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Cote d'Ivoire

Coffee

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Report Highlights:

Post has revised downwards its forecast for 2003/2004 production due to continued low producer price, prolonged political instability and poor farm maintenance. Though crop outlook is satisfactory, most will not be harvested. Harvesting activities of the 2003/2004 crop are very dull. Exports fell in CY 2002 and expected to continue to fall in CY 2003 due to reduced export demand and low level of world market prices. The Inter-African Coffee Organization (IACO) has received \$2.2 million donation from the African Development Fund of the African Development to promote the quality, consumption and exports of coffee. The IACO is holding its 43rd Annual General Assembly in Abidjan with the main agenda, adopting strategy to defend Robusta coffee producing countries against EU sanctions for products containing Ochratoxin.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Post has revised downwards its 2003/2004 production forecast due to the continued low producer price, prolonged political instability and poor farm maintenance. The current level of producer price leaves no margin for farmers to maneuver. It has reduced considerably farmers' ability to compete for farm labor already rendered scarce by the current unstable political situation. Coffee production is difficult and requires much labor. With the current level of producer price, many farmers consider any effort towards coffee production as exercise in futility. The recent drop in cocoa producer prices has further complicated the situation for coffee production. Many farmers produce both crop and have been subsidizing coffee production with higher revenues from cocoa. The falling level in cocoa prices has dried up any support for coffee. Many farmers are abandoning their farms leaving majority of farms in poor state overrun by bushes.

Furthermore, Political situation remains unstable in the West of Cote d'Ivoire that produces about 40 percent of Ivorian coffee. Many farmers who fled the area at the onset of the war are yet to return undermining production from this region.

Despite the poor state of the farms, crop outlook is satisfactory and trees are bearing considerable amount of cherries awaiting harvest. This favorable crop outlook is due to good rains during the crop development period and the fact that tree stress from the poor farm maintenance is yet to have its full toll. However, with the current low prices and the dim prospects of improvement in prices, most of the crop is unlikely to be harvested.

Harvesting for the 2003/2004 crop has started but activities are very dull. Normally, cocoa harvesting takes precedent over coffee at this time, but there is a glaring farmers' indifference towards the current coffee harvesting.

Post has revised downwards its 2002/2003 production in line with official estimates. The war situation and the low producer prices left more farms than anticipated unharvested. In rebel occupied zones in the West, most of crop was sold cheap to traders from neighboring countries (Guinea, Mali and Liberia). Some farmers too continue to hold on to their harvest in expectation of better price.

The minimum producer price in 2002/2003 marketing year was 200 F CFA/kg. However, the average producer price improved to 252 F CFA/kg compared to 205 F CFA/kg in 2001/2002. Capral/Nestle, the local soluble coffee processing company, offers relatively reasonable producer price for its purchases and contributed to the increased average producer price. It bought coffee at 250-300 F CFA/kg depending on the quality and its purchases accounted for about a third of the total 2002/2003 production. Producer price is expected to remain unchanged in the 2003/2004 marketing year.

Post has revised upwards its 2003/2004 planted area because the anticipated conversion of coffee farms to other crops was minimal.

Exports fell in CY 2002 and are expected to continue to fall in CY 2003 due to the reduced export demand and the low level of world market prices. Exports for the first 9 months of 2003 were 1,548,216 bags compared to 1,966,016 bags for the same period in 2002.

Cote d'Ivoire is a member of International Coffee Agreement 2001 (ICA) and also a member of the Inter-African Coffee Organization (IACO). In furtherance of the (ICA) objectives, the IACO has received \$2.2 million donation from the African Development Fund of the African Development Bank to promote the quality, consumption and exports of coffee. This fund will

enable IACO to open degustation centers in Cote d'Ivoire, Uganda, Zambia and Cameroon to serve as regional post for training, quality assurance and capacity building.

The IACO is holding its 43rd Annual General Assembly in Abidjan with the main agenda; adopt strategy to defend Robusta coffee producing countries of which Cote d'Ivoire is the leading producer. Robusta coffee variety is supposed to contain Ochratoxin, considered as carcinogenic substance. In 2004, the EU is expected to impose sanctions on producing countries that do not respect the norms concerning this substance. Cote d'Ivoire will be greatly affected should the sanction be applied.

Exchange Rate: U.S. \$1 = 558 F CFA on November 18, 2003.

PSD Table

Country Commodity	Coffee, Green		(1000 HA)(MILLION TREES)(1000 60 KG BAGS)			
	2002 USDA Official [Old]	Revised Post Estimate [New] 10/2001	2003 USDA Official [Old]	Estimate Post Estimate [New] 10/2002	2004 USDA Official [Old]	Forecast Post Estimate [New] 10/2003
Market Year Begin						
Area Planted	1492	1492	1492	1492	1350	1490
Area Harvested	1170	1170	1160	950	920	850
Bearing Trees	1630	1630	1630	1630	1459	1657
Non-Bearing Trees	243	243	243	243	235	215
TOTAL Tree Population	1873	1873	1873	1873	1694	1872
Beginning Stocks	1573	1573	1484	1484	466	779
Arabica Production	0	0	0	0	0	0
Robusta Production	3033	3033	2500	1817	2400	1300
Other Production	0	0	0	0	0	0
TOTAL Production	3033	3033	2500	1817	2400	1300
Bean Imports	0	0	0	0	0	0
Roast & Ground Imports	0	0	0	0	0	0
Soluble Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	4606	4606	3984	3301	2866	2079
Bean Exports	2615	2615	3000	2025	2200	1600
Roast & Ground Exports	3	3	3	4	3	4
Soluble Exports	440	440	450	428	460	430
TOTAL Exports	3058	3058	3453	2457	2663	2034
Rst,Ground Dom. Consum	31	31	32	32	0	0
Soluble Dom. Consum.	33	33	33	33	0	0
TOTAL Dom. Consumption	64	64	65	65	0	0
Ending Stocks	1484	1484	466	779	203	45
TOTAL DISTRIBUTION	4606	4606	3984	3301	2866	2079

Trade

**Export Trade
Matrix
Country**

Commodity Coffee, Green

Time Period	Jan-Dec	Units:	60 kg bags
Exports for:	2001		2002
U.S.	56783	U.S.	24283
Others		Others	
France	1439917	France	435000
Belgium	314650	Belgium	469100
Italy	498917	Italy	198983
Poland	136717	Poland	47850
Algeria	550350	Algeria	873333
Spain	372517	Spain	108600
Germany	93600	Germany	30050
Morocco	55783	Morocco	71371
Portugal	49950	Portugal	71083
U.K.	36017	Tunisia	33600
Total for Others	3548418		2338970
Others not Listed	171299		79480
Grand Total	3776500		2442733