



National Agricultural Statistics
 Hawaii Agricultural Statistics
 Hawaii Department of Agriculture

Hawaii Coffee

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Statewide production rebounds

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Brief outlook of the 2004/05 season by producing area.

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

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Latest forecast of 2004/05 world coffee production.

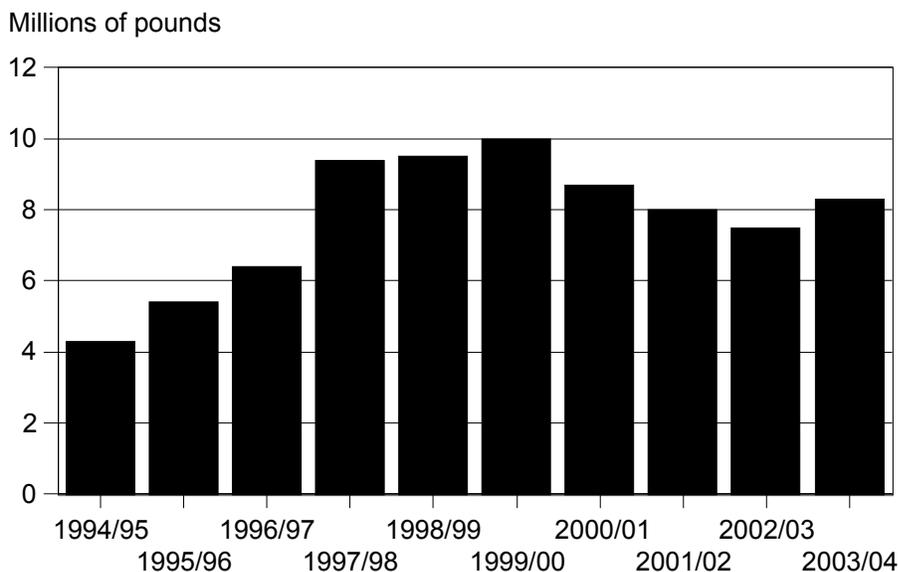
The Hawaii Agricultural Statistics (HAS) estimates Statewide coffee production at 8.3 million pounds (parchment basis) for the 2003/04 season, up 11 percent from last season's harvest of 7.5 million pounds. Coffee farmers received an average of \$2.90 per pound (parchment equivalent) during the 2003/04 season, down 6 percent from last season. Total farm revenues are estimated at \$24.1 million, up 4 percent from the 2002/03 season.

Lower production from Island of Hawaii more than offset by other areas

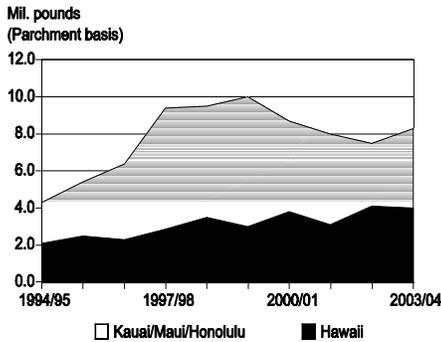
Big Island production totaled 4.0 million pounds (parchment basis) during the 2003/04 season, down 2 percent from the previous season. Average yields declined 7 percent as dry conditions during crucial periods resulted in smaller beans and a larger than normal amount of quakers (defective coffee beans that fail to roast properly, remaining stubbornly light-colored). Rainfall in Kainaliu, in the center of the Kona district, was 30 percent of normal during the first five months of 2003. Most coffee fields on the island of Hawaii are not irrigated and depend on natural rainfall as the only source of water.

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Hawaii Coffee Production
 Parchment Basis, 1994/95-2003/04



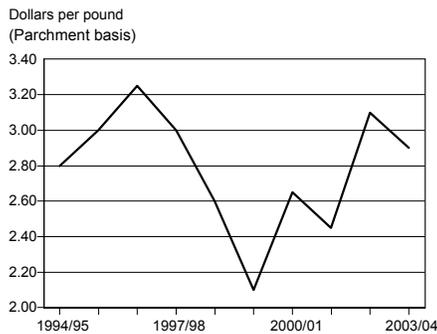
Hawaii Coffee Production by County, 1994/95-2003/04



Combined production from the counties of Kauai and Maui are expected to total 4.3 million pounds (parchment basis) for the 2003/04 season, up 26 percent from the previous season. Most of the coffee fields in these counties are irrigated and did not suffer from the ill effects of the drought that the Big Island coffee farmers experienced. The alternate-bearing nature of the tree (which contributed to the 2002/03 drop) and improved cultural practices were largely responsible for increased output during the 2003/04 season.

Farm prices decline 6 percent

Hawaii Coffee Farm Prices Parchment Basis 1994/95-2003/04



The Statewide farm price for coffee averaged \$2.90 per pound (parchment basis) for the 2003/04 season, down 6 percent from last season's average farm price of \$3.10 per pound. Farm prices were lower

on the Island of Hawaii and the rest of the State for the 2003/04 season, however, most of the 6-percent decline from a year ago is the result of a shift in production away from the Island of Hawaii where farm prices are higher.

Kona green bean prices top \$8 per pound

The Hawaii Agricultural Statistics estimates the average price of certified Kona green coffee at \$8.25 per pound for the 2003/04 season. Total green coffee production during the 2003/04 season from the Big Island is estimated at 3.2 million pounds.

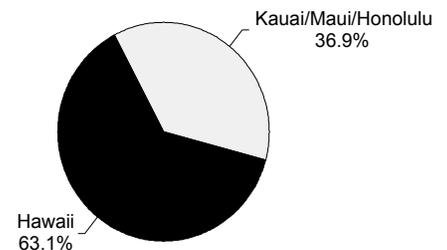
Farm prices for parchment coffee averaged \$3.65 per pound for Big Island growers during the 2003/04 season, down 10 from the previous season. Cherry coffee prices averaged 85.0 cents per pound during the 2003/04 season, a 6-

percent decrease from the previous season when growers received an average of 90.0 cents per pound.

Farm value third highest on record

Coffee growers across the State generated \$24.1 million in farm sales (parchment basis) during the 2003/04 season, up 4 percent from the previous season and the highest total in 5 seasons. ■

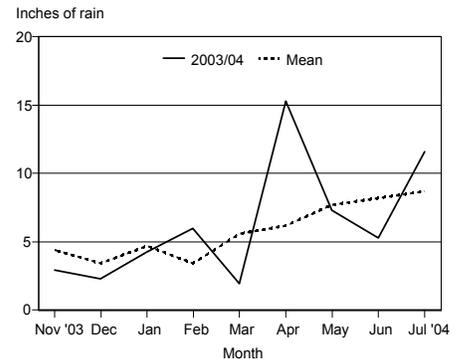
Hawaii Coffee Farm Value Percent Distribution by County 2003/04 Season



Upcoming 2004/05 Season

Big Island coffee millers are expecting a harvest that will be at least equal to the 2003/04 crop. Monthly rainfall in the Kealahou area of Kona has frequently been near, or above, normal levels since last November (see chart at right). This extended period of welcomed showers during the main flowering period is expected to result in a long, drawn-out season. The frequent showers are also expected to produce larger bean sizes compared to last season. Partially offsetting the beneficial rains was a period of severe winds at the end of February that resulted in the loss of some flowers.

Monthly Rainfall at Kealahou, Hawaii 2003-04 and Mean



The islands of **Kauai, Maui, Molokai, and Oahu** are also expected to benefit from this year's rainy winter with an increase in production during this upcoming season. Combined production from these islands will also get a boost from efforts to rejuvenate some previously abandoned acreage on Maui and Oahu. ■



Hawaii Coffee Statistics

Number of farms, acreage, yield, marketings, price, and value by county,
1994/95 through 2003/04, 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 -----		----- 1,000 pounds -----		----- Cents per pound -----			\$1,000	1,000 pounds
State										
1994/95	585	6,800	4,400	1.0	4,300			280.0	12,040	3,400
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
Hawaii										
1994/95	575	1,820	1,425	1.5	2,100	95.0	475.0	400.0	8,400	1,640
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
Kauai/Maui/Honolulu ^{5/}										
1994/95	10	4,980	2,975	.7	2,200			^{6/} 165.0	3,640	1,760
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

^{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 Coffee Update

World production forecast to increase 10 percent

World coffee production in 2004/05 is forecast at 117.7 million bags (60 kilograms or 132.276 pounds), up 10 percent, or 10.8 million bags over the previous year. Most of the increase is attributed to the recovery in Brazil's 2004/05 coffee production level. Brazil's production of coffee during 2004/05 is forecast at 42.4 million bags, up from 32.0 million bags in 2003/04. As Brazil's production is forecast to account for 36 percent of the world total in 2004/05, swings in Brazil's supplies of coffee account for the change in the world total supplies of coffee.

Total coffee supplies in 2004/05 are forecast at 142.6 million bags, up 4 percent from the previous year. As a result of the higher supplies, total coffee exports in 2004/05 are forecast at 90.1 million bags, up 4.5 million bags from 2003/04.

U.S. government taking steps to rejoin the ICO

A high-level delegation from the United States attended the International Coffee Organization (ICO) meetings on May 18-21, 2004. The delegation attended the meetings as observers, but reportedly laid the groundwork for the United States to rejoin the ICO. In an ICO Council statement, it was acknowledged that the U.S. delegation participated in discussions with members of the ICO and made a statement to the Council that after the meetings there was now a "firm basis for the USA to consider the decision to accede to the 2001 Agreement in a positive light. It is hoped that the necessary formalities will be completed by 1 October 2004." During the May meetings, the ICO amended Resolution 407, which the United States had objected to in the past. Resolution 407 attempted to improve the quality of members' coffee production by setting recommendations that members were required to implement. The adoption of Resolution 420 makes these recommendations voluntary. ■

Source: *Tropical Products: World Markets and Trade*, FTROP 2-04, June 2004, Foreign Agricultural Service, U.S. Department of Agriculture.