

Coffee: World Markets and Trade

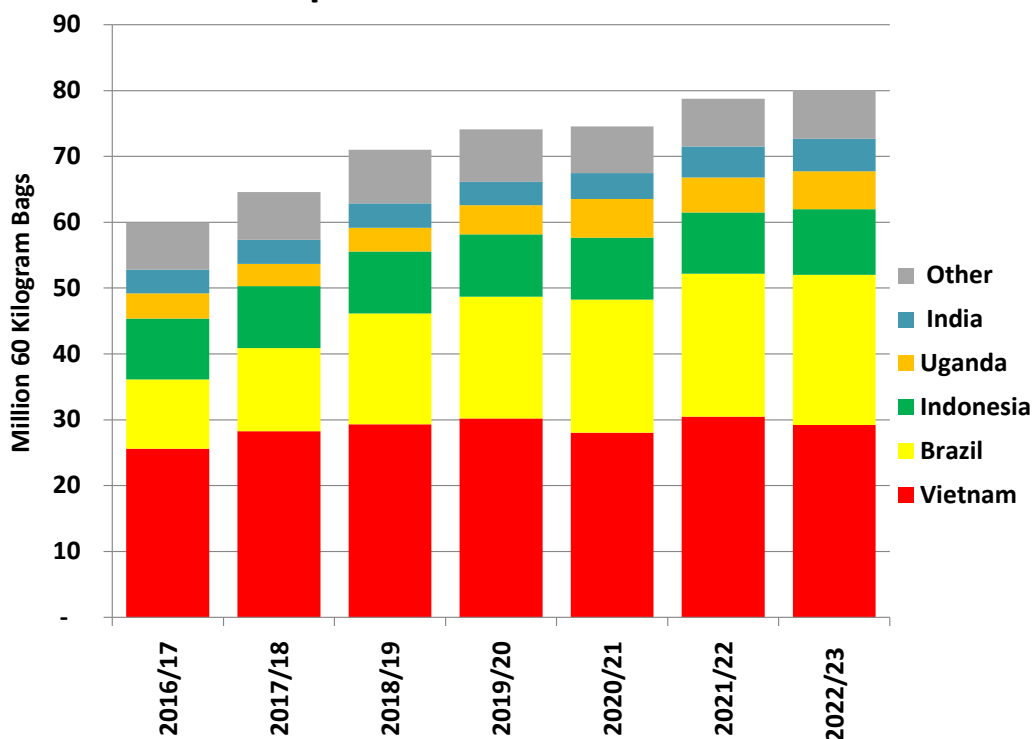
India: World's Fifth-Largest Robusta Coffee Producer

India's Robusta coffee is forecast to increase 170,000 bags (60 kilograms) to 4.9 million in 2022/23 on continued yield gains and has been the world's fifth-largest producer for several years after Vietnam, Brazil, Indonesia, and Uganda. India's Arabica output is expected to total just 1.3 million bags, placing it behind 11 other producers. Green coffee beans are expected to account for two-thirds of exports and soluble coffee one-third. Nearly half of total exports are destined for the European Union followed by Russia, Turkey, and Jordan.

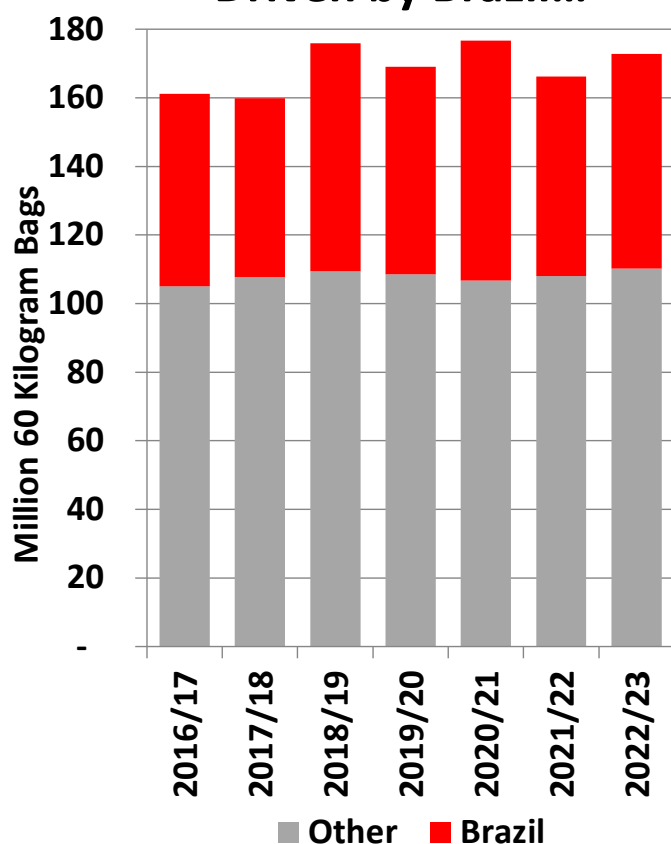
Karnataka accounts for over 50 percent of India's coffee area, followed by Andhra Pradesh and Kerala. Collectively, these states account for 90 percent of planted area and 95 percent of production. Although total area is nearly evenly balanced between Arabica and Robusta coffee, Karnataka is tilted towards Robusta, Andhra Pradesh is primarily Arabica, and Kerala is predominantly Robusta. Total coffee area expanded 13 percent in the last 10 years to 475,000 hectares to satisfy overseas demand, with most Arabica gains occurring in Andhra Pradesh and Robusta growth in Karnataka. During this same period at the national level, Arabica yields dropped by one-third due to pest and disease issues while Robusta yields steadily grew.

Coffee production in India is labor-intensive because hilly terrain limits the use of mechanical harvesters. The industry provides direct employment to over 700,000 plantation workers and an additional 1.3 million downstream workers. However, rising off-farm employment opportunities have resulted in labor shortages during the harvest. As a result, labor costs have escalated and now account for more than 60 percent of total production costs. In response, growers have reduced the number of permanent laborers and utilized seasonal workers. Grower profit margins are also under pressure from rising fertilizer, pesticide, and fuel costs.

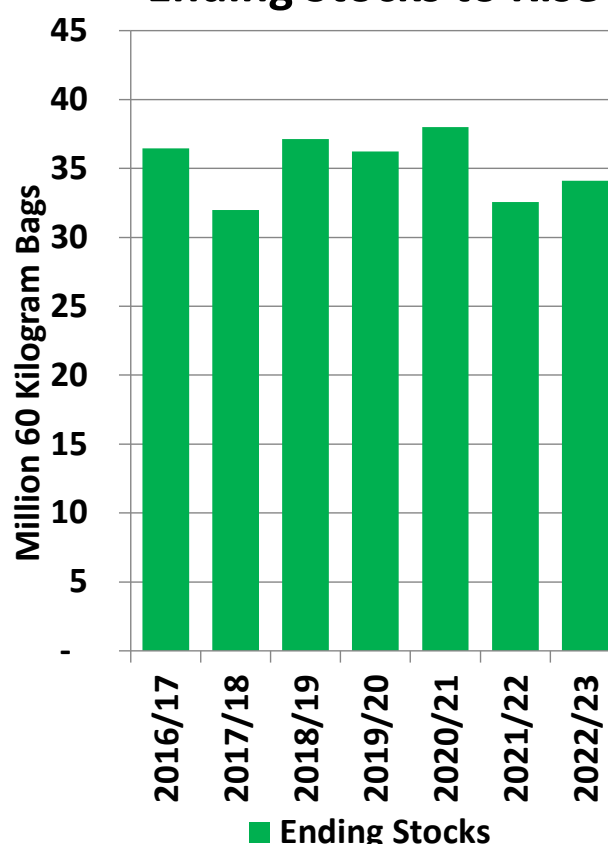
World's Top Robusta Producers Includes India



World Production Gains Driven by Brazil...



...Causing World Ending Stocks to Rise



2022/23 Coffee Overview

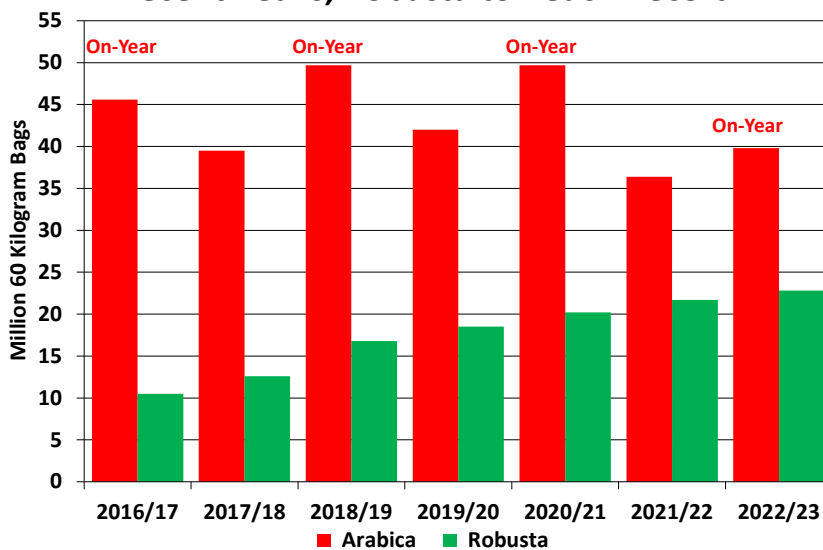
World coffee production for 2022/23 is forecast to rebound 6.6 million bags from the previous year to 172.8 million due primarily to Brazil's Arabica crop entering the on-year of the biennial production cycle. Global consumption is expected to rise 800,000 bags to 167.9 million, with the largest gains in the European Union, the United States, and Brazil. World coffee bean exports are forecast 3.0 million bags lower to 116.1 million as losses in Brazil, Vietnam, and India more than offset gains in Honduras and Colombia. Ending stocks are expected 1.5 million bags higher to 34.1 million. Against this backdrop of an improving supply situation, coffee prices as measured by the International Coffee Organization (ICO) monthly composite price index have dropped over 25 percent since February 2022.

http://www.ico.org/coffee_prices.asp

Vietnam production is forecast at 30.2 million bags, down 1.4 million from last year's record harvest due to reduced yields. Cultivated area is forecast unchanged from last year, with over 95 percent of total output remaining as Robusta. The rainy season started earlier than previous years which supported good flowering and cherry development. Wetter-than-normal conditions reduced irrigation needs and costs. However, fertilizer prices skyrocketed as much as 70 percent in the last year. Farmers responded by reducing fertilizer use which is expected to lower yields and output from the previous year. Bean exports are forecast to decline 1.5 million bags to 24.5 million on lower available supplies, and ending stocks are expected to slip 200,000 bags to 3.1 million bags.

Brazil Arabica output is forecast to rebound 3.4 million bags to 39.8 million. The majority of producing areas are in the on-year of the biennial production cycle, resulting in higher production potential for the upcoming crop; however, this quantity is well below recent on-year crops that peaked at nearly 50 million bags. Arabica trees in many growing regions continued to recover from severe frosts in June and July 2021 as well as high temperatures and below-average rainfall that prevailed until September 2021. The Robusta harvest is forecast to continue expanding to reach a record 22.8 million bags, up 1.1 million, as favorable weather conditions and good crop management aided fruit settings and development in the main growing region of Espirito Santo. A marginal increase in harvested area also supports the expected gains. The combined Arabica and Robusta harvest is forecast up 4.5 million bags to 62.6 million. Output gains are expected to rebuild stocks, resulting in bean exports dropping 2.6 million bags to 33.0 million.

Brazil's On-Year Arabica Output Gains Forecast Below Recent Peaks, Robusta to Reach Record



Colombia Arabica coffee production is forecast up 800,000 bags to 12.6 million bags on improving growing conditions. Last year's output was hampered by excessive rains and cloud cover that disrupted the flowering process. Bean exports, mostly to the United States and European Union, are forecast 500,000 bags higher to 11.5 million bags on increased supplies.

Indonesia production is forecast to rise nearly 800,000 bags to 11.4 million. Robusta output is expected to reach 10.0 million bags on favorable growing conditions in the lowland areas of Southern Sumatra and Java where approximately 75 percent is grown. The main harvest season in southern Sumatra began on time in March and ended in July 2022. Arabica production is also expected to rise slightly to 1.4 million bags. Bean exports are forecast to gain 300,000 bags to 6.6 million on increased supplies.

European Union imports are forecast down 2.1 million bags to 44.5 million and account for 40 percent of the world's coffee bean imports. Top suppliers include Brazil (40 percent), Vietnam (20 percent), Uganda (8 percent), and Honduras (7 percent). Ending stocks are expected to drop 1.0 million bags to 13.0 million to support a modest increase in consumption.

The **United States** imports the second-largest amount of coffee beans and is forecast down 500,000 bags to 24.8 million. Top suppliers include Brazil (30 percent), Colombia (19 percent), Vietnam (10 percent), and Honduras (7 percent). Ending stocks are forecast down slightly to 6.1 million bags.

Revised 2021/22

World **production** is lowered 1.0 million bags from the June 2022 estimate to 166.2 million.

- Colombia is 1.2 million bags lower to 11.8 million due to excessive rain and cloud cover which lowered yields.
- Honduras is revised 600,000 bags lower to 4.8 million as leaf rust lowered yields more than expected.
- India is raised 400,000 bags to 5.9 million due to greater area harvested.
- Cote d'Ivoire is up 300,000 bags to 1.1 million bags due to higher yields.

World **bean exports** are revised up 1.8 million bags to 119.1 million.

- Brazil is up 1.6 million bags to 35.6 million as logistical bottlenecks slowed trade less than was previously expected.
- India is raised 1.1 million bags to 4.9 million on higher-than-anticipated stocks drawdown as well as improved output.
- Honduras is lowered 600,000 bags to 4.6 million on reduced exportable supplies.
- Colombia is down 800,000 bags to 11.0 million on reduced exportable supplies.

World **bean imports** are revised up 4.3 million bags to 117.0 million.

- European Union is raised 1.6 million bags to 46.6 million on a higher build-up of stocks.
- China is up 400,000 bags to 1.7 million bags on rising consumption.
- Colombia is 400,000 bags higher to 2.0 million on stronger shipments from Peru and Honduras.

World **ending stocks** are revised down 100,000 bags to 32.6 million.

- European Union is up 1.2 million bags to 14.0 million.
- The United States is up 200,000 bags to 6.4 million bags.
- Brazil is down 1.7 million bags to 500,000.

The next release of this publication will be on June 22, 2023.

For additional information, please contact Tony Halstead (202-720-4620, Tony.Halstead@usda.gov).

The *Coffee: World Markets and Trade* circular is based on reports from FAS Overseas Posts and on available secondary information. The individual country reports can be obtained on FAS Online at: <https://gain.fas.usda.gov/Pages/Default.aspx>.

Please visit <https://www.fas.usda.gov/data/coffee-world-markets-and-trade> to view archived reports.

PSD Online

The entire USDA PSD database is available online at: <https://www.fas.usda.gov/psdonline>.

Additional Resources

Please refer to the USDA-FAS Coffee website at: <https://www.fas.usda.gov/commodities/coffee> for additional data and analysis.

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

	2018/19	2019/20	2020/21	2021/22	Jun 2022/23	Dec 2022/23
Arabica Production						
Brazil	49,700	42,000	49,700	36,400	41,500	39,800
Colombia	13,870	14,100	13,400	11,800	13,000	12,600
Ethiopia	7,350	7,475	7,600	8,150	8,250	8,250
Honduras	7,100	5,200	6,500	4,800	6,000	6,000
Peru	4,390	3,925	3,369	4,200	4,200	4,200
Guatemala	3,520	3,515	3,810	3,700	3,600	3,600
Mexico	3,100	3,150	3,000	3,650	3,300	3,300
Nicaragua	2,900	2,675	2,550	2,680	2,680	2,680
China	1,925	2,000	1,800	1,700	2,000	1,800
Costa Rica	1,250	1,466	1,472	1,275	1,365	1,365
Indonesia	1,200	1,250	1,300	1,280	1,350	1,350
India	1,583	1,450	1,650	1,170	1,320	1,320
Vietnam	1,064	1,100	950	1,100	1,100	1,020
Uganda	1,050	1,025	730	950	900	900
Kenya	850	750	650	850	700	800
Other	4,124	3,865	3,596	3,699	3,739	3,689
Total	104,976	94,946	102,077	87,404	95,004	92,674
Robusta Production						
Vietnam	29,336	30,200	28,050	30,480	29,800	29,200
Brazil	16,800	18,500	20,200	21,700	22,800	22,800
Indonesia	9,400	9,450	9,400	9,300	10,000	10,000
Uganda	3,600	4,450	5,900	5,300	5,750	5,750
India	3,742	3,517	3,917	4,750	4,420	4,920
Malaysia	2,100	1,900	2,000	2,000	2,000	2,000
Cote d'Ivoire	2,000	1,775	910	1,125	800	1,050
Thailand	650	700	600	650	700	700
Mexico	450	550	530	540	545	545
Tanzania	600	600	650	550	525	525
Other	2,302	2,492	2,407	2,375	2,606	2,586
Total	70,980	74,134	74,564	78,770	79,946	80,076
Production						
Brazil	66,500	60,500	69,900	58,100	64,300	62,600
Vietnam	30,400	31,300	29,000	31,580	30,900	30,220
Colombia	13,870	14,100	13,400	11,800	13,000	12,600
Indonesia	10,600	10,700	10,700	10,580	11,350	11,350
Ethiopia	7,350	7,475	7,600	8,150	8,250	8,250
Uganda	4,650	5,475	6,630	6,250	6,650	6,650
India	5,325	4,967	5,567	5,920	5,740	6,240
Honduras	7,100	5,200	6,500	4,800	6,000	6,000
Peru	4,390	3,925	3,369	4,200	4,200	4,200
Mexico	3,550	3,700	3,530	4,190	3,845	3,845
Guatemala	3,770	3,645	3,930	3,830	3,730	3,730
Nicaragua	2,950	2,755	2,650	2,780	2,800	2,780
Malaysia	2,100	1,900	2,000	2,000	2,000	2,000
China	1,925	2,000	1,800	1,700	2,000	1,800
Costa Rica	1,250	1,466	1,472	1,275	1,365	1,365
Tanzania	1,300	1,250	1,350	1,200	1,150	1,150
Cote d'Ivoire	2,000	1,775	910	1,125	800	1,050
Kenya	850	750	650	850	700	800
Papua New Guinea	965	825	700	750	800	750
Thailand	650	700	600	650	700	700
El Salvador	654	510	540	605	575	575
Venezuela	585	550	480	500	500	500
Laos	375	440	485	465	485	485
Philippines	425	450	425	450	475	475
Cameroon	450	475	400	375	450	450
Other	1,972	2,247	2,053	2,049	2,185	2,185
Total	175,956	169,080	176,641	166,174	174,950	172,750

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

	2018/19	2019/20	2020/21	2021/22	Jun 2022/23	Dec 2022/23
Bean Exports						
Brazil	37,379	36,190	41,689	35,576	35,000	33,000
Vietnam	25,618	24,526	22,450	26,000	25,000	24,500
Colombia	12,400	11,770	11,500	11,000	11,800	11,500
Indonesia	4,907	6,096	6,466	6,319	6,500	6,600
Uganda	4,450	5,350	6,514	6,120	6,520	6,520
Honduras	6,910	4,900	6,010	4,600	5,600	5,600
Ethiopia	4,174	4,135	4,675	4,800	4,725	4,725
India	3,936	3,399	3,818	4,920	3,920	4,170
Peru	4,293	3,720	3,326	4,065	4,100	4,100
Guatemala	3,600	3,211	3,675	3,400	3,400	3,400
Other	13,606	13,088	11,008	12,302	11,645	11,945
Total	121,273	116,385	121,131	119,102	118,210	116,060
Roast and Ground Exports						
European Union	1,806	2,275	2,400	2,590	2,000	2,000
Switzerland	1,350	1,560	1,870	1,860	1,800	1,800
Vietnam	550	550	550	600	600	650
Colombia	315	210	245	265	200	250
Mexico	222	206	252	168	230	230
China	25	15	25	60	25	50
Indonesia	43	56	56	43	50	50
Brazil	24	26	32	54	45	45
Panama	40	40	30	30	30	30
Costa Rica	5	10	10	10	10	10
Other	10	19	17	20	22	17
Total	4,390	4,967	5,487	5,700	5,012	5,132
Soluble Exports						
Brazil	4,023	4,040	3,954	4,055	4,000	3,600
Malaysia	3,125	3,000	2,780	2,975	3,000	3,000
Vietnam	2,150	2,250	2,300	2,400	2,500	2,500
India	1,838	1,782	1,970	2,310	2,050	2,050
European Union	1,160	1,215	1,460	2,050	1,500	1,500
Indonesia	1,200	1,000	1,350	1,050	1,100	1,100
Mexico	943	945	865	1,050	1,100	1,100
Colombia	900	1,025	1,010	1,100	1,000	1,000
Thailand	730	905	885	990	1,000	1,000
Ecuador	410	370	475	413	465	465
Other	748	687	693	743	627	752
Total	17,227	17,219	17,742	19,136	18,342	18,067
Exports						
Brazil	41,426	40,256	45,675	39,685	39,045	36,645
Vietnam	28,318	27,326	25,300	29,000	28,100	27,650
Colombia	13,615	13,005	12,755	12,365	13,000	12,750
Indonesia	6,150	7,152	7,872	7,412	7,650	7,750
Uganda	4,450	5,350	6,514	6,120	6,520	6,520
India	5,778	5,185	5,794	7,240	5,975	6,225
Honduras	6,910	4,900	6,010	4,600	5,600	5,600
Ethiopia	4,174	4,135	4,675	4,800	4,725	4,725
Peru	4,293	3,720	3,326	4,065	4,100	4,100
European Union	2,966	3,490	3,860	4,640	3,500	3,500
Other	24,810	24,052	22,579	24,011	23,349	23,794
Total	142,890	138,571	144,360	143,938	141,564	139,259

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

	2018/19	2019/20	2020/21	2021/22	Jun 2022/23	Dec 2022/23
Bean Imports						
European Union	45,890	44,460	43,875	46,575	46,000	44,500
United States	27,150	23,900	24,335	25,225	25,500	24,750
Japan	7,370	6,550	6,520	6,800	6,900	6,500
Russia	3,070	3,180	3,390	3,400	2,800	3,500
Switzerland	2,810	3,030	3,450	3,400	3,400	3,400
Korea, South	2,480	2,660	2,635	3,015	2,750	3,000
Canada	3,135	2,835	2,860	2,940	2,900	2,800
United Kingdom	3,175	2,640	2,270	2,725	2,600	2,700
Algeria	2,300	2,000	2,200	2,050	2,000	2,000
Colombia	975	845	1,670	2,040	1,700	1,900
Other	18,721	17,483	17,902	18,812	18,005	18,835
Total	117,076	109,583	111,107	116,982	114,555	113,885
Roast and Ground Imports						
United Kingdom	650	585	580	580	600	600
United States	370	360	605	580	600	600
Canada	350	480	475	550	500	525
Ukraine	360	450	460	450	300	450
Korea, South	290	320	360	390	350	400
Russia	475	430	460	305	350	350
China	250	260	309	350	300	300
Australia	165	200	205	200	200	200
Saudi Arabia	150	190	200	210	200	200
Vietnam	500	300	200	200	200	200
Other	720	745	782	963	787	897
Total	4,280	4,320	4,636	4,778	4,387	4,722
Soluble Imports						
Philippines	5,500	5,000	5,500	5,700	5,500	5,800
Canada	1,400	1,515	1,660	1,840	1,700	1,800
China	1,525	1,775	1,820	2,170	1,800	1,800
United States	500	800	585	1,235	1,000	1,300
Indonesia	983	766	751	725	800	780
Japan	860	630	530	500	700	500
South Africa	360	310	405	490	475	475
Russia	1,400	1,015	315	350	400	400
Ukraine	365	400	330	425	300	400
Argentina	260	310	350	360	375	375
Other	2,942	3,946	3,399	3,958	3,716	3,766
Total	16,095	16,467	15,645	17,753	16,766	17,396
Imports						
European Union	45,890	44,460	43,875	46,575	46,000	44,500
United States	28,020	25,060	25,525	27,040	27,100	26,650
Japan	8,320	7,290	7,150	7,415	7,700	7,100
Philippines	6,100	5,670	6,180	6,540	6,200	6,500
Canada	4,885	4,830	4,995	5,330	5,100	5,125
Russia	4,945	4,625	4,165	4,055	3,550	4,250
China	2,625	2,935	3,804	4,185	3,100	3,800
United Kingdom	3,875	3,805	2,955	3,985	3,450	3,600
Korea, South	2,770	2,980	2,995	3,405	3,100	3,400
Switzerland	2,810	3,030	3,450	3,400	3,400	3,400
Other	27,211	25,685	26,294	27,583	27,008	27,678
Total	137,451	130,370	131,388	139,513	135,708	136,003

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

	2018/19	2019/20	2020/21	2021/22	Jun 2022/23	Dec 2022/23
Domestic Consumption						
European Union	42,092	40,264	41,286	41,702	42,900	42,000
United States	27,162	26,049	25,937	26,723	26,800	26,968
Brazil	23,200	22,994	22,280	22,340	22,450	22,450
Philippines	6,125	6,120	6,605	7,190	6,775	7,075
Japan	7,897	7,610	7,354	7,210	7,933	7,000
Canada	4,885	4,830	4,995	5,330	5,100	5,125
China	3,000	3,600	4,200	4,800	4,200	4,800
Indonesia	4,300	4,900	4,450	4,750	4,800	4,770
Russia	4,945	4,625	4,165	4,055	3,550	4,250
United Kingdom	3,875	3,805	2,955	3,985	3,450	3,600
Ethiopia	3,193	3,140	3,000	3,375	3,500	3,500
Korea, South	2,770	2,980	2,995	3,405	3,100	3,400
Vietnam	2,940	3,100	3,100	3,200	3,300	3,300
Mexico	2,580	2,620	2,589	2,712	2,700	2,700
Australia	2,040	1,960	2,055	2,305	2,200	2,200
Colombia	1,925	1,775	2,080	2,145	2,150	2,110
Algeria	2,340	2,040	2,240	2,090	2,050	2,050
Switzerland	1,460	1,470	1,580	1,540	1,600	1,600
Turkey	1,205	1,215	1,165	1,285	1,300	1,350
India	1,250	1,170	1,180	1,230	1,235	1,320
Saudi Arabia	980	1,040	1,200	1,185	1,300	1,300
Ukraine	1,145	1,270	1,235	1,275	850	1,250
Morocco	845	710	880	980	950	950
Argentina	735	859	789	905	850	850
Serbia	800	805	835	735	850	850
Other	11,696	10,825	10,746	10,731	11,147	11,177
Total	165,385	161,776	161,896	167,183	167,040	167,945
Ending Stocks						
European Union	14,332	15,038	13,767	14,000	12,367	13,000
United States	7,352	6,402	6,023	6,378	6,540	6,100
Brazil	5,056	2,373	4,390	540	5,111	4,120
Vietnam	556	2,130	3,280	3,210	3,515	3,055
Japan	3,217	2,897	2,693	2,898	2,200	2,998
Indonesia	2,419	2,298	1,669	1,072	1,024	937
Colombia	552	852	1,235	750	485	595
China	93	298	1,017	987	717	587
Tanzania	310	280	504	480	506	506
Philippines	800	800	800	600	500	500
Other	2,436	2,858	2,621	1,650	1,739	1,716
Total	37,123	36,226	37,999	32,565	34,704	34,114

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.