International Coffee Organization
Organización Internacional del Café
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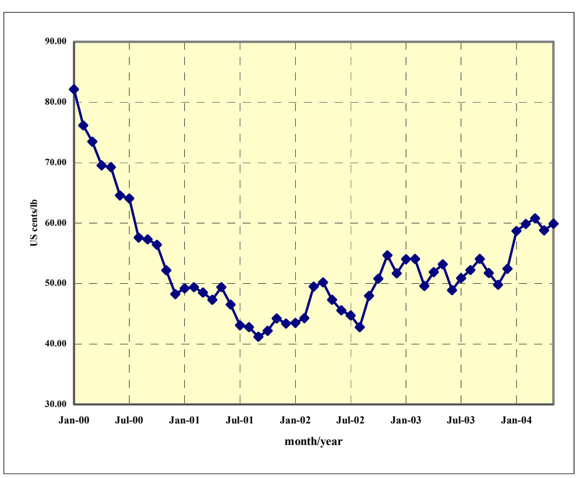
LETTER FROM THE EXECUTIVE DIRECTOR

COFFEE MARKET REPORT
May 2004

Following the downturn in April, coffee prices rallied again in May. A fall in temperatures, which occurred earlier than usual in the southern hemisphere, fuelled speculation on the weather and its probable consequences on world supply. The ICO composite indicator price went up from 57.38 US cents/lb on 3 May to 67.27 US cents/lb on 28 May, an increase of 17.24%. During the Session of the International Coffee Council from 18 to 21 May 2004, Members reiterated their commitment to pursuing the objective of coffee quality improvement in order to increase consumption both in exporting and importing countries. For this purpose, amendments were made to Resolution number 407 with a view to achieving greater flexibility. Members welcomed the enlargement of the Organization with the accession of nine of the ten new Members of the European Union (Cyprus was already a Member of the ICO) who account for a significant share of world consumption. The countries concerned are: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovak Republic and Slovenia. There were positive developments in relation to ongoing consultations with the United States of America on resumption of its membership of the Organization. A U.S. delegation attended the Council Session and made a constructive statement. Having analysed the supply situation in the producing countries of Asia/Oceania in my last Letter, the situation in Mexico and Central America will be considered in this month's Letter.

Graph 1: Monthly composite indicator price January 2000 – May 2004



Price movements

The upward trend recorded since the beginning of the year was interrupted in April but seems to have resumed, with prices in May at relatively higher levels than in April. The monthly average of the **ICO composite indicator price** was 59.91 US cents/lb compared to 58.80 US cents/lb in April 2004[1] representing a rise of 1.89%. Graph 1 shows monthly movements in the ICO composite indicator price from January 2000 to May 2004. The premature cold snap in Brazil at the end of May reinforced speculation on the possibility of frosts during the winter season in the southern hemisphere, a situation which could bring about a

[1] *The price recorded on 11 June was 67.57 US cents/lb.*

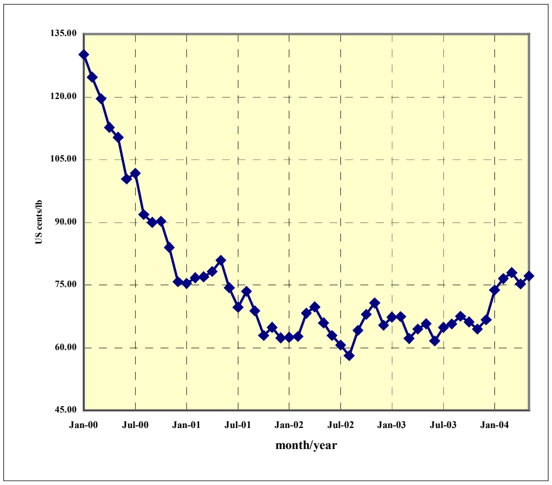
substantial reduction in world supply, since production has already fallen in many countries as a result of low price levels. During the first week of June, the ICO composite indicator price averaged 66.89 US cents/lb. Table 1 shows ICO indicator prices for the month of May from 1997 to 2003, monthly averages for January 2003 to May 2004, and annual averages for the period 1997 to 2003, and the averages of the 2nd and 3rd positions on the New York and London futures markets.

Table 1: ICO indicator prices (US cents/lb)

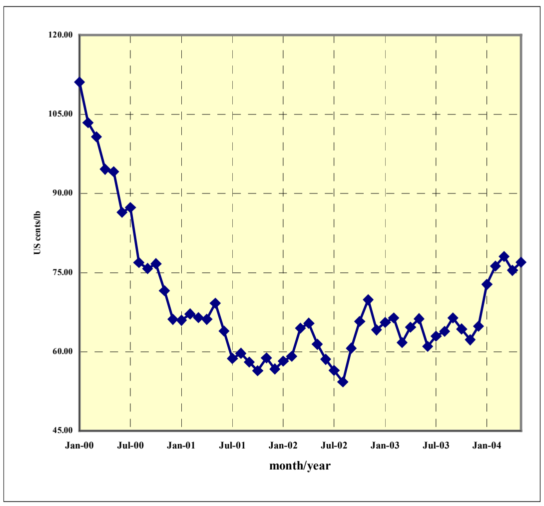
	ICO composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York	London
May							
1997	180.44	318.50	267.27	209.62	93.60	217.99	90.30
1998	114.23	146.33	137.72	124.89	90.74	127.37	83.03
1999	89.51	123.95	111.07	96.29	67.94	112.85	65.95
2000	69.23	110.31	94.15	87.23	44.32	101.17	42.75
2001	49.38	80.92	69.22	57.19	29.54	67.41	26.58
2002	47.30	65.95	61.40	45.39	28.32	52.88	23.79
2003	53.19	65.74	66.26	51.12	37.80	67.35	34.47
2003							
January	54.04	67.27	65.57	49.31	41.18	68.60	38.96
February	54.07	67.47	66.41	48.97	40.67	66.47	38.31
March	49.61	62.16	61.75	43.77	37.17	61.64	34.15
April	51.87	64.40	64.69	48.55	37.42	65.16	34.56
May	53.19	65.74	66.26	51.12	37.80	67.35	34.47
June	48.90	61.61	61.04	46.88	34.21	62.28	31.44
July	50.89	64.87	62.95	49.50	35.35	64.06	32.13
August	52.22	65.65	63.89	52.48	36.30	65.31	33.51
September	54.10	67.55	66.41	54.86	37.35	67.53	34.53
October	51.72	66.17	64.30	52.81	35.88	65.86	33.11
November	49.81	64.39	62.28	50.73	34.11	62.85	31.28
December	52.44	66.68	64.86	54.79	35.90	65.82	32.85
2004							
January	58.69	73.76	72.73	62.06	39.84	74.86	35.95
February	59.87	76.53	76.21	65.52	37.05	75.75	34.68
March	60.80	77.97	78.06	66.97	36.70	76.67	33.54
April	58.80	75.22	75.44	63.70	36.37	73.51	33.57
May	**59.91**	**77.17**	**76.99**	**65.16**	**36.56**	**75.62**	**33.31**
annual averages							
1997	133.91	198.92	189.06	166.80	78.75	163.04	75.02
1998	108.95	142.83	135.23	121.81	82.67	126.27	76.39
1999	85.72	116.45	103.90	88.84	67.53	106.48	64.07
2000	64.25	102.60	87.07	79.86	41.41	94.58	40.11
2001	45.60	72.05	62.28	50.70	27.54	58.86	23.92
2002	47.74	64.91	61.54	45.25	30.02	57.02	25.88
2003	51.91	65.33	64.20	50.31	36.95	65.24	34.11
% variation between May-04 and Apr-04							
	1.89	2.59	2.05	2.29	0.52	2.87	-0.77
% variation between May-04 and Jan-04							
	2.08	4.62	5.86	5.00	-8.23	1.02	-7.34

Arabicas recorded an increase of more than 2% but Robusta prices increased by only 0.52%. The London futures market (LIFFE), which is sensitive to the situation of Robustas, recorded a fall of 0.77% in the averages of the 2nd and 3rd positions between April and May. Graphs 2 to 5 show monthly movements in indicator prices for the four groups from January 2000 to May 2004.

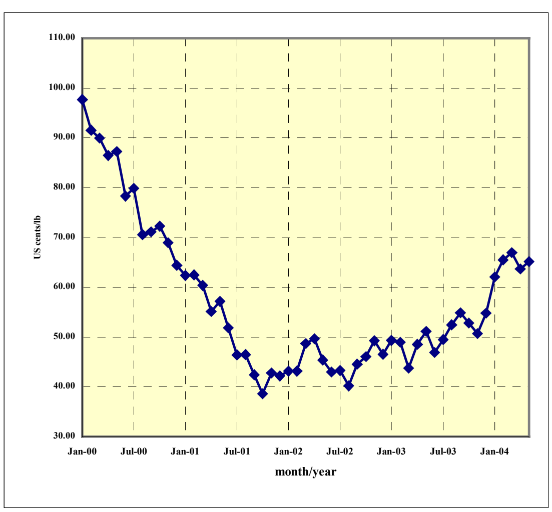
Graph 2: Monthly indicator prices for Colombian Milds



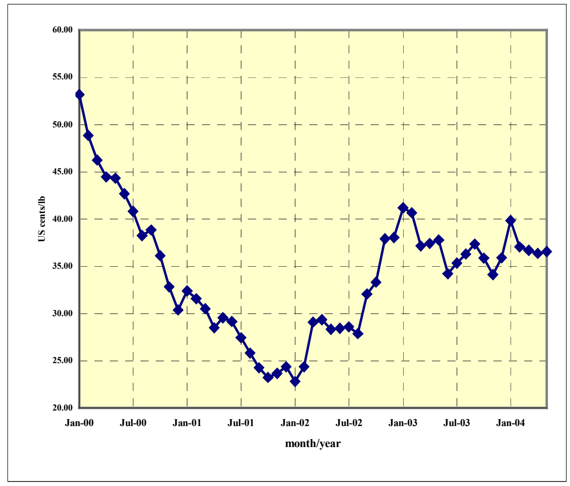
Graph 3: Monthly indicator prices for Other Milds



Graph 4: Monthly indicator prices for Brazilian Naturals



Graph 5: Monthly indicator prices for Robustas



Market fundamentals

The latest information available from Members indicates that **total production** in crop year 2003/04 will be 101.55 million bags compared to 119.59 million bags in crop year 2002/03 and 109.27 million in 2001/02. Reliable estimates for crop year 2004/05 are not yet available for all exporting countries. The Brazilian authorities have just published their second estimate of production for crop year 2004/05, ranging between 36.10 and 40.46 million bags compared to 28.82 million in 2003/04. The methodology used by Brazil makes it possible to reduce the margin of error. Less complete estimates, obtained using a different methodology, tend to give much higher figures than those provided by *Conab* in Brazil and should be regarded with due caution. Apart from Brazil, there are clear indications of a substantial decrease in production in a number of exporting countries. The situation in Mexico and Central America is analysed below.

Mexico & Central America

Since crop year 1999/2000, when this region achieved a record production level of 22.51 million bags, production has fallen steadily and was down to 16.49 million bags in 2003/04. This supply situation is alarming for a region producing mainly Other Mild Arabicas which accounted for only 16.24% of world supply in 2003/04 compared to 19.65% in 1999/2000. Provisional estimates indicate a relatively low level of production in crop year 2004/05 if prices remain low.

Mexico

During the last four crop years Mexican production averaged 4.39 million bags, a figure well below the 1999/2000 level of 6.22 million bags. The total area planted to coffee is 730,000 ha, with around 600,000 ha in production. The variety grown is mainly Arabica, with only 3% of the total area under Robusta, accounting for an average production of 150,000 bags a year. A number of factors, particularly the low level of world prices, have contributed to limiting Mexican production to a level of 4.55 million bags in 2003/04. This production figure is likely to remain the same in crop year 2004/05.

Guatemala

The coffee economy in Guatemala has also been affected by the coffee price crisis. Nonetheless, promotion of niche markets for speciality coffee has slightly attenuated the hardships suffered by high-quality coffee producers. The area under coffee is around 272,000 ha with 225,000 ha in production. Production, mainly of Arabica, was estimated at 3.0 million bags in crop year 2003/04 compared to 4.07 million bags in 2002/03, a cutback of 26.29%. The fall in income from coffee growing led many producers to abandon this activity or to diversify into other activities when this proved possible. Estimated production in crop year 2004/05 is not likely to exceed the 3 million bags produced in 2003/04.

Costa Rica

The area under coffee has remained stable at around 107,000 ha, with 100,000 ha in production. Average yield is around 1.5 tonnes/ha. The highest level of production was 2.99 million bags in crop year 1992/93. Production in crop year 2003/04 was 2.11 million bags compared to 1.94 million bags in 2002/03. Given the high production costs in relation to world price levels, it is unlikely that there will be any substantial increase in the country's production. Costa Rica is one of the countries that has managed to obtain significant premiums by using speciality coffee niches.

Honduras

Following the passage of Hurricane Mitch, which reduced production to 2.19 million bags in 1998/99, Honduras achieved a record production level in 2001/02 (3.0 million bags). The area under coffee is estimated at 284,000 ha with 208,000 in production. Production in crop year 2003/04 was around 2.91 million bags compared to 2.50 million in 2002/03. The coffee crisis has led to serious indebtedness for 80% of the country's small coffee farmers and 20% of the large producers. Many farmers are unable to cover their production costs and some are abandoning coffee farming. Those who are still struggling to cope with the crisis have cut back both on the maintenance of their farms and the employment of paid labour. This combination of factors makes it unlikely that there will be an increase in production in Honduras.

El Salvador

Production in El Salvador has been falling over the last few years with the total down from 2.6 million bags in 1999/2000 to 1.25 million in 2003/04. Average annual production during the 1990s was 2.42 million bags. The area under coffee is estimated at 178,000 ha with 166,000 ha in production. Investments in coffee farming have been reduced since this is no longer a profitable activity in the current climate of world prices.

Nicaragua

The record level of production in this country was 1.6 million bags in crop year 2000/01. The area under coffee is estimated at 138,000 ha with 124,000 ha in production. In crop year 2003/04 production was 1.15 million bags, representing a fall of 4.09% compared to 2002/03. In addition to problems related to low prices, the coffee sector in Nicaragua suffers from a lack of financing by commercial banks.

The Annex Table shows production in the Mexico/Central America region since crop year 1965/66.

The latest information indicates that **total production of Arabicas** in crop year 2003/04 was 67.96 million bags compared to 80.51 million bags in 2002/03, a cutback of 15.59%. **Total production of Robustas** was down from 39.08 million bags in 2002/03 to 33.59 million in 2003/04. Table 2 shows production in selected exporting countries in crop years 2000/01 – 2003/04 as well as production by region.

Table 2: Production in selected exporting countries

Crop year commencing	2000	2001	2002	2003	% change 2002-2003
TOTAL	**112,336**	**109,275**	**119,591**	**101,554**	**-15.08**
Africa	***16,002***	***14,525***	***13,835***	***15,615***	***12.87***
Cameroon	1,113	686	801	1,150	43.57
Côte d'Ivoire	4,846	3,492	2,483	2,325	-6.36
Ethiopia	2,768	3,756	3,693	4,333	17.33
Kenya	988	991	945	1,000	5.82
Tanzania	821	624	824	899	9.10
Uganda	3,205	3,166	2,910	3,100	6.53
Others	2,261	1,810	2,179	2,808	28.87
Arabicas	*5,794*	*6,449*	*6,625*	*7,110*	*7.32*
Robustas	*10,208*	*8,076*	*7,210*	*8,505*	*17.96*
Asia & Oceania	***29,799***	***27,213***	***24,405***	***24,478***	***0.30***
India	4,526	4,970	4,565	4,508	-1.25
Indonesia	6,947	6,731	5,668	6,050	6.74
Papua New Guinea	1,041	1,041	1,108	1,200	8.30
Thailand	1,692	548	757	997	31.70
Vietnam	14,775	13,133	11,555	11,250	-2.64
Others	818	790	752	473	-37.10
Arabicas	*3,827*	*4,395*	*4,136*	*3,611*	*-12.69*
Robustas	*25,972*	*22,818*	*20,269*	*20,867*	*2.95*
Mexico & Central America	***19,370***	***17,177***	***16,385***	***16,495***	***0.67***
Costa Rica	2,253	2,166	1,936	2,106	8.78
El Salvador	1,707	1,667	1,442	1,252	-13.18
Guatemala	4,940	3,669	4,070	3,000	-26.29
Honduras	2,667	3,036	2,497	2,913	16.66
Mexico	4,815	4,200	4,000	4,550	13.75
Nicaragua	1,595	1,116	1,199	1,150	-4.09
Others	1,393	1,323	1,241	1,524	22.80
Arabicas	*19,344*	*17,145*	*16,350*	*16,453*	*0.63*
Robustas	*26*	*32*	*35*	*42*	*20.00*
South America	***47,165***	***50,360***	***64,966***	***44,966***	***-30.79***
Brazil	32,005	33,743	48,480	28,832	-40.53
Colombia	10,532	11,999	11,714	11,750	0.31
Ecuador	872	893	732	804	9.84
Others	3,756	3,725	4,040	3,580	-11.39
Arabicas	*41,896*	*44,081*	*53,395*	*40,831*	*-23.53*
Robustas	*5,269*	*6,279*	*11,571*	*4,135*	*-64.26*
TOTAL	**112,336**	**109,275**	**119,591**	**101,554**	**-15.08**
Colombian Milds	12,182	13,400	13,206	13,307	0.76
Other Milds	28,697	26,971	26,334	25,306	-3.90
Brazilian Naturals	29,987	31,704	40,973	29,352	-28.36
Robustas	41,470	37,200	39,078	33,589	-14.05
Arabicas	70,866	72,075	80,513	67,965	-15.59
Robustas	41,468	37,200	39,078	33,589	-14.05
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	
Colombian Milds	10.84	12.26	11.04	13.10	
Other Milds	25.55	24.68	22.02	24.92	
Brazilian Naturals	26.69	29.01	34.26	28.90	
Robustas	36.92	34.04	32.68	33.08	
Arabicas	63.08	65.96	67.32	66.92	
Robustas	36.92	34.04	32.68	33.08	

In million bags

Total exports during the twelve-month period from May 2003 to April 2004 were 85.54 million bags compared to 88.86 million in the preceding twelve months, representing a fall of 3.73% (Table 3). On the basis of the latest information, exports for the first seven months of coffee year 2003/04 (October 2003 – April 2004) totalled 49.46 million bags, representing a fall of 4.13% compared to the first seven months of the preceding coffee year.

During the period May 2003 – April 2004 Arabica exports were down by 2.31% compared to a fall of 6.45% for Robustas.

Table 3: Exports 2002/03 and 2003/04 (May – April)

	2002/03	2003/04	% variation
TOTAL	**88.86**	**85.54**	**-3.73**
Colombian Milds	11.50	11.99	4.29
Other Milds	21.24	20.51	-3.44
Brazilian Naturals	25.74	23.53	-8.57
Robustas	30.54	28.57	-6.45
Arabicas	58.31	56.97	-2.31
Robustas	30.54	28.57	-6.45
Africa	***12.16***	***10.79***	***-11.33***
Cameroon	0.66	0.91	38.35
Côte d'Ivoire	3.09	2.16	-30.12
Ethiopia	2.11	2.24	6.48
Kenya	0.83	0.74	-10.28
Tanzania	0.72	0.67	-6.64
Uganda	3.17	2.65	-16.49
Others	1.59	1.41	-11.38
Asia & Oceania	***19.39***	***22.99***	***18.57***
India	3.16	4.14	30.94
Indonesia	3.96	4.61	16.23
Papua New Guinea	1.08	1.18	8.65
Vietnam	11.03	12.81	16.19
Others	0.15	0.25	65.16
Mexico & Central America	***13.44***	***13.20***	***-1.81***
Costa Rica	1.69	1.84	8.72
El Salvador	1.50	1.22	-19.06
Guatemala	3.80	3.54	-6.70
Honduras	2.84	2.57	-9.38
Mexico	2.39	2.60	8.72
Nicaragua	0.91	1.10	21.75
Others	0.31	0.32	3.76
South America	***43.86***	***38.56***	***-12.08***
Brazil	29.68	24.44	-17.68
Colombia	10.34	10.64	2.93
Ecuador	0.59	0.63	5.98
Others	3.25	2.86	-11.92

In million bags

Table 4 shows the volume and value of exports in calendar years 2000 to 2003. The value of world exports in 2003 was provisionally estimated (at the end of May 2004) at US$9.48 billion for transactions totalling 112.71 million bags. Exporting countries exported 85.22 million bags for a total value of US$5.56 billion compared to 87.56 million bags valued at US$5.12 billion in 2002. Importing countries earned US$3.91 billion for re-exports totalling 27.49 million bags in 2003 compared to US$3.38 billion for re-exports totalling 26.35 million bags in 2002. The latest estimates indicate a fall in the share of exporting countries in the total value of world exports down from 60.25% in 2002 to 58.70% in 2003. The share of importing countries increased from 39.75% in 2002 to 41.30% in 2003.

Table 4:
Volume and value of exports

	2000	2001	2002	2003
Colombian Milds				
- Volume	11.16	11.67	11.37	11.71
- Value	1.42	1.02	0.98	1.03
Other Milds				
- Volume	27.06	22.90	21.31	20.45
- Value	3.20	1.83	1.71	1.70
Brazilian Naturals				
- Volume	18.32	22.09	24.65	23.75
- Value	1.88	1.42	1.31	1.51
Robustas				
- Volume	32.62	33.50	30.23	29.31
- Value	1.68	1.12	1.12	1.32
Total				
- Volume	89.17	90.15	87.56	85.22
- Value	8.17	5.39	5.12	5.56

Volume and value of re-exports

Total 1/				
- Volume	22.05	24.51	26.35	27.49
- Value	3.37	3.25	3.38	3.91

Volume and value of world exports

Total				
- Volume	111.22	114.67	113.90	112.71
- Value	11.55	8.65	8.50	9.48

Percentage

Exporting countries				
- Volume	80.17	78.62	76.87	75.61
- Value	70.78	62.37	60.25	58.70
Importing countries				
- Volume	19.83	21.38	23.13	24.39
- Value	29.22	37.63	39.75	41.30

Volume in million bags – value in billion US$
1/ Includes estimates for 2002 and 2003

Opening stocks in exporting countries are shown in Table 5.

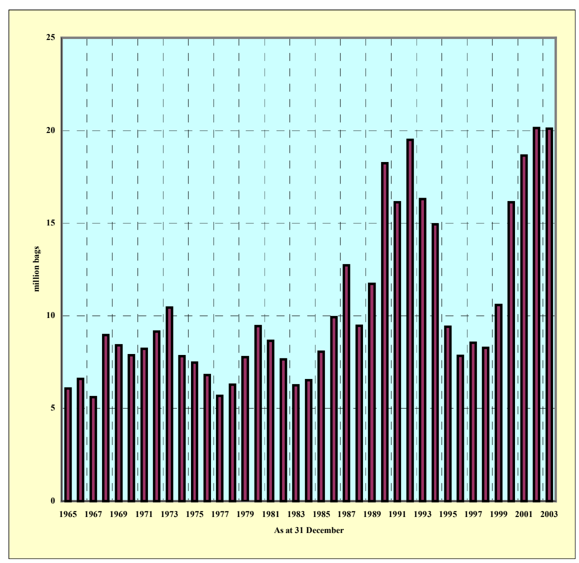
Table 5: Movements in opening stocks in exporting countries (1990 – 2003)

Crop year commencing	Total	Colombian Milds	Other Milds	Brazilian Naturals	Robustas
1990	55.66	7.14	5.37	28.89	14.27
1991	52.97	7.67	4.94	28.41	11.95
1992	54.57	8.99	4.95	26.58	14.05
1993	42.52	6.70	3.19	23.65	8.98
1994	40.35	3.66	3.20	25.67	7.81
1995	39.69	6.21	4.21	21.90	7.37
1996	33.52	6.53	3.02	19.14	4.83
1997	29.78	4.41	2.17	17.91	5.29
1998	25.80	4.14	2.42	13.88	5.37
1999	23.40	3.30	2.04	13.00	5.07
2000	21.63	2.59	2.47	11.17	5.41
2001	21.09	1.96	2.61	10.79	5.74
2002	19.50	2.05	3.17	8.54	5.74
2003	20.64	1.90	2.86	9.57	6.31
% change 2002-2003	**5.87**	**-7.56**	**-9.80**	**12.16**	**9.97**

In million bags

Stocks of green coffee in importing countries, including free ports, were estimated at 20.09 million bags in 2003 compared to 20.12 million in 2002 (Graph 6).

Graph 6: Movements in green coffee stocks in importing countries (1965 – 2003)



The volume of certified stocks in the New York futures market (NYBOT) showed no significant variation between April and May, with the level at 4.83 million bags at the end of May 2004 compared to 4.82 million bags at the end of April 2004 and 4.62 million bags at the end of March 2004. In January and February 2004 the levels were 4.42 million and 4.50 million bags respectively. The volume of certified stocks in the London futures market (LIFFE) has increased slightly from 2.71 million bags at the end of April to 2.76 million at the end of May. The levels at the end of March and the end of February 2004 were 2.70 and 2.59 million bags respectively.

World consumption was estimated at 111.7 million bags for calendar year 2003 compared to 109.3 million in 2002 and 109.2 million in 2001. **Domestic consumption in exporting countries** in crop year 2003/04 is estimated at 27.64 million bags, accounting for 27.27% of world production. This level continues to be low in relation to the potential domestic consumption in exporting countries. Table 6 shows domestic consumption in selected exporting countries as well as the percentage this represents in the country's total production. The per capita consumption figures in Table 7 highlight the slackness of development in the consumption of exporting countries.

Table 6: Domestic consumption in selected exporting countries

Crop year commencing	2000	2001	2002	2003	2003 as % of production
TOTAL	**25,940**	**26,873**	**27,158**	**27,645**	**27.27**
Brazil	13,000	13,250	13,500	13,750	47.71
Ethiopia	1,667	1,833	1,833	1,833	42.30
Indonesia	1,667	1,667	1,667	1,667	27.55
Mexico	1,305	1,500	1,500	1,500	32.97
Colombia	1400	1,400	1,400	1,400	11.91
India	917	1134	1134	1134	25.16
Philippines	820	821	829	917	211.78
Venezuela	690	690	690	690	80.23
Thailand	500	500	500	500	50.15
Vietnam	500	500	500	500	4.44
Dominican Republic	325	340	340	340	54.40
Haiti	340	340	340	340	80.95
Madagascar	90	128	217	333	39.98
Côte d'Ivoire	317	317	317	317	13.63
Guatemala	300	300	300	300	10.00
Cuba	213	220	224	224	89.60
Costa Rica	249	255	225	211	10.02
Congo, Dem. Rep. of	200	200	200	200	29.07
Honduras	230	200	200	200	6.87
Others	1,210	1,278	1,242	1,289	9.33

In thousand bags

Table 7: Per capita consumption in selected exporting countries (calendar years 2000 – 2003)

Calendar year	2000	2001	2002	2003
All exporting countries	**0.64**	**0.65**	**0.66**	**0.67**
Brazil	4.63	4.59	4.62	4.70
Costa Rica	4.51	3.86	3.65	3.23
Haiti	2.56	2.51	2.48	2.48
Dominican Republic	2.32	2.34	2.37	2.37
Nicaragua	1.69	2.05	2.04	2.07
Colombia	1.98	1.95	1.93	1.93
Honduras	1.72	2.02	1.77	1.77
Ethiopia	1.55	1.57	1.64	1.64
Venezuela	1.58	1.68	1.64	1.64
Guatemala	1.58	1.54	1.50	1.50
El Salvador	1.34	1.04	1.37	1.43
Cuba	1.11	1.15	1.18	1.19
Côte d'Ivoire	0.43	1.12	1.16	1.16
Madagascar	0.31	0.43	0.69	1.08
Mexico	0.71	0.80	0.87	0.87
Ecuador	0.98	0.93	0.76	0.70
Philippines	0.66	0.64	0.62	0.66
Thailand	0.44	0.48	0.47	0.47
Indonesia	0.45	0.47	0.46	0.46

In kilogrammes

Table 8: Consumption in selected importing countries (Average 1980-89 and 1990-99; 2000 to 2003)

	average					
	1980-1989	1990-1999	2000	2001	2002	2003
TOTAL	**54,999**	**60,377**	**60,488**	**61,283**	**61,225**	**63,105**
U.S.A.	17,981	18,273	18,558	19,343	18,870	20,505
European Community	***31,340***	***34,518***	***33,685***	***33,351***	***33,852***	***34,208***
Austria	1,003	1,172	888	1,049	952	757
Belgium/Luxembourg	1,272	1,011	1,304	987	1,635	1,719
Denmark	940	865	784	863	806	728
Finland	1,027	981	972	952	974	988
France	5,264	5,430	5,400	5,241	5,492	5,428
Germany	8,712	10,073	9,183	9,468	9,064	9,133
Greece	470	504	713	579	865	1,003
Ireland	84	108	83	147	136	151
Italy	4,103	4,704	5,163	5,252	5,180	5,503
Netherlands	2,254	2,281	1,911	1,732	1,641	1,857
Portugal	325	609	681	768	739	745
Spain	1,983	2,911	3,058	2,869	2,908	2,826
Sweden	1,624	1,449	1,182	1,259	1,235	1,181
United Kingdom	2,279	2,422	2,363	2,185	2,225	2,189
Other importing countries	***5,679***	***7,586***	***8,245***	***8,589***	***8,503***	***8,392***
Cyprus	33	48	68	55	53	54
Japan	4,214	5,923	6,693	7,004	6,934	6,812
Norway	712	724	658	711	692	682
Switzerland	720	891	826	819	824	844

In thousand bags

Table 9: Per capita consumption in importing countries (Average 1980-89 and 1990-99; 2000 to 2003)

	average					
	1980-89	1990-99	2000	2001	2002	2003
TOTAL	**4.52**	**4.69**	**4.53**	**4.56**	**4.54**	**4.66**
U.S.A.	4.59	4.22	3.96	4.09	3.95	4.25
European Community	***5.23***	***5.58***	***5.37***	***5.29***	***5.37***	***5.43***
Austria	7.93	8.82	6.57	7.74	7.10	5.64
Belgium/Luxembourg	7.45	5.76	7.32	5.52	9.14	9.61
Denmark	11.01	9.94	8.84	9.66	9.02	8.15
Finland	12.64	11.57	11.26	11.01	11.22	11.38
France	5.73	5.62	5.50	5.31	5.54	5.48
Germany	6.70	7.44	6.70	6.90	6.59	6.64
Greece	2.85	2.90	4.27	3.47	5.18	6.01
Ireland	1.43	1.79	1.31	2.29	2.08	2.31
Italy	4.32	4.93	5.36	5.44	5.36	5.70
Netherlands	9.34	8.91	7.21	6.47	6.10	6.90
Portugal	1.97	3.68	4.08	4.47	4.30	4.34
Spain	3.10	4.46	4.60	4.27	4.33	4.21
Sweden	11.65	9.95	8.00	8.49	8.33	7.96
United Kingdom	2.41	2.48	2.37	2.19	2.25	2.22
Other importing countries	***2.53***	***3.24***	***3.43***	***3.57***	***3.52***	***3.48***
Cyprus	3.03	3.98	5.37	4.34	4.48	4.56
Japan	2.10	2.84	3.17	3.31	3.27	3.21
Norway	10.29	10.00	8.79	9.46	9.13	8.99
Switzerland	6.67	7.67	6.9	6.80	6.78	6.95

In kilogrammes

Consumption in importing countries was estimated at 84.07 million bags in calendar year 2003 compared to 82.17 million bags in 2002, an increase of 2.31%. Table 8 shows average consumption in selected importing countries. The figures indicate that in some countries annual consumption has fallen in recent years compared to the 1980s and 1990s. Table 9, showing per capita consumption in importing countries, confirms that in most of these countries consumption is down compared to levels in the 1990s. It should be noted that consumption in the ten new Member countries of the European Union totalled 4.34 million bags in 2003. Membership of the International Coffee Organization will not only help to increase their consumption by providing access to better-quality coffees but will also contribute to greater statistical transparency.

In conclusion, I would like to emphasize the need to work together in a spirit of international cooperation to bring about a sustainable balance between supply and demand in order to avoid situations that are harmful to both producers and consumers. Since an increase in consumption is a determining factor in achieving such a balance, it is important for resources to be allocated to promotion projects designed to develop the market both in exporting countries characterized by under-consumption and in importing countries, particularly the new Member countries of the European Union. I must emphasize the importance of the determination of Member countries to carry out the Coffee Quality-Improvement Programme as outlined in the statement by the International Coffee Council adopted on 21 May 2004: "The International Coffee Council reiterates its commitment to pursuing a Coffee Quality-Improvement Programme in order to promote quality as a means to enhance sustainability of the coffee economy, to increase consumption, to add value and to provide consumer satisfaction".

Total production in Mexico and Central America
Crop years 1965/66 to 2003/04

(000 bags)

Crop year commencing	Costa Rica	El Salvador	Guatemala	Honduras	Mexico	Nicaragua
1965	989	1 834	2 140	522	3 000	511
1966	1 195	1 928	1 769	503	2 700	419
1967	1 357	2 398	1 838	709	2 900	556
1968	1 256	1 831	1 763	592	2 865	499
1969	1 438	2 466	1 992	525	3 097	565
1970	1 286	2 034	1 958	629	3 178	642
1971	1 561	2 735	2 221	673	3 532	726
1972	1 292	2 238	2 174	846	3 878	537
1973	1 524	2 370	2 384	781	3 390	683
1974	1 442	4 526	2 403	1 064	4 130	730
1975	1 288	1 794	2 068	718	4 214	794
1976	1 342	2 630	2 481	651	3 134	851
1977	1 517	2 865	2 570	1 073	3 419	981
1978	1 786	3 428	2 807	1 174	4 366	988
1979	1 442	3 325	2 482	1 170	3 704	1 075
1980	2 157	2 750	2 770	1 301	3 871	995
1981	1 616	2 988	2 662	1 330	4 046	939
1982	2 639	3 230	2 518	1 900	4 610	1 460
1983	2 230	3 154	2 361	1 367	4 788	812
1984	2 524	2 239	2 833	1 425	4 333	851
1985	1 325	1 784	2 633	872	4 941	709
1986	2 640	2 342	2 942	1 553	5 603	766
1987	2 203	2 501	3 052	1 519	4 655	647
1988	2 374	1 512	2 991	1 680	6 001	645
1989	2 300	2 788	3 473	1 767	5 050	689
1990	2 562	2 465	3 271	1 568	4 674	461
1991	2 759	2 198	3 496	2 321	4 727	708
1992	2 998	3 002	4 318	1 919	3 401	548
1993	2 259	2 378	3 536	1 829	5 024	706
1994	2 496	2 293	3 787	2 181	4 159	684
1995	2 684	2 586	4 002	1 909	5 300	985
1996	2 126	2 534	4 524	2 004	5 110	793
1997	2 500	2 175	4 219	2 564	4 802	1 084
1998	2 350	2 056	4 893	2 195	4 801	1 073
1999	2 404	2 599	5 120	2 985	6 219	1 532
2000	2 253	1 707	4 940	2 667	4 815	1 595
2001	2 166	1 667	3 669	3 036	4 200	1 116
2002	1 936	1 442	4 070	2 497	4 000	1 199
2003	2 106	1 252	3 000	2 913	4 550	1 150

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