United States Department of Agriculture Foreign Agricultural Service

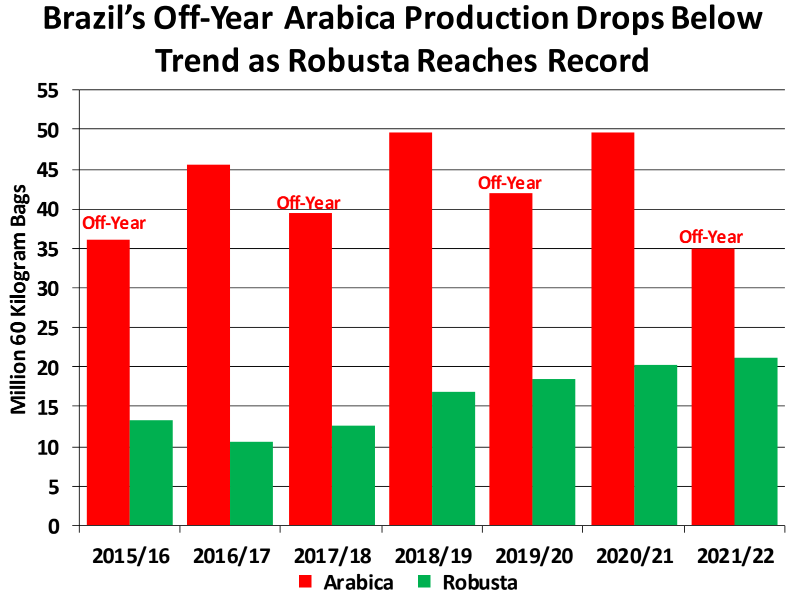
USDA

December 2021

Coffee: World Markets and Trade

Brazil: Frosts Heighten Supply Concerns

During the final stages of the 2021/22 harvest, there were three instances of severe frost (June 30, July 20, and July 30) that affected some Arabica growing areas in Minas Gerais, Sao Paulo, and Parana. Preliminary estimates indicate between 8 and 10 percent of the Arabica coffee area was affected by the frosts. However, the damage affected mostly leaves and branches, not the beans. Also, most of the harvest had been completed before the arrival of freezing temperatures. Therefore, Brazil's 2021/22 output is unchanged from the initial June 2021 forecast and is still expected to drop 13.6 million bags from last year's record crop to 56.3 million.



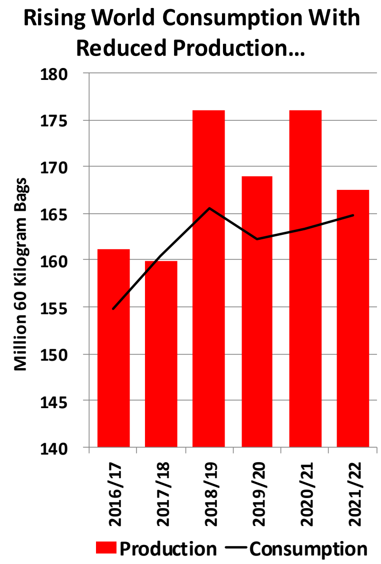
Arabica production remains forecast at 35.0 million bags, down 14.7 million from the previous harvest due to a combination of factors. The majority of producing areas were in the off-year of the biennial production cycle, resulting in lower output. Persistent drought and high temperatures in major growing regions in the last half of 2020 as well as the beginning of 2021 adversely affected blossoming and fruit development, lowering yields further. There were also reports that many growers pruned their trees at above-average rates in response to last year's record on-year crop. Robusta production is unchanged from the initial forecast and is expected to reach a record 21.3 million bags, up 1.1 million from the previous year. Good rainfall volumes aided fruit development in the major producing states of Espirito Santo, Rondonia, and Bahia.

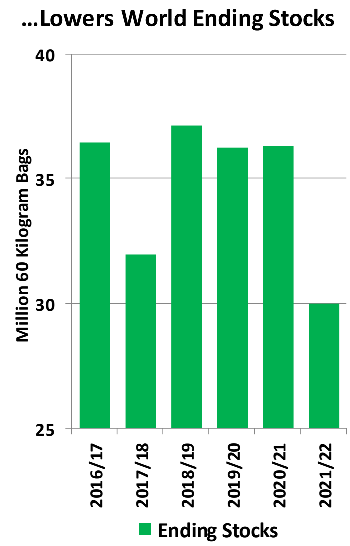
Green coffee exports for 2021/22 are revised 2.0 million bags lower than the initial forecast due to logistical obstacles. Exporters have struggled to get container and vessel bookings and have experienced frequent postponements and cancellations from shipping companies. Year-over-year, exports are now expected to plummet 11.7 million bags to 30.0 million primarily due to reduced exportable supplies.

The next *Coffee: World Markets and Trade* report is scheduled for publication June 23, 2022 and will include the 2022/23 forecast. Using previous harvests as a guide, Brazil's 2022/23 Arabica production is expected to be an on-year of the biennial production cycle. However, output potential has been undermined by the condition of the trees, which have suffered from severe frosts, drought, and high temperatures, as previously noted. Coupled with supply chain disruptions, these concerns have helped push the November 2021 International Coffee Organization (ICO) monthly composite price index up 70 percent in the last year to $1.95. http://www.ico.org/new_historical.asp

2021/22 Coffee Overview

World coffee production for 2021/22 is forecast down 8.5 million bags from the previous year to 167.5 million, due primarily to Brazil's combined effect of Arabica trees entering the off-year of the biennial production cycle and a weather-related shortfall. As a result of lower output, global ending inventories are expected to drop 6.3 million bags to 30.0 million. World coffee bean exports are expected down 3.8 million bags to 117.2 million as lower exports from Brazil more than offset higher shipments from Vietnam. Global consumption rises 1.5 million bags to 164.9 million, with the largest gains in the European Union, the United States, and Brazil.





Brazil production is forecast down 13.6 million bags to 56.3 million compared to the previous year. Arabica output is forecast to drop 14.7 million bags to 35.0 million due to lower yields from the off-year, drought, and high temperatures. The Robusta harvest is forecast to continue expanding to reach a record 21.3 million bags, up 1.1 million. Despite lower output, consumption is expected to continue rising to a record 23.7 million bags. With reduced supplies, bean exports are expected to plunge 11.7 million bags from last year's record to 30.0 million bags and ending stocks are forecast to decline 500,000 bags to 2.9 million.

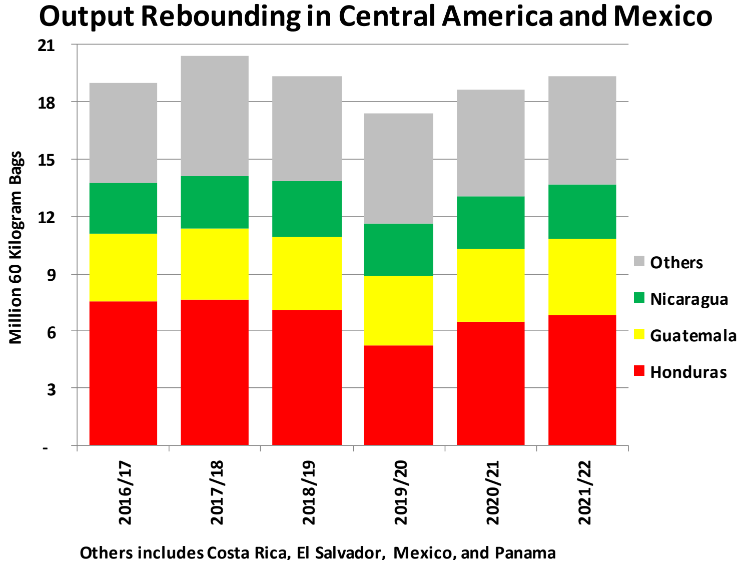
Vietnam production is forecast to rebound 2.1 million bags to 31.1 million following last year's dry growing conditions. With Robusta accounting for over 95 percent of total output and Robusta prices trending higher over the last 12 months, many growers were motivated to boost yields by incurring irrigation costs during the normally drier period of January through March. Farmers continue to intercrop coffee with fruits, such as avocado and durian, to boost their incomes. Bean exports are forecast to jump 3.6 million bags to 26.0 million, lowering inventories slightly.

Colombia Arabica production is forecast 400,000 bags higher to 13.8 million on favorable growing conditions. The National Federation of Coffee Growers of Colombia (FEDECAFE) estimates that nearly 85 percent of coffee area is now planted with rust-resistant varieties, compared to just 35 percent in 2008/09 when adverse weather conditions caused rust to proliferate, lowering output by one-third. Since then, yields have increased about 30 percent due largely to the renovation program that replaced older, lower-yielding trees with rust-resistant varieties. The program also reduced the average age of coffee trees from 15 to 7 years, further boosting yields. Bean exports are expected to rise 1.3 million bags to 12.8 million as inventories are drawn lower.

Indonesia production is forecast to slip a modest 100,000 bags to 10.6 million, with most of the loss occurring in Robusta output. Robusta production is expected at nearly 9.4 million bags on mostly favorable growing conditions in the lowland areas of Southern Sumatra and Java, where approximately 75 percent of the crop is grown. Heavy rains in northern Sumatra, where approximately 60 percent of

Arabica output is derived, are expected to have lowered yields, with output down slightly to almost 1.3 million bags. Ending stocks are expected to halve to just 800,000 bags, to sustain rising consumption and strong exports.

India production is forecast to add 300,000 bags to 5.5 million on higher Robusta output in Karnataka, the largest coffee producing state. Arabica is forecast modestly lower as it enters the off-year of the biennial production cycle. Bean exports are forecast up 100,000 bags to 3.9 million.



Total output for **Central America** and **Mexico** is forecast up 700,000 bags to 19.4 million on gains in Honduras, Guatemala, Nicaragua, and Mexico. Bean exports for the region are forecast to gain 700,000 bags to 16.4 million due to higher exportable supplies. Nearly half 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 down 1.1 million bags to 42.5 million and account for nearly 40 percent of the world's coffee bean imports. Top suppliers include Brazil (34 percent), Vietnam (24 percent), Honduras (8 percent), and Colombia (6 percent). Ending stocks are expected to drop 2.5 million bags to 11.3 million to support a modest increase in consumption.

The **United States** imports the second-largest amount of coffee beans and is forecast up 700,000 bags to 25.0 million. Top suppliers include Brazil (30 percent), Colombia (21 percent), Vietnam (11 percent), and Nicaragua (5 percent). Ending stocks are forecast to slide 200,000 bags to 5.8 million.

Revised 2020/21

World **production** is revised up 100,000 bags from the June 2021 estimate to 176.0 million.

- Colombia is lowered 900,000 bags to 13.4 million due to lower yields from adverse weather conditions.
- Guatemala is raised 500,000 bags to 3.8 million due to higher yields.

World **bean exports** are raised 700,000 bags to 121.0 million.

- Colombia is lowered 1.0 million bags to 11.5 million on lower exportable supplies.
- Brazil is revised 700,000 bags higher to 41.7 million on higher-than-anticipated stocks drawdown.

World **ending stocks** are lowered 3.6 million bags to 36.3 million.

- European Union is revised 2.3 million bags lower to 13.8 million on updated data from the European Coffee Federation.
- Brazil is lowered 600,000 bags to 3.4 million on higher shipments.

The next release of this publication will be on June 23, 2022.

For additional information, please contact Tony Halstead (202-720-4620, *Tony.Halstead@usda.gov*) or Charles Shell (*Charles.Shell2@usda.gov*).

The *Coffee: World Markets and Trade* circular is based on reports from FAS Overseas Posts since November 2021 and on available secondary information. The individual country reports can be obtained on FAS Online at: https://gain.fas.usda.gov/Pages/Default.aspx.

European Union definition: includes 27 countries in the customs union (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, and Sweden).

Effective January 1, 2021, the separation of the United Kingdom (UK) from the European Union (EU) was complete, including trade between both entities. Starting in June 2021 with the release of 2021/22 data, coffee PSDs reflect EU27 (shown in the PSD system as "European Union") and UK separately. Historical data for both EU27 and the UK is provided for 5 years (2016/17 through 2020/21).

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	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

	2017/18	2018/19	2019/20	2020/21	Jun 2021/22	Dec 2021/22
Arabica Production						
Brazil	39,500	49,700	42,000	49,700	35,000	35,000
Colombia	13,825	13,870	14,100	13,400	14,100	13,800
Ethiopia	7,055	7,350	7,475	7,600	7,620	7,620
Honduras	7,600	7,100	5,200	6,500	5,500	6,800
Peru	4,375	4,390	3,925	3,369	3,950	4,000
Guatemala	3,600	3,520	3,515	3,700	3,340	3,870
Mexico	3,800	3,100	3,150	3,000	3,050	3,050
Nicaragua	2,700	2,900	2,675	2,650	2,700	2,800
China	1,950	1,925	2,000	1,800	1,800	2,000
Costa Rica	1,525	1,250	1,466	1,472	1,485	1,485
Indonesia	1,000	1,200	1,250	1,300	1,280	1,280
India	1,583	1,583	1,450	1,320	1,360	1,280
Vietnam	1,026	1,064	1,100	950	1,150	1,100
Uganda	1,200	1,050	1,025	925	950	950
Kenya	720	850	750	700	750	750
Other	3,790	4,124	3,865	3,582	3,699	3,804
Total	95,249	104,976	94,946	101,968	87,734	89,589
Robusta Production						
Vietnam	28,274	29,336	30,200	28,050	29,680	30,000
Brazil	12,600	16,800	18,500	20,200	21,300	21,300
Indonesia	9,400	9,400	9,450	9,400	9,350	9,300
Uganda	3,400	3,600	4,450	5,075	5,000	5,000
India	3,683	3,742	3,517	3,917	4,050	4,250
Malaysia	2,100	2,100	1,900	2,000	2,000	2,000
Cote d'Ivoire	1,250	2,000	1,725	1,060	1,470	1,470
Thailand	700	650	700	600	550	650
Tanzania	550	600	600	650	650	650
Laos	450	375	440	500	425	550
Other	2,183	2,377	2,602	2,532	2,630	2,715
Total	64,590	70,980	74,084	73,984	77,105	77,885
Production						
Brazil	52,100	66,500	60,500	69,900	56,300	56,300
Vietnam	29,300	30,400	31,300	29,000	30,830	31,100
Colombia	13,825	13,870	14,100	13,400	14,100	13,800
Indonesia	10,400	10,600	10,700	10,700	10,630	10,580
Ethiopia	7,055	7,350	7,475	7,600	7,620	7,620
Honduras	7,600	7,100	5,200	6,500	5,500	6,800
Uganda	4,600	4,650	5,475	6,000	5,950	5,950
India	5,266	5,325	4,967	5,237	5,410	5,530
Guatemala	3,780	3,770	3,645	3,830	3,470	4,000
Peru	4,375	4,390	3,925	3,369	3,950	4,000
Mexico	4,000	3,550	3,700	3,530	3,590	3,590
Nicaragua	2,730	2,950	2,755	2,730	2,780	2,880
China	1,950	1,925	2,000	1,800	1,800	2,000
Malaysia	2,100	2,100	1,900	2,000	2,000	2,000
Costa Rica	1,525	1,250	1,466	1,472	1,485	1,485
Cote d'Ivoire	1,250	2,000	1,725	1,060	1,470	1,470
Tanzania	1,150	1,300	1,250	1,350	1,400	1,400
Kenya	720	850	750	700	750	750
Papua New Guinea	810	965	825	700	715	750
Thailand	700	650	700	600	550	650
Cameroon	425	450	475	500	475	550
Laos	450	375	440	500	425	550
El Salvador	660	654	510	519	528	528
Venezuela	575	585	550	480	500	500
Philippines	450	425	450	425	450	450
Other	2,043	1,972	2,247	2,050	2,161	2,241
Total	159,839	175,956	169,030	175,952	164,839	167,474

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

	2017/18	2018/19	2019/20	2020/21	Jun 2021/22	Dec 2021/22
Bean Exports						
Brazil	26,938	37,379	36,190	41,687	32,000	30,000
Vietnam	27,257	25,618	24,526	22,450	26,000	26,000
Colombia	11,700	12,400	11,770	11,500	12,400	12,800
Honduras	7,225	6,910	4,900	6,010	5,200	6,500
Indonesia	6,940	4,907	6,096	6,466	6,500	6,500
Uganda	4,300	4,450	5,350	5,900	5,800	5,800
Ethiopia	3,893	4,174	4,135	4,675	4,100	4,600
India	4,127	3,936	3,399	3,818	3,680	3,900
Peru	4,185	4,293	3,720	3,326	3,850	3,900
Guatemala	3,460	3,600	3,211	3,675	3,150	3,680
Other	12,894	13,606	13,061	11,478	12,770	13,477
Total	112,919	121,273	116,358	120,985	115,450	117,157
Roast and Ground Exports						
European Union	1,875	1,806	2,275	2,365	2,100	2,100
Switzerland	1,225	1,350	1,560	1,870	1,450	1,600
Vietnam	550	550	550	550	550	550
Mexico	180	222	206	255	200	250
Colombia	175	315	210	245	200	240
Indonesia	70	43	56	56	60	50
Panama	30	40	40	30	30	30
China	15	25	15	25	25	25
Brazil	20	24	26	32	20	20
Costa Rica	5	5	10	10	10	10
Other	10	10	19	17	20	20
Total	4,155	4,390	4,967	5,455	4,665	4,895
Soluble Exports						
Brazil	3,496	4,023	4,040	3,954	3,200	3,200
Malaysia	3,075	3,125	3,000	2,780	2,900	2,900
Vietnam	2,100	2,150	2,250	2,300	2,300	2,350
India	2,017	1,838	1,782	1,970	2,000	2,000
European Union	970	1,160	1,215	1,515	1,100	1,500
Colombia	850	900	1,000	990	900	1,000
Indonesia	1,000	1,200	1,000	1,350	1,200	1,000
Mexico	1,000	943	945	900	950	950
Thailand	650	730	905	885	500	900
Ecuador	572	410	370	475	413	413
Other	775	723	637	556	758	758
Total	16,505	17,202	17,144	17,675	16,221	16,971
Exports						
Brazil	30,454	41,426	40,256	45,673	35,220	33,220
Vietnam	29,907	28,318	27,326	25,300	28,850	28,900
Colombia	12,725	13,615	12,980	12,735	13,500	14,040
Indonesia	8,010	6,150	7,152	7,872	7,760	7,550
Honduras	7,225	6,910	4,900	6,010	5,200	6,500
India	6,148	5,778	5,185	5,794	5,685	5,905
Uganda	4,300	4,450	5,350	5,900	5,800	5,800
Ethiopia	3,893	4,174	4,135	4,675	4,100	4,600
Peru	4,185	4,293	3,720	3,326	3,850	3,900
Guatemala	3,465	3,604	3,220	3,679	3,159	3,689
Other	23,267	24,147	24,245	23,151	23,212	24,919
Total	133,579	142,865	138,469	144,115	136,336	139,023

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

	2017/18	2018/19	2019/20	2020/21	Jun 2021/22	Dec 2021/22
Bean Imports						
European Union	44,510	45,890	44,460	43,575	42,500	42,500
United States	24,450	27,150	23,900	24,335	24,200	25,000
Japan	6,500	7,370	6,550	6,520	6,700	6,600
Russia	2,860	3,070	3,180	3,390	3,300	3,300
Switzerland	2,750	2,810	3,030	3,450	3,000	3,200
Canada	3,035	3,135	2,835	2,860	2,950	2,950
Korea, South	2,400	2,480	2,660	2,635	2,700	2,700
United Kingdom	2,890	3,175	2,640	2,270	2,500	2,500
Algeria	2,270	2,300	2,000	2,200	2,050	2,050
Malaysia	1,575	1,875	1,735	1,580	1,700	1,700
Other	16,688	17,821	16,993	18,580	17,089	17,781
Total	109,928	117,076	109,983	111,395	108,689	110,281
Roast and Ground Imports						
United Kingdom	620	700	630	525	650	650
United States	115	370	360	605	550	550
Canada	285	350	480	475	475	475
Ukraine	280	360	450	460	425	425
Russia	390	475	430	460	400	400
Korea, South	245	290	320	360	350	350
China	280	250	260	309	300	300
Saudi Arabia	75	150	190	200	210	210
Australia	160	165	200	205	100	200
Vietnam	400	500	300	200	200	200
Other	735	720	745	758	657	687
Total	3,585	4,330	4,365	4,557	4,317	4,447
Soluble Imports						
Philippines	5,500	5,500	5,000	5,500	4,850	4,850
China	1,520	1,525	1,775	1,820	1,800	1,800
Canada	1,430	1,400	1,515	1,660	1,600	1,600
Indonesia	828	983	766	751	700	675
United States	210	500	800	585	900	600
Japan	1,140	860	630	530	450	500
United Kingdom	275	120	610	120	500	500
Russia	1,215	1,400	1,015	315	450	450
Ukraine	425	365	400	330	410	410
South Africa	315	360	310	405	400	400
Other	3,287	3,152	3,621	3,668	3,519	3,594
Total	16,145	16,165	16,442	15,684	15,579	15,379
Imports						
European Union	44,510	45,890	44,460	43,575	42,500	42,500
United States	24,775	28,020	25,060	25,525	25,650	26,150
Japan	7,720	8,320	7,290	7,150	7,240	7,190
Philippines	6,100	6,100	5,670	6,180	5,600	5,600
Canada	4,750	4,885	4,830	4,995	5,025	5,025
Russia	4,465	4,945	4,625	4,165	4,150	4,150
United Kingdom	3,785	3,995	3,880	2,915	3,650	3,650
China	2,615	2,625	2,935	3,804	3,350	3,350
Switzerland	2,750	2,810	3,030	3,450	3,000	3,200
Korea, South	2,645	2,770	2,980	2,995	3,050	3,050
Other	25,543	27,211	26,030	26,882	25,370	26,242
Total	129,658	137,571	130,790	131,636	128,585	130,107

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

	2017/18	2018/19	2019/20	2020/21	Jun 2021/22	Dec 2021/22
Domestic Consumption						
European Union	42,065	42,092	40,264	40,966	41,400	41,400
United States	25,557	27,162	26,049	25,944	26,400	26,400
Brazil	22,420	23,200	22,994	23,307	23,655	23,655
Japan	8,231	7,897	7,610	7,354	7,740	7,450
Philippines	6,550	6,125	6,120	6,605	6,250	6,250
Canada	4,750	4,885	4,830	4,995	5,025	5,025
Indonesia	3,560	4,300	4,900	4,450	4,700	4,750
China	2,900	3,000	3,600	4,200	4,000	4,200
Russia	4,465	4,945	4,625	4,165	4,150	4,150
United Kingdom	3,785	3,995	3,880	2,915	3,650	3,650
Vietnam	2,880	2,940	3,100	3,100	3,220	3,140
Korea, South	2,645	2,770	2,980	2,995	3,050	3,050
Ethiopia	3,150	3,193	3,140	3,000	3,500	3,000
Mexico	2,295	2,580	2,620	2,530	2,600	2,550
Colombia	1,650	1,925	1,800	2,100	2,050	2,150
Australia	1,900	2,040	1,960	2,055	1,925	2,125
Algeria	2,300	2,340	2,040	2,240	2,090	2,090
Switzerland	1,525	1,460	1,470	1,580	1,550	1,600
Turkey	865	1,205	1,215	1,165	1,225	1,250
Ukraine	1,105	1,145	1,270	1,235	1,210	1,235
India	1,215	1,250	1,170	1,180	1,200	1,210
Saudi Arabia	935	980	1,040	1,200	1,160	1,160
Jordan	775	835	770	865	850	850
Venezuela	1,217	1,214	956	816	846	846
Serbia	725	800	805	835	770	820
Other	10,915	11,252	11,035	11,613	10,755	10,856
Total	160,380	165,530	162,243	163,410	164,971	164,862
Ending Stocks						
European Union	13,500	14,332	15,038	13,767	14,000	11,267
United States	6,440	7,352	6,402	6,023	5,672	5,808
Vietnam	254	556	2,130	3,280	2,290	2,940
Brazil	3,115	5,056	2,373	3,365	1,511	2,864
Japan	2,794	3,217	2,897	2,693	2,400	2,433
Indonesia	593	2,419	2,298	1,669	878	834
Philippines	400	800	800	800	600	600
Colombia	1,111	552	852	1,235	579	500
China	143	93	298	627	265	452
Uganda	388	338	363	363	388	388
Other	3,253	2,408	2,780	2,472	3,435	1,904
Total	31,991	37,123	36,231	36,294	32,018	29,990

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.