

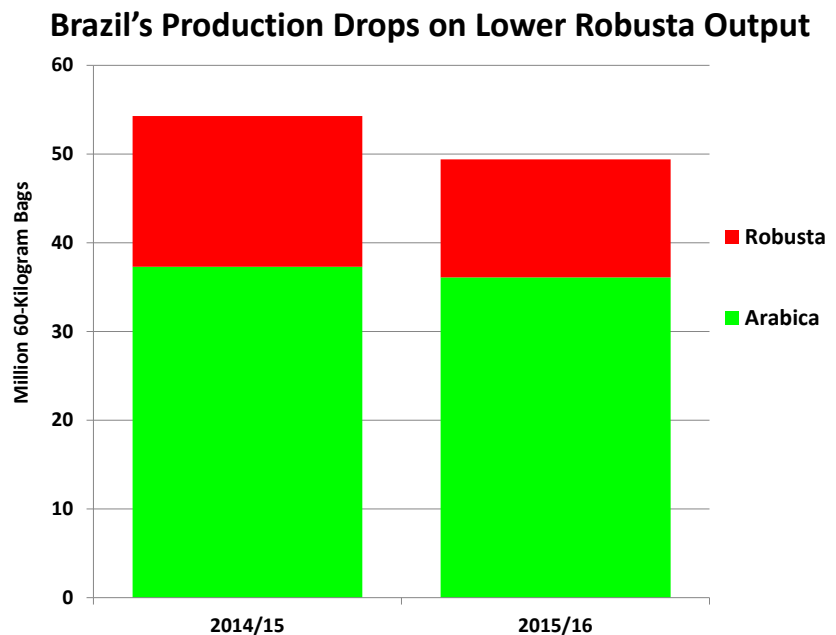


Coffee: World Markets and Trade

2015/16 Forecast Overview

World coffee production for 2015/16 is forecast up 600,000 bags over the previous year to 150.1 million as record output in Indonesia and Honduras--as well as recovery in Vietnam--more than offsets a shortfall in Brazil. Global exports and consumption are forecast at record quantities, lowering ending stocks to 36.7 million bags.

Brazil's Robusta harvest is forecast to decline 3.7 million bags to 13.3 million. Yields are lower following below-average rainfall and above-average temperatures in Espirito Santo, where the vast majority is grown. Arabica output is forecast to fall 1.2 million bags to 36.1 million on lower yields following January's dry growing conditions in Minas Gerais and Sao Paulo, two regions that account for about 80 percent of output. The combined Arabica and Robusta harvest is forecast down 4.9 million bags to 49.4 million. As a result of reduced supplies, bean exports are expected to drop 3.1 million bags to 30.0 million and ending stocks are forecast to decline 4.2 million bags to 5.2 million.



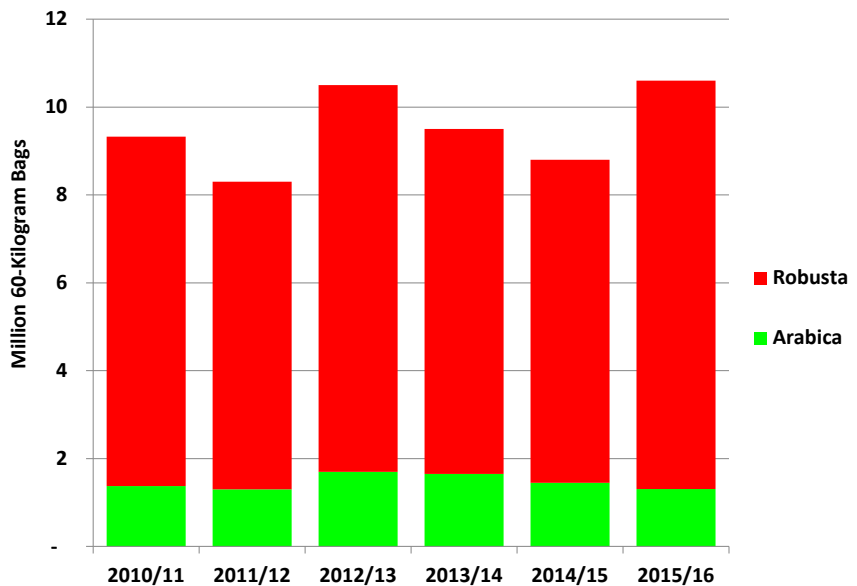
Vietnam's production is forecast up 1.9 million bags to 29.3 million on higher yields in most growing regions. Between January and March 2015, the main coffee regions in the Central Highlands experienced seasonal dry and sunny weather--which is normal for this period--and trees were irrigated. Although the dry season extended into April during the flowering stage, irrigation continued until normal rains returned during the cherry development period of May through July. Although farmers reacted to low prices last year by reducing sales and building stocks, bean exports are now forecast to jump 6.3 million bags to 26.7 million, drawing stocks 1.6 million bags lower to 4.2 million.

Colombia's production is forecast to rise marginally to 13.4 million bags as the rust-resistant replanting program that was conducted over the last several years combined with normal weather conditions to maintain strong output. The rust initially affected as much as 40 percent of the planted area but has since declined to less than 5 percent. This follows an aggressive tree renovation program that replaced an estimated 70 percent of total area planted. Bean exports are forecast to gain 150,000 bags to 11.5 million

on higher shipments to the United States and Europe. Colombia is expected to rely on imported beans from Ecuador and Peru for just 10 percent of consumption, down from nearly 90 percent a few years ago.

Indonesia's production is forecast to gain 1.8 million bags to a record 10.6 million, driven by a rebound in Robusta output that benefitted from favorable weather during flowering. However, this period was followed by below-average rainfall that lowered yields slightly for the later-blooming Arabica trees, for which production is forecast down 100,000 bags to 1.3 million. Bean exports are forecast to rebound 400,000 bags to 5.5 million on gains to the EU while soluble exports are expected to spike 700,000 bags to 2.6 million primarily on strong demand from the Philippines.

Indonesia's Rebounding Robusta Lifts Output to Record



India's production is forecast lower by 100,000 bags to 5.3 million on slightly weaker yields in Karnataka, the largest coffee producing state. However, higher carryin stocks are expected to provide ample supplies for exporters to increase bean shipments 300,000 bags to 3.5 million.

The **European Union** accounts for nearly half of the world's bean imports and is forecast to increase 400,000 bags to a record 45.5 million. Last year, top suppliers included Brazil (33 percent), Vietnam (23 percent) and Honduras (6 percent). Ending stocks are forecast to remain nearly unchanged at 12.5 million bags.

The **United States** is the second-largest importer and is forecast to increase 500,000 bags to 24.0 million due to higher consumption. Last year, top suppliers included Brazil (30 percent), Colombia (21 percent), and Vietnam (13 percent). Ending stocks are forecast nearly unchanged at 6.1 million bags.

Revised 2014/15

World **production** is revised up from the June estimate by 3.2 million bags to 149.5 million.

- Brazil is raised 3.1 million bags to 54.3 million primarily due to higher-than-anticipated Arabica yields in Minas Gerais.
- Colombia is revised up 800,000 bags to 13.3 million as the second crop significantly outperformed the main crop.
- Vietnam is lowered 800,000 bags to 27.4 million on lower yields due to dry conditions in the Provinces of Dak Lak, Dak Nong, and Gia Lai.

World **bean exports** are lowered 3.8 million bags to 101.1 million.

- Vietnam is revised down 4.7 million bags to 20.3 million as low prices created a disincentive for farmers to sell into export channels.
- Brazil is nearly 600,000 bags higher at 33.1 million following larger exportable supplies.

World **ending stocks** are raised 9.0 million bags to 42.5 million.

- Brazil is revised up 3.6 million bags to 9.4 million due to higher output.
- Vietnam is boosted 3.4 million bags to 5.8 million as a result of slow exports.

For additional information, please contact Tony Halstead at 202-720-4620,
or Tony.Halstead@fas.usda.gov

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

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

	2011/12	2012/13	2013/14	2014/15	Jun 2015/16	Dec 2015/16
Production						
Brazil	49,200	57,600	57,200	54,300	52,400	49,400
Vietnam	26,000	26,500	29,833	27,400	28,600	29,300
Colombia	7,655	9,927	12,075	13,300	13,000	13,400
Indonesia	8,300	10,500	9,500	8,800	11,000	10,605
Ethiopia	6,320	6,500	6,345	6,475	6,500	6,500
India	5,230	5,303	5,075	5,440	5,200	5,300
Honduras	5,600	4,725	4,400	5,000	5,900	5,900
Uganda	3,075	3,600	3,850	3,550	3,800	3,800
Guatemala	4,410	4,010	3,515	3,365	3,215	3,315
Mexico	4,300	4,650	3,950	3,300	3,300	3,400
Peru	5,200	4,300	4,250	2,900	3,500	3,000
Nicaragua	2,100	1,925	2,000	2,100	2,150	2,200
Malaysia	1,450	1,400	1,500	1,750	1,800	1,800
Costa Rica	1,775	1,675	1,450	1,400	1,350	1,350
Cote d'Ivoire	1,600	1,750	1,675	1,400	1,325	1,325
Thailand	850	850	850	900	900	900
Papua New Guinea	1,400	825	855	810	850	850
Tanzania	565	1,180	800	800	1,250	900
Kenya	750	660	850	780	900	840
El Salvador	1,200	1,250	550	700	700	700
Other	6,902	5,803	5,148	5,065	5,011	5,337
Total	143,882	154,933	155,671	149,535	152,651	150,122
Domestic Consumption						
European Union	45,250	43,275	41,475	43,630	43,900	43,850
United States	22,946	23,027	23,811	23,577	23,700	24,067
Brazil	20,025	20,110	20,210	20,330	20,580	20,330
Japan	7,050	7,505	7,750	7,825	7,790	8,125
Canada	4,170	4,230	4,605	4,505	4,975	4,800
Philippines	3,660	4,405	3,630	4,265	3,900	4,600
Russia	3,865	4,130	4,230	4,050	4,940	4,075
Indonesia	2,380	2,670	2,790	3,050	3,150	3,090
Ethiopia	3,050	3,000	3,120	2,985	2,972	2,972
Korea, South	1,785	1,825	2,160	2,305	2,350	2,350
Vietnam	1,665	1,825	2,008	2,217	2,160	2,600
Algeria	2,270	1,945	2,300	2,155	2,280	2,280
China	1,060	1,560	1,705	1,940	1,765	1,925
Mexico	2,212	2,030	2,331	1,776	2,273	2,173
Australia	1,600	1,660	1,615	1,775	1,680	1,800
Thailand	1,060	1,130	1,260	1,700	1,450	1,550
Colombia	1,260	1,200	1,300	1,515	1,300	1,350
Switzerland	1,460	1,500	1,410	1,445	1,400	1,450
India	1,168	1,100	1,200	1,200	1,250	1,250
Venezuela	1,305	1,290	1,170	1,155	1,155	1,155
Ukraine	1,425	1,255	1,155	1,005	1,110	1,000
Norway	760	740	775	775	765	775
Argentina	750	835	685	740	675	700
Turkey	375	490	505	670	615	615
Morocco	715	705	620	630	665	640
Other	8,954	8,774	8,933	8,301	8,884	8,745
Total	142,220	142,216	142,753	145,521	147,684	148,267
Ending Stocks						
European Union	10,400	10,845	12,400	12,400	12,000	12,500
Brazil	2,238	9,068	11,946	9,398	4,289	5,198
United States	5,100	5,450	6,025	6,117	5,700	6,100
Vietnam	1,090	1,946	2,130	5,831	2,177	4,184
Japan	2,140	2,980	3,100	3,350	2,900	3,200
Other	4,725	4,941	5,318	5,438	4,474	5,510
Total	25,693	35,230	40,919	42,534	31,540	36,692

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

	2011/12	2012/13	2013/14	2014/15	Jun 2015/16	Dec 2015/16
Bean Exports						
Brazil	26,556	27,143	30,600	33,051	30,000	30,000
Vietnam	23,950	23,783	27,269	20,333	25,500	26,667
Colombia	6,675	8,100	10,300	11,350	11,500	11,500
Indonesia	4,950	6,900	6,000	5,100	6,500	5,500
Honduras	5,290	4,480	3,940	4,700	5,600	5,600
Ethiopia	3,140	3,500	3,285	3,500	3,520	3,520
Uganda	3,000	3,575	3,600	3,400	3,500	3,500
India	3,735	3,420	3,300	3,200	3,500	3,500
Guatemala	3,800	3,750	3,150	3,050	2,900	3,000
Peru	5,140	4,100	4,100	2,750	3,300	2,800
Nicaragua	1,675	1,950	1,785	1,825	2,050	2,000
Mexico	2,525	2,575	1,680	1,525	1,300	1,400
Costa Rica	1,455	1,400	1,225	1,220	1,100	1,100
Cote d'Ivoire	1,290	1,340	1,250	1,050	950	950
Tanzania	520	915	800	850	1,200	850
Papua New Guinea	1,350	775	815	755	800	800
Kenya	800	825	800	740	860	800
El Salvador	1,065	1,185	500	600	625	625
Cameroon	670	470	350	500	450	550
Laos	350	360	365	385	425	400
Rwanda	245	260	250	240	250	250
Burundi	205	240	180	160	145	200
Togo	560	200	165	160	100	160
Ecuador	575	450	165	125	165	165
Guinea	380	143	25	110	25	200
Other	691	548	543	429	497	468
Total	100,592	102,387	106,442	101,108	106,762	106,505
Bean Imports						
European Union	43,950	45,070	44,650	45,110	45,500	45,500
United States	23,700	23,360	24,550	23,525	24,000	24,000
Japan	5,965	7,460	6,890	7,150	6,700	7,000
Canada	2,225	2,330	2,525	2,450	2,600	2,600
Switzerland	2,140	2,310	2,300	2,420	2,350	2,400
Russia	1,720	2,050	2,280	2,240	2,500	2,300
Korea, South	1,675	1,715	2,035	2,150	2,200	2,200
Algeria	2,240	1,915	2,265	2,125	2,250	2,250
Malaysia	1,125	1,375	1,270	1,350	1,250	1,300
Australia	1,135	1,180	1,185	1,310	1,200	1,300
India	879	1,130	1,104	1,080	1,090	1,000
Thailand	375	480	630	1,025	800	900
China	625	930	910	890	850	850
Ecuador	1,150	1,350	1,040	825	770	770
Mexico	1,050	710	960	720	900	900
Venezuela	570	600	500	685	670	670
Turkey	350	460	475	630	575	575
Morocco	700	690	605	610	650	625
Norway	570	550	575	575	575	575
Egypt	500	450	450	460	425	500
Serbia	570	520	530	460	500	500
Argentina	500	565	415	450	400	400
Vietnam	200	642	476	450	200	200
Indonesia	930	300	310	400	300	200
Taiwan	260	310	330	375	350	350
Other	2,841	2,535	2,075	1,745	1,745	1,785
Total	97,945	100,987	101,335	101,210	101,350	101,650

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.