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Report Highlights:

ATO/Sao Paulo forecasts the Brazilian coffee production for Marketing Year (MY) 2022/23 (July-June) at 64.3 million 60-kg bags, an increase of 11 percent compared to the last crop. Although Arabica trees are on the on-year of the biennial production cycle, production should be constrained by adverse weather conditions in 2021. Robusta production, however, should benefit from above-average weather conditions and good crop management, thus resulting in an excellent output. Coffee exports for MY 2022/23 are projected at 39.05 million bags, an increase of three percent vis-à-vis MY 2021/22 due to the higher coffee supply. The shortage of containers for shipping bulk coffee, booking cancellations, cargo rollovers, and extremely high freight rates remain a challenge for the industry.

Production

The Agricultural Trade Office in Sao Paulo (ATO) forecasts the Brazilian marketing year (MY) 2022/23 (July-June) coffee production at 64.3 million bags (60 kilograms per bag), green equivalent, an increase of 6.2 million bags relative to the revised figure for the previous crop year (58.1 million 60-kg bags).

Post conducted field trips to major coffee-producing areas to evaluate the 2022 crop. Trips were made during the January-May 2022 period to the states of Espirito Santo, Minas Gerais, Parana, and Sao Paulo to observe vegetative development, cherry set, and fruit formation. Information for other producing states was obtained from government sources, state secretariats of agriculture, producers associations, cooperatives, and traders.

Arabica production is projected at 41.5 million bags, an increase of 14 percent vis-a-via the previous season. Most of the producing areas are in the on-year of the biennial production cycle and rainfall volumes have been mostly favorable in all growing regions as of October 2021, supporting the development and filling of the fruits. However, weather-related issues in some areas such as below-average rainfall that prevailed until September 2021 and the severe frosts in June/July 2021 have affected Arabica coffee trees' first blossoming and fruit setting, thus reducing the production potential for the upcoming crop. Note that the Arabica crop for 2022/23 is expected to be down 8.2 million bags (16 percent) compared to the 2020/21 Arabica crop (49.7 million bags). The 2020/21 Arabica crop was the latest coffee crop with trees on the on-year of the biennial production cycle and expressing their full production potential.

More recently, light frosts were observed in restricted spots in the states of Sao Paulo, Minas Gerais, and Parana between May 18 and 20, 2022. Coffee growers have been assessing the effects of the frost in the affected areas, but overall, damages for the 2022 coffee crop are reported as very limited. The Ministry of Agriculture, Livestock and Food Supply's (MAPA) National Supply Company (CONAB) reports that the institution should conduct field trips in the next couple of weeks to assess potential crop damages caused by the frost. CONAB has also emphasized that the intensity of the frost was much weaker than in 2021.

Robusta/Conilon production is forecast at 22.8 million bags, a 1.1-million-bag increase relative to the previous crop season. Above-average weather conditions (rainfall volumes and temperature) and good crop management resulted in good blossoming and fruit setting in most coffee fields. A marginal increase in the harvest area also supports the expected increase in production. Robusta/Conilon harvest started in April in major growing areas.

Although production costs (energy, fertilizers, pesticides, labor, etc) have increased for the upcoming crop, coffee prices have remained steadily high and above historical averages, thus enabling good crop management for both Arabica and Robusta/Conilon coffee fields. The current Russia-Ukraine war has brought no significant impact to the current coffee crop, given that fertilizer purchases/utilization have occurred beforehand. However, if the war persists, fertilizer supply might be an issue for the 2023/24 crop. Brazil imports large amounts of fertilizers from Russia.

The Agricultural Trade Office (ATO)/Sao Paulo estimate for marketing year (MY) 2021/22 (July-June) was revised upward to 58.1 million 60-kg bags, green equivalent, an increase of 1.8 million 60-kg bags vis-à-vis the last estimate, based on updated supply/demand information from the industry. Arabica production is estimated at 36.4 million bags, whereas the estimate for Robusta/Conilon production is 21.7 million bags. Post contacts report that producers have already marketed over 90 percent of the 2021/22 crop. Table 1 below shows coffee forecast production by state and variety for MY 2022/23 as well as production estimates from MY 2017/18 to MY 2021/22.

Table 1

Brazilian Coffee Production (Million 60-kg bags)						
State/Variety	**MY 17/18**	**MY 18/19**	**MY 19/20**	**MY 20/21**	**MY 21/22**	**MY 22/23**
Minas Gerais	28.30	34.20	29.10	34.80	24.50	28.50
Southwest	14.80	19.20	16.20	19.70	13.00	15.20
Central-western	5.40	7.30	5.80	6.30	5.00	5.40
Southeast	8.10	7.70	7.10	8.80	6.50	7.90
Espirito Santo	10.60	15.60	16.80	19.10	19.40	21.00
Arabica	3.30	4.70	3.90	4.80	3.70	4.40
Robusta	7.30	10.90	12.90	14.30	15.70	16.60
Sao Paulo	4.30	6.50	5.40	6.40	4.60	5.10
Parana	1.30	1.20	1.10	1.10	1.00	0.80
Others	7.60	9.00	8.10	8.50	8.60	8.90
Arabica	2.30	3.10	2.50	2.60	2.60	2.70
Robusta	5.30	5.90	5.60	5.90	6.00	6.20
Total	52.10	66.50	60.50	69.90	58.10	64.30
Arabica	39.50	49.70	42.00	49.70	36.40	41.50
Robusta	12.60	16.80	18.50	20.20	21.70	22.80
Source: USDA/ATO/Sao Paulo.						

In May 2022, the Brazilian Government (GOB), through the Ministry of Agriculture, Livestock and Food Supply's (MAPA) National Supply Company (CONAB), released its second survey projecting Brazilian coffee production in MY 2022/23 at 53.43 million bags, a 9.65 million bag drop compared to MY 2021/22 (63.08 million bags). CONAB projects Arabica production at 35.71 million bags, whereas the Robusta/Conilon crop is forecast at 17.72 million bags. CONAB will release the third coffee survey for the 2022 crop on September 20.

The April 2022 coffee crop survey released by the Brazilian Institute for Geography and Statistics (IBGE), a Brazilian government agency under the Ministry of Economics which also publishes agricultural statistics, forecast the coffee production for MY 2022/23 at 54.9 million 60-kg bags (37.4 and 17.5 million bags of Arabica and Robusta/Conilon coffee, respectively), a 12 percent rise compared to the 2021 crop (49 million bags – 32.03 and 16.97 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

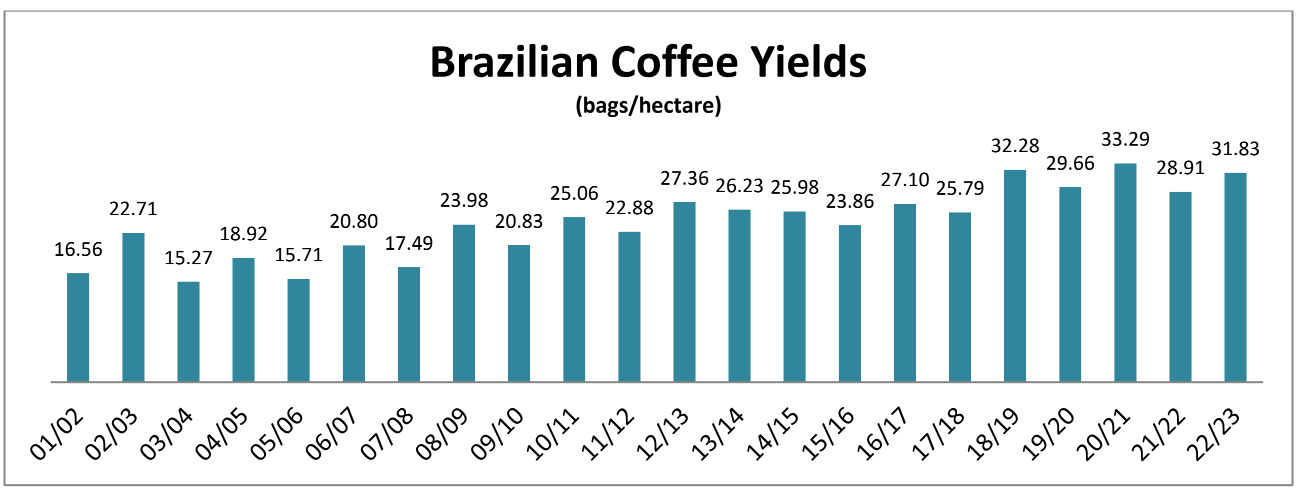
Table 2 below shows the Brazilian coffee area and tree population from MY 2018/19 through MY 2022/23. The total area planted for coffee for MY 2022/23 is projected slightly higher at 2.495 million hectares, an increase of one percent relative to the previous season. In contrast, coffee tree inventory is projected at 7.61 billion trees, an increase of 100 million trees vis-à-vis the previous crop year.

Table 2

Brazilian Coffee Area and Tree Population (million trees, thousand hectares, trees/hectare)					
	MY 18/19	**MY 19/20**	**MY 20/21**	**MY 21/22**	**MY 22/23**
Total Trees	6,890	6,930	7,250	7,510	7,610
Non-Bearing	1,150	1,230	1,050	1,500	1,510
Bearing	5,740	5,700	6,200	6,010	6,100
Total Area	2,395	2,390	2,420	2,480	2,495
Non-Bearing	335	350	320	470	475
Harvested	2,060	2,040	2,100	2,010	2,020
Trees/ha	2,877	2,900	2,996	3,028	3,050
Non-Bearing	3,433	3,514	3,281	3,191	3,179
Bearing	2,786	2,794	2,952	2,990	3,020
Source: ATO/Sao Paulo					

The Brazilian coffee yield for MY 2022/23 is forecast at 31.83 bags/hectare, up ten percent compared to the revised number for the previous crop (28.91 bags/hectare). The increase is supported by the on-year of the biennial production cycle for Arabica trees (although, limited by adverse weather events) and above weather conditions in Robusta/Conilon production areas. Graph 1 below illustrates the evolution of Brazilian coffee yields since the 2001/02 crop.

Graph 1



Source: USDA/ATO/Sao Paulo

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). The series tracks coffee prices in the domestic spot market since September 1996. Arabica prices escalated in 2021, both in the local currency and U.S dollars, due to lower world supply, primarily originating from Brazil. Arabica prices reached R$ 1,251.33/bag or US254.38/bag in April 2022 as opposed to R$584.55 or US$107.65 in April 2020, when Brazil was about to harvest a record crop.

Indeed, according to the April 2022 coffee trade statistics released by the International Coffee Organization (ICO), there is a world deficit in coffee supply. Total world coffee consumption for 2021/222 is forecast to grow to 170.3 million bags, a three percent growth compared to the world consumption for 2020/21 (164.9 million bags). In contrast, worldwide coffee production is expected to drop from 170.83 to 167.2 million bags.

Table 3

Arabica Coffee Prices in the Domestic Market (Real, 60kg/bag).					
Month	**2018**	**2019**	**2020**	**2021**	**2022**
January	446.42	410.87	493.03	639.71	1,482.59
February	438.32	407.70	481.97	685.21	1,485.35
March	429.81	395.60	556.28	731.86	1,284.41
April	430.71	384.21	584.55	744.13	1,251.33
May 1/	451.01	389.03	574.10	822.23	1,229.41
June	452.01	411.93	483.24	850.96	
July	439.25	423.66	505.97	914.53	
August	421.14	408.74	578.84	1,033.82	
September	415.39	430.63	564.62	1,087.61	
October	441.23	421.59	536.60	1,222.20	
November	441.59	475.11	565.48	1,347.73	
December	420.32	545.17	594.32	1,452.16	
Source: CEPEA/ESALQ/USP. 1/ May 2022 price refers to May 23.					

Table 4

Robusta Coffee Prices in the Domestic Market (Real, 60kg/bag).					
Month	**2018**	**2019**	**2020**	**2021**	**2022**
January	331.57	304.21	303.02	416.71	828.16
February	319.12	305.15	308.09	430.70	820.07
March	305.55	302.88	320.77	450.80	766.58
April	320.04	288.40	331.59	450.22	813.62
May 1/	330.78	279.44	354.69	463.23	732.75
June	335.39	289.42	338.97	485.10	
July	332.38	283.47	353.65	554.49	
August	319.25	281.87	390.18	637.87	
September	319.38	288.82	395.38	765.84	
October	331.70	288.09	399.70	798.65	
November	331.94	305.53	409.98	802.62	
December	309.44	311.79	401.90	830.77	
Source: CEPEA/ESALQ/USP. 1/ May 2022 price refers to May 23.					

Exchange Rate

Table 5 below shows the official exchange rate as released by the Brazilian Central Bank (BACEN) from 2016 to 2022.

Table 5

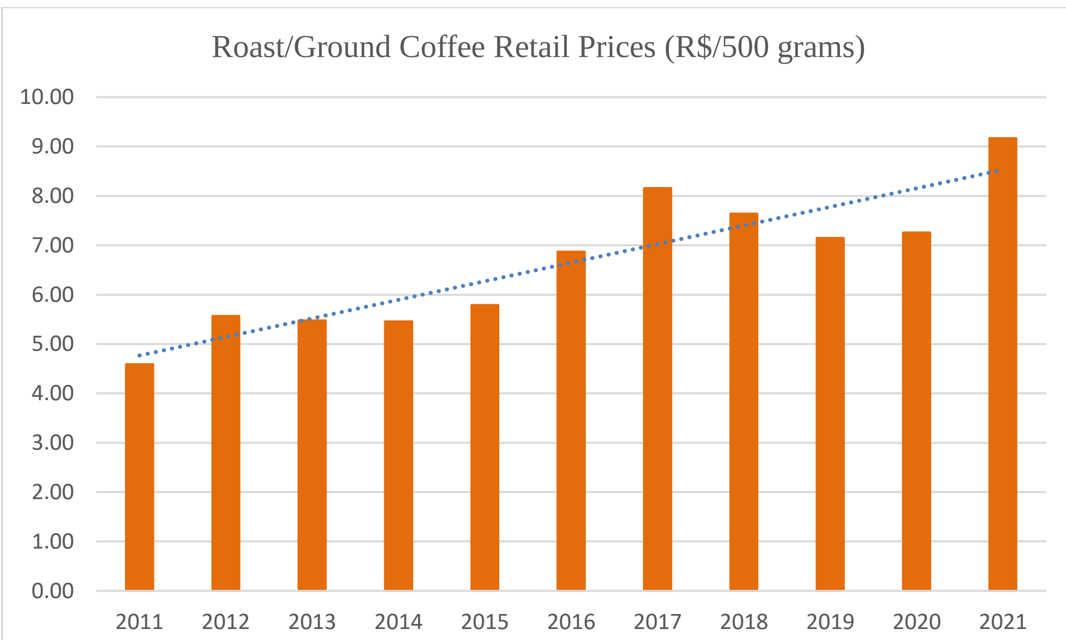
Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
January	4.04	3.13	3.16	3.65	4.25	5.48	5.36
February	3.98	3.10	3.24	3.74	4.50	5.53	5.14
March	3.56	3.17	3.32	3.90	5.20	5.70	4.74
April	3.45	3.20	3.48	3.94	5.43	5.40	4.92
May 1/	3.60	3.26	3.74	3.94	5.43	5.23	4.79
June	3.21	3.30	3.86	3.83	5.48	5.00	
July	3.24	3.13	3.75	3.76	5.20	5.12	
August	3.24	3.15	4.14	4.14	5.47	5.14	
September	3.25	3.17	4.00	4.16	5.64	5.44	
October	3.18	3.27	3.72	4.00	5.77	5.64	
November	3.40	3.26	3.86	4.22	5.33	5.62	
December 1/	3.47	3.31	3.87	4.03	5.20	5.58	
Source: Brazilian Central Bank (BACEN) 1/ May 2022 refers to May 23.							

Consumption

Brazil's domestic coffee consumption for MY 2022/23 is forecast at 22.45 million coffee bags (21.5 million bags of roast/ground and 950,000 bags of soluble coffee, respectively), based on updated information from post contacts and official economic indicators. This figure represents a marginal increase vis-à-vis the revised figure for MY 2021/22 (22.34 million bags – 21.4 million bags of roast/ground and 940,000 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.

Graph 2 below shows the evolution of ground/roast coffee retail prices in Sao Paulo, the largest Brazilian city, as reported by Foundation PROCON. Coffee prices increased on average 26 percent from 2020 to 2021. According to the last survey, coffee prices in the city in Sao Paulo were R$14.14/500 grams in February 2022, a sharp increase of 86 percent compared to February 2021.

Graph 2



Source: PROCON/DIEESE/SP - Average retail price in the city of São Paulo.

The Brazilian Coffee Industry Association (ABIC) reports that the coffee industry processed 21.54 million bags, green equivalent, from November 2020 to October 2021, an increase of 1.7 percent compared to the same period the year before (21.18 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
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 2022/23 are forecast at 39.045 million 60-kg bags, green beans, an increase of three percent relative to the revised figure for MY 2021/22 (39.992 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.

ATO/Sao Paulo has revised the estimate for MY 2021/22 coffee exports upward to 37.992 million 60-kg bags, green beans, an increase of 14 percent relative to the previous figure. The estimate is based on year-to-date export volumes and anticipated May-June loadings. Green bean (Arabica and Robusta/Conilon) exports are estimated at 34 million bags. Major green bean export destinations include the United States, Germany, Italy, Belgium, and Japan.

Soluble coffee exports are estimated at 3.95 million bags. The Russia – Ukraine war has negatively affected soluble coffee imports to those countries. According to the Brazilian Soluble Coffee Industry Association (ABICS), Russia is the second top and Ukraine is the seventh major soluble coffee importer from Brazil and coffee imports to those countries dropped by roughly 61,000 bags from January-April 2022

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. Post contacts report that Brazil could have exported roughly a ten percent additional volume if containers were available. According to the institution, the logistic issues are now "part of the new normal."

In the face of the logistical difficulties, Brazilian coffee exporters have been innovative. With the consent of importers at their destination, the classic container-based logistics have been replaced for alternate means, such as, the 'break bulk' mode. Indeed, earlier this year, the first break-bulk vessels left the Port of Santos, shipping 108,000 bags of coffee to Europe. The ship is part of a burgeoning experiment in the industry where producers, roasters and traders are looking to leapfrog the global container shortage that is causing an unprecedented backlog of shipments.

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 Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (SECEX), for MY 2018/19 through MY 2020/21 (July-June) and MY 2019/20 through MY 2021/22 (July-March).

Table 7

Brazilian Green Coffee Exports by Country of Destination (NCM 0901.11.10, July-June, MT, US$ 000 FOB)						
	MY 2018/19		**MY 2019/20**		**MY 2020/21**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Germany	810,667	383,925	847,702	396,554	1,061,620	489,416
United States	865,173	397,418	912,509	441,407	1,012,276	466,805
Belgium	321,442	154,532	321,705	158,741	549,715	246,669
Italy	477,908	212,128	463,450	203,417	394,974	170,202
Japan	390,010	159,604	259,082	108,054	352,735	145,734
Turkey	142,129	67,653	127,114	65,247	139,844	73,905
Colombia	58,328	34,902	35,233	22,493	103,252	65,132
Mexico	43,286	26,035	87,578	61,975	78,632	57,221
Russia	71,175	34,311	102,858	49,368	115,019	56,518
France	101,955	48,504	96,960	45,165	116,277	54,923
Others	1,397,282	642,967	1,304,046	640,172	1,505,333	742,630
Total	4,679,355	2,161,979	4,558,236	2,192,596	5,429,677	2,569,154
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Table 8

Brazilian Green Coffee Exports by Country of Destination (NCM 0901.11.10, July-March, MT, US$ 000 FOB)						
	MY 2019/20		**MY 2020/21**		**MY 2021/22**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
United States	689,823	336,763	764,685	355,747	1,052,480	328,985
Germany	621,628	293,063	799,162	375,241	993,360	283,527
Belgium	225,904	111,563	434,721	203,773	504,662	144,552
Italy	356,438	156,146	303,924	132,449	481,324	140,029
Japan	199,688	83,841	258,864	107,711	311,374	102,069
Colombia	24,955	15,918	82,613	53,134	119,049	47,618
Spain	77,617	37,061	77,438	39,178	142,366	47,006
Turkey	90,661	46,671	116,989	62,603	177,577	46,306
Russia	77,220	36,723	84,243	42,644	125,573	39,975
Mexico	69,025	47,920	62,107	46,632	68,691	38,323
Others	1,010,967	497,423	1,139,263	574,134	1,416,017	435,904
Total	3,443,926	1,663,091	4,124,009	1,993,247	5,392,474	1,654,293
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Table 9

Brazilian Soluble Coffee Exports by Country of Destination (NCM 2101.11.10, July-June, MT, US$ 000 FOB)						
	MY 2018/19		MY 2019/20		MY 2020/21	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
United States	95,032	15,011	101,771	17,518	91,717	16,418
Russia	67,304	9,180	54,690	8,148	44,099	7,181
Indonesia	33,998	5,982	30,970	5,848	33,045	6,343
Japan	28,468	4,080	28,859	4,391	31,059	4,990
Ukraine	20,649	2,882	22,973	3,548	22,977	3,673
United Kingdom	30,641	4,412	24,143	3,557	17,301	2,854
Poland	12,182	2,401	15,740	3,294	15,715	3,628
Singapore	17,164	3,736	15,313	3,258	14,070	3,423
Peru	16,765	3,086	11,542	2,290	13,932	2,727
Canada	17,761	2,659	14,893	2,818	13,183	2,788
Others	203,404	30,972	196,767	33,322	184,220	33,542
Total	543,369	84,401	517,661	87,991	481,317	87,567
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Table 10

Brazilian Soluble Coffee Exports by Country of Destination (NCM 2101.11.10, July-March, MT, US$ 000 FOB)						
	MY 2019/20		MY 2020/21		MY 2021/22	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
United States	73,538	12,579	70,186	12,410	80,531	13,068
Russia	41,284	6,086	33,931	5,469	39,515	6,489
Indonesia	25,739	4,841	24,105	4,559	19,267	4,233
Japan	22,223	3,339	21,993	3,533	25,788	3,670
Singapore	13,334	2,805	11,437	2,706	13,999	3,549
Poland	12,168	2,493	10,463	2,352	11,829	2,537
Ukraine	17,130	2,603	17,768	2,859	16,463	2,532
United Kingdom	20,290	3,016	12,348	2,012	15,762	2,410
Colombia	3,699	714	8,450	1,541	11,226	2,030
Peru	8,484	1,717	12,036	2,492	9,530	2,016
Others	156,935	26,204	142,553	26,757	170,626	26,912
Total	394,825	66,397	365,269	66,689	414,537	69,446
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Table 11

Brazilian Roasted Coffee Exports by Country of Destination (NCM 0901.21.00, July-June, MT, US$ 000 FOB)						
	MY 2018/19		**MY 2019/20**		**MY 2020/21**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Venezuela	101	25	1,649	519	13,473	5,333
United States	3,439	665	2,722	625	3,374	809
Argentina	2,252	225	2,408	324	3,853	501
Chile	434	86	621	136	3,045	419
Paraguay	1,179	195	921	196	1,292	276
Japan	879	163	897	233	656	201
Uruguay	721	94	710	111	875	136
French Guiana	0	0	30	20	56	81
Ukraine	17	0	37	6	274	56
United Kingdom	98	17	128	24	209	53
Others	1,547	292	1,489	373	2,378	382
Total	10,667	1,762	11,613	2,568	29,486	8,247
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Table 12

Brazilian Roasted Coffee Exports by Country of Destination (NCM 0901.21.00, July-March, MT, US$ 000 FOB)						
	MY 2019/20		**MY 2020/21**		**MY 2021/22**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
United States	1,994	437	2,355	602	3,243	619
Argentina	1,751	255	2,797	361	4,188	521
Chile	519	115	1,748	242	4,192	519
Venezuela	594	167	11,935	4,717	978	377
Mexico	-	-	142	15	3,172	288
Paraguay	571	122	893	193	945	149
Uruguay	545	81	589	97	948	126
Japan	656	164	547	164	492	95
United Kingdom	96	17	128	32	335	52
Bolivia	138	34	79	20	145	29
Others	1,178	321	1,410	310	2,034	266
Total	8,041	1,714	22,623	6,751	20,671	3,041
Source:Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

As reported by Brazilian Green Coffee Association (CECAFE) and the Brazilian Soluble Coffee Association (ABICS), total coffee exports during the July 2021 – April 2022 period were 33.25 million bags, a decrease of 17 percent relative to the same period for MY 2020/21 (39.93 million bags), due to lower coffee availability for exports. Preliminary data until May 24 show that coffee export registrations for May 2022 were 1.78 million bags, while cumulative green coffee export shipments for May 2022 are 1.11 million bags.

Tables 13 to 16 below include data on monthly coffee exports (quantity and value) for MY 2020/21 (July-June) and MY 2021/22 (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 2020/21 (Thousand 60-kg bag, green equivalent).						
Month	**Conillon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
Jul-20	448.16	2,421.15	2,869.30	1.82	371.17	3,242.29
Aug-20	474.83	2,766.80	3,241.63	2.37	329.96	3,573.96
Sep-20	676.33	3,225.25	3,901.57	2.10	328.17	4,231.84
Oct-20	470.49	3,698.60	4,169.09	1.41	333.56	4,504.06
Nov-20	334.63	4,080.68	4,415.31	1.28	353.64	4,770.23
Dec-20	384.37	3,642.37	4,026.73	2.54	380.27	4,409.54
Jan-21	242.22	3,138.63	3,380.85	1.86	275.88	3,658.58
Feb-21	313.69	3,357.48	3,671.17	2.90	308.61	3,982.68
Mar-21	348.27	3,119.68	3,467.95	3.98	382.35	3,854.27
Apr-21	336.28	3,045.77	3,382.05	4.87	312.75	3,699.67
May-21	303.72	2,083.26	2,386.98	3.04	279.42	2,669.44
Jun-21	398.00	2,378.75	2,776.75	3.95	297.95	3,078.65
Cumulative	4,730.98	36,958.40	41,689.39	32.11	3,953.72	45,675.22
Source: CECAFE and ABICS.						

Table 14

Brazilian Monthly Coffee Exports for MY 2021/22 (Thousand 60-kg bag, green equivalent).						
Month	**Conillon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
Jul-21	410.77	2,164.29	2,575.06	3.32	331.04	2,909.42
Aug-21	345.71	2,126.83	2,472.54	5.25	353.84	2,831.63
Sep-21	390.10	2,480.98	2,871.08	5.21	362.77	3,239.05
Oct-21	301.61	2,968.42	3,270.03	3.59	312.76	3,586.37
Nov-21	221.35	2,628.29	2,849.64	4.80	360.23	3,214.68
Dec-21	143.44	3,282.15	3,425.59	3.21	456.38	3,885.18
Jan-22	99.85	2,989.49	3,089.34	3.45	320.22	3,413.00
Feb-22	140.28	3,142.95	3,283.23	3.36	297.50	3,584.08

Mar-22	134.41	3,283.31	3,417.72	4.06	357.42	3,779.19
Apr-22	134.51	2,425.35	2,559.86	2.25	246.47	2,808.57
Cumulative	2,322.02	27,492.05	29,814.07	38.48	3,398.62	33,251.18
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**
Jul-20	33.42	300.73	334.15	0.69	46.41	381.25
Aug-20	36.08	347.25	383.34	0.69	43.51	427.54
Sep-20	52.24	423.30	475.53	0.79	39.09	515.42
Oct-20	37.61	484.05	521.66	0.54	42.53	564.73
Nov-20	26.83	525.69	552.51	0.56	45.03	598.10
Dec-20	31.16	479.22	510.38	0.89	49.19	560.46
Jan-21	20.42	418.68	439.10	0.66	34.86	474.63
Feb-21	26.79	457.29	484.08	0.95	36.85	521.88
Mar-21	29.76	432.43	462.18	1.41	47.35	510.95
Apr-21	30.21	429.34	459.55	1.56	38.96	500.07
May-21	26.51	299.96	326.47	1.20	37.20	364.86
Jun-21	34.44	357.28	391.71	1.64	38.67	432.03
Cumulative	385.46	4,955.21	5,340.68	11.57	499.65	5,851.90
Source: CECAFE and ABICS.						

Table 16

Brazilian Monthly Coffee Exports for MY 2021/22 (US$ 1,000,000).						
Month	**Conillon**	**Arabica**	**Total Green**	**Roasted**	**Soluble**	**Total**
Jul-21	37.03	330.68	367.71	1.41	46.89	416.00
Aug-21	34.68	351.91	386.59	2.20	49.59	438.38
Sep-21	42.56	441.12	483.67	2.12	51.63	537.42
Oct-21	34.50	568.54	603.04	1.79	48.41	653.25
Nov-21	28.37	546.46	574.83	2.50	55.00	632.33
Dec-21	18.68	704.89	723.58	1.73	74.67	799.98
Jan-22	15.48	674.91	690.39	1.29	52.39	744.07
Feb-22	21.44	748.32	769.75	1.83	50.15	821.73
Mar-22	20.87	820.23	841.10	1.83	58.96	901.89
Apr-22	21.04	607.39	628.42	1.18	41.13	670.73
Cumulative	274.64	5,794.44	6,069.08	17.88	528.82	6,615.78
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 2018/19 through MY 2020/21 (July-June) and MY 2019/20 through MY 2021/22 (July-March).

Table 17

Brazilian Roasted Coffee Imports by Country of Origin (NCM 0901.21.00, July-June, MT, US$ 000 FOB)						
	MY 2018/19		**MY 2019/20**		**MY 2020/21**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Switzerland	37,529	1,832	50,690	1,761	33,311	2,081
France	6,561	453	7,500	598	9,455	659
United States	2,640	301	2,666	309	2,151	250
United Kingdom	2,522	142	882	50	3,651	218
Italy	4,554	302	3,995	308	2,877	149
Portugal	1,304	168	999	165	634	92
Uruguay	0	0	0	0	900	87
Spain	2,121	134	1,585	108	1,390	80
Colombia	396	63	280	57	456	73
Poland	0	0	205	23	302	34
Others	699	37	595	26	421	24
Total	58,327	3,432	69,398	3,404	55,548	3,747
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Table 18

Brazilian Roasted Coffee Imports by Country of Origin (NCM 0901.21.00, July-March, MT, US$ 000 FOB)						
	MY 2019/20		**MY 2020/21**		**MY 2021/22**	
Country	**Value**	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**
Switzerland	43,133	1,314	24,949	1,604	38,665	1,347
France	5,233	394	6,211	450	9,333	575
United States	2,099	237	2,105	245	1,882	208
Italy	3,539	278	2,094	106	3,259	178
Uruguay	-	-	185	20	1,417	132
U.K.	758	43	2,449	148	2,265	127
Portugal	851	137	394	53	628	114
Poland	205	23	211	22	531	67

Colombia	271	56	415	68	418	59
Spain	1,154	80	1,134	66	777	50
Others	394	21	297	10	135	10
Total	57,637	2,583	40,444	2,793	59,308	2,867
Source: Trade Data Monitor (TDM) based on the Brazilian Secretariat of Foreign Trade (Secex)						

Stocks

ATO/Sao Paulo projects total ending stocks in MY 2022/23 at 5.11 million bags, an increase of 2.88 million bags compared to MY 2021/22 (2.23 million bags), due to expected larger coffee supply during the upcoming season. As of April 2021, the Brazilian government does not hold any public coffee stocks.

CONAB's 2021 and CONAB's 2022 privately-owned stocks survey have not been released yet. The survey includes coffee stocks held by growers, coffee cooperatives, exporters, roasters, and the soluble industry as of March 31, 2021 and March 31, 2022, respectively.

Policy

To control the steadily increasing inflation, the Brazilian government announced in late March that the import tariff for ground coffee would be cut to zero until the end of 2022. Other food products that had import taxes cut were margarine, cheese, pasta, sugar, and soybean oil. The measure has been reported by post contacts as a political move from the current Administration given ground coffee imports are virtually zero.

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.

Through CDPC, the Brazilian government approved in late April a total of R$ 6.058 billion to finance the coffee sector during the 2022/23 crop season using funds from the Coffee Economic Defense Fund (Funcafe). The budget is over two percent higher than funds available to the sector during last season (R$ 5.95 billion). As opposed to previous years, funds have not been allocated to different credit lines and can be used to finance indistinctively crop management, harvest, trade, among others. Table 19 below shows the funding breakdown by type of financing for the 2020/21 through the 2022/23 crops.

Table 19

Funcafe Resources for Financing (R$ million)			
	2020/21	**2021/22**	**2022/23**
Crop Management	1600.00	1600.00	6058.00
Marketing	2208.50	2208.50	
Coffee Acquisitions	1111.00	1353.90	
Recovery of Damaged Coffee	160.00	160.00	
Working Capital (industry and cooperatives)	630.50	630.50	
Total	5710.00	5952.90	6058.00
Source: Funcafe			

Minimum prices for the 2022/23 crop were published on March 31 and are valid from April 1, 2022, through March 31, 2023. Coffee minimum prices are updated annually based mainly on production costs.

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$/60-kg bag)						
	2017/2018	**2018/2019**	**2019/2020**	**2020/2021 1/**	**2021/2022**	**2022/2023**
Arabica type 6	333.03	341.21	362.53	364.09	369.40	606.66
Robusta/Conilon type 7	223.59	202.19	210.13	242.31/210.13	263.93	434.82
Fonte: Conab 1/ For 2020/21: robusta/conilon price is R$ 210.13 for Rondonia and R$ 242.31 elsewhere.						

Production, Supply and Distribution Table

Coffee, Green	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jul 2020		Jul 2021		Jul 2022	
Brazil	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	2420	2420	2480	2480	0	2495
Area Harvested (1000 HA)	2100	2100	2010	2010	0	2020
Bearing Trees (MILLION TREES)	6200	6200	6010	6010	0	6100
Non-Bearing Trees (MILLION TREES)	1050	1050	1500	1500	0	1510
Total Tree Population (MILLION TREES)	7250	7250	7510	7510	0	7610
Beginning Stocks (1000 60 KG BAGS)	2373	2373	3365	4390	0	2231
Arabica Production (1000 60 KG BAGS)	49700	49700	35000	36400	0	41500
Robusta Production (1000 60 KG BAGS)	20200	20200	21300	21700	0	22800
Other Production (1000 60 KG BAGS)	0	0	0	0	0	0
Total Production (1000 60 KG BAGS)	69900	69900	56300	58100	0	64300
Bean Imports (1000 60 KG BAGS)	0	0	0	0	0	0
Roast & Ground Imports (1000 60 KG BAGS)	72	72	74	73	0	75
Soluble Imports (1000 60 KG BAGS)	0	0	0	0	0	0
Total Imports (1000 60 KG BAGS)	72	72	74	73	0	75
Total Supply (1000 60 KG BAGS)	72345	72345	59739	62563	0	66606
Bean Exports (1000 60 KG BAGS)	41687	41689	30000	34000	0	35000
Rst-Grnd Exp. (1000 60 KG BAGS)	32	32	20	42	0	45
Soluble Exports (1000 60 KG BAGS)	3954	3954	3200	3950	0	4000
Total Exports (1000 60 KG BAGS)	45673	45675	33220	37992	0	39045
Rst,Ground Dom. Consum (1000 60 KG BAGS)	22360	21350	22705	21400	0	21500
Soluble Dom. Cons. (1000 60 KG BAGS)	947	930	950	940	0	950
Domestic Consumption (1000 60 KG BAGS)	23307	22280	23655	22340	0	22450
Ending Stocks (1000 60 KG BAGS)	3365	4390	2864	2231	0	5111
Total Distribution (1000 60 KG BAGS)	72345	72345	59739	62563	0	66606
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						

Attachments:

No Attachments