13,804 | 363 | 2,405 | 448 | 3,261 |
| Source : Brazilian Foreign Trade Secretariat (SECEX) | | | | | | |
| Note: Numbers may not add rounding 1/July-June, 2/July-September | | | | | | |

The tables below include data on monthly coffee exports (quantity and value) for MY 2013/14 and MY 2014/15 (July-September), as reported by the Brazilian Green Coffee Association (CECAFE) and the Brazilian Soluble Coffee Association (ABICS). Total coffee exports during MY 2013/14 period were 34.13 million bags, up 10 percent from MY 2012/13 (30.91 million bags). Producers have taken advantage of the steady coffee prices during the first semester of 2014 and have partially drained coffee stocks.

According to CECAFE, coffee exports during July-October 2014 are 12.378 million bags, up 14 percent compared to the same period in 2013. Preliminary data show that coffee export shipments for October 2014 are 3.264 million bags. It is worth noting the high volume of robusta exports during MY 2014/15: 1.338 million bags during July-October 2014 as opposed to 578,688 bags during the same period in 2013.

| Brazilian Monthly Coffee Exports for MY 2013/14 | | | | | | |
|---|---|---|---|---|---|---|
| (Thousand 60-kg bag, green equivalent). | | | | | | |
| **Month** | **Conillon** | **Arabica** | **Roasted** | **Total Green** | **Soluble** | **Total** |
| **Jul-13** | 196.28 | 1,737.46 | 2.38 | 1,936.11 | 296.65 | 2,232.76 |
| **Aug-13** | 134.18 | 2,247.53 | 2.08 | 2,383.78 | 276.45 | 2,660.24 |
| **Sep-13** | 149.23 | 2,249.19 | 1.12 | 2,399.54 | 326.99 | 2,726.53 |
| **Oct-13** | 99.01 | 2,804.54 | 4.31 | 2,907.85 | 327.00 | 3,234.86 |
| **Nov-13** | 79.23 | 2,369.34 | 3.84 | 2,452.41 | 246.65 | 2,699.06 |
| **Dec-13** | 88.37 | 2,575.67 | 4.06 | 2,668.10 | 327.97 | 2,996.07 |
| **Jan-14** | 115.40 | 2,362.49 | 1.58 | 2,479.48 | 298.08 | 2,777.56 |
| **Feb-14** | 148.65 | 2,509.93 | 1.79 | 2,660.37 | 265.99 | 2,926.36 |
| **Mar-14** | 141.85 | 2,394.40 | 1.49 | 2,537.74 | 244.50 | 2,782.24 |
| **Apr-14** | 207.90 | 2,607.30 | 2.10 | 2,817.29 | 300.14 | 3,117.43 |
| **May-14** | 213.50 | 2,507.54 | 1.79 | 2,722.84 | 292.84 | 3,015.67 |
| **Jun-14** | 368.40 | 2,285.87 | 3.20 | 2,657.47 | 303.42 | 2,960.89 |
| **Cumulative** | 1,941.99 | 28,651.25 | 29.74 | 30,622.98 | 3,506.68 | 34,129.66 |
| Source: CECAFE and ABICS. | | | | | | |

| Brazilian Monthly Coffee Exports for MY 2014/15 | | | | | | |
|---|---|---|---|---|---|---|
| (Thousand 60-kg bag, green equivalent). | | | | | | |
| **Month** | **Conillon** | **Arabica** | **Roasted** | **Total Green** | **Soluble** | **Total** |
| **Jul-14** | 428.75 | 2,271.38 | 2.03 | 2,702.16 | 332.72 | 3,034.87 |
| **Aug-14** | 384.75 | 2,382.10 | 2.57 | 2,769.42 | 317.64 | 3,087.06 |
| **Sep-14** | 254.93 | 2,372.88 | 2.96 | 2,630.77 | 309.70 | 2,940.47 |
| **Cumulative** | 1,068.43 | 7,026.36 | 7.56 | 8,102.34 | 960.06 | 9,062.39 |
| Source: CECAFE and ABICS. | | | | | | |

| Brazilian Monthly Coffee Exports for MY 2013/14 | | | | | | |
|---|---|---|---|---|---|---|
| (US$ 1,000,000). | | | | | | |
| **Month** | **Conillon** | **Arabica** | **Roasted** | **Total Green** | **Soluble** | **Total** |
| **Jul-13** | 26.19 | 268.45 | 1.11 | 295.74 | 54.77 | 350.51 |
| **Aug-13** | 17.03 | 335.95 | 0.64 | 353.62 | 50.25 | 403.88 |
| **Sep-13** | 18.36 | 328.32 | 0.36 | 347.05 | 60.56 | 407.60 |
| **Oct-13** | 11.53 | 409.75 | 2.02 | 423.30 | 62.01 | 485.31 |
| **Nov-13** | 8.69 | 328.07 | 1.96 | 338.72 | 44.67 | 383.39 |
| **Dec-13** | 9.28 | 356.31 | 1.73 | 367.32 | 58.26 | 425.58 |
| **Jan-14** | 12.39 | 320.57 | 0.76 | 333.71 | 51.13 | 384.84 |
| **Feb-14** | 15.70 | 351.29 | 0.92 | 367.91 | 43.68 | 411.59 |
| **Mar-14** | 16.99 | 386.08 | 0.45 | 403.52 | 41.39 | 444.91 |
| **Apr-14** | 25.37 | 464.10 | 0.79 | 490.26 | 50.15 | 540.41 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **May-14** | 25.43 | 483.35 | 0.80 | 509.57 | 48.56 | 558.14 |
| **Jun-14** | 45.43 | 461.70 | 1.58 | 508.70 | 50.22 | 558.92 |
| **Cumulative** | 232.38 | 4,493.92 | 13.14 | 4,739.44 | 615.64 | 5,355.08 |
| Source: CECAFE and ABICS. | | | | | | |

| **Brazilian Monthly Coffee Exports for MY 2014/15** | | | | | | |
|---|---|---|---|---|---|---|
| **(US$ 1,000,000).** | | | | | | |
| **Month** | **Conillon** | **Arabica** | **Roasted** | **Total Green** | **Soluble** | **Total** |
| **Jul-14** | 51.74 | 454.48 | 1.05 | 507.28 | 59.27 | 566.54 |
| **Aug-14** | 45.66 | 476.40 | 0.88 | 522.94 | 56.75 | 579.69 |
| **Sep-14** | 31.02 | 494.58 | 1.18 | 526.79 | 55.50 | 582.29 |
| **Cumulative** | 128.43 | 1,425.46 | 3.11 | 1,557.01 | 171.52 | 1,728.52 |
| Source: CECAFE and ABICS. | | | | | | |

**Stocks**

ATO/Sao Paulo estimates ending stocks in MY 2014/15 at 6.9 million bags, down 2.43 million bags compared to MY 2013/14 due to lower product availability. CONAB coffee stocks on March 31, 2014 are reported at 1.653 million bags.

CONAB recently released the 2014 private stocks survey, including stocks held by growers, coffee cooperatives, exporters, roasters and the soluble industry on March 31. Private stocks are estimated at 15.22 million bags, up 9 percent compared to the previous year (13.94 million bags). The table below shows the results of the last three private stock surveys released by CONAB.

| **Brazilian Private Coffee Carry-Over Stocks (60-kg Bags)** | | | | | | |
|---|---|---|---|---|---|---|
| | Mar 31, 2012 – 2011 crop | | Mar 31, 2013 - 2012 crop | | Mar 31, 2014 - 2013 crop | |
| | Arabica | Conillon | Arabica | Conillon | Arabica | Conillon |
| Industry | 550,676 | 229,879 | 2,011,060 | 747,097 | 982,826 | 356,836 |
| Roasters | 533,493 | 176,175 | 1,989,992 | 667,720 | 932,035 | 275,748 |
| Soluble | 17,183 | 53,704 | 21,068 | 79,377 | 50,791 | 81,088 |
| Exporters | 1,569,713 | 140,137 | 1,517,667 | 208,684 | 2,989,296 | 197,656 |
| Cooperatives | 3,311,606 | 170,414 | 6,007,017 | 363,035 | 5,744,444 | 152,474 |
| Others | 2,289,485 | 152,705 | 2,830,366 | 253,349 | 4,446,601 | 347,439 |
| Total | 7,721,480 | 693,135 | 12,366,110 | 1,572,165 | 14,163,167 | 1,054,405 |
| Grand Total | 8,414,615 | | 13,938,275 | | 15,217,572 | |
| Source: CONAB, Annual Carry Over Stock Surveys - Reference Month = March 31st. | | | | | | |

**Production, Supply and Demand Data Statistics:**

| Coffee, Green Brazil | 2012/2013 | | 2013/2014 | | 2014/2015 | |
|---|---|---|---|---|---|---|
| | Market Year Begin: Jul 2012 | | Market Year Begin: Jul 2013 | | Market Year Begin: Jul 2014 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Planted** | 2,387 | 2,387 | 2,442 | 2,442 | 0 | 2,437 |
| **Area Harvested** | 2,105 | 2,105 | 2,135 | 2,135 | 0 | 2,090 |
| **Bearing Trees** | 5,860 | 5,860 | 5,810 | 5,810 | 0 | 5,770 |
| **Non-Bearing Trees** | 1,000 | 1,000 | 1,055 | 1,055 | 0 | 1,185 |
| **Total Tree Population** | 6,860 | 6,860 | 6,865 | 6,865 | 0 | 6,955 |
| **Beginning Stocks** | 2,238 | 2,238 | 9,068 | 9,068 | 9,293 | 9,338 |
| **Arabica Production** | 42,100 | 42,100 | 39,400 | 39,500 | 33,100 | 34,200 |
| **Robusta Production** | 15,500 | 15,500 | 14,300 | 15,000 | 16,400 | 17,000 |
| **Other Production** | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Production** | 57,600 | 57,600 | 53,700 | 54,500 | 49,500 | 51,200 |
| **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** | 59,838 | 59,838 | 62,768 | 63,568 | 58,793 | 60,538 |
| **Bean Exports** | 27,143 | 27,143 | 30,000 | 30,593 | 29,000 | 30,000 |
| **Rst-Grnd Exp.** | 31 | 31 | 25 | 30 | 25 | 30 |
| **Soluble Exports** | 3,486 | 3,486 | 3,350 | 3,507 | 3,350 | 3,500 |
| **Total Exports** | 30,660 | 30,660 | 33,375 | 34,130 | 32,375 | 33,530 |
| **Rst,Ground Dom. Consum** | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 |
| **Soluble Dom. Cons.** | 1,110 | 1,110 | 1,100 | 1,100 | 1,100 | 1,100 |
| **Domestic Use** | 20,110 | 20,110 | 20,100 | 20,100 | 20,100 | 20,100 |
| **Ending Stocks** | 9,068 | 9,068 | 9,293 | 9,338 | 6,318 | 6,908 |
| **Total Distribution** | 59,838 | 59,838 | 62,768 | 63,568 | 58,793 | 60,538 |
| | | | | | | |
| 1000 HA, MILLION TREES, 1000 60 KG BAGS | | | | | | |

**Exchange Rate**

| Exchange Rate (R$/US$1.00 - official rate, last day of period) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Month** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** |
| **January** | 1.76 | 2.32 | 1.87 | 1.67 | 1.74 | 1.99 | 2.43 |
| **February** | 1.68 | 2.38 | 1.81 | 1.66 | 1.71 | 1.98 | 2.33 |
| **March** | 1.75 | 2.25 | 1.78 | 1.62 | 1.82 | 2.01 | 2.26 |
| **April** | 1.69 | 2.18 | 1.77 | 1.57 | 1.89 | 2.00 | 2.24 |
| **May** | 1.63 | 1.97 | 1.81 | 1.57 | 2.02 | 2.13 | 2.24 |
| **June** | 1.64 | 1.95 | 1.80 | 1.57 | 2.02 | 2.22 | 2.20 |
| **July** | 1.57 | 1.87 | 1.75 | 1.56 | 2.05 | 2.29 | 2.27 |
| **August** | 1.63 | 1.88 | 1.75 | 1.59 | 2.04 | 2.37 | 2.24 |
| **September** | 1.92 | 1.78 | 1.69 | 1.85 | 2.03 | 2.23 | 2.45 |
| **October** | 2.12 | 1.74 | 1.70 | 1.69 | 2.03 | 2.20 | 2.44 |
| **November** | 2.33 | 1.75 | 1.71 | 1.81 | 2.10 | 2.32 | 2.56 |
| **December** | 2.34 | 1.74 | 1.66 | 1.88 | 2.04 | 2.34 | -- |
| Source : Gazeta Mercantil and BACEN (as of October 2006) 1/ November 2014 refers to November 11. | | | | | | | |