National Agricultural Statistics Service
USDA, NASS, Hawaii Field Office
Hawaii Department of Agriculture

Hawaii Coffee

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Production hampered by wet 2003/04 winter

Statewide coffee production is estimated at 5.6 million pounds (parchment basis) for the 2004/05 season, down 33 percent from last season's harvest of 8.3 million pounds. Coffee farmers received an average of $3.55 per pound (parchment equivalent) during the 2004/05 season, up 22 percent from last season and the highest return in 16 seasons. Total farm revenues are estimated at $19.9 million, down 17 percent from the 2003/04 season.

Wet winter hinders production

An end-of-season survey of coffee millers revealed that wet winter of 2003/04 had a significant effect on the 2004/05 crop. During Hawaii's winter season, which runs from October to April, many coffee growing regions experienced heavy showers. Kainaliu, located near the center of the Big Island's Kona coffee growing area, received 41 inches of rain or 47 percent more than normal. At Omao, near major coffee fields on Kauai, the winter rainfall total was 49 inches from October 2003 to April 2004 or 26 percent above the normal amount. The frequent showers did trigger multiple rounds of flowering, however, the harvesting season did not extend as long as previously expected. Gusty winds, dry weather following the rains, and a shortage of labor in some areas also factored into the lower output.

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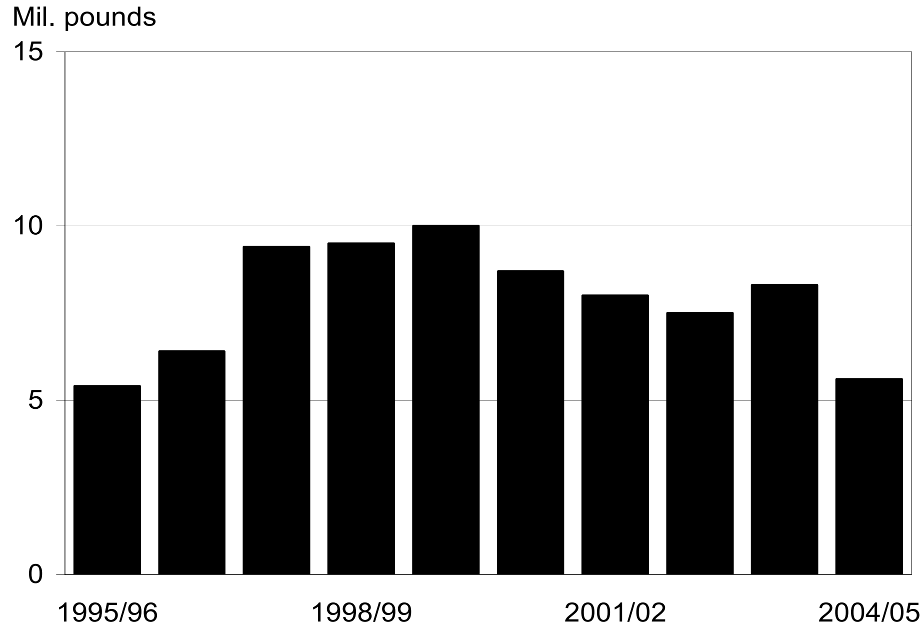
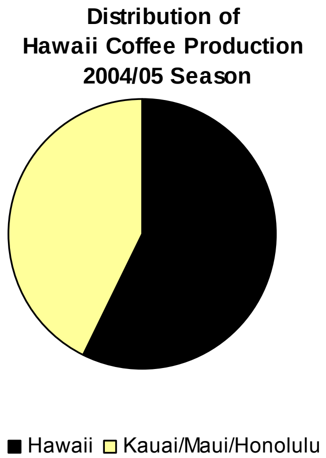
Hawaii Coffee Production
Parchment Basis, 1995/96 - 2004/05 Seasons





Hawaii island production is estimated at 3.2 million pounds (parchment basis) for the 2004/05 season, down 20 percent from the previous season. The counties of Kauai, Maui, and Honolulu combined for a total of 2.4 million pounds (parchment basis) during the 2004/05 season, down 44 percent from the previous season as the wet winter resulted in heavy fruit drop.

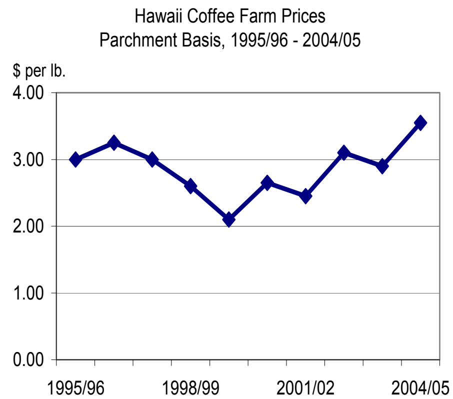
Farm prices rebound to record high level

The Statewide farm price for coffee averaged $3.55 per pound (parchment basis) for the 2004/05 season, up 22 percent from last season's average farm price of $2.90 per pound and a new record high as Hawaii County growers accounted for a larger share of total sales. Big Island growers received an average of $4.65 per pound (parchment basis) during the 2004/05 season, up 22 percent from the previous season, but short of the record $5.70 received during the 1997/98 season. Growers on Kauai, Maui, and Honolulu counties received an average of $2.08 per pound (parchment basis) for coffee during the 2004/05 season, up 1 percent from the previous season, but less than the record high of $2.43 received during the 1996/97 season.

Kona green bean prices top $9 per pound

The average price of green certified Kona coffee is estimated at $9.75 per pound for the 2004/05 season, up 18 percent from the $8.25 average green Kona price during the 2003/04 season.

Farm prices for parchment coffee averaged $6.60 per pound for Big Island growers during the 2004/05 season, up 81 percent from the previous season. Cherry coffee prices averaged $1.10 per pound during the 2004/05 season, a 29 percent increase from the previous season when growers received an average of 85 cents per pound. Farm prices include the sale of organically grown coffee.

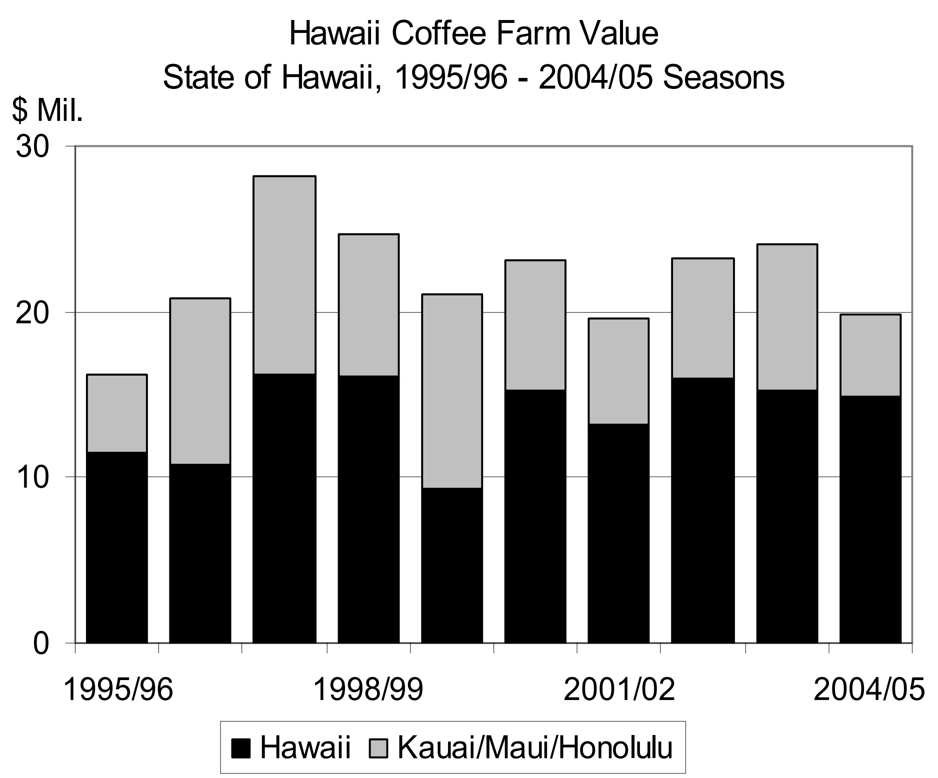


Farm revenue drops due to lower output

Coffee growers across the State generated $19.9 million in farm sales (parchment basis) during the 2004/05 season, down 17 percent from the previous season. The drop in farm revenue is due to the 33 percent decrease in production more than offsetting the 22 percent increase in the average farm price. Big Island growers accounted for $14.9 million of the State's total farm revenue or 75 percent.

Growers expecting a larger 2005/06 harvest

Coffee production is expected to increase in all areas of the State during the upcoming season. Kona millers are expecting a larger harvest due mainly to improved weather conditions and maturing orchards. Production on Kauai, Maui, Molokai, and Oahu are also expected to see an increase due to beneficial weather conditions during the crucial flowering period and the continued rejuvenation of previously abandoned fields. ■



Hawaii Coffee Statistics

Number of farms, acreage, yield, marketings, price, and value by county, 1995/96 through 2004/05, State of Hawaii

County and crop year [1]	Farms	Acreage		Yield [2]	Marketings [3]	Farm prices			Value of sales	Green production
		In crop	Harvested			Cherry	Parchment	All [4]		
	Number	Acres	Acres	1,000 pounds	1,000 pounds	Cents per pound	Cents per pound	Cents per pound	$1,000	1,000 pounds
State										
1995/96	580	6,800	5,500	1.0	5,400			300.0	16,200	4,320
1996/97	560	6,600	5,400	1.2	6,400			325.0	20,800	5,000
1997/98	585	7,000	5,800	1.6	9,400			300.0	28,200	7,720
1998/99	610	7,400	6,100	1.6	9,500			260.0	24,700	7,600
1999/00	650	7,700	6,400	1.6	10,000			210.0	21,000	8,100
2000/01	670	7,900	6,800	1.3	8,700			265.0	23,055	7,000
2001/02	700	8,000	6,300	1.3	8,000			245.0	19,600	6,400
2002/03	710	7,200	5,900	1.3	7,500			310.0	23,250	5,900
2003/04	715	7,300	5,900	1.4	8,300			290.0	24,070	6,600
2004/05	**750**	**7,700**	**5,800**	**1.0**	**5,600**			**355.0**	**19,880**	**4,500**
Hawaii										
1995/96	570	1,880	1,470	1.7	2,500	100.0	515.0	460.0	11,500	2,000
1996/97	550	2,160	1,720	1.3	2,300	105.0	550.0	470.0	10,810	1,850
1997/98	575	2,490	1,900	1.5	2,850	135.0	700.0	570.0	16,245	2,300
1998/99	600	2,800	2,170	1.6	3,500	130.0	500.0	460.0	16,100	2,800
1999/00	635	3,200	2,400	1.2	3,000	70.0	360.0	310.0	9,300	2,400
2000/01	650	3,350	2,700	1.4	3,800	85.0	425.0	400.0	15,200	3,000
2001/02	675	3,430	2,850	1.1	3,100	85.0	425.0	425.0	13,175	2,500
2002/03	680	3,500	2,850	1.4	4,100	90.0	405.0	390.0	15,990	3,200
2003/04	690	3,600	3,000	1.3	4,000	85.0	365.0	380.0	15,200	3,200
2004/05	**710**	**3,750**	**3,300**	**1.0**	**3,200**	**110.0**	**660.0**	**465.0**	**14,880**	**2,560**
Kauai/Maui/Honolulu [5]										
1995/96	10	4,920	4,030	.7	2,900			[6] 162.0	4,700	2,320
1996/97	10	4,440	3,680	1.1	4,100			243.0	9,990	3,150
1997/98	10	4,510	3,900	1.7	6,550			183.0	11,955	5,420
1998/99	10	4,600	3,930	1.5	6,000			143.0	8,600	4,800
1999/00	15	4,500	4,000	1.8	7,000			167.0	11,700	5,700
2000/01	20	4,550	4,100	1.1	4,900			160.0	7,855	4,000
2001/02	25	4,570	3,450	1.4	4,900			131.0	6,425	3,900
2002/03	30	3,700	3,050	1.1	3,400			213.5	7,260	2,700
2003/04	25	3,700	2,900	1.5	4,300			206.3	8,870	3,400
2004/05	**40**	**3,950**	**2,500**	**1.0**	**2,400**			**208.3**	**5,000**	**1,940**

[1] Coffee harvesting occurs throughout the year in Hawaii. The main harvest normally begins in late summer and extends to the early part of the following year. [2] Average yields based on parchment equivalent marketings and harvested acreage. [3] Expressed in parchment equivalent pounds. Coffee marketed in cherry form was converted to an equivalent parchment weight and added to parchment marketings. [4] Represents an average farm price for parchment equivalent sales. Obtained by dividing farm revenues from the sale of cherry and parchment coffee by total marketings (parchment equivalent basis). [5] Kauai, Maui, and Honolulu counties combined to avoid disclosure of individual operations. [6] Weighted combination of farm prices and the average International Coffee Organization price during October, November, and December on the New York Market (based on 1979 International Coffee Agreement).

World 2005/06 Coffee Production Forecast to Drop as Brazil's Crop Declines

World coffee production in 2005/06 is forecast at 113.1 million bags (60 kilograms or 132,276 pounds), down about 6 percent, or 6.7 million bags over the previous year. Most of the decrease is attributed to the drop in Brazil's 2005/06 coffee production level. Brazil's production of coffee during 2005/06 is forecast at 36.5 million bags, down 14 percent in 2004/05. In addition, Vietnam's coffee production is forecast at 12.2 million bags, down 2.0 million bags from 2004/05.

Other significant changes in production include: Cote D'Ivoire, up 950,000 bags; Honduras, up 537,000 bags; Mexico, up 320,000 bags; India, up 240,000 bags; Ethiopia, down 500,000 bags; Burundi, down 270,000 bags; and Peru, down 175,000 bags.

Since Brazil is the largest coffee producer, swings in Brazil's supplies of coffee account for a large portion of the change in world total supplies of coffee. Total coffee supplies in 2005/06 are forecast at 136.3 million bags, down 4 percent from the previous year. In order to maintain coffee exports near last year's level, ending stocks for 2005/06 are forecast at 14.9 million bags, down from 21.3 million bags estimated for 2004/05.

Brazil

Brazil's 2005/06 coffee production is forecast at 36.5 million bags, down 5.9 million bags from 3004/05, mainly because Arabica trees are in the "off-year" of the biennial production cycle. Forecast good robusta production will partially offset the decrease in Arabica production. Overall, the prevailing weather conditions were good in all coffee growing areas through the blossoming stage, except center-western Minas Gerais, which was negatively affected by irregular rainfall during flowering. The biennial production cycle of the Arabica trees is expected to be the major factor contributing to the projected crop decrease. Trees are predominantly in the "off-year" of the production cycle, and, as a consequence, lower yields are expected. On the other hand, robusta production appears set for a good recovery from the past crop, and yields are forecast to improve from 2004/05, thus offsetting the likely decrease in total production.

Brazil's coffee exports for 2005/06 are projected at 26.1 million bags, 23.0 million bags of bean exports and 3.1 million bags of soluble coffee exports. Due to the lower crop and forecast higher domestic consumption, carry-over stocks at the end of 2005/06 are forecast to decline to 4.8 million bags, sharply down from the previous year. ■

Source: *Tropical Products: World Markets and Trade*, Circular series FTROP 2-05, June 2005, Foreign Agricultural Service, U.S. Department of Agriculture.