United States
Department of
Agriculture

Foreign
Agricultural
Service

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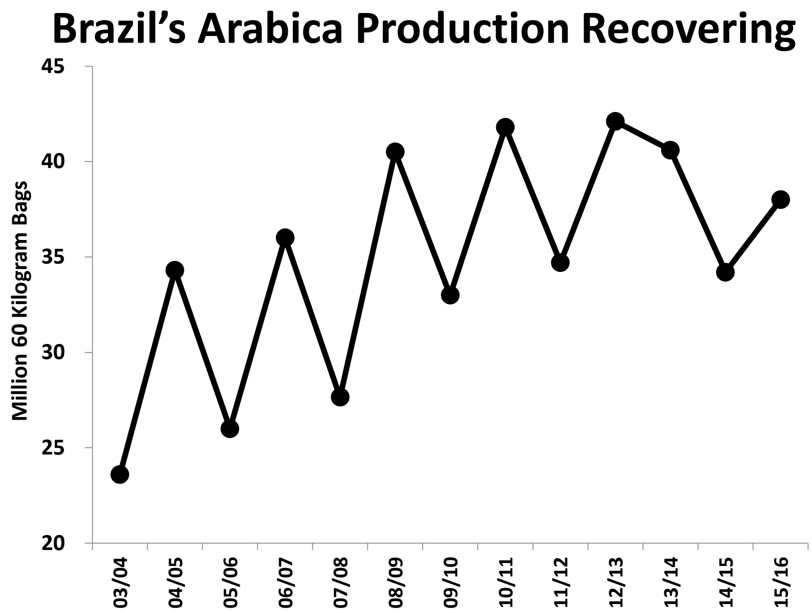
Coffee: World Markets and Trade

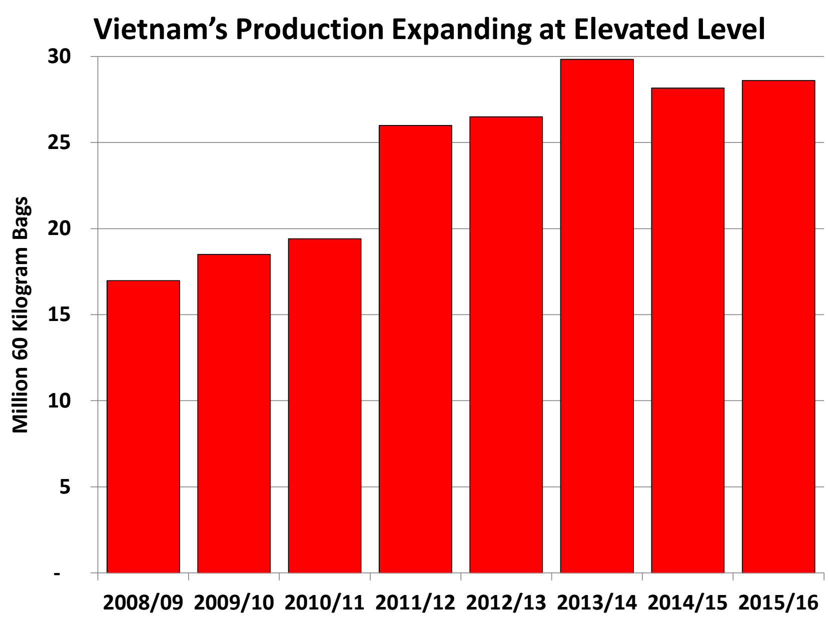
2015/16 Forecast Overview

World coffee production for 2015/16 is forecast to rebound 6.4 million bags from the previous year to 152.7 million due primarily to record output in Indonesia and Honduras as well as modest recovery in Brazil. Global exports and consumption are forecast at record quantities, drawing ending inventories to their lowest level in 4 years.

Brazil's Arabica production is forecast to improve 3.8 million bags to 38.0 million on favorable weather during most of the growing period, though January 2015 was drier than average in Minas Gerais and Sao Paulo, two regions that account for about 80 percent of output. This is in contrast to last year's prolonged drought and high temperatures that caused production to drop sharply during what would have normally been an on-year of the alternate bearing crop cycle. The Robusta harvest is forecast to decline 2.6 million bags to 14.4 million due to lower yields following below-average rainfall and above-average temperatures in Espirito Santo, where the vast majority is grown. The combined Arabica and Robusta harvest is forecast to increase 1.2 million bags to 52.4 million. However, with lower total supplies due to last year's stocks drawdown, bean exports are expected to drop 2.5 million bags to 30.0 million and ending stocks are forecast to decline 1.5 million bags to 4.3 million.

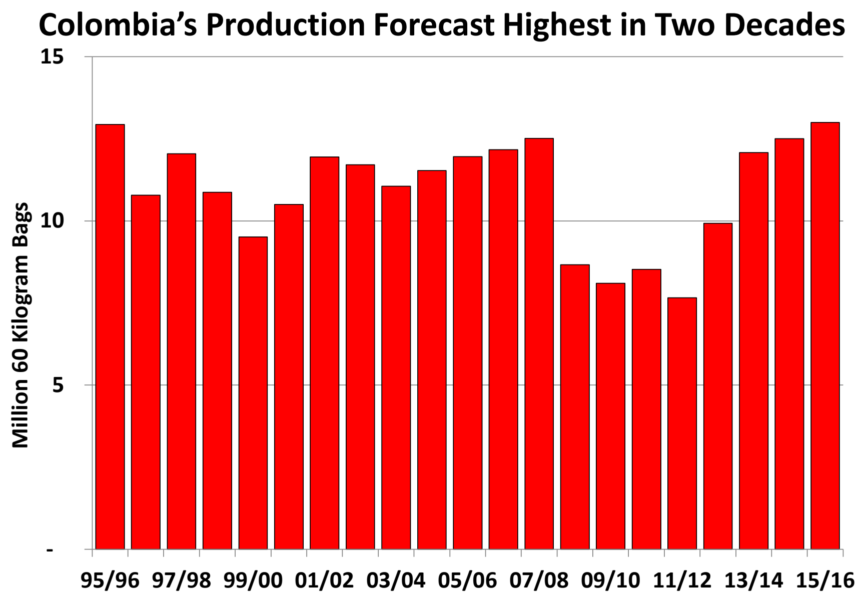


Vietnam's production is forecast to add 400,000 bags to total 28.6 million as yields improve on favorable weather. Between January and March 2015, the main coffee regions in the Central Highlands experienced seasonal dry and sunny weather, which is normal for this

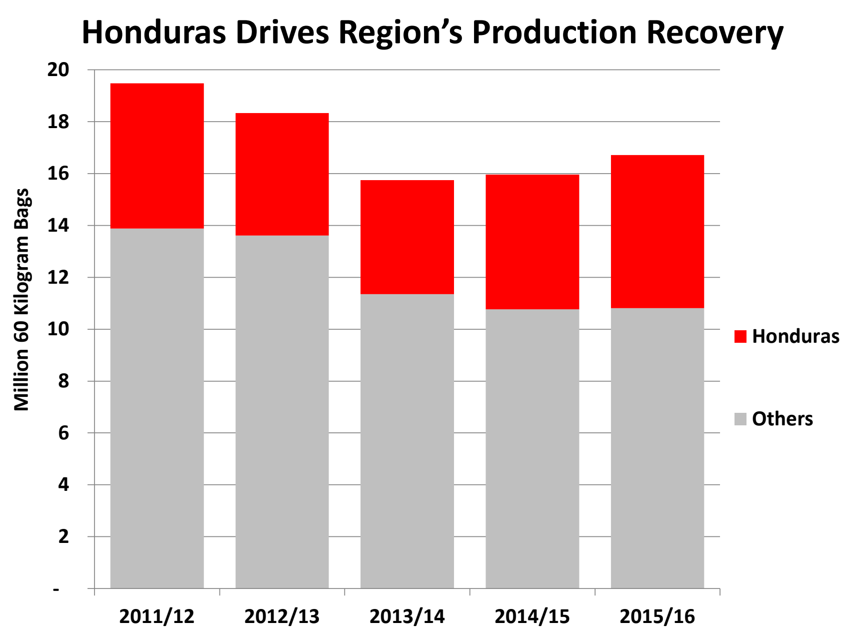


period, and trees were irrigated. The rainy season began as anticipated in April, which lead to good flowering and cherry development. Cultivated area is estimated nearly unchanged from last year following modest expansion in Lam Dong and Dak Nong Provinces and a slight contraction in Gia Lai Province. Over 95 percent of total output is Robusta. Bean exports are forecast 500,000 bags higher to 25.5 million, while ending stocks remain elevated.

Colombia's Arabica production is forecast up 500,000 bags to 13.0 million, the highest in two decades, following several years of below-average output due to the spread of coffee rust and coffee cherry borer insect. Rust initially affected as much as 40 percent of the planted area but has since declined significantly following an aggressive tree renovation program, which has reached close to half of total area planted. Colombia is expected to rely on imported beans from Ecuador and Peru for just 20 percent of consumption, down from nearly 85 percent a few years ago. Bean exports are forecast to gain 500,000 bags to 11.5 million primarily on increased shipments to the United States and Europe.



Central America and Mexico account for one-fifth of the world's Arabica production, and coffee rust continues to hamper output for most of these countries. Although the region's production is forecast to increase 750,000 bags to 16.7 million, the rebound is driven by Honduras where rust-resistant trees from recently renovated land reach maturity and propel output to a record 5.9 million bags. Nicaragua is forecast 5 percent higher to 2.2 million bags as a result of good weather during the bloom as well as the addition of output from recently renovated land. Mexico, Guatemala, and El Salvador are expected unchanged at 3.3 million bags, 3.2 million bags, and 700,000 bags, respectively, as these countries continue to struggle with rust and output remains below their pre-rust level. Costa Rica is forecast nearly 5 percent lower to 1.4 million bags as reduced rainfall lead to delayed flowering and lower yields for a second consecutive year. Bean exports for the region are forecast to gain 600,000 bags to 13.6 million as a result of higher exportable supplies in



Others includes Costa Rica, El Salvador, Guatemala, Mexico, Nicaragua and Panama

Honduras. Approximately 40 percent of the region's exports are destined for the United States, followed by 35 percent to the European Union.

Indonesia's production is forecast to gain 2.2 million bags to a record 11.0 million on favorable weather during the flowering and fruit set period, though the harvest in some regions could be delayed due to late rains. Yields from the previous two harvests were low because of excessive rain during the fruit set period. Over 85 percent of production is Robusta. Bean exports are forecast to rebound 1.4 million bags to 6.5 million on higher available supplies.

India's production is forecast to add 100,000 bags to 5.2 million mostly on higher Robusta output in Karnataka, the largest coffee producing State. Arabica is forecast nearly unchanged following last year's 15 percent weather-related drop. Bean exports are forecast up slightly to 3.5 million bags.

Ethiopia's Arabica production is forecast unchanged at 6.5 million bags where it has remained the last 4 years. Similarly, bean exports are forecast unchanged at 3.5 million bags, with the remainder consumed domestically.

The **European Union** accounts for nearly half of the world's bean imports and is forecast to increase 500,000 bags to a record 45.5 million. Top suppliers include Brazil (30 percent), Vietnam (24 percent) and Honduras (6 percent). Ending stocks are forecast to remain unchanged at 12.0 million bags.

The **United States** imports the second-largest amount of coffee beans and is forecast to increase 500,000 bags to 24.0 million due in part to stocks rebuilding. Top suppliers include Brazil (28 percent), Colombia (19 percent), and Vietnam (15 percent). Ending stocks are forecast 200,000 bags higher to 5.7 million.

Revised 2014/15

World **production** is revised down from the December estimate by 3.5 million bags to 146.3 million.

- Central America and Mexico combined are revised down 700,000 bags to 16.0 million due to coffee rust.
- Vietnam is down 1.2 million bags to 28.2 million on lower-than-anticipated yield.
- Peru is lowered 600,000 bags to 2.8 million due to coffee rust.

World **bean exports** are lowered 300,000 bags to 104.9 million.

- Brazil is revised up 2.5 million bags to 32.5 million on strong U.S. and European demand.
- Central America and Mexico combined are revised down 700,000 bags to 13.0 million due to lower exportable supplies.
- Peru is lowered 500,000 bags to 2.7 million due to lower exportable supplies.

World **ending stocks** are lowered 2.9 million bags to 33.5 million.

- Vietnam is down 2.5 million bags to 2.4 million on lower availability.
- Brazil is 1.2 million bags lower to 5.8 million bags due in part to higher exports.
- European Union is raised 750,000 bags to 12.0 million on lower-than anticipated consumption.

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To download additional data tables, go to Production, Supply and Distribution Database (PSD Online): (http://apps.fas.usda.gov/psdonline/psdHome.aspx), scroll down to Reports, and Click the plus sign [+] next to Coffee

FAS Reports and Databases:

Current *World Market and Trade* Reports:
http://apps.fas.usda.gov/psdonline/psdDataPublications.aspx

Archives *World Market and Trade* Reports:
http://usda.mannlib.cornell.edu/MannUsda/viewTaxonomy.do?taxonomyID=7

Production, Supply and Distribution Database (PSD Online):
http://apps.fas.usda.gov/psdonline/psdHome.aspx

Global Agricultural Information Network (Agricultural Attaché Reports):
http://gain.fas.usda.gov/Pages/Default.aspx

Global Agricultural Trade System (U.S. Exports and Imports):
http://apps.fas.usda.gov/gats/default.aspx

Click on Standard Query and select FAS in the Product Group and scroll down to Coffee and Products. To view volume data in Green Bean Equivalent (GBE), select quantity and choose FAS Converted.

Marketing Years for Producing Countries

April-March	July-June	October-September
Angola	Brazil	Cameroon
Bolivia	Cuba	Central African Republic
Burundi	Dominican Republic	Colombia
Ecuador	Haiti	Congo (Kinshasa)
Indonesia	Philippines	Costa Rica
Madagascar	Tanzania	Cote d'Ivoire
Papua New Guinea		El Salvador
Peru		Ethiopia
Rwanda		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

	2010/11	2011/12	2012/13	2013/14	2014/15	Jun 2015/16
Production						
Brazil	54,500	49,200	57,600	56,000	51,200	52,400
Vietnam	19,415	26,000	26,500	29,833	28,167	28,600
Colombia	8,525	7,655	9,927	12,075	12,500	13,000
Indonesia	9,325	8,300	10,500	9,500	8,800	11,000
Ethiopia	6,125	6,320	6,500	6,345	6,475	6,500
Honduras	3,975	5,600	4,725	4,400	5,200	5,900
India	5,035	5,230	5,303	5,075	5,100	5,200
Uganda	3,212	3,075	3,600	3,850	3,550	3,800
Mexico	4,000	4,300	4,650	3,950	3,300	3,300
Guatemala	3,960	4,410	4,010	3,415	3,215	3,215
Peru	4,100	5,200	4,300	4,250	2,800	3,500
Nicaragua	1,740	2,100	1,925	1,900	2,050	2,150
Malaysia	1,100	1,450	1,400	1,500	1,750	1,800
Costa Rica	1,575	1,775	1,675	1,450	1,400	1,350
Cote d'Ivoire	1,600	1,600	1,750	1,675	1,400	1,325
Tanzania	1,050	565	1,180	800	1,150	1,250
Kenya	710	750	660	850	900	900
Thailand	850	850	850	850	900	900
Papua New Guinea	865	1,400	825	855	810	850
El Salvador	1,860	1,200	1,250	550	700	700
Other	6,895	6,902	5,813	5,185	4,896	5,011
Total	140,417	143,882	154,943	154,308	146,263	152,651
Domestic Consumption						
European Union	41,350	45,250	43,270	41,405	43,875	43,900
United States	22,383	22,946	23,027	23,811	23,974	23,700
Brazil	19,420	20,025	20,110	20,210	20,330	20,580
Japan	7,015	7,050	7,505	7,750	7,775	7,790
Canada	4,245	4,170	4,230	4,605	4,650	4,975
Russia	4,355	3,865	4,260	4,365	4,565	4,940
Philippines	2,825	3,660	4,405	3,595	3,800	3,900
Indonesia	1,690	2,380	2,670	2,790	2,990	3,150
Ethiopia	2,860	3,050	3,000	3,120	2,985	2,972
Korea, South	1,910	1,785	1,825	2,160	2,240	2,350
Algeria	1,815	2,270	1,945	2,300	2,130	2,280
Vietnam	1,337	1,665	1,825	2,008	2,080	2,160
Mexico	2,470	2,212	2,030	2,310	1,940	2,273
China	965	1,060	1,560	1,705	1,660	1,765
Australia	1,445	1,600	1,660	1,615	1,595	1,680
Thailand	683	1,060	1,130	1,260	1,545	1,450
Switzerland	1,570	1,460	1,500	1,410	1,425	1,400
Colombia	1,120	1,260	1,200	1,300	1,405	1,300
India	1,231	1,168	1,100	1,200	1,200	1,250
Venezuela	1,305	1,305	1,290	1,170	1,155	1,155
Ukraine	1,685	1,425	1,255	1,155	1,125	1,110
Norway	795	760	740	775	750	765
Argentina	810	750	835	685	730	675
Malaysia	455	625	625	695	710	750
Morocco	555	715	705	620	640	665
Other	8,241	8,868	8,774	8,743	8,699	8,749
Total	134,535	142,384	142,476	142,762	145,973	147,684
Ending Stocks						
European Union	12,900	10,400	10,845	12,400	12,000	12,000
Brazil	2,906	2,238	9,068	10,746	5,757	4,289
United States	4,580	5,100	5,450	6,025	5,500	5,700
Japan	2,510	2,140	2,980	3,100	3,000	2,900
Vietnam	800	1,090	1,946	2,130	2,407	2,177
Other	4,924	4,680	4,901	5,289	4,883	4,474
Total	28,620	25,648	35,190	39,690	33,547	31,540

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.Bean export and bean import data exclude roasted and soluble trade.

Coffee Summary

Thousand 60-Kilogram Bags

	2010/11	2011/12	2012/13	2013/14	2014/15	Jun 2015/16
Bean Exports						
Brazil	31,810	26,556	27,143	30,600	32,500	30,000
Vietnam	18,215	23,950	23,783	27,269	25,000	25,500
Colombia	7,400	6,675	8,100	10,300	11,000	11,500
Indonesia	7,415	4,950	6,900	6,000	5,100	6,500
Honduras	3,900	5,290	4,480	3,940	4,900	5,600
Ethiopia	3,235	3,140	3,500	3,285	3,500	3,520
Uganda	3,150	3,000	3,575	3,600	3,400	3,500
India	4,160	3,735	3,420	3,300	3,200	3,500
Guatemala	3,650	3,800	3,750	3,050	2,900	2,900
Peru	3,880	5,140	4,100	4,100	2,660	3,300
Nicaragua	1,525	1,675	1,950	1,785	1,900	2,050
Mexico	1,735	2,525	2,575	1,680	1,450	1,300
Costa Rica	1,255	1,455	1,400	1,225	1,210	1,100
Cote d'Ivoire	725	1,290	1,340	1,250	1,050	950
Tanzania	1,000	520	915	800	970	1,200
Kenya	650	800	825	800	860	860
Papua New Guinea	850	1,350	775	815	760	800
El Salvador	1,770	1,130	1,150	500	625	625
Cameroon	650	670	470	350	420	450
Laos	400	350	360	375	410	425
Rwanda	317	245	260	250	240	250
Burundi	235	205	240	180	160	145
Ecuador	425	575	450	165	125	165
Madagascar	105	105	100	165	110	125
Togo	615	560	200	180	100	100
Other	829	966	601	424	364	397
Total	99,901	100,657	102,362	106,388	104,914	106,762
Bean Imports						
European Union	44,610	43,950	45,070	44,590	45,000	45,500
United States	22,460	23,700	23,360	24,550	23,500	24,000
Japan	6,900	5,965	7,460	6,890	6,700	6,700
Canada	2,305	2,225	2,330	2,525	2,400	2,600
Russia	1,540	1,720	2,025	2,270	2,350	2,500
Switzerland	2,160	2,140	2,310	2,300	2,350	2,350
Algeria	1,770	2,240	1,915	2,265	2,100	2,250
Korea, South	1,810	1,675	1,715	2,035	2,100	2,200
Malaysia	1,030	1,125	1,375	1,270	1,260	1,250
Australia	1,110	1,135	1,180	1,185	1,140	1,200
India	820	879	1,130	1,104	1,000	1,090
Thailand	605	375	480	630	900	800
Mexico	725	1,050	710	960	850	900
Ecuador	820	1,150	1,350	1,040	825	770
China	680	625	930	910	800	850
Venezuela	620	570	600	500	685	670
Morocco	540	700	690	605	625	650
Turkey	315	350	460	475	575	575
Norway	610	570	550	575	560	575
Argentina	510	500	565	415	450	400
Vietnam	175	200	642	476	450	200
Egypt	250	500	450	450	425	425
Serbia	535	570	520	515	425	500
Taiwan	265	260	310	330	350	350
Indonesia	190	930	300	310	300	300
Other	2,375	2,841	2,425	1,985	1,675	1,745
Total	95,730	97,945	100,852	101,160	99,795	101,350

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.Bean export and bean import data exclude roasted and soluble trade.