International Coffee Organization
Organización Internacional del Café
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E

LETTER FROM THE EXECUTIVE DIRECTOR

COFFEE MARKET REPORT

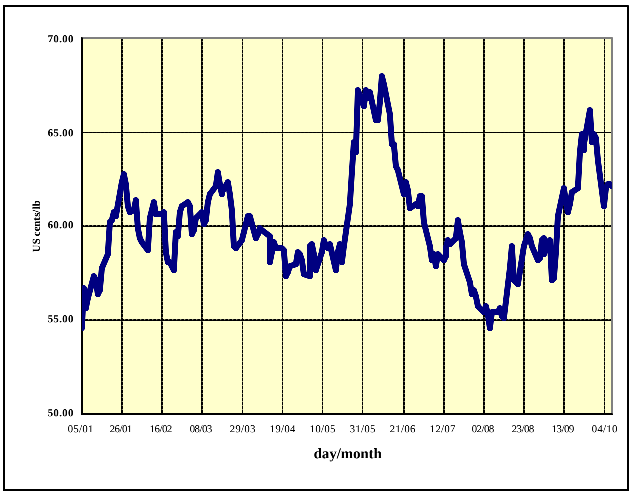
September 2004

September was marked by the end of coffee year 2003/04 and the announcement by the United States (which had ceased to be a Member on 1 October 1994) of its decision to rejoin the International Coffee Organization. The International Coffee Council held its 91st Session from 21 to 24 September 2004. Coffee prices rose slightly during September, particularly on the New York futures market with the "C" contract price sometimes above the ceiling of 88 US cents/lb. It should be noted that prices in September were at their highest level since August 2000 (with the exception of the price for June 2004). This indicates that the worst of the crisis may be over. Having reported on the situation of consumption in the Scandinavian countries in my last Letter, this report will include a brief analysis of the situation in Austria, Belgium/Luxembourg, Germany and the Netherlands.

Price movements

Price levels in September were higher than in the two previous months with an interruption in the downward trend noted in July and August. The monthly average of the **ICO composite indicator price** was 61.47 US cents/lb in September compared to 56.98 US cents/lb in August 2004, representing an increase of 7.88%[1]. The average for July was 58.46 Us cents/lb. Graph 1 shows daily movements in the ICO composite indicator price in 2004.

Graph 1: Daily composite indicator price 5 January – 15 October 2004



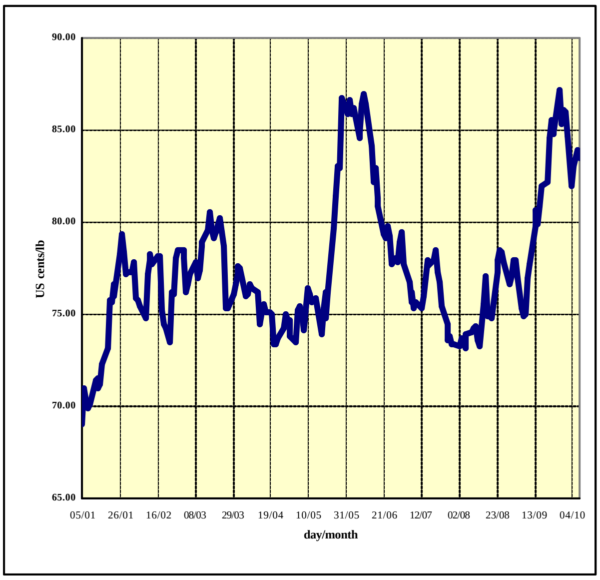
[1] *The price level recorded on 15 October 2004 was 60.17 US cents/lb.*

The price increase was very marked in the case of Arabicas but Robustas recorded only a very slight rise of 0.97%, from 33.91 US cents/lb in August to 34.24 US cents/lb in September. Prices on the London futures market, which reflects the situation of Robustas, fell by 0.84% compared to the level in August and by 14.83% compared to January 2004. On the other hand, prices on the New York futures market, which is sensitive to the situation of Arabicas, went up by 10.50% in September compared to the level in August and 7.36% compared to January 2004 (Table 1). Graphs 2 to 5 show movements in daily indicator prices for the four coffee groups in 2004.

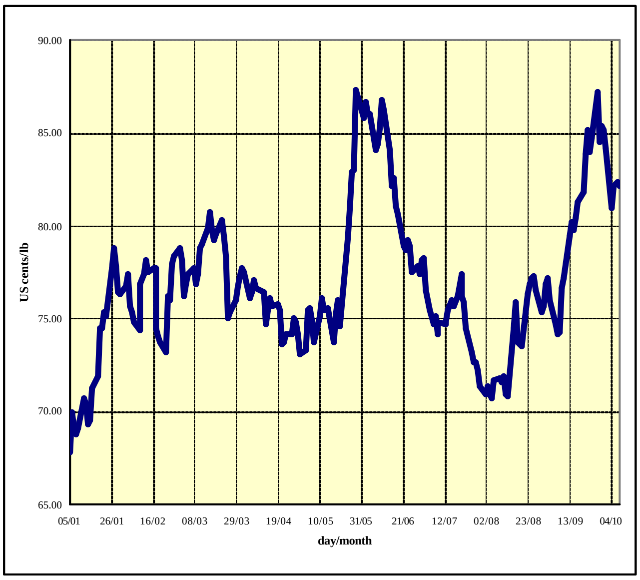
Table 1: ICO indicator prices (US cents/lb)

	ICO composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York	London
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
June	64.28	82.51	82.21	69.61	39.87	81.48	35.92
July	58.46	76.13	74.94	62.89	36.02	73.40	32.18
August	56.98	75.35	73.61	61.75	33.91	72.73	30.88
September	**61.47**	**81.02**	**80.47**	**68.90**	**34.24**	**80.37**	**30.62**
			% variation between Sep-04 and Aug-04				
	7.88	7.52	9.32	11.58	0.97	10.50	-0.84
			% variation between Sep-04 and Jan-04				
	4.74	9.84	10.64	11.02	-14.06	7.36	-14.83

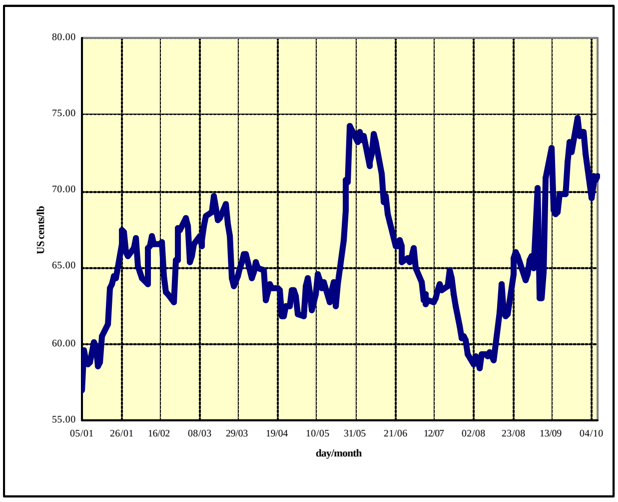
Graph 2: Daily indicator prices for Colombian Milds 5 January – 15 October 2004



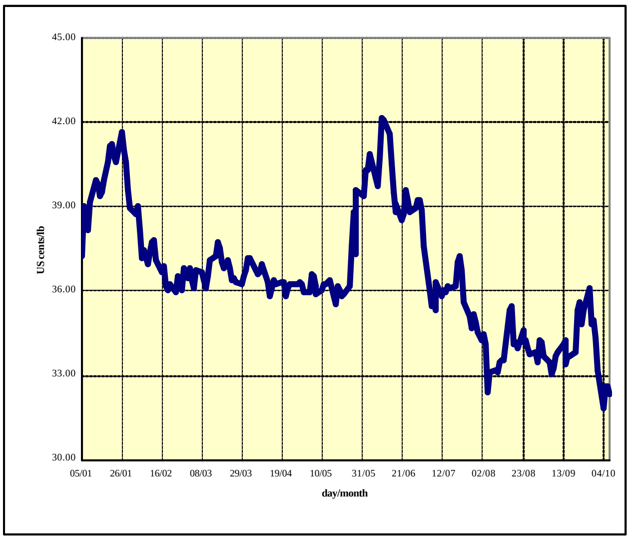
Graph 3: Daily indicator prices for Other Milds 5 January – 15 October 2004



Graph 4: Daily indicator prices for Brazilian Naturals 5 January – 15 October 2004



Graph 5: Daily indicator prices for Robustas 5 January – 15 October 2004



Market fundamentals

Crop year 2003/04 has ended in all exporting countries. According to the latest figures provided by Member countries **total production** in crop year 2003/04 is 100.69 million bags, representing a fall of 17.43% compared to 121.94 million bags in crop year 2002/03. This was the lowest figure recorded since crop year 1998/99, when production was 106.06 million bags. Despite this situation, which could be favourable to a reduction in the imbalance between supply and demand, the existence of a fairly large volume of poor quality coffee continues to exert a downward pressure on prices, making it difficult for them to maintain any firm trend.

Crop year 2004/05 has almost ended in Brazil and the latest official estimates indicate a crop of 38.26 million bags. Some trade sources indicate a smaller Brazilian crop than the official Government estimate while others indicate a production level of 41 million bags. It should be noted that preliminary indications for crop year 2005/06 are that there is likely to be a cutback in Brazilian production since flowering has begun earlier than usual and there could be some damage to the crop. However, initial estimates to be published in December will provide a clearer picture. With regard to crop year 2004/05, which is now beginning in a number of producing countries, my estimates remain unchanged, with a figure ranging between 112 and 114 million bags. Given the current situation, with coffee growing having become far less attractive in many exporting countries, it is unlikely that there will be any significant increase in world production. Production increases in some countries will probably offset cutbacks in others.

Total production of Arabicas in crop year 2003/04 was 67.56 million bags compared to 80.89 million bags in 2002/03. **Total production of Robustas** was 33.12 million bags in 2003/04, compared to 41.05 million in 2002/03. The share of Arabicas in world production for crop year 2003/04 was 67.10% compared to 66.33% in 2002/03 while that of Robustas fell from 33.67% in 2002/03 to 32.90% 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	**112 679**	**109 675**	**121 948**	**100 691**	**-17.43**
Africa	***16 323***	***14 830***	***14 790***	***15 195***	***2.74***
Cameroon	1 113	686	801	1 150	43.57
Côte d'Ivoire	4 846	3 595	3 172	2 325	-26.70
Ethiopia	2 768	3 756	3 693	4 333	17.33
Kenya	988	991	945	1 000	5.82
Tanzania	821	624	824	608	-26.21
Uganda	3 205	3 166	2 910	3 100	6.53
Others	2 582	2 012	2 445	2 679	9.57
Arabicas	*5 810*	*6 445*	*6 692*	*7 304*	*9.15*
Robustas	*10 513*	*8 385*	*8 098*	*7 891*	*-2.56*
Asia &Oceania	***29 826***	***27 316***	***25 634***	***24 833***	***-3.12***
India	4 526	4 970	4 676	4 508	-3.59
Indonesia	6 974	6 833	6 785	6 464	-4.73
Papua New Guinea	1 041	1 041	1 108	1 147	3.52
Thailand	1 692	548	757	991	30.91
Vietnam	14 775	13 133	11 555	11 250	-2.64
Others	818	791	753	473	-37.18
Arabicas	*3 865*	*4 444*	*4 278*	*3 874*	*-9.44*
Robustas	*25 961*	*22 872*	*21 356*	*20 959*	*-1.86*
Mexico & Central America	***19 371***	***17 178***	***16 387***	***16 498***	***0.68***
Costa Rica	2 253	2 166	1 936	2 120	9.50
El Salvador	1 707	1 667	1 442	1 248	-13.45
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	1 395	16.35
Others	1 394	1 324	1 243	1 272	2.33
Arabicas	*19 345*	*17 145*	*16 350*	*16 456*	*0.65*
Robustas	*26*	*33*	*37*	*42*	*13.51*
South America	***47 159***	***50 351***	***65 137***	***44 165***	***-32.20***
Brazil	32 005	33 743	48 480	28 825	-40.54
Colombia	10 532	11 999	11 889	11 000	-7.48
Ecuador	872	893	732	804	9.84
Others	3 750	3 716	4 036	3 536	-12.39
Arabicas	*41 890*	*44 072*	*53 567*	*39 928*	*-25.46*
Robustas	*5 269*	*6 279*	*11 570*	*4 237*	*-63.38*
TOTAL	**112 679**	**109 675**	**121 948**	**100 691**	**-17.43**
Colombian Milds	12 182	13 400	13 381	12 480	-6.73
Other Milds	28 752	27 016	26 544	25 747	-3.00
Brazilian Naturals	29 981	31 695	40 969	29 341	-28.38
Robustas	41 764	37 564	41 054	33 123	-19.32
Arabicas	70 915	72 111	80 894	67 568	-16.47
Robustas	41 468	37 200	41 054	33 123	-19.32
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	
Colombian Milds	10.81	12.22	10.97	12.39	
Other Milds	25.52	24.63	21.77	25.57	
Brazilian Naturals	26.61	28.90	33.60	29.14	
Robustas	37.06	34.25	33.67	32.90	
Arabicas	62.94	65.75	66.33	67.10	
Robustas	37.06	34.25	33.67	32.90	

In thousand bags

Total exports during the twelve-month period from September 2003 – August 2004 were 88.08 million bags compared to 88.74 million for September 2002 – August 2003 (Table 3). During the period under consideration, there was a slight decrease of 0.74% in total exports. Robusta exports increased by 1.33% and exports of Brazilian Naturals by 0.71%. There was a sharp fall in exports of Other Milds (-5.28%) but exports of Colombian Milds fell by only 0.85%. At the regional level, exports from the Asia/Oceania region increased by 17.58% while those of the other regions fell: Africa (-5.20%), Mexico & Central America (-4.53%) and South America (-7.31%).

Table 3: Exports
2002/03 and 2003/04 (September - August)

	2002/03	2003/04	% variation
TOTAL	**88.74**	**88.08**	**-0.74**
Colombian Milds	11.86	11.76	-0.85
Other Milds	21.54	20.41	-5.28
Brazilian Naturals	24.94	25.12	0.71
Robustas	30.39	30.80	1.33
Arabicas	58.35	57.29	-1.82
Robustas	30.39	30.80	1.33
Africa	***12.13***	***11.50***	***-5.20***
Cameroon	0.73	0.83	14.26
Côte d'Ivoire	2.88	2.50	-12.97
Ethiopia	2.23	2.37	6.17
Kenya	0.85	0.84	-1.18
Tanzania	0.83	0.57	-31.70
Uganda	2.76	2.66	-3.39
Others	1.85	1.72	23.62
Asia & Oceania	***20.88***	***24.55***	***17.58***
India	3.48	3.94	13.06
Indonesia	4.35	4.64	6.60
Papua New Guinea	1.11	1.19	7.38
Vietnam	11.73	14.42	22.98
Others	0.21	0.36	72.74
Mexico & Central America	***13.50***	***12.89***	***-4.53***
Costa Rica	1.65	1.50	-9.30
El Salvador	1.37	1.35	-1.10
Guatemala	4.05	3.36	-16.92
Honduras	2.54	2.78	9.48
Mexico	2.59	2.44	-5.65
Nicaragua	0.96	1.24	28.75
Others	0.35	0.22	-37.36
South America	***42.23***	***39.15***	***-7.31***
Brazil	28.02	25.52	-8.93
Colombia	10.46	10.45	-0.05
Ecuador	0.66	0.63	-4.55
Others	3.09	2.55	-17.74

In million bags

Exports for the first eleven months of coffee year 2003/04 (October 2003 – August 2004) totalled 81.17 million bags, compared to 81.20 million for the corresponding period in coffee year 2002/03, representing a slight decrease of 0.03%. Exports of Robustas and Brazilian Naturals increased by 2.90% and 1.29% respectively during the first eleven months of coffee year 2003/04 compared to the corresponding period in 2002/03 while exports of the other groups fell, particularly Other Milds, (-4.83%), and Colombian Milds (-1.41%).

The value of export earnings from all forms of coffee exported by exporting Members in 2003 were estimated, at the end of September 2004, at US$5.58 billion for total exports of 85.79 million bags compared to US$5.13 billion for exports of 88.47 million bags in 2002. Importing countries earned US$4.0 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 (Table 4). The share of exporting countries in the total value of transactions totalling 113.28 million bags in 2003 was 58.23% compared to 60.26% in 2002 while the share of importing countries increased from 39.74% in 2002 to 41.77% in 2003.

Table 4:
Volume and value of exports

	2000	2001	2002	2003
Colombian Milds				
- Volume	11.16	11.67	11.37	11.74
- Value	1.42	1.02	0.98	1.03
Other Milds				
- Volume	27.07	22.88	21.41	20.92
- Value	3.20	1.83	1.70	1.72
Brazilian Naturals				
- Volume	18.32	22.08	24.65	23.72
- Value	1.88	1.42	1.31	1.49
Robustas				
- Volume	32.87	33.74	31.04	29.40
- Value	1.70	1.13	1.14	1.34
Total				
- Volume	89.43	90.37	88.47	85.79
- Value	8.19	5.39	5.13	5.58

Volume and value of re-exports

Total 1/				
- Volume	22.05	24.51	26.35	27.49
- Value	3.37	3.25	3.38	4.00

Volume and value of world exports

Total				
- Volume	111.48	114.88	114.81	113.28
- Value	11.56	8.64	8.51	9.58

Percentage

Exporting countries				
- Volume	80.22	78.66	77.05	75.73
- Value	70.82	62.34	60.26	58.23
Importing countries				
- Volume	19.78	21.34	22.95	24.27
- Value	29.18	37.66	39.74	41.77

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

Opening stocks in exporting countries increased by around 13.33%, from 19.47 million bags in 2002/03 to 22.07 million in 2003/04 (Table 5). Data on opening stocks for crop year 2004/05 are not yet available for a number of exporting countries in which the crop year has just begun. However, the volume of opening stocks in Brazil for crop year 2004/05 is estimated at 8.26 million bags, a figure which does not take into account stocks held by the private sector.

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	21.81	2.59	2.41	11.17	5.64
2001	21.29	1.96	2.59	10.79	5.96
2002	19.47	2.05	3.17	8.54	5.71
2003	22.07	2.07	2.87	9.57	7.56
% change 2002-2003	**13.33**	**0.98**	**-9.64**	**12.16**	**32.29**

In million bags

Stocks of green coffee in importing countries, including free ports, were estimated at 20.09 million bags at the end of December 2003, a level very similar to that of 20.06 million bags in 2002. Graph 6 shows changes in stocks of green coffee in importing countries since 1965.

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

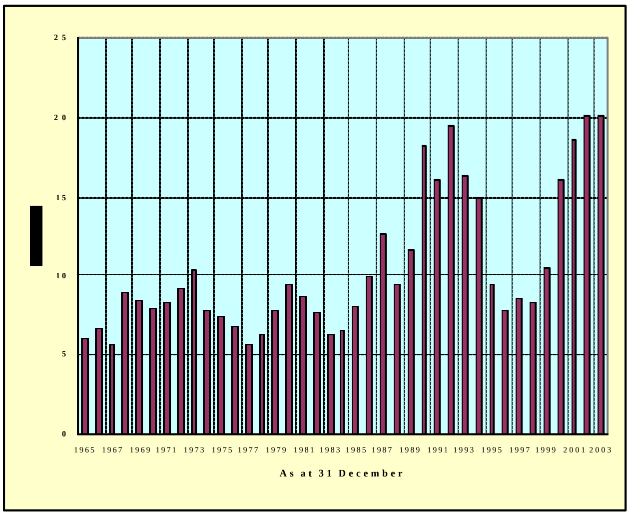


Table 6 shows estimates of certified stocks in the London (LIFFE) and New York (NYBOT) futures markets at the end of each month since September 2003.

Table 6: LIFFE and NYBOT certified stocks

End of	LIFFE	NYBOT
Sep-03	2.47	4.42
Dec-03	2.41	4.37
Jan-04	2.97	4.42
Feb-04	2.59	4.50
Mar-04	2.70	4.72
Apr-04	2.71	4.82
May-04	2.76	4.95
Jun-04	3.17	5.00
Jul-04	3.58	5.05
Aug-04	3.82	5.08
Sep-04	4.04	4.90

In million bags

Certified stocks in the London futures market (LIFFE) have been increasing steadily since February 2004; certified stocks in the New York futures market have also increased although there was a fall in September 2004. This situation reflects the greater availability of Robusta coffees compared to Arabicas.

World consumption is estimated at 113.08 million bags for calendar year 2003 compared to 110.73 million in 2002. Taking into account the requirements for working stocks in exporting countries and strategic stocks in importing countries, it will be seen that the consumption level in 2003 implies a shortfall of around 10 million bags in relation to supply.

Domestic consumption in exporting countries is estimated at 27.87 million bags, accounting for 27.69% of total production in crop year 2003/04 (Table 7). Some sources give a higher level of domestic consumption for certain exporting countries, notably Vietnam, but the official figures available are those shown in Table 7. Domestic consumption in Ethiopia, which has a strong coffee-drinking tradition, accounts for around 42.30% of its total production. Table 8 shows per capita consumption in selected exporting countries.

Table 7: Domestic consumption in selected exporting countries

Crop year commencing	2000	2001	2002	2003	2003 as % of production
TOTAL	**25 940**	**27 206**	**27 324**	**27 879**	**27.69**
Brazil	13 000	13 250	13 500	13 750	47.70
Indonesia	1 667	2 000	1 833	2 000	30.94
Ethiopia	1 667	1 833	1 833	1 833	42.30
Mexico	1 305	1 500	1 500	1 500	32.97
Colombia	1400	1 400	1 400	1 300	11.82
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	50.45
Vietnam	500	500	500	500	4.44
Dominican Rep.	325	340	340	340	81.73
Haiti	340	340	340	340	91.15
Madagascar	90	128	217	333	69.52
Côte d'Ivoire	317	317	317	317	13.63
Guatemala	300	300	300	300	10.00
Cuba	213	220	224	224	88.19
Costa Rica	249	255	225	212	10.00
Congo, Dem. Rep.	200	200	200	200	29.07
Honduras	230	200	200	200	6.87
Others	1 210	1 278	1 242	1 289	8.65

In thousand bags

Table 8: **Per capita consumption in selected exporting countries (calendar years 2000 – 2003)**

Calendar year	2000	2001	2002	2003
All exporting countries	**0.64**	**0.66**	**0.66**	**0.68**
Brazil	4.63	4.59	4.62	4.70
Costa Rica	4.51	3.86	3.65	3.24
Haiti	2.56	2.51	2.48	2.48
Dominican Rep.	2.32	2.34	2.37	2.37
Nicaragua	1.69	2.05	2.04	2.07
Colombia	1.98	1.95	1.93	1.90
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
Indonesia	0.45	0.54	0.52	0.54
Thailand	0.44	0.48	0.47	0.47

In kilogrammes

Consumption in importing countries was estimated at 85.1 million bags in calendar year 2003 compared to 83.4 million bags in 2002 and 82.0 million in 2001. Table 9 shows consumption in selected importing countries.

Table 9: **Consumption in selected importing countries (calendar years 2000 – 2003)**

Calendar year	2000	2001	2002	2003
TOTAL	**60 488**	**61 283**	**61 225**	**63 105**
U.S.A.	18 558	19 343	18 870	20 505
European Community	***33 685***	***33 351***	***33 852***	***34 208***
Austria	888	1 049	952	757
Belgium/Luxembourg	1 304	987	1 635	1 719
Denmark	784	863	806	728
Finland	972	952	974	988
France	5 400	5 241	5 492	5 428
Germany	9 183	9 468	9 064	9 133
Greece	713	579	865	1 003
Ireland	83	147	136	151
Italy	5 163	5 252	5 180	5 503
Netherlands	1 911	1 732	1 641	1 857
Portugal	681	768	739	745
Spain	3 058	2 869	2 908	2 826
Sweden	1 182	1 259	1 235	1 181
United Kingdom	2 363	2 185	2 225	2 189
Other importing countries	***8 245***	***8 589***	***8 503***	***8 392***
Cyprus	68	55	53	54
Japan	6 693	7 004	6 934	6 812
Norway	658	711	692	682
Switzerland	826	819	824	844

In thousand bags

Tables 10 and 11 show per capita consumption and retail prices in importing countries. The results of the study on the correlation between consumption in importing countries and prices showed a number of variations. In some countries, changes in blends may have influenced consumer behaviour (document EB-3871/04). Consumption in Austria, Belgium/ Luxembourg, Germany and the Netherlands is analysed in the following section.

Table 10: **Per capita consumption in importing countries (calendar years 2000 – 2003)**

Calendar years	2000	2001	2002	2003
TOTAL	**4.53**	**4.56**	**4.54**	**4.66**
U.S.A.	3.96	4.09	3.95	4.25
European Community	***5.37***	***5.29***	***5.37***	***5.43***
Austria	6.57	7.74	7.10	5.64
Belgium/Luxembourg	7.32	5.52	9.14	9.61
Denmark	8.84	9.66	9.02	8.15
Finland	11.26	11.01	11.22	11.38
France	5.50	5.31	5.54	5.48
Germany	6.70	6.90	6.59	6.64
Greece	4.27	3.47	5.18	6.01
Ireland	1.31	2.29	2.08	2.31
Italy	5.36	5.44	5.36	5.70
Netherlands	7.21	6.47	6.10	6.87
Portugal	4.08	4.47	4.30	4.34
Spain	4.60	4.27	4.33	4.21
Sweden	8.00	8.49	8.33	7.96
United Kingdom	2.37	2.19	2.25	2.22
Other importing countries				
Cyprus	5.37	4.34	4.48	4.56
Japan	3.17	3.31	3.27	3.21
Norway	8.79	9.46	9.13	8.99
Switzerland	6.90	6.80	6.78	6.95

In kilogrammes

Table 11: **Retail price of roasted coffee in importing countries**

	March					
	1999	**2000**	**2001**	**2002**	**2003**	**2004**
Austria	358.02	305.17	302.58	271.71	314.62	n.a.
Belgium	363.43	327.46	305.67	286.01	346.96	384.30
Cyprus	447.46	372.99	349.91	362.52	470.31	513.29
Denmark	403.35	365.12	336.26	290.17	351.99	387.60
Finland	266.34	246.53	209.61	172.80	210.23	n.a.
France	260.60	227.46	202.88	192.26	237.19	269.18
Germany	463.39	361.86	325.56	302.69	363.62	n.a.
Italy	531.45	462.04	439.56	423.45	523.38	592.86
Japan	1 425.77	1 581.28	915.66	824.56	828.44	856.08
Luxembourg	514.09	435.81	414.73	398.82	499.86	569.50
Netherlands	327.04	293.77	261.99	241.52	297.95	n.a.
Norway	344.45	309.98	290.18	282.09	337.31	368.41
Portugal	469.18	415.68	385.07	356.32	441.54	483.85
Spain	336.30	282.10	258.81	239.93	288.15	324.79
Sweden	368.30	320.95	262.07	243.26	284.82	301.24
Switzerland	500.01	408.89	408.38	416.69	506.29	549.94
U.S.A.	347.60	363.30	320.50	285.90	293.30	293.20
UK[1]	1 469.85	1 368.67	1 186.60	1 161.41	1 285.12	1 442.62

In US cents/lb

1/ Soluble coffee

Consumption in Austria

Austria has a total population of 8 million inhabitants. Per capita consumption has been falling steadily over the last ten years: from 10.03 kg/inhabitant in 1993 to 5.64 kg/inhabitant in 2003. Total consumption in 2003 was 757,000 bags compared to an annual average consumption of 1.17 million bags in the 1990s. Imports of green coffee totalled 1.40 million bags in 2003 and re-exports totalled 652,000 bags. The country's main suppliers are: Brazil (36.5% of total imports), Colombia (15.4%), Vietnam (11.8%), Indonesia (5.6%), Honduras (5.2%) and India (4.2%). Arabicas account on average for around 55.63% of imports during the last three years (2000-2003). Robustas account for an average of 14.21% during the same period. The share of Robusta imports has fallen since it accounted for an average of 39.21% between 1990 and 1993. The retail price of coffee increased to 317.98 US cents/lb in 2003 compared to 285.70 US cents/lb in 2002. The only tax on coffee is the value added tax of 20%.

Consumption in Belgium/Luxembourg

Belgium/Luxembourg had an average per capita consumption of 9.61 kg/inhabitant in 2003 for a population totalling 11 million inhabitants. In 2003 total consumption was 1.71 million bags. Imports in 2003 totalled 3.98 million bags but re-exports accounted for 2.26 million bags, representing 57% of this total. Imports of green coffee come mainly from Brazil (22.28% of imports in 2003), Vietnam (10.09%), Colombia (9.21%), India (5.46%) and Honduras (4.54%). Robustas account for less than 19% of total imports compared to 50.26% for Arabicas. There is no breakdown by group for the remaining percentage of imports. Retail prices rose to 359.53 US cents/lb in 2003 compared to 305.13 US cents/lb in 2002. Value added tax in Belgium is 6% but there are other taxes on coffee: 0.20 €/kg on green coffee, 0.25 €/kg on roasted coffee and 0.94 €/kg on soluble coffee.

Consumption in Germany

With a population totalling 82 million inhabitants, Germany is the biggest coffee market in Europe. Consumption in 2003 totalled 9.1 million bags. Average per capita consumption is 6.64 kg, representing a fall compared to an average of 7.44 kg/inhabitant in the 1990s. Imports totalled 15.90 million bags in 2003, of which 6.77 million bags were re-exported. The main origins of green coffee imports were: Brazil (30.63% in 2003), Vietnam (13.21%), Colombia (11.08%), Indonesia (6.88%) and Peru (5.21%). The coffee trade and industry employs 13,000 people, with 8,000 of these involved in the roasting industry. Retail prices rose from 321.77 US cents/lb in 2002 to 365.17 US cents/lb in 2003. Despite the fall in per capita consumption, coffee continues to rank first among tropical beverages consumed in the country. The consumption pattern has changed over the last ten years, with the average share of Robustas at 29.26% in the last three years (2000-2003) compared to 15.11% in 1990-93. The share of Colombian Milds fell sharply: from 40.70% in 1990-93 to 14.33% in 2000-03. Two roasters, Kraft Foods and Tchibo, share slightly over 55% of the market. The level of internal taxes may have an influence on consumption. In addition to the value added tax of 7%, there is a tax on soluble coffee (4.78 €/kg) and a tax on roasted coffee (2.19 €/kg).

Consumption in the Netherlands

Consumption in the Netherlands totalled 1.85 million bags in 2003. The country's population totals 16 million inhabitants. Per capita consumption was 6.87 kg in 2003, which was well below the level of 8.91 kg in the 1990s. Imports of green coffee totalled 3.25 million bags in 2003, of which 1.4 million bags were re-exported. Robustas accounted for an average of 16.40% of imports (2000-2003) compared to 22.59% in 1990-93. The country's main suppliers of green coffee are: Brazil (24.6% in 2003), Uganda (12%), Colombia (9.3%), Vietnam (9.3%) and Peru (5.9%). Retail prices rose from 260.34 US cents/lb in 2002 to 320.01 US cents/lb in 2003. The only tax on coffee is the value added tax of 6%.

The annex table contains data on imports, re-exports, retail prices and per capita consumption in the countries considered above from 1965 to 2003.

In conclusion, I would like to point out that coffee year 2003/04 has ended on a positive note. There has been a slight but real improvement in price levels compared to the situation in previous years. At the political level, we should note the significant support which Member countries have given to the Organization and its programmes, which is reflected in the announcement made by the United States in September of its decision to rejoin the Organization.

Volume of imports and re-exports of all forms of coffee (in 000 bags);
Average retail price of roasted coffee (US cents/lb) and per capita consumption (p.c.c.) in kilogram
in four selected E.U. countries

Calendar years 1965 to 2003

	Austria				Belgium/Luxembourg				Germany				Netherlands			
	imports	re-exports	retail price	p.c.c.	imports	re-exports	retail price 1/	p.c.c.	imports	re-exports	retail price	p.c.c.	imports	re-exports	retail price	p.c.c.
1965	293	6	142.51	2.38	1 168	22		7.58	5 233	52	188.10	4.09	1 413	191	92.39	6.40
1966	306	4	147.40	2.49	995	37		6.47	5 342	103	194.05	4.10	1 467	216	98.42	5.95
1967	337	6	147.41	2.71	1 155	42		6.88	5 308	143	190.95	4.06	1 636	255	94.43	6.66
1968	366	2	142.93	2.97	1 187	40		6.85	5 771	235	179.95	4.30	1 791	319	95.07	6.85
1969	422	4	142.02	3.27	1 289	45		7.32	5 991	285	180.44	4.48	2 096	475	95.96	7.41
1970	395	1	150.37	3.71	1 116	49		6.61	6 204	363	209.43	4.37	2 015	580	114.01	6.75
1971	487	20	153.13	3.75	1 302	60		7.26	6 462	389	211.58	4.72	2 218	670	120.12	7.17
1972	549	45	176.43	4.10	1 295	60		7.07	6 734	412	229.62	4.72	2 349	505	129.07	8.32
1973	499	8	210.80	3.94	1 428	148	175.32	7.43	6 698	436	287.85	4.83	2 475	720	159.30	7.77
1974	510	12	172.41	3.45	1 353	250	192.48	6.47	6 370	452	303.20	4.50	2 440	785	164.84	7.04
1975	620	9	221.64	4.84	1 553	235	207.45	6.96	7 159	521	310.68	5.06	2 791	794	169.86	8.87
1976	665	6	248.44	4.94	1 546	275	253.61	8.75	7 495	665	361.13	5.26	2 985	890	231.53	9.52
1977	513	1	387.84	4.12	1 242	192	439.24	5.68	7 374	632	557.11	5.16	2 232	826	417.75	6.20
1978	612	1	404.34	4.79	1 447	259	427.15	7.13	7 792	783	561.82	5.33	2 675	1 030	352.68	7.06
1979	751	3	376.07	5.79	1 766	412	395.95	7.83	9 054	1 167	540.40	6.00	2 955	971	329.73	8.47
1980	851	11	386.85	6.93	1 694	406	406.81	7.13	8 959	1 234	573.78	5.92	2 531	724	338.75	7.70
1981	888	16	347.64	6.55	1 951	548	296.43	8.58	9 827	1 482	443.91	6.27	2 765	583	263.35	9.09
1982	1 047	20	333.88	7.92	1 832	491	284.56	7.15	10 149	1 608	407.35	6.55	2 537	411	284.71	8.97
1983	1 193	62	313.31	8.53	1 863	568	277.64	8.84	10 465	1 763	385.74	6.69	2 710	420	272.00	9.58
1984	1 000	68	292.28	7.73	1 905	583	283.31	7.25	10 106	1 932	362.06	6.38	2 787	516	282.32	9.46
1985	1 121	196	306.42	7.34	2 187	876	294.02	7.63	10 075	2 133	375.17	6.06	2 819	523	273.19	9.41
1986	1 135	167	442.67	7.72	1 979	732	439.53	7.17	11 053	2 246	522.60	6.73	2 752	454	410.62	9.65
1987	1 164	140	498.14	8.15	2 086	728	359.03	6.96	11 865	2 493	500.67	7.39	3 062	468	323.66	10.48
1988	1 274	226	459.43	7.99	2 057	800	337.76	7.07	12 313	2 836	460.96	7.43	3 019	577	319.27	9.95
1989	1 617	280	428.08	10.47	2 009	807	325.42	6.76	12 905	3 124	432.84	7.54	2 837	596	300.63	9.07
1990	1 880	415	489.73	10.40	2 015	891	326.94	7.10	13 671	3 292	453.50	6.86	3 128	585	302.63	10.25
1991	2 058	756	457.36	10.00	1 746	1 038	292.40	4.39	13 229	3 252	422.68	7.86	3 121	633	295.09	9.90
1992	2 206	960	498.90	9.19	1 828	1 131	305.08	4.29	13 789	3 318	448.16	8.02	3 205	648	313.31	10.08
1993	1 836	535	497.45	10.03	2 063	1 274	278.18	4.80	14 107	3 282	411.76	7.93	2 804	425	279.93	9.35
1994	1 417	381	457.52	8.11	2 262	1 304	342.23	5.75	13 583	3 469	462.50	7.53	2 800	678	325.91	8.28
1995	1 231	229	517.78	7.54	2 401	1 328	487.69	6.39	12 852	3 220	579.87	7.37	2 910	617	402.67	8.90
1996	1 231	169	541.91	8.11	2 569	1 494	403.56	6.38	13 565	3 788	502.90	7.16	3 135	587	365.11	9.84
1997	1 320	236	437.08	8.17	2 671	1 665	398.50	5.69	13 951	4 081	476.32	7.22	2 979	589	366.92	9.19
1998	1 320	237	396.55	8.20	3 632	2 296	418.68	7.54	13 809	4 276	495.89	7.01	2 914	935	367.26	7.56
1999	1 548	432	328.07	8.44	3 203	2 263	355.41	5.29	14 446	4 196	433.04	7.46	2 627	1 123	310.88	5.71
2000	1 301	439	304.67	6.57	3 759	2 455	321.59	7.32	14 382	5 099	345.74	6.70	3 044	1 133	281.43	7.21
2001	1 495	466	293.23	7.74	3 365	2 378	299.75	5.52	15 105	5 637	318.05	6.90	2 874	1 142	255.28	6.47
2002	1 497	552	285.70	7.10	4 030	2 395	305.13	9.14	15 733	6 669	321.77	6.59	2 864	1 223	260.34	6.10
2003	1 405	652	317.98	5.64	3 981	2 262	359.53	9.61	15 908	6 775	365.17	6.64	3 259	1 402	320.01	6.87

Note: 2003 retail price average for Germany refers to January to September only
1/ Refers to Belgium only