



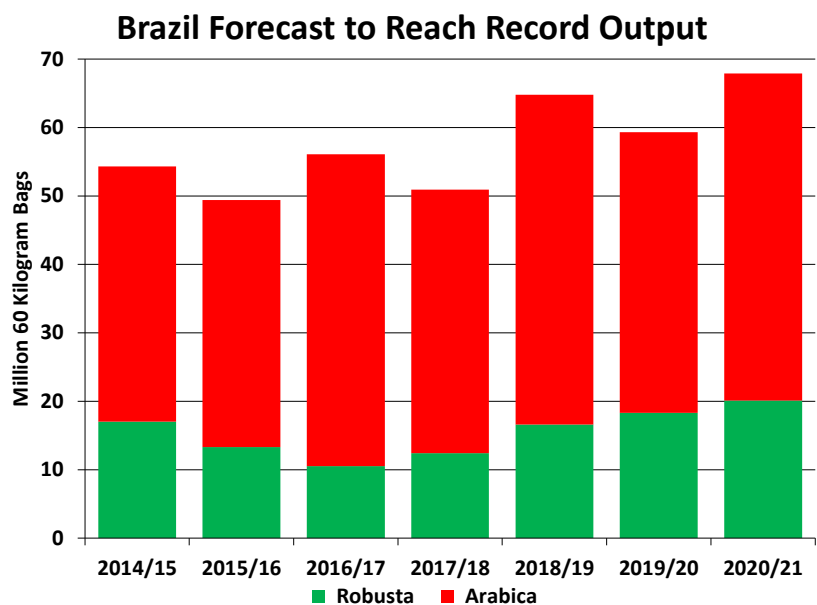
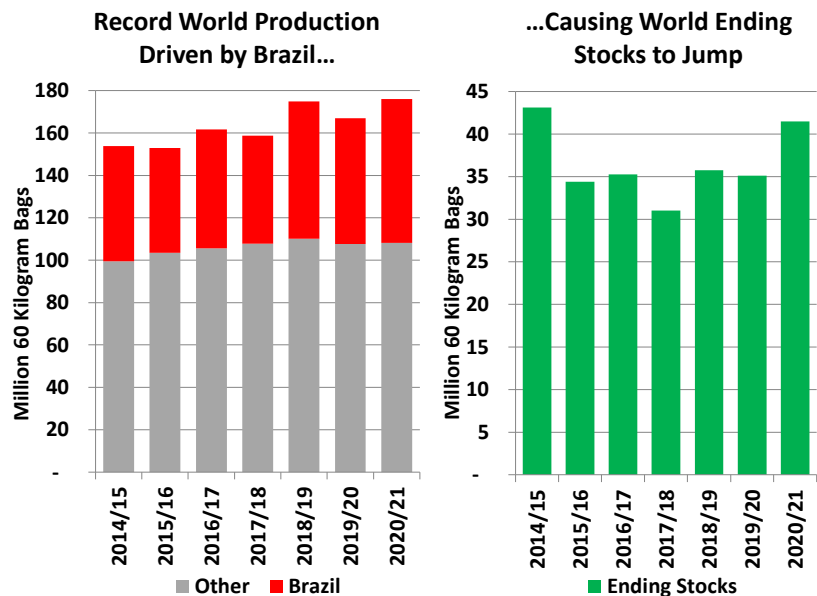
Coffee: World Markets and Trade

2020/21 Forecast Overview

Impacts of COVID-19 have been taken into consideration for the preparation of this report. For country-specific details, please refer to the Coffee Annual reports published in the FAS GAIN system, available at <https://gain.fas.usda.gov/#/>

World coffee production for 2020/21 is forecast 9.1 million bags (60 kilograms) higher than the previous year to a record 176.1 million. Brazil is forecast to account for most of the gain as its Arabica crop enters the on-year of the biennial production cycle and Robusta reaches record output. World exports are forecast higher, largely on the strength of Brazil. Global ending stocks are expected to jump to a 6-year high as production outpaces consumption. Coffee prices, as measured by the International Coffee Organization (ICO) monthly composite price index, retreated in the last few months to average \$1.04 per pound in May 2020. http://www.ico.org/coffee_prices.asp

Brazil's Arabica output is forecast to gain 6.8 million bags above the previous season to 47.8 million. Good weather conditions prevailed in most coffee regions, supporting fruit setting and development and filling, thus resulting in high yields. In addition, the majority of producing areas are in the on-year of the biennial production cycle. The bulk of the Arabica harvest started between May and June and the quality of the crop is expected to be better than the previous harvest. Robusta production is forecast to gain 1.8 million bags to a record 20.1 million. Abundant rainfall is expected to boost yields in the three major

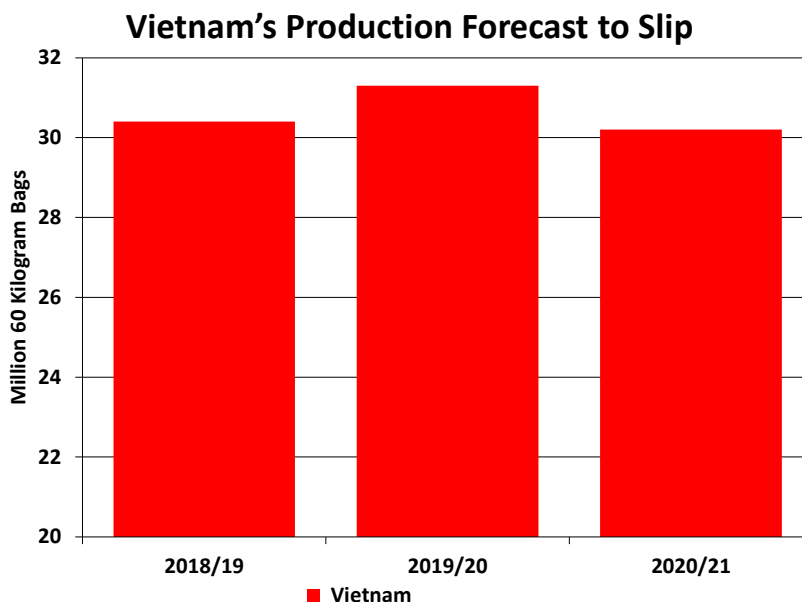


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producing states of Espirito Santo, Rondonia, and Bahia. Also, expansion of clonal seedlings and improved crop management techniques are expected to aid this year's gain. The majority of the Robusta harvest started in April and May. The combined Arabica and Robusta harvest is forecast up 8.6 million bags to a record 67.9 million. Approximately half of the output gain is expected to be exported, with the remainder stocked.

Vietnam's production is forecast at 30.2 million bags, down 1.1 million from last year's record harvest. Cultivated area is forecast unchanged from last year, with over 95 percent of total output remaining as Robusta. The beginning of the rainy season got off to a dry start, followed by below-average precipitation in many of the major growing areas. February to May are normally dry months and coffee requires irrigation during this period to ensure proper blossom and cherry setting. However, low coffee prices were a disincentive to incur irrigation costs, reducing yields for some growers. Vietnam's Ministry of

Agriculture and Rural Development indicated that it will direct policies to maintain coffee area at approximately 600,000 hectares and encourage farmers to switch to other crops where conditions are not favorable for coffee cultivation. Over the last few years, some farmers have begun to plant durian, mango, avocado, and passion fruit trees in their coffee orchards. However, with black pepper prices falling over the last 5 years, farmers are no longer replacing coffee trees with pepper. Bean exports are forecast flat at 24.0 million bags, while inventories are expected to remain elevated.



Colombia's Arabica production is forecast up 300,000 bags to 14.1 million on favorable growing conditions and higher yields. Bean exports, mostly to the United States and European Union, are forecast up 400,000 bags to 12.4 million. With consumption also rising, ending stocks are expected slightly lower.

Indonesia's output is forecast to slip 400,000 bags to 10.3 million on lower Robusta output. Delayed rains in Southern Sumatra and Java, where approximately 75 percent of the Robusta crop is grown, lowered yields. Arabica production, situated in Northern Sumatra, had favorable growing conditions and is expected to raise output 50,000 bags to 1.3 million. Ending stocks are expected to remain elevated at 2.6 million bags as current prices offer little incentive to draw inventories lower. Bean exports are forecast 200,000 bags lower to 5.9 million.

India's production is forecast to gain 400,000 bags to 5.3 million as favorable weather during the flowering and fruit set period is expected to improve Arabica and Robusta yields. Bean exports are forecast down 300,000 bags to 3.3 million, while inventories are expected to rise slightly.

Total output for **Central America and Mexico** is forecast up 600,000 bags to 18.0 million bags. Coffee rust remains in the region and continues to impact output. Honduras is expected to account for nearly all the region's growth, rebounding 500,000 bags to 6.1 million on favorable growing conditions coupled with increased application of fertilizers to boost yields. Honduras accounts for about one-third of the region's output. Mexico and Guatemala each account for about 20 percent of the region's output and they

continue to implement programs to replace trees with rust-resistant varieties. Nicaragua's production is forecast to drop a third consecutive year on lower yields due to coffee rust. The combined bean exports for Central America and Mexico are forecast flat at 14.5 million bags. Over 45 percent of the region's exports are destined for the European Union, followed by about one-third to the United States.

European Union imports are forecast up 2.0 million bags to 49.5 million and account for nearly 45 percent of the world's coffee bean imports. Top suppliers include Brazil (29 percent), Vietnam (23 percent), Colombia (7 percent), and Honduras (6 percent). Ending stocks are expected to rise 1.0 million bags to 14.5 million.

The **United States** imports the second-largest amount of coffee beans and is forecast up 2.0 million bags to 27.0 million. Top suppliers include Brazil (24 percent), Colombia (22 percent), Vietnam (16 percent), and Honduras (6 percent). Ending stocks are forecast to grow 500,000 bags to 7.0 million.

Revised 2019/20

World **production** is lowered 2.4 million bags from the December 2019 estimate to 166.9 million.

- Honduras is down 900,000 bags to 5.6 million on lower yields due to rust damage.
- Mexico is lowered 850,000 bags to 3.7 million as yields did not rebound as much as anticipated.
- Vietnam is revised down 925,000 bags to 31.3 million on reduced area and yield.

World **bean exports** are reduced 3.4 million bags to 112.0 million.

- Vietnam is lowered 1.5 million bags to 24.0 million on reduced exportable supplies.
- Colombia is revised 700,000 bags lower to 12.0 million on lower output.
- Honduras is down 700,000 bags to 5.5 million on reduced exportable supplies.

World **bean imports** are lowered 2.7 million bags to 109.7 million.

- The United States is down 1.2 million bags to 25.0 million on lower consumption and stocks build-up.
- European Union is reduced 500,000 bags to 47.5 million on lower consumption and stocks build-up.

The next release of this publication will be on December 11, 2020.

European Union definition: includes countries in the customs union, including the UK (Austria, Belgium/Luxembourg, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom).

The United Kingdom remains a member of the EU Customs Union for the duration of the transition period which expires December 31, 2020. A notice will be posted on respective USDA web pages to inform the public of how we intend to handle splitting the United Kingdom from the rest of the EU in our forecasts, GAIN reporting and other data well in advance of any changes. The WASDE, FAS reports, and FAS databases will continue to reflect the EU-28 (EU-27+UK) until further notice.

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To download additional data tables, go to the Production, Supply and Distribution Database (PSD Online): (<http://apps.fas.usda.gov/psdonline/psdHome.aspx>), scroll down to Reports, and click the arrow next to Coffee.

FAS Reports and Databases:

Current *World Market and Trade* Reports:

<https://apps.fas.usda.gov/psdonline/app/index.html#/app/downloads>

Archives *World Market and Trade* Reports:

<https://usda.library.cornell.edu/concern/publications/m900nt40f?locale=en>

Production, Supply and Distribution Database (PSD Online):

<https://apps.fas.usda.gov/psdonline/app/index.html#/app/advQuery>

Global Agricultural Information Network (Agricultural Attaché Reports):

<https://gain.fas.usda.gov/#/>

Global Agricultural Trade System (U.S. Exports and Imports):

<http://apps.fas.usda.gov/gats/default.aspx>

Marketing Years for Producing Countries

April-March

Angola
Bolivia
Burundi
Ecuador
Indonesia
Madagascar
Papua New Guinea
Peru
Rwanda

July-June

Brazil
Cuba
Dominican Republic
Haiti
Philippines
Tanzania

October-September

Cameroon
Central African Republic
Colombia
Congo (Kinshasa)
Costa Rica
Cote d'Ivoire
El Salvador
Ethiopia
Ghana
Guatemala
Guinea
Honduras
India
Jamaica
Kenya
Laos
Liberia
Malawi
Malaysia
Mexico
Nicaragua
Nigeria
Panama
Sierra Leone
Thailand
Togo
Uganda
United States
Venezuela
Vietnam
Yemen

Non-producing countries are on an October-September marketing year.

Coffee Summary
Thousand 60-Kilogram Bags

	2015/16	2016/17	2017/18	2018/19	2019/20	Jun 2020/21
Arabica Production						
Brazil	36,100	45,600	38,500	48,200	41,000	47,800
Colombia	14,000	14,600	13,825	13,870	13,800	14,100
Ethiopia	6,510	6,943	7,055	7,350	7,450	7,500
Honduras	5,300	7,510	7,600	7,515	5,600	6,125
Peru	3,500	4,225	4,375	4,480	4,550	4,450
Guatemala	3,125	3,400	3,600	3,520	3,415	3,400
Mexico	2,125	3,100	3,800	3,100	3,150	3,300
Nicaragua	2,100	2,600	2,700	2,600	2,300	2,185
China	1,900	1,800	1,925	2,000	1,900	2,000
India	1,725	1,583	1,583	1,583	1,330	1,560
Costa Rica	1,625	1,300	1,525	1,276	1,472	1,500
Indonesia	1,500	1,300	1,000	1,200	1,250	1,300
Vietnam	1,100	1,100	1,026	1,064	1,100	1,025
Papua New Guinea	700	1,065	760	915	805	850
Uganda	750	1,200	750	800	750	800
Other	4,280	4,200	4,020	4,227	3,954	3,905
Total	86,340	101,526	94,044	103,700	93,826	101,800
Robusta Production						
Vietnam	27,830	25,600	28,274	29,336	30,200	29,175
Brazil	13,300	10,500	12,400	16,600	18,300	20,100
Indonesia	10,600	9,300	9,400	9,400	9,450	9,000
Uganda	2,900	4,000	3,600	4,000	3,500	4,000
India	4,075	3,617	3,683	3,742	3,560	3,750
Malaysia	2,200	2,100	2,100	2,100	1,900	2,000
Cote d'Ivoire	1,600	1,090	1,250	2,000	1,800	1,800
Tanzania	500	500	550	600	600	650
Mexico	175	200	200	450	550	600
Thailand	700	800	700	650	700	600
Other	2,719	2,471	2,444	2,312	2,550	2,610
Total	66,599	60,178	64,601	71,190	73,110	74,285
Production						
Brazil	49,400	56,100	50,900	64,800	59,300	67,900
Vietnam	28,930	26,700	29,300	30,400	31,300	30,200
Colombia	14,000	14,600	13,825	13,870	13,800	14,100
Indonesia	12,100	10,600	10,400	10,600	10,700	10,300
Ethiopia	6,510	6,943	7,055	7,350	7,450	7,500
Honduras	5,300	7,510	7,600	7,515	5,600	6,125
India	5,800	5,200	5,266	5,325	4,890	5,310
Uganda	3,650	5,200	4,350	4,800	4,250	4,800
Peru	3,500	4,225	4,375	4,480	4,550	4,450
Mexico	2,300	3,300	4,000	3,550	3,700	3,900
Guatemala	3,295	3,570	3,780	3,770	3,665	3,650
Nicaragua	2,125	2,625	2,730	2,650	2,380	2,265
China	1,900	1,800	1,925	2,000	1,900	2,000
Malaysia	2,200	2,100	2,100	2,100	1,900	2,000
Cote d'Ivoire	1,600	1,090	1,250	2,000	1,800	1,800
Costa Rica	1,625	1,300	1,525	1,276	1,472	1,500
Tanzania	1,100	1,050	1,150	1,300	1,250	1,350
Papua New Guinea	750	1,115	810	965	855	900
Kenya	750	815	715	775	650	650
Thailand	700	800	700	650	700	600
Cameroon	625	500	425	450	475	500
Venezuela	500	530	575	585	550	480
El Salvador	560	600	660	654	505	475
Laos	475	410	450	375	425	450
Philippines	425	475	450	425	450	425
Other	2,819	2,546	2,329	2,225	2,419	2,455
Total	152,939	161,704	158,645	174,890	166,936	176,085

Coffee marketing year for producer countries begins either in October (Colombia), April (Indonesia) or July (Brazil), as examples. Coffee marketing year for non-producer countries begins in October. To access a complete dataset for each country, please visit: <http://apps.fas.usda.gov/psdonline/psdQuery.aspx>

Coffee Summary, Continued

Thousand 60-Kilogram Bags

	2015/16	2016/17	2017/18	2018/19	2019/20	Jun 2020/21
Bean Exports						
Brazil	31,870	29,325	26,936	37,379	32,700	37,000
Vietnam	26,950	25,000	25,250	24,700	24,000	24,000
Colombia	11,490	12,700	11,700	12,500	12,000	12,400
Indonesia	7,938	7,309	6,940	4,907	6,096	5,900
Honduras	5,000	7,175	7,225	6,823	5,500	5,575
Uganda	3,500	4,600	4,500	4,600	4,000	4,500
Peru	3,300	4,025	4,185	4,383	4,360	4,265
Ethiopia	3,405	3,853	3,893	4,174	3,900	4,150
Guatemala	3,040	3,325	3,460	3,599	3,420	3,400
India	4,063	4,273	4,127	3,936	3,600	3,300
Other	12,414	12,216	12,931	13,405	12,403	12,697
Total	112,970	113,801	111,147	120,406	111,979	117,187
Roast and Ground Exports						
European Union	1,260	1,395	1,450	1,340	1,775	1,500
Switzerland	1,040	1,150	1,225	1,350	1,425	1,400
Vietnam	550	550	550	550	550	550
Colombia	100	155	175	300	120	300
Mexico	200	155	180	222	230	230
Indonesia	48	65	70	43	56	50
China	56	180	30	25	25	25
Brazil	28	31	20	24	24	24
Costa Rica	10	10	5	10	10	10
Panama	45	30	15	25	5	10
Other	80	16	15	10	11	12
Total	3,417	3,737	3,735	3,899	4,231	4,111
Soluble Exports						
Brazil	3,645	3,725	3,494	4,023	3,900	4,000
Malaysia	2,975	2,940	3,075	3,125	3,000	3,000
Vietnam	2,000	2,000	2,100	2,150	2,250	2,300
India	1,625	1,880	2,017	1,838	1,870	1,950
Mexico	840	970	1,000	943	1,000	1,050
Indonesia	1,910	800	1,000	1,200	1,000	1,000
Colombia	800	900	850	900	800	800
European Union	520	510	680	780	675	700
Thailand	960	850	650	530	525	500
China	632	605	490	350	275	425
Other	1,094	829	907	783	755	733
Total	17,001	16,009	16,263	16,622	16,050	16,458
Exports						
Brazil	35,543	33,081	30,450	41,426	36,624	41,024
Vietnam	29,500	27,550	27,900	27,400	26,800	26,850
Colombia	12,390	13,755	12,725	13,700	12,920	13,500
Indonesia	9,896	8,174	8,010	6,150	7,152	6,950
Honduras	5,000	7,175	7,225	6,823	5,500	5,575
India	5,693	6,158	6,148	5,778	5,475	5,256
Uganda	3,500	4,600	4,500	4,600	4,000	4,500
Peru	3,300	4,025	4,185	4,383	4,360	4,265
Ethiopia	3,405	3,853	3,893	4,174	3,900	4,150
Guatemala	3,044	3,330	3,465	3,603	3,425	3,404
Other	22,117	21,846	22,644	22,890	22,104	22,282
Total	133,388	133,547	131,145	140,927	132,260	137,756

Coffee marketing year for producer countries begins either in October (Colombia), April (Indonesia) or July (Brazil), as examples. Coffee marketing year for non-producer countries begins in October. Roasted coffee was converted to green bean equivalent by multiplying the net weight of roasted coffee by 1.19. Soluble coffee was converted to green bean equivalent by multiplying the net weight of soluble coffee by 2.6. For each non-producing country, the trade balance between imports and exports is used in order to avoid double-counting for these figures.

Coffee Summary, Continued

Thousand 60-Kilogram Bags

	2015/16	2016/17	2017/18	2018/19	2019/20	Jun 2020/21
Bean Imports						
European Union	46,150	46,050	47,430	49,075	47,500	49,500
United States	25,100	25,810	24,450	27,150	25,000	27,000
Japan	7,280	7,000	6,500	7,370	6,750	7,200
Canada	2,800	3,030	3,035	3,135	2,950	3,100
Russia	2,430	2,710	2,860	3,070	2,900	3,100
Switzerland	2,460	2,600	2,750	2,810	2,850	2,900
Korea, South	2,280	2,500	2,400	2,480	2,550	2,600
Algeria	2,275	2,165	2,270	2,300	2,000	2,200
Malaysia	1,440	1,510	1,575	1,875	1,775	1,800
Australia	1,425	1,415	1,540	1,610	1,475	1,600
Other	13,428	12,480	14,223	15,193	13,972	14,507
Total	107,068	107,270	109,033	116,068	109,722	115,507
Roast and Ground Imports						
Russia	315	325	390	475	500	475
Ukraine	250	260	280	360	400	400
United States	0	160	115	370	400	350
Canada	375	220	285	350	440	300
Korea, South	185	225	245	290	300	300
Vietnam	20	340	400	500	300	300
China	460	945	385	250	240	250
Australia	155	190	160	165	170	165
Norway	130	125	140	135	125	130
Taiwan	95	105	120	110	110	110
Other	398	452	470	480	523	495
Total	2,383	3,347	2,990	3,485	3,508	3,275
Soluble Imports						
Philippines	5,500	6,000	5,500	5,500	5,000	5,000
China	1,615	1,800	1,585	1,525	1,650	1,700
Russia	1,650	1,705	1,215	1,400	1,450	1,500
Canada	1,370	1,300	1,430	1,400	1,440	1,450
Japan	810	925	1,140	980	850	850
Indonesia	644	391	828	983	766	800
Ukraine	470	440	425	365	375	400
United States	85	500	210	515	440	400
South Africa	250	265	315	360	325	325
Australia	205	125	200	265	300	300
Other	2,457	2,509	3,103	2,897	2,800	2,831
Total	15,056	15,960	15,951	16,190	15,396	15,556
Imports						
European Union	46,150	46,050	47,430	49,075	47,500	49,500
United States	25,185	26,470	24,775	28,035	25,840	27,750
Japan	8,195	8,030	7,720	8,440	7,700	8,150
Philippines	6,185	6,420	6,100	6,100	5,550	5,600
Russia	4,395	4,740	4,465	4,945	4,850	5,075
Canada	4,545	4,550	4,750	4,885	4,830	4,850
Korea, South	2,465	2,725	2,645	2,770	2,850	2,900
Switzerland	2,460	2,600	2,750	2,810	2,850	2,900
China	2,938	3,552	2,785	2,625	2,790	2,850
Algeria	2,320	2,205	2,300	2,340	2,040	2,240
Other	19,669	19,235	22,254	23,718	21,826	22,523
Total	124,507	126,577	127,974	135,743	128,626	134,338

Coffee marketing year for producer countries begins either in October (Colombia), April (Indonesia) or July (Brazil), as examples. Coffee marketing year for non-producer countries begins in October. Roasted coffee was converted to green bean equivalent by multiplying the net weight of roasted coffee by 1.19. Soluble coffee was converted to green bean equivalent by multiplying the net weight of soluble coffee by 2.6. For each non-producing country, the trade balance between imports and exports is used in order to avoid double-counting for these figures.

Coffee Summary, Continued

Thousand 60-Kilogram Bags

	2015/16	2016/17	2017/18	2018/19	2019/20	Jun 2020/21
Domestic Consumption						
European Union	44,495	42,345	45,700	46,155	45,850	46,300
United States	25,083	25,512	25,557	27,155	26,722	27,285
Brazil	20,855	21,625	22,420	23,200	23,530	23,530
Japan	8,060	8,210	8,231	8,017	7,967	8,100
Philippines	6,210	6,995	6,550	6,125	6,000	6,025
Russia	4,395	4,740	4,465	4,945	4,850	5,075
Canada	4,545	4,550	4,750	4,885	4,830	4,850
Indonesia	3,175	3,203	3,560	4,300	4,900	4,300
Ethiopia	3,110	3,100	3,150	3,193	3,140	3,400
China	2,833	3,218	3,085	3,100	3,250	3,350
Vietnam	2,630	2,770	2,880	2,940	3,100	3,200
Korea, South	2,465	2,725	2,645	2,770	2,850	2,900
Mexico	2,325	2,057	2,295	2,580	2,600	2,700
Algeria	2,320	2,205	2,300	2,340	2,040	2,240
Australia	1,785	1,730	1,900	2,040	1,945	2,065
Colombia	1,415	1,450	1,650	1,950	1,700	1,900
Switzerland	1,420	1,450	1,525	1,460	1,425	1,500
Ukraine	970	960	1,105	1,145	1,225	1,275
Turkey	710	960	875	1,175	1,150	1,225
India	1,250	1,200	1,215	1,250	1,180	1,150
Argentina	741	754	775	735	825	850
Egypt	525	630	800	825	800	825
Morocco	670	660	825	845	770	820
Venezuela	1,151	1,133	1,217	1,214	956	816
Jordan	570	605	695	765	765	800
Other	9,061	9,085	9,530	9,892	9,571	9,803
Total	152,769	153,872	159,700	165,001	163,941	166,284
Ending Stocks						
European Union	12,100	13,900	13,500	14,300	13,500	14,500
United States	6,199	7,190	6,440	7,352	6,500	7,000
Vietnam	3,803	1,183	763	1,983	4,083	4,933
Brazil	2,372	3,828	1,919	2,160	1,373	4,786
Japan	3,485	3,305	2,794	3,217	2,950	3,000
Indonesia	46	12	593	2,419	2,298	2,568
Philippines	500	400	400	800	800	800
Honduras	315	300	325	664	413	608
India	2,645	1,873	1,248	931	473	599
Tanzania	250	220	290	310	280	550
Other	2,678	3,044	2,757	1,598	2,425	2,134
Total	34,393	35,255	31,029	35,734	35,095	41,478

Coffee marketing year for producer countries begins either in October (Colombia), April (Indonesia) or July (Brazil), as examples.

Coffee marketing year for non-producer countries begins in October.