



HAWAII COFFEE

Biannual report of acreage, farm prices, production, and farm value.

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State's output tops 9 million pounds

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The Hawaii Agricultural Statistics Service (HASS) estimates coffee production at 9.4 million pounds (parchment basis) for the 1997-98 season, up 47 percent from the previous season and the largest output in 33 seasons. Farm prices across the State averaged \$3.85 per pound (parchment basis), up 18 percent from last season and the highest farm return since the 1989-90 season. Statewide farm revenues are estimated at a record high \$36.2 million, up 74 percent from the 1996-97 season.

Higher production and farm prices for Big Island growers

Improved weather conditions resulted in a harvest of 2.85 million pounds (parchment basis) for Big Island farmers during the 1997-98 season. This was 24 percent more than the previous season and the largest crop since the 3.1 million pounds picked during the 1989-90 season. Consistent showers from January through March of last year triggered a good spring flowering in Kona which eventually accounted for most of 1997-98's production. In addition to the beneficial weather, a 5-percent increase in harvested acreage and improved cultural practices contributed to boosting production. To a lesser extent, record-high farm prices also had a positive effect on production as farmers attempted to thoroughly harvest their fields. The record-high farm prices, however, gave rise to an increase in coffee thefts. Farmers reported bags filled with just-picked cherries being stolen, unauthorized picking of fields, and even the theft of entire trees.

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HAWAII AGRICULTURAL STATISTICS SERVICE

Fact finding for agriculture

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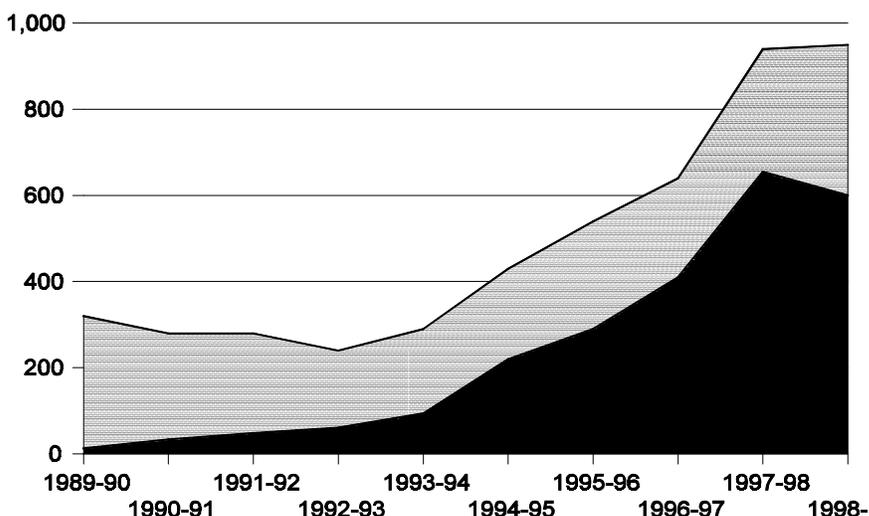
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HAWAII COFFEE: Production by islands, 1991/92-1997/98



More on 1997-98 season

Big Island farm prices averaged a record-high \$5.70 per pound (parchment equivalent) during the 1997-98 season, up 21 percent from the previous record-high set last season. Coffee mills were paying farmers an average of \$1.35 for cherry (the bulk of farm sales are in the form of cherry coffee) and \$7.00 for parchment during the season, both record-highs. Strong consumer interest, fueled by a greater awareness of all Hawaii-grown coffee, was the main reason for the higher farm prices.

The record-high farm prices and increased production boosted Big Island farm revenues to \$16.2 million, up 50 percent from the previous season and a new all-time high.

Maui, Molokai, Oahu, and Kauai combine for 6.6 million pounds

Maui, Molokai, Oahu, and Kauai had combined coffee production of 6.6 million pounds (parchment basis) for the 1997-98 season, up 60 percent from the previous season.

Improved weather, a 6-percent increase in harvested acreage, and maturing trees all contributed to the higher volume. In addition, a major role was played by refinements in cultivation and mechanized harvesting. The majority of the 3,900 acres on these four islands are mechanically harvested.

HAWAII COFFEE: Number of farms, acreage, yield, marketings, price, and value by islands, 1993/94 - 1997/98, State of Hawaii

Crop year ^{1/}	Farms	Acreage		Yield ^{2/}	Marketings ^{3/}	Farm prices			Value of sales	Green production
		In crop	Harvested			Cherry	Parchment	All ^{4/}		
	<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>
State										
1993-94	580	7,000	4,200	0.7	2,900			225.0	6,525	2,200
1994-95	585	6,800	4,400	1.0	4,300			280.0	12,040	3,400
1995-96	580	6,700	5,400	1.0	5,400			300.0	16,200	4,320
1996-97	560	6,400	5,300	1.2	6,400			325.0	20,800	5,000
1997-98	585	6,800	5,600	1.7	9,400			385.0	36,190	7,720
Hawaii										
1993-94	574	1,865	1,370	1.4	1,960	67.0	320.0	300.0	5,880	1,548
1994-95	575	1,820	1,425	1.5	2,100	95.0	475.0	400.0	8,400	1,640
1995-96	570	1,780	1,370	1.8	2,500	100.0	515.0	460.0	11,500	2,000
1996-97	550	1,960	1,620	1.4	2,300	105.0	550.0	470.0	10,810	1,850
1997-98	575	2,290	1,700	1.7	2,850	135.0	700.0	570.0	16,245	2,300
Kauai/Maui/Molokai/Oahu ^{5/}										
1993-94	6	5,135	2,830	0.3	940			^{6/} 68.6	645	562
1994-95	10	4,980	2,975	0.7	2,200			^{6/} 165.0	3,640	1,760
1995-96	10	4,920	4,030	0.7	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			305.0	19,945	5,420

^{1/} Coffee harvesting occurs throughout the year in Hawaii. The main harvest normally begins in September 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/} Obtained by dividing value of sales by marketings (parchment equivalent basis.) ^{5/} Kauai, Maui, Molokai, and Oahu 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).

Outlook for the 1998-99 season

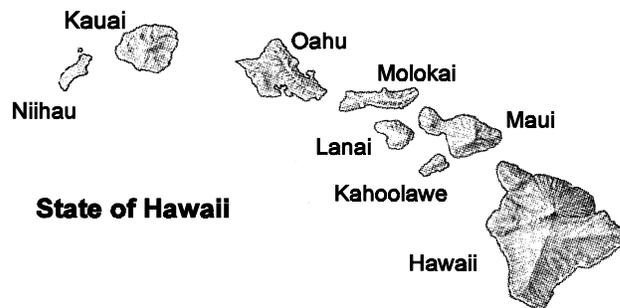
Hawaii island

In Kona, a large spring flowering was thinned out by a period of dry weather that followed. As a result, most growers and millers in the Kona area are anticipating the 1998-99 harvest to be of similar size to the 1997-98 crop. Yields will depend on the amount of rainfall, maintenance, and irrigation a field received.

Harvesting of the 1998-99 crop was underway in mid-July. Initial deliveries were small, but quality was reportedly very good. No abnormal problems were encountered with floaters.

Maui, Molokai, Oahu, and Kauai

Overall production from these four islands is expected to increase. The favorable weather that caused the heavy spring flowering in Kona also resulted in good



sets for on these islands. The fact that nearly all fields on these islands are irrigated and well-maintained will also help ensure a good harvest.

World coffee situation

World coffee production in 1998/99 is forecast at a record 107.5 million bags (60-kilogram or 132.276-pound bags), 14 percent above the revised 1997/98 level and up 3 percent from the previous record set in 1996/97.

World total coffee exports in 1998/99 are forecast at 81.1 million bags, up nearly 7 percent from the 1997/98 level.

Brazil

Arabica coffee production from Brazil is forecast at 30.8 million bags, while robusta output is forecast at 5.0 million bags. The reason for the 1998/99 increase is due to favorable weather that induced good vegetative development. In addition, most coffee growers could afford to invest in good crop management practices due to the strong and steady prices in 1997.

Colombia

The reason for a projected 2-percent increase in production was the return to normal rainfall patterns in April 1998, followed by widespread showers in coffee growing areas. The bloom from this rainfall was excellent and is expected to result in increased yields in the principal growing areas.

Source: Horticultural and Tropical Products Division
FAS/USDA

World Coffee Production

(1,000 60-kilogram bags)

Region and Country	1996/97	1997/98	Forecast 1998/99
North America			
Mexico	5,300	5,350	5,550
Guatemala	4,141	3,527	3,127
Others	9,824	9,816	9,733
South America			
Brazil	28,000	23,500	35,800
Columbia	10,779	10,800	11,000
Others	4,471	4,090	4,575
Africa			
Cote d'Ivoire	5,333	4,080	4,080
Uganda	4,350	3,300	3,800
Ethiopia	3,800	3,500	3,700
Others	6,791	6,683	6,677
Asia and Oceania			
Indonesia	7,900	7,000	6,600
Vietnam	5,783	5,450	5,800
India	3,417	3,800	3,500
Others	4,005	3,425	3,550
Grand Total	103,894	94,321	107,492

U.S. coffee

Consumption survey results

According to preliminary results of its winter drinking study, the National Coffee Association (NCA) reported that U.S. coffee consumption was slightly lower in early 1998. The study found that the number of people drinking coffee dropped from 48.6 percent in 1997 to 47.2 percent in 1998. However, higher prices for coffee may have accounted for some of the decline. Positive factors from the study included, renewed consumption strength among baby boomers, continued consumption strength among older adults, and an increase in consumption among 20-year olds.

U.S. stocks

Stocks at the end of May 1998 totaled 2.0 million bags, up 135,000 bags the April 30, 1998 level.

Source: Horticultural and Tropical Products Division, FAS/USDA

U.S. per capita consumption of coffee

Year	U.S. Consumption of Coffee		
	Regular	Soluble	Total
<i>Cups per person, per day</i>			
1988	1.43	.32	1.75
1989	1.43	.32	1.75
1990	1.42	.29	1.71
1991	1.46	.27	1.73
1992	2/	2/	2/
1993	1.61	.25	1.87
1994	2/	2/	2/
1995	1.38	.27	1.67
1996	1.52	.17	1.69
1997	1.41	.18	1.60

2/ Winter Coffee Drinking Study was not conducted.

Source: National Coffee Association

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