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Report Highlights:

Post forecasts the Brazilian coffee production for Marketing Year 2023/24 (July-June) at 66.4 million 60-kg bags, an increase of 3.8 million bags compared to the previous crop. Post forecasts arabica production at 44.7 million bags, an increase of 12 percent from the previous season due to favorable weather conditions in growing regions. Post forecasts robusta production at 21.7 million bags, a 5 percent decrease from the previous season due to a decrease in productivity caused by weather conditions in Espirito Santo. Coffee exports for 2023/24 are forecasted at 45.35 million bags, an increase of twenty six percent relative to the previous season due to available supplies.

Production

Post estimates the marketing year (MY) 2023/24 (July-June) total Brazilian coffee production at 66.4 million bags (60 kilograms per bag), green equivalent, an increase of 3.8 million bags relative to the previous crop year of 62.6 million 60-kg bags.

Arabica production is projected at 44.7 million bags, an increase of 12 percent from the previous season estimate of 39.8 million bags. Most of the producing areas are in the negative year of the biennial production cycle and rainfall volumes have been mostly favorable in all growing regions.

Minas Gerais experienced higher than average rains in January 2023 causing difficulties in controlling plant diseases and pests in some regions. This increase in water availability during the fruit development stage has resulted in coarser and heavier grains compared to the last crop, also leading to the increase in production estimate. The coffee plants ended the 2022 season in a state of depletion due to frost and water stress that impacted crops for two consecutive years.

Robusta/Conilon production is forecast at 21.7 million bags, a 5 percent decrease relative to the 22.8 million bags estimated last season. The lower production is estimated on the decrease in productivity and poor weather conditions due to decreased rains during the early stages of the crop cycle. The lower-than-average temperatures and strong winds were mainly observed in Espirito Santo. Even though starting in October 2022 optimal rains returned, the productivity of the crop had already been impacted in the dormancy and flowering phases, resulting in the lower production estimates than last marketing year. Post estimates a marginal increase in the harvest area.

Table 1 below shows coffee forecast production by state and variety for MY 2023/24 as well as production estimates from MY 2018/19 to MY 2022/23.

Table 1

Brazilian Coffee Production (Million 60-kg bags)						
State/Variety	**MY 18/19**	**MY 19/20**	**MY 20/21**	**MY 21/22**	**MY 22/23**	**MY 23/24**
Minas Gerais	34.2	29.1	34.8	24.5	27.3	32
Southwest	19.2	16.2	19.7	13	14.4	16.5
Central-western	7.3	5.8	6.3	5	5	7.5
Southeast	7.7	7.1	8.8	6.5	7.9	8
Espirito Santo	15.6	16.8	19.1	19.4	21	19
Arabica	4.7	3.9	4.8	3.7	4.4	3.8
Robusta	10.9	12.9	14.3	15.7	16.6	15.2
Sao Paulo	6.5	5.4	6.4	4.6	4.8	5.3
Parana	1.2	1.1	1.1	1	0.7	1.1
Others	9	8.1	8.5	8.6	8.8	9
Arabica	3.1	2.5	2.6	2.6	2.6	2.5
Robusta	5.9	5.6	5.9	6	6.2	6.5
Total	66.5	60.5	69.9	58.1	62.6	66.4
Arabica	49.7	42	49.7	36.4	39.8	44.7
Robusta	16.8	18.5	20.2	21.7	22.8	21.7
Source: USDA/Brasilia Office of Agricultural Affairs (OAA)						

In May 2023, the Brazilian Government, through the Ministry of Agriculture and Livestock (MAPA) National Supply Company (CONAB), released its second survey projecting Brazilian coffee production in MY 2023/24 at 54.74 million bags, a 3.82 million bag increase compared to MY 2022/23 (50.92 million bags). CONAB projects Arabica production at 37.93 million bags, whereas the Robusta/Conilon crop is forecast at 16.81 million bags. CONAB will release the third coffee survey for the 2023 crop in September.

The April 2023 coffee crop survey released by the Brazilian Institute for Geography and Statistics (IBGE), a Brazilian government agency under the Ministry of Economics that also publishes agricultural statistics, forecast the coffee production for MY 2023/24 at 55.7 million 60-kg bags (38.5 and 17.2 million bags of Arabica and Robusta/Conilon coffee, respectively), a 1.5 percent rise compared to the 2022 crop (54.9 million bags – 37.4 and 17.5 million bags of Arabica and Robusta/Conilon coffee, respectively). Both government agencies, CONAB and IBGE, use a different methodology to forecast coffee production than Post and, both have been consistently lower than Post's estimates.

Coffee Area, Tree Inventory, and Yields

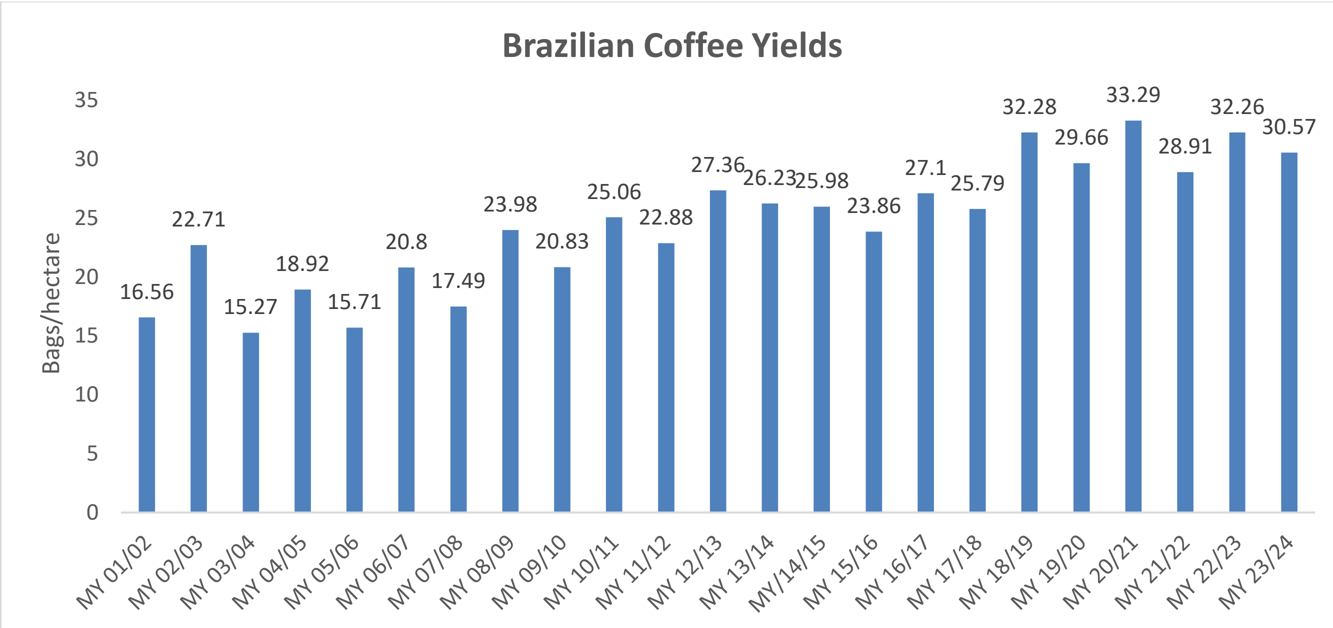
Table 2 below shows the Brazilian coffee area and tree population from MY 2019/20 through MY 2023/24. The total area planted for coffee for MY 2023/24 is projected slightly higher at 2.51 million hectares, an increase of less than one percent relative to the previous season. In contrast, coffee tree inventory is projected at 7.25 billion trees, a decrease of 300 million trees from the previous crop year.

Table 2

Brazilian Coffee Area and Tree Population (million trees, thousand hectares, trees/hectare)					
	MY 19/20	**MY 20/21**	**MY 21/22**	**MY 22/23**	**MY 23/24**
Total Trees	6,930	7,250	7,510	7,610	7,250
Non-Bearing	1,230	1,050	1,500	1,510	1,100
Bearing	5,700	6,200	6,010	6,100	6,150
Total Area	2,390	2,420	2,480	2,495	2,510
Non-Bearing	350	320	470	475	480
Harvested	2,040	2,100	2,010	2,020	2,030
Trees/ha	2,900	2,996	3,028	3,050	2,888
Non-Bearing	3,514	3,281	3,191	3,179	2,291
Bearing	2,794	2,952	2,990	3,020	3,029
Source: USDA/Brasilia OAA					

The Brazilian coffee yield for MY 2023/24 is forecast at 30.57 bags/hectare, down five percent compared to the previous crop (32.26 bags/hectare). The decrease is caused by the second consecutive year of the negative biennial production cycle for Arabica trees. Arabica production is estimated to increase this season but not to the volume typically experienced after a negative biennial production cycle year. Robusta production has also lowered the overall coffee yield due to a lack of rain. Graph 1 below illustrates the evolution of Brazilian coffee yields since the 2001/02 crop.

Graph 1



Source: USDA/Brasilia OAA

Coffee Prices in the Domestic Market

Tables 3 and 4 below show the Coffee Index price series for Arabica and Robusta coffee released by the University of Sao Paulo's Luiz de Queiroz College of Agriculture (ESALQ).

According to the April 2023 coffee trade statistics released by the International Coffee Organization (ICO), there is another consecutive year of a world deficit in coffee supply. Total world coffee consumption for 2022/23 is forecast to grow to 178.5 million bags, a two percent increase compared to the world consumption for 2021/22 (175.6 million bags). Worldwide coffee production is expected to increase two percent in 2022/23 to 171.3 million bags.

Table 3

Arabica Coffee Prices in the Domestic Market (Real, 60kg/bag)					
Month	2019	2020	2021	2022	2023
January	410.87	493.03	639.71	1,482.59	1,009.27
February	407.7	481.97	685.21	1,485.35	1,129.53
March	395.6	556.28	731.86	1,284.41	1,104.68
April	384.21	584.55	744.13	1,251.33	1,106.36
May	389.03	574.1	822.23	1,261.08	
June	411.93	483.24	850.96	1,332.99	
July	423.66	505.97	914.53	1,318.78	
August	408.74	578.84	1,033.82	1,302.16	
September	430.63	564.62	1,087.61	1,297.93	
October	421.59	536.6	1,222.20	1,135.49	
November	475.11	565.48	1,347.73	962.21	
December	545.17	594.32	1,452.16	1012.36	
Source: CEPEA/ESALQ/USP. 1/					

Table 4

Robusta Coffee Prices in the Domestic Market (Real, 60kg/bag)					
Month	**2019**	**2020**	**2021**	**2022**	**2023**
January	304.21	303.02	416.71	828.16	681.58
February	305.15	308.09	430.7	820.07	694.81
March	302.88	320.77	450.8	766.58	646.29
April	288.4	331.59	450.22	813.62	663.93
May 1/	279.44	354.69	463.23	732.75	
June	289.42	338.97	485.1	696.95	
July	283.47	353.65	554.49	713.51	
August	281.87	390.18	637.87	733.13	
September	288.82	395.38	765.84	746.81	
October	288.09	399.7	798.65	646.08	
November	305.53	409.98	802.62	568.92	
December	311.79	401.9	830.77	681.88	
Source: CEPEA/ESALQ/USP. 1/					

Exchange Rate

Table 5 below shows the official exchange rate as released by the Brazilian Central Bank (BACEN) from 2017 to 2023.

Table 5

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
January	3.13	3.16	3.65	4.25	5.48	5.36	5.10
February	3.10	3.24	3.74	4.50	5.53	5.14	5.21
March	3.17	3.32	3.90	5.20	5.70	4.74	5.08
April	3.20	3.48	3.94	5.43	5.40	4.92	5.00
May 1/	3.26	3.74	3.94	5.43	5.23	4.79	4.97
June	3.30	3.86	3.83	5.48	5.00	5.23	
July	3.13	3.75	3.76	5.20	5.12	5.18	
August	3.15	4.14	4.14	5.47	5.14	5.17	
September	3.17	4.00	4.16	5.64	5.44	5.40	
October	3.27	3.72	4.00	5.77	5.64	5.26	
November	3.26	3.86	4.22	5.33	5.62	5.29	
December	3.31	3.87	4.03	5.20	5.58	5.21	
Source: Brazilian Central Bank (BACEN) 1/ May 2022 refers to May 11							

Consumption

Brazil’s domestic coffee consumption for MY 2023/24 is forecast at 22.56 million coffee bags (21.6 million bags of roast/ground and 960,000 bags of soluble coffee, respectively), based on updated information from post contacts and official economic indicators. This figure represents a marginal increase from MY 2022/23 (22.45 million bags – 21.5 million bags of roast/ground and 950,000 bags of soluble coffee, respectively). Economic indicators such as the expected modest growth of the Brazilian economy, high inflation rates, and high coffee prices at retail have created difficulties for increased consumption. According to CONAB, the increased risk of crisis in the banking and financial system in the United States has raised concerns for global coffee consumption, however prices are maintained by supply restrictions.

The Brazilian Coffee Industry Association (ABIC) reports that the coffee industry processed 21.33 million bags, green equivalent, from November 2021 to October 2022, a decrease of 0.97 percent compared to the same period the year before (21.54 million bags). Table 6 below shows domestic ground and soluble coffee consumption as reported by ABIC.

Table 6

Domestic Ground and Soluble Coffee Consumption (Million 60 kg bags, Kg/year).					
Year	**Consumption (Million 60 kg bags)**			**Consumption per capita (kg)**	
	Roast/Ground	**Soluble**	**Total**	**Roast**	**Green Beans**
2001	13.00	0.60	13.60	3.91	4.88
2002	13.30	0.74	14.04	3.86	4.83
2003	12.90	0.80	13.70	3.72	4.65
2004	14.10	0.80	14.90	4.01	5.01
2005	14.60	0.90	15.50	4.11	5.14
2006	15.40	0.93	16.33	4.27	5.34
2007	16.10	1.00	17.10	4.42	5.53
2008	16.68	0.98	17.66	4.51	5.64
2009	17.37	1.02	18.39	4.65	5.81
2010	18.06	1.07	19.13	4.81	6.02
2011	18.60	1.12	19.72	4.88	6.10
2012	19.25	1.08	20.33	4.98	6.23
2013	19.00	1.08	20.08	4.87	6.09
2014	19.25	1.08	20.33	4.89	6.12
2015	19.40	1.10	20.50	4.90	6.12
2016	20.10	1.11	21.21	5.03	6.29
2017	20.91	1.08	21.99	5.10	6.38
2018	19.92	1.08	21.00	4.82	6.02
2019	19.99	0.91	20.90	4.76	5.95
2020	20.24	0.94	21.18	4.79	5.99
2021	20.56	0.99	21.54	4.84	6.06
2022	20.30	0.99	21.3	4.77	5.96
Source: Brazilian Coffee Industry Association (ABIC) Note: Estimates refer to November-October period. As of 2018, roast/ground consumption figures exclude consumption from on-farm consumption, coffee shops and other informal sources.					

In 2018, ABIC changed the methodology to estimate the domestic coffee consumption to include consumption only by roasters. Therefore, the aforementioned figures do not include consumption from other channels like on-farm consumption, coffee shops, and other informal sources. Coffee consumption from sources other than roasters is roughly estimated at 2 million bags.

Exports

Coffee exports for MY 2023/24 are forecast at 45.35 million 60-kg bags, green beans, an increase of twenty six percent relative to MY 2022/23 (36.645 million bags) due to the expected larger exportable surplus). Despite the significantly higher prices that prevailed in the last couple of years, Brazil remains competitive in the world market and the depreciated local currency (Real) has supported strong exports.

Soluble coffee exports are estimated at 4.3 million bags in MY 2023/24, an increase of 20 percent compared to the previous season of 3.6 million bags. The Russia – Ukraine war has continued to negatively affect soluble coffee imports to those countries. In 2020, Russia was Brazil's second largest market for soluble coffee, exporting 334,057 bags to Russia. However in 2022, Brazil only exported 150,887 GBE to Russia, becoming the eight largest market. In 2020, Brazil exported 170,083 GBE to Ukraine compared to 40,300 bags in 2022/23.

The Coffee Exporters Council (CECAFE) reports that the shortage of containers for shipping bulk coffee, booking cancellations, cargo rollovers, and extremely high freight rates remains. According to the institution, the logistic issues are now "part of the new normal."

Tables 7 to 12 below show green coffee bean (NCM 0901.11.10), roasted coffee (NCM 0901.21.00) and soluble coffee (NCM 2101.11.10) exports by country of destination, according to the Council of Brazilian Coffee Exporters (CeCafe) for MY 2021/22 (July-June) through MY 2022/23 (July-April).

Table 7
Top 10 by Ton 2021/22

Brazilian Soluble Coffee Exports by Country of Destination (NCM 2101.11.10, July-June, MT, US$ 000 FOB)		
Country	**Value**	**Quantity**
United States	118,797	17,910
Argentina	41,091	7,592
Indonesia	30,177	6,206
United Kingdom	21,704	1,140
Japan	42,567	3,139
Finland	6,918	6,358
Poland	16,429	3,287
Canada	21,299	4,169
South Korea	18,360	4,577
Rest of World	302,852	47,193
Total	620,198	101,571

Table 8
2022/23 July 22- April 23

Brazilian Soluble Coffee Exports by Country of Destination (NCM 2101.11.10, July-April, MT, US$ 000 FOB)		
Country	**Value**	**Quantity**
United States	129,286	15,233
Argentina	44,770	7,083
Finland	32,746	4,189
Japan	31,954	3,794
United Kingdom	23,004	2,628
Indonesia	35,257	4,783
Poland	27,904	3,698
Peru	17,072	2,261
Singapore	13,640	2,421
Rest of World	255,510	29,503
Total	611,147	75,593

Source: Trade Data Monitor

Table 9
2021/22

Brazilian Green Coffee Exports by Country of Destination (NCM 0901.11.10, July-June, MT, US$ 000 FOB)		
Country	**Value**	**Quantity**
United States	1,522,076	431,693
Germany	1,495,747	385,172
Belgium	752,033	189,940
Italy	682,265	183,431
Japan	425,773	121,931
Spain	213,406	64,243
Argentina	90,731	24,833
Turkey	222,756	54,935
United Kingdom	168,999	43,265
Rest of world	2,215,688	646,262
Total	7,789,478	2,145,705

Source: Trade Data Monitor

Table 10
MY 2022-23 July 22-April 2023

Brazilian Green Coffee Exports by Country of Destination (NCM 0901.11.10, July-April, MT, US$ 000 FOB)		
Country	**Value**	**Quantity**
United States	1,250,083	323,310
Germany	1,124,625	279,654
Italy	623,940	153,843
Japan	319,916	86,679
Belgium	409,964	95,850
Turkey	210,961	54,807
Netherlands	195,236	48,866
France	144,475	35,749
South Korea	157,435	38,510
Rest of World	1,966,812	533,182
Total	6,403,451	1,650,450

Source: Trade Data Monitor

Table 11

Brazilian Roasted Coffee Exports by Country of Destination (NCM 0901.21.00, July-June, MT, US$ 000 FOB)		
Country	**Value**	**Quantity**
Argentina	7,092	804
Chile	5,380	666
Mexico	4,111	365
Paraguay	1,604	258
United States	4,425	782
Japan	724	126
Uruguay	1,385	173
Portugal	351	45
Peru	248	23
Rest of World	3,598	741
Total	28,923	3,983

Source: Trade Data Monitor

Table 12

Brazilian Roasted Coffee Exports by Country of Destination (NCM 0901.21.00, July-April, MT, US$ 000 FOB)		
Country	**Value**	**Quantity**
United States	6,161	935
Argentina	5,664	546
Chile	3,333	361
Paraguay	1,724	237
Uruguay	1,463	164
Mexico	2,245	150
Colombia	508	38
Bolivia	254	37
Rest of World	3,054	400
Total	24,410	2,868

Source: Trade Data Monitor

As reported by Brazilian Green Coffee Association (CECAFE) and the Brazilian Soluble Coffee Association (ABICS), total coffee exports during the July 2022 – April 2023 period were 30.49 million bags, a decrease of 8.3 percent relative to the same period for MY 2021/22 (33.25 million bags), due to lower coffee availability for exports. According to CECAFE as of May 17, Brazil's coffee export registrations for May 2023 were 1.23 million bags, while cumulative green coffee export shipments for May 2023 were 962,790 bags.

Tables 13 to 16 below include data on monthly coffee exports (quantity and value) for MY 2021/22 (July-June) and MY 2022/23 (July-April), as reported by the Brazilian Green Coffee Association (CECAFE) and the Brazilian Soluble Coffee Association (ABICS).

Table 13

Brazilian Monthly Coffee Exports for MY 2021/22 (Thousand 60-kg bag, green equivalent).						
Month	**Conillon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
21-Jul	410.77	2,164.29	2,575.06	3.32	331.04	2,909.42
21-Aug	345.71	2,126.83	2,472.54	5.25	353.84	2,831.63
21-Sep	390.1	2,480.98	2,871.08	5.21	362.77	3,239.05
21-Oct	301.61	2,968.42	3,270.03	3.59	312.76	3,586.37
21-Nov	221.35	2,628.29	2,849.64	4.8	360.23	3,214.68
21-Dec	143.44	3,282.15	3,425.59	3.21	456.38	3,885.18
22-Jan	99.85	2,989.49	3,089.34	3.45	320.22	3,413.00
22-Feb	140.28	3,142.95	3,283.23	3.36	297.5	3,584.08
22-Mar	134.41	3,283.31	3,417.72	4.06	357.42	3,779.19
22-Apr	134.51	2,425.35	2,559.86	2.25	246.47	2,808.57
22-May	131.81	2,529.57	2,661.38	4.44	298.06	2,963.88
22-Jun	143.74	2,688.26	2,832.00	5.55	349.8	3,187.35
Cumulative	2,597.58	32,709.89	35,307.47	48.49	4,046.49	39,402.40

Source: CECAFE and ABICS.

Table 14
MY 2022/23 July 22- April 23 (no data for May/June)

Brazilian Monthly Coffee Exports for MY 2022/23 (Thousand 60-kg bag, green equivalent).						
Month	**Conillon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
22-Jul	146.24	2,057.16	2,203.40	2.74	313.87	2,520.01
22-Aug	128.71	2,384.41	2,513.12	3.88	320.79	2,837.79
22-Sep	149.76	3,008.99	3,158.75	4.06	315.39	3,478.20
22-Oct	113.37	3,169.56	3,282.93	2.57	293.47	3,578.97
22-Nov	110.02	3,351.13	3,461.15	4.93	278.32	3,744.40
22-Dec	61.99	2,834.91	2,896.90	3.96	337.78	3,238.64
23-Jan	75.85	2,435.42	2,511.27	3.11	319.43	2,833.81
23-Feb	87.5	2,058.34	2,145.84	3.88	287.79	2,437.51
23-Mar	107.27	2,685.02	2,792.29	3.51	307.47	3,103.27
23-Apr	123.36	2,271.93	2,395.29	2.63	324.27	2,722.19
Cumulative	1,104.07	26,256.87	27,360.94	35.27	3,098.58	30,494.79

Source: CECAFE and ABICS.

Table 15

Brazilian Monthly Coffee Exports for MY 2020/21 (US$ 1,000,000)						
Month	**Conillon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
21-Jul	37.03	330.68	367.71	1.41	46.89	416
21-Aug	34.68	351.91	386.59	2.2	49.59	438.38
21-Sep	42.56	441.12	483.67	2.12	51.63	537.42
21-Oct	34.5	568.54	603.04	1.79	48.41	653.25
21-Nov	28.37	546.46	574.83	2.5	55	632.33
21-Dec	18.68	704.89	723.58	1.73	74.67	799.98
22-Jan	15.48	674.91	690.39	1.29	52.39	744.07
22-Feb	21.44	748.32	769.75	1.83	50.15	821.73
22-Mar	20.87	820.23	841.1	1.83	58.96	901.89
22-Apr	21.04	607.39	628.42	1.18	41.13	670.73
22-May	22.27	661.487	683.757	1.745	42.27	727.772
22-Jun	22.01	653.89	675.9	2.56	66.1	744.56
Cumulative	318.93	7,109.83	7,428.74	22.19	637.19	8,088.11

Source: CECAFE and ABICS.

Table 16

Brazilian Monthly Coffee Exports for MY 2020/21 (US$ 1,000,000)						
Month	**Conillon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
22-Jul	21.87	504.89	526.76	1.75	68.19	596.7
22-Aug	19.71	576.86	596.57	3.88	74.3	674.75
22-Sep	23.43	737.21	760.64	2.18	67.73	830.55
22-Oct	18.16	791.6	809.76	1.06	58.88	869.7
22-Nov	17.92	828.95	846.87	2.21	52.32	901.4
22-Dec	8.77	642.64	651.41	1.98	63.31	716.7
23-Jan	10.69	539.82	550.51	1.37	60.41	612.29
23-Feb	11.67	449.35	461.02	1.86	52.01	514.89
23-Mar	15.7	598.75	614.45	1.83	56.87	673.15
23-Apr	17.87	525.19	543.06	1.45	60.03	604.54
Cumulative	165.79	6,195.26	6,361.05	19.57	614.05	6,994.67

Source: CECAFE and ABICS.

Imports

Table 17 and 18 below shows roasted coffee (NCM 0901.21.00) imports by country of origin, according to the Trade Data Monitor (TDM) based on the Brazilian Secretariat of foreign Trade (SECEX), for MY 2019/20 through MY 2021/22 (July-June) and MY 2020/21 through MY 2022/23 (July-March).

Table 17

Brazilian Roasted Coffee Imports by Country of Origin (NCM 0901.21.00, July-June, MT, US$ 000 FOB)						
	MY 2019/20		**MY 2020/21**		**MY 2021/22**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Switzerland	50,690	1,761	33,311	2,081	60,037	1,981
France	7,500	598	9,455	659	13,683	796
United States	2,666	309	2,151	250	2,505	265
United Kingdom	882	50	3,651	218	2,377	132
Italy	3,995	308	2,877	149	4,248	234
Portugal	999	165	634	92	1,025	169
Uruguay	0	0	900	87	2,037	188
Spain	1,585	108	1,390	80	1,371	88
Colombia	280	57	456	73	641	88
Poland	205	23	302	34	530	66
Others	595	26	421	24	218	14
Total	69,398	3,404	55,548	3,747	88,677	4,021

Source: CECAFE and ABICS.

Table 18

Brazilian Roasted Coffee Imports by Country of Origin (NCM 0901.21.00, July-March, MT, US$ 000 FOB)						
	MY 2020/21		MY 2021/22		MY 2022/23	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Switzerland	**24,949**	**1,604**	**38,665**	**1,347**	**94,136**	**1943**
France	**6,211**	**450**	**9,333**	**575**	**20,871**	**758**
United States	**2,105**	**245**	**1,882**	**208**	**4,686**	**269**
Italy	**2,094**	**106**	**3,259**	**178**	**6,029**	**230**
Uruguay	**185**	**20**	**1,417**	**132**	**3,204**	**152**
U.K.	**2,449**	**148**	**2,265**	**127**	**2,666**	**86**
Portugal	**394**	**53**	**628**	**114**	**1,423**	**110**
Poland	**211**	**22**	**531**	**67**	**402**	**23**
Colombia	**415**	**68**	**418**	**59**	**1,201**	**80**
Spain	**1,134**	**66**	**777**	**50**	**1,842**	**73**
Others	**297**	**10**	**135**	**10**	**2,816**	**22**
Total	**40,444**	**2,793**	**59,308**	**2,867**	**137,036**	**3,746**

Source: CECAFE and ABICS.

Stocks

Post estimates total ending stocks in MY 2023/24 at 2.685 million bags, a decrease of 1.435 million bags compared to MY 2022/23 (4.12 million bags), due to expected larger coffee supply during the upcoming season.

Policy

The Coffee Policy Deliberative Council (CDPC) is responsible for approving the coffee crop plan, coffee agricultural and marketing research, crop forecasting, evaluate the market supply and demand, set technical and financial cooperative projects, both domestically and internationally, approve the use of Funcafe funds, among others.

The Coffee Policy Deliberative Council (CDPC) approved on May 4, 2023 the distribution of resources from the Coffee Economy Defense Fund (Funcafé) for the 2023/2024 harvest. The amount must now be approved by the National Monetary Council (CMN), which will also define the maximum interest rate in mid-June.

Regarding the distribution of resources for the 2023/2024 harvest, the CDPC deliberated on the distribution of R$ 6.37 billion, approving R$ 2.35 billion for marketing financing and R$ 1.62 billion for crop management. The council also foresees the allocation of R$ 1.48 billion to the Financing for the Acquisition of Coffee (FAC), R$ 883 million to working capital, and R$ 30 million to recover damaged coffee plantations.

Table 19 below shows the funding breakdown by type of financing for the 2020/21 through the 2022/23 crops.

Table 19

Funcafé Resources for Financing			
	2020/21	**2022/23**	**2023/24**
Crop Management	R$ 1.6 billion	R$ 1.57 billion	R$ 1.62 billion
Marketing Financing	R$ 2.21 billion	R$ 2.17 billion	R$ 2.35 billion
Financing for the Acquisition of Coffee (FAC)	R$ 1.11 billion	R$ 1.38 billion	R$ 1.47 billion
Recovery of Damaged Coffee Plantations	R$ 1.61 million	R$ 160 million	R$ 30.0 million
Working Capital (industry and cooperatives)	R$ 6.31 million	R$ 775 million	R$ 883.75 million
TOTAL	R$ 5.71 billion	R$ 6.06 billion	R$ 6.37 billion

Source: Coffee Policy Deliberative Council (CDPC)

Minimum prices for the 2023/24 marketing year are updated annually based mainly on production costs. The 2023/24 production costs were accounted for a 12.77 percent and 5.8 percent increase in relation to the minimum prices, mainly resulting from an increase in labor costs. According to CONAB, the increased risk of crisis in the banking and financial system in the United States has raised concerns for global coffee consumption, however prices are maintained by supply restrictions.

If market prices are below the minimum guaranteed price, the Brazilian government through CONAB, set policies/programs to guarantee that producers are paid the minimum prices, such as purchasing coffee directly from producers (Federal Government Acquisitions) or paying a premium to buyers to move the product from growers to the destination (Product Flow Premium Program), among others. Table 20 below shows coffee minimum guaranteed prices as set by CONAB since the 2017/18 crop.

Table 20

Coffee Minimum Guaranteed Prices (R$/60-kg bag)							
	2017/18	**2018/19**	**2019/20**	**2020/21 1/**	**2021/22**	**2022/23**	**2023/24**
Arabica type 6	333.03	341.21	362.53	364.09	369.40	606.66	684.16
Robusta/Conilon type 7	223.59	202.19	210.13	242.31/210.13	263.93	434.82	460.02
Fonte: Conab 1/ For 2020/21: robusta/conilon price is R$ 210.13 for Rondonia and R$ 242.31 elsewhere.							

Production, Supply and Distribution Table

Coffee, Green	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	2480	2480	2495	2495	0	2510
Area Harvested (1000 HA)	2010	2010	2020	2020	0	2030
Bearing Trees (MILLION TREES)	6010	6010	6100	6100	0	6150
Non-Bearing Trees (MILLION TREES)	1500	1500	1510	1510	0	1100
Total Tree Population (MILLION TREES)	7510	7510	7610	7610	0	7250
Beginning Stocks (1000 60 KG BAGS)	4390	4390	540	540	0	4120
Arabica Production (1000 60 KG BAGS)	36400	36400	39800	39800	0	44700
Robusta Production (1000 60 KG BAGS)	21700	21700	22800	22800	0	21700
Other Production (1000 60 KG BAGS)	0	0	0	0	0	0
Total Production (1000 60 KG BAGS)	58100	58100	62600	62600	0	66400
Bean Imports (1000 60 KG BAGS)	0	0	0	0	0	0
Roast & Ground Imports (1000 60 KG BAGS)	75	75	75	75	0	75
Soluble Imports (1000 60 KG BAGS)	0	0	0	0	0	0
Total Imports (1000 60 KG BAGS)	75	75	75	75	0	75
Total Supply (1000 60 KG BAGS)	62565	62565	63215	63215	0	70595
Bean Exports (1000 60 KG BAGS)	35576	35576	33000	33000	0	41000
Rst-Grnd Exp. (1000 60 KG BAGS)	54	54	45	45	0	50
Soluble Exports (1000 60 KG BAGS)	4055	4055	3600	3600	0	4300
Total Exports (1000 60 KG BAGS)	39685	39685	36645	36645	0	45350
Rst,Ground Dom. Consum (1000 60 KG BAGS)	21400	21400	21500	21500	0	21600
Soluble Dom. Cons. (1000 60 KG BAGS)	940	940	950	950	0	960
Domestic Consumption (1000 60 KG BAGS)	22340	22340	22450	22450	0	22560
Ending Stocks (1000 60 KG BAGS)	540	540	4120	4120	0	2685
Total Distribution (1000 60 KG BAGS)	62565	62565	63215	63215	0	70595
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						

Attachments:

No Attachments