

In cooperation with:



**Department  
of Agriculture**  
STATE OF HAWAII

Agricultural Development Division

# Hawaii Coffee

September 7, 2007

## Coffee marketings 10 percent below year ago

### Statistics ..... page 2

Number of farms, acreage, yield, Marketings, farm price, and Farm value by county for the past 10 seasons

### Upcoming season .... page 3

Brief outlook of the upcoming 2007/2008 season.

### World coffee

### update..... page 3

Latest forecast of 2007/08 world coffee production.

Total farm revenue of coffee is estimated at \$37.0 million (parchment equivalent basis) for the 2006/07 season, down 1 percent from the 2005/06 season. This decrease in revenue resulted as a 45 cent increase in the average farm price was more than offset by a 10 percent drop in production to 7.4 million pounds (parchment equivalent basis).

### Production decrease on Big Island, but increases in other areas

Hawaii county produced 4.0 million pounds (parchment equivalent basis) during the 2006/07 season. This was 31 percent below last year's 5.8 million pounds. Production from the combined areas of Maui, Molokai, Kauai, and Oahu increased to 3.4 million pounds (parchment equivalent basis).

State yields dipped to 1,200 pounds per acre from 1,300 a year earlier.

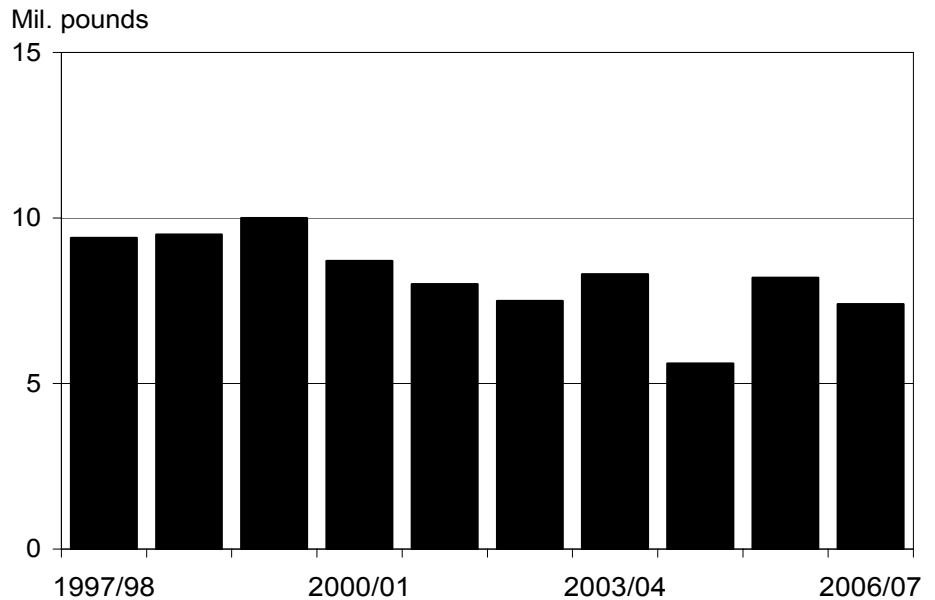
### Acreage for harvest increases 3 percent

Total acreage harvested increased 3 percent from last season to 6,300 acres. Acreage harvested declined 9 percent on the Big Island to 3,000 acres, while the other islands recorded an increase of 18 percent, 3,300 acres.

Total acreage in crop increased from 7,900 acres during the 2005/06 season to 8,200 acres during the 2006/07 season.

*Continued on page 3...*

**Hawaii Coffee Production  
Parchment Basis, 1997/98 - 2006/07 Seasons**



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## Hawaii Coffee Statistics

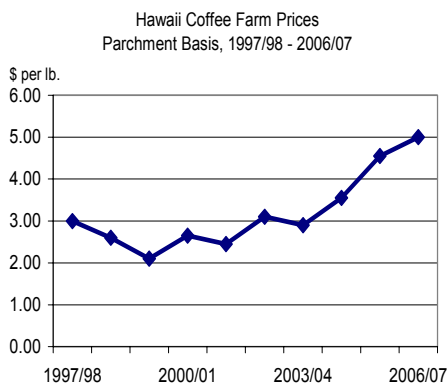
Number of farms, acreage, yield, marketings, price, and value by county,  
1997/98 through 2006/07, State of Hawaii

County and crop year <sup>1/</sup>	Farms	Acreage		Yield <sup>2/</sup>	Marketings <sup>3/</sup>	Farm prices			Value of sales	Green production
		In crop	Harvested			Cherry	Parchment	All <sup>4/</sup>		
	<i>Number</i>	<i>----- Acres -----</i>		<i>----- 1,000 pounds -----</i>		<i>----- Cents per pound -----</i>			<i>\$1,000</i>	<i>1,000 pounds</i>
<b>State</b>										
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
2005/06	790	7,900	6,100	1.3	8,200			455.0	37,310	6,600
<b>2006/07</b>	<b>820</b>	<b>8,200</b>	<b>6,300</b>	<b>1.2</b>	<b>7,400</b>			<b>500.0</b>	<b>37,000</b>	<b>5,700</b>
<b>Hawaii</b>										
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
2005/06	745	3,800	3,300	1.8	5,800	120.0	670.0	535.0	31,030	4,700
<b>2006/07</b>	<b>775</b>	<b>3,800</b>	<b>3,000</b>	<b>1.3</b>	<b>4,000</b>	<b>135.0</b>	<b>765.0</b>	<b>640.0</b>	<b>25,600</b>	<b>3,000</b>
<b>Kauai/Maui/Honolulu <sup>5/</sup></b>										
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
2005/06	45	4,100	2,800	0.9	2,400			261.7	6,280	1,900
<b>2006/07</b>	<b>45</b>	<b>4,400</b>	<b>3,300</b>	<b>1.0</b>	<b>3,400</b>			<b>335.3</b>	<b>11,400</b>	<b>2,700</b>

<sup>1/</sup> 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. <sup>2/</sup> Average yields based on parchment equivalent marketings and harvested acreage. <sup>3/</sup> Expressed in parchment equivalent pounds. Coffee marketed in cherry form was converted to an equivalent parchment weight and added to parchment marketings. <sup>4/</sup> 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). <sup>5/</sup> Kauai, Maui, and Honolulu counties combined to avoid disclosure of individual operations.

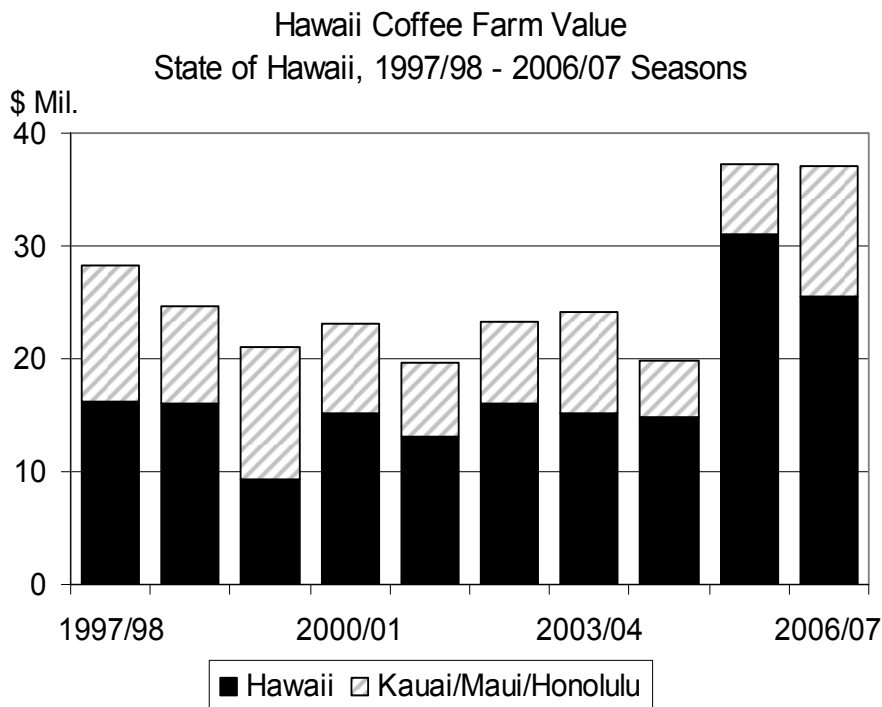
## Farm price at record high level

The Statewide farm price for coffee averaged a record high \$5.00 per pound (parchment equivalent basis) for the 2006/07 season, up 10 percent from the 2005/06 season high farm price of \$4.55 per pound. Big Island growers received an average of \$6.40 per pound (parchment equivalent basis) during the 2006/07 season, up 20 percent from the previous season. This also surpassed the record high farm price of \$5.70 Big Island growers received during the 1997/98 season. Growers on Kauai, Maui, and Honolulu counties received an average of \$3.35 per pound (parchment equivalent basis) for coffee during the 2006/07 season, up 28 percent from the previous season. This new record high farm price surpassed the previous high price set last year.



## Big Island accounts for majority of farm value

Coffee growers across the State generated \$37.0 million in farm sales (parchment equivalent basis) during the 2006/07 season, down 1 percent from the previous season. Big Island growers accounted for \$25.6 million of the State's total farm revenue or 69 percent. The combined farm value of Maui, Honolulu, and Kauai counties was \$11.4 million (parchment equivalent basis), up 82 percent from the 2005/06 season.



## 2007/08 harvest expected to be larger

Big Island millers are anticipating an increase in production for the 2007/08 season. A small increase is forecasted from the combined counties of Maui, Molokai, Honolulu, and Kauai. ■

## World Coffee Update

### World Coffee Production in 2007/08 Down 12.5 Million Bags From Previous Year

World production of coffee in 2007/08 is forecast at 118.9 million bags (60 kilograms or 132.276 pounds), down 12.5 million bags, or 9 percent, from the revised 2006/07 level. Most of the reduction is attributed to Brazil, where coffee production in 2007/08 is forecast at 36.2 million bags, versus 46.7 million bags the previous year. Vietnam's coffee production is also forecast to fall to 17.7 million bags in 2007/08, down 930,000 bags from the previous

year. Colombia's coffee production is forecast to increase slightly in 2007/08 to 12.4 million bags.

Brazil's drop in coffee production will mean lower forecast exports of coffee in 2007/08. World exports of coffee in 2007/08 are forecast at 93.7 million bags, down 4.2 million bags, or 4 percent from the 2006/07 level. Brazil's exports of coffee in 2007/08 are forecast at 24.0 million bags, down from 28.3

million in 2006/07.

World coffee stocks in 2007/08 in producing-exporting countries are forecast to decline to a low level of 16.8 million bags, mainly the result of lower supplies in Brazil. This is the lowest level of stocks recorded in the USDA database dating back to 1960/61.

## **Brazil**

Brazil's coffee production for marketing year (MY) 2007/08 (July-June) is 36.2 million bags, down 22 percent, or 10.5 million bags, compared to the previous year. Arabica production is forecast at 25.65 million bags, a 29-percent decline from the previous season while robusta production is forecast at 10.55 million bags, similar to last year. The significant reduction in production is a consequence of expected lower yields in the arabica-producing regions, a result of the biennial production cycle. Overall, arabica trees show average fruit development and harvest started in May. The lower arabica production is a result of: trees being mostly in the off-year of the biennial production cycle; in spite of good crop management, plants are

somewhat stressed by the very high 2006 production; and the blossoming for some regions was somewhat delayed due to poor rainfall during August-September 2006. Robusta production should remain stable as a consequence of good weather that prevailed in the growing regions and good crop management due to favorable prices, especially in the state of Espirito Santo. The robusta harvest season began in March- April.

## **Vietnam**

Vietnam's coffee production for 2007/2008 is forecast to decline 5 percent, or 930 bags, to 17.7 million bags due to expected dryer conditions. The government continues to encourage farmers in marginal-growing areas to replace coffee with crops better suited to the soil. However, in the face of current high prices, farmers continue to expand their robusta cultivation, and where possible, also arabica production. ■

Source: *Tropical Products: World Markets and Trade*, Circular series FTROP 2-07, June 2007, Foreign Agricultural Service, U.S. Department of Agriculture.

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