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Costa Rica

Coffee Annual

Coffee Annual Report

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Report Highlights:

Based on preliminary data, Costa Rica's MY 2017/2018 coffee crop reached 1,510,000 60 kg. bags. Coffee production was 11.4 percent higher as compared to the MY 2016/2017 coffee crop. Higher production was the result of the high year in the production cycle of the main production area of Los Santos. Weather conditions were also favorable throughout the coffee growing regions. Production is forecast to decline by approximately 10 percent in MY 2018/2019 based on the biannual cycle, which is expected to result in lower production in the Central and Western Central Valley areas.

Executive Summary:

Coffee production rebounded by 11.4 percent in MY 2017/2018 after a sharp drop of 17.6 percent in the previous marketing year. Preliminary data indicate that the 2017/2018 crop reached 1,510,000 60 kg bags (Note: for the purpose of this report bags refers to 60 kg. bags). Higher production resulted from good weather conditions in the different production areas as well as the effect of the biannual production cycle, which resulted in higher production in the region of Los Santos. Although it is very early in the new marketing year, production may decline by 10 percent to 1,360,000 bags during MY 2018/2019 based on the biannual cycle, which is expected to result in lower production in the Central and Western Central Valley regions.

Production:

According to the Costa Rica Coffee Institute (ICAFE), during MY 2015/2016 coffee harvest, there were 43,035 coffee producers in Costa Rica (2,410 less than during the previous marketing year). The number of coffee growers has declined over time. For comparison purposes, the number of producers was 53,086 in 2006/2007. The number of coffee mills, on the other hand, has increased from 127 to 246 in the same periods. The coffee harvest is concentrated in the months of November to February each year.

According to data from a 2014 agricultural census conducted by the National Institute of Statistics and Census, there were 26,527 coffee farms in the country covering an area of 84,133 ha. Coffee area planted remains stable as new plantations are added in the Tarrazú area, compensating for some of the area lost to urbanization in the Central Valley.

Coffee production increased by 14.3 percent during MY 2017/2018 to 1,510,000 bags after a decline in production of 17.6 percent during MY 2015/2017. The higher production level resulted from good weather conditions, especially during the flowering period, which caused good development of the plants and a good harvest. During the last three crops, the cyclicality of coffee production has resulted in relatively large fluctuations in production. MY 2018/2019 is the low production year of the bi-annual cycle. Even though it is still early in the production process, the 2018/2019 crop could decline to as low as 1,360,000 million bags, as this year marks the low year of the production cycle in several important production regions of the country.

According to industry sources, the area of Los Santos and Tarrazú looks good in terms of the development of the trees, and the plants have already flowered in those regions after the first rains of the year. Although the rainy season is settling in throughout the country, coffee trees in the Occidental Central Valley have not flowered yet.

In March, ICAFE warned producers about the higher incidence of coffee rust in some of the production areas. In particular, the Perez Zeledón and Coto Brus regions, towards the south of the country, and the Turrialba region, near the Central Valley, are experiencing a higher incidence of the fungus. According to ICAFE, the beginning of the rainy season may cause more problems related to coffee rust and advised farmers to increase actions to control the disease.

Consumption:

Based on information from the local industry, consumption for 2017/2018 will reach about 375,000 bags. Consumption is expected to remain at a similar level in 2018/2019. Local consumption fluctuates from year to year, although not sharply. Costa Rica has a population of 5 million people and population growth has slowed down to less than 1 percent per year.

Costa Rica started to import coffee about 10 years ago, mostly from other Central American countries and Peru to meet part of its consumption needs. Coffee imports reached a peak in 2014 but have declined in the last couple of years. Local roasters generally take advantage of lower priced coffee available in the Central American region to supplement their purchases of local coffee. However, as a result of lower coffee international prices, roasters have been able to increase purchases of local coffee, and imports through the first half of MY 2017/2018 have dropped as compared to the same period during the previous marketing year.

Since 2008, imports have fluctuated widely, responding to market opportunities related to price, availability and logistics.

Trade:

Export volume declined to 1,112,510 bags in 2016/2017 from 1,248,588 bags in 2015/2016 because of lower production. Exports are forecast to reach 1,250,000 bags during 2017/2018 and 1,110,000 bags in 2018/2019. Coffee sold for export during 2016/2017 was valued at $288.3 million, as compared to $322 million in 2015/2016. The relatively higher average export price did not compensate for the lower export volume.

Most of Costa Rica’s coffee continues to be exported to the United States (43.2 percent), followed by Belgium (17.7 percent), Germany (5.0 percent), Australia (4.4 percent), and South Korea (4.2 percent). The United States has been the main destination for Costa Rica’s coffee for several years now. However, exports to the United States declined from 639,093 bags in 2015/2016 to 480,675 in 2016/2017 (24.8 percent). This is the lowest export volume to the United States in the last 10 years. Also noteworthy is the fact that Costa Rica’s exports to Australia and South Korea have gained in importance in recent years, reaching almost 50,000 bags each.

Costa Rica’s exports are almost exclusively raw material, that is, coffee is exported “not roasted or decaffeinated”.

Production, Supply and Demand Data Statistics:

Coffee, Green	2016/2017	2017/2018	2018/2019

Market Begin Year	Oct 2016		Oct 2017		Oct 2018	
Costa Rica	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	84	84	84	84	0	84
Area Harvested	80	80	80	80	0	80
Bearing Trees	340	340	340	340	0	340
Non-Bearing Trees	24	24	24	24	0	24
Total Tree Population	364	364	364	364	0	364
Beginning Stocks	316	316	249	271	0	206
Arabica Production	1300	1347	1550	1510	0	1360
Robusta Production	0	0	0	0	0	0
Other Production	0	0	0	0	0	0
Total Production	1300	1347	1550	1510	0	1360
Bean Imports	75	80	75	40	0	50
Roast & Ground Imports	10	5	10	5	0	5
Soluble Imports	28	5	30	5	0	5
Total Imports	113	90	115	50	0	60
Total Supply	1729	1753	1914	1831	0	1626
Bean Exports	1115	1112	1250	1240	0	1100
Rst-Grnd Exp.	10	0	10	10	0	10
Soluble Exports	0	0	0	0	0	0
Total Exports	1125	1112	1260	1250	0	1110
Rst,Ground Dom. Consum	350	365	395	370	0	370
Soluble Dom. Cons.	5	5	5	5	0	5
Domestic Consumption	355	370	400	375	0	375
Ending Stocks	249	271	254	206	0	141
Total Distribution	1729	1753	1914	1831	0	1626
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						

Export Trade Matrix, Coffee, Green

Costa Rica Coffee, Green 60 kg bags	
Time Period	2016/2017
Exports for:	
U.S.	480,675
Others	
Belgium	197,135
Germany	55,505
Australia	48,776
South Korea	46,783
Netherlands	46,481
Italy	36,020
Total for Others	430,700
Others not Listed	201,135
Grand Total	1,112,510