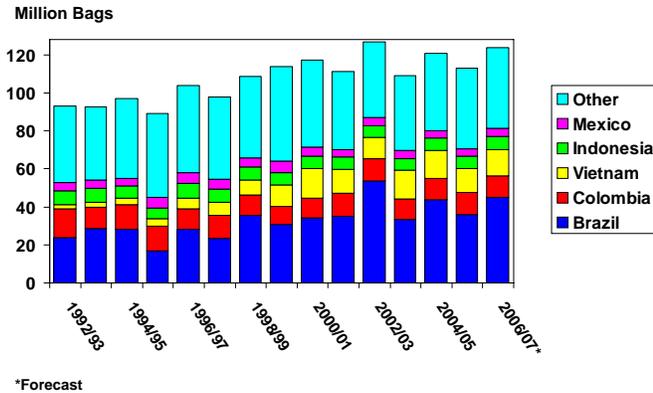


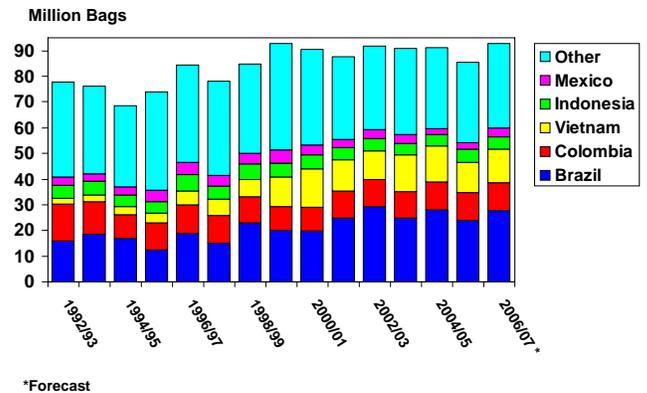


Tropical Products: World Markets and Trade

World Coffee Production in 2006/07 Forecast Up Nearly 10 Percent



World Coffee Exports in 2006/07 Forecast To Recover



World coffee production in 2006/07 is forecast at 123.6 million bags (60 kilograms or 132.276 pounds), up nearly 10 percent, or nearly 11 million bags over the previous year. Most of the increase is attributed to the rise of the coffee crops in Brazil and Vietnam. Brazil's production of coffee during 2006/07 is forecast at 44.8 million bags, up nearly 25 percent over the previous year. Since Brazil is the largest coffee producer, swings in Brazil's supplies of coffee account for a large portion of the change in the world total supplies of coffee. Total coffee supplies in 2006/07 are forecast at 146.9 million bags, up nearly 7 percent from the 2005/06 preliminary level. With the increased supplies, coffee exports are forecast to recover. World coffee exports in 2006/07 are forecast at 92.8 million bags, up 7.2 million bags from 2005/06.

Note: FAS will be releasing a new Production, Supply, and Distribution (PSD) system beginning in August 2006 that will affect the release of future Tropical Products circulars and coffee numbers. In addition, this change will affect the PSD Online System.

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