

## Coffee Updates

### Dominican Republic

The devastating effects of Hurricane Georges on coffee plantations in late 1998, coupled with the collapse of international coffee prices in 1999, has led to a sharp drop in coffee production to 375,000 bags per year. For many years, Dominican coffee production averaged slightly over 700,000 bags annually. The dramatic collapse of world coffee prices in late 1999 caught the industry at a very vulnerable point, when considerable investment was already needed to restore production to previous levels. In addition, in the wake of the price collapse, financial problems in the government have made it difficult to provide any type of financial support to coffee farmers. The production level for 2001/02 is estimated at 385,000 bags, which is even smaller than the 2000 harvest. With little incentive to maintain and replant coffee trees, and no money for inputs, such as insecticides and fertilizer, production is forecast to remain at current levels for the foreseeable future.

Exports have declined and are anticipated to reach approximately 54,000 bags in marketing year (MY) 2002/03. For many years, most shipments went to the United States, because of geographic proximity and price. Currently, however, more than half of the exports are to the European Union, Canada, and Japan.

### Brazil

Brazil continues to offer government-owned stocks through its auction system. The remaining auctions during 2003 will be held on September 17, October 16, November 12, and December 10. According to reports, the government of Brazil sold 240,000 bags of coffee from its stocks in 2002, compared with 370,000 bags the previous year.

Brazil: Auctions of Government-Owned Coffee Stocks

Date of Auction	Quantity Offered	Quantity Sold	Price Range
	60-kilogram bags		Brazil reais/bag
2003			
January 15	20,000	19,814	125.50-130.00
February 12	20,000	20,000	137.20-147.00
March 12	20,000	19,850	135.40-150.20
April 16	20,000	16,825	140.10-145.50
May 14	20,000	19,520	126.50-132.80
June 11	20,000	19,151	124.00-136.50
July 16	20,000	NA	NA
August 13	20,000	19,370	141.50-146.50

NA=Not available.

## Vietnam

Vietnam's coffee sector is in the midst of trying to apply new grading standards. Although the new system was developed for use for the 2002/03 crop, few Vietnamese exporters seem interested in using the new standards. Improving the quality of the coffee exported from Vietnam is one of the key objectives of Vietnam's Coffee Sector Development Strategy. More than 90 percent of the coffee produced in Vietnam is exported. However, many traders and importers feel the quality of Vietnam's robusta coffee is relatively poor. While the quality of Vietnam's arabica coffee is higher, arabica exports only total about 3-4 percent of exports. Vietnam's (arabica and robusta) coffee exporters are encouraged to use several new coffee standards that mostly conform to international standards.

## United States

U.S. coffee stocks at the end of July totaled 6.36 million bags, up 38,657 bags from the June 30, 2003, level. Details follow in 60-kilogram bags.

### U.S. Coffee Stocks

Location	June 30	July 31	Difference
	-----60-kilogram bags-----		
New York	1,978,568	2,000,800	22,232
New Orleans	1,832,180	1,839,363	7,183
Jacksonville	213,550	207,700	(5,850)
Miami	1,377,342	1,404,310	26,968
Houston	363,586	352,870	(10,716)
Laredo	120,092	121,390	1,298
Port Everglades	2,250	2,250	0
San Francisco	330,708	347,005	16,297
Los Angeles	9,282	8,833	(449)
Seattle	0	0	0
Norfolk	92,788	73,240	(19,548)
Philadelphia	5,527	6,769	1,242
Baltimore	0	0	0
Total	6,325,873	6,364,530	38,657

See the following web site for all recent coffee reports from FAS Agricultural Offices.  
<http://www.fas.usda.gov/scripts/attacherep/default.asp>