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**Date:** 9/27/2010

**GAIN Report Number:**

## Colombia

**Post:** Bogota

### Colombian Coffee Production Undergoing Recovery

**Report Categories:**

Coffee

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**Report Highlights:**

Colombia's coffee production has begun a recovery after declining in 2009 and is expected to continue as renovated trees enter into production during the next few years. The Colombian Government widened its support to coffee growers by extending the farm size that can receive debt forgiveness for participating in the renovation program. During the next two years, coffee production is expected to experience a slight increase. Colombian coffee production should recover in the medium term to an average of 12 Million 60 kg bags if government support continues.

**General Information:**

Colombian coffee production has bounced back after it fell in 2009 to its lowest level in more than 30 years. Production in April 2010 far exceeded April 2009 production, and this upward trend is expected to continue at least until the end of 2010. Nevertheless, production will not increase substantially from MY 2009. This year, the harvest in the coffee central region, will be concentrated during the months of October and November, and this generally accounts for nearly half of total Colombian annual coffee production. The central coffee region harvests about 70 % of its total annual production during the last months of the year.

Although the weather for coffee production in Colombia has improved, the coffee plant is always vulnerable to rust, a disease that has typically affected Colombian's coffee areas, since around 50 percent of the total coffee trees are varieties not resistant to the coffee rust disease. Coffee trees seriously affected are being replaced with higher-yielding disease-resistant varieties, which negatively impacts coffee production during the tree's first two years until the new coffee trees enter into production. In fact, under the federation's coffee tree renovation program, it is calculated that between 2008 and 2010, 200,000 hectares will have been renovated. This renovation program is increasing the potential of Colombia's coffee production for the future, although in the short term production recovery will be negatively impacted.

The government has extended its support to the coffee growers to cope against rust and has increased the minimum farm size allowed to receive the Incentive for the Rural Capitalization (IRC) from 1.5 to 5 hectares. The IRC forgives up to 40 percent of the loan applied value to the coffee tree renovation program. The success of this renovation program will play a key role for the Colombian coffee production recovery.

Colombian coffee yields are gradually improving, since the renovation program provides coffee growers the option of renewing coffee areas with coffee plants resistant to the coffee rust. Coffee rust appears as the coffee tree forms, affecting tree leaves and, depending on the amount of leaves affected, reduces coffee bean formation. The Colombian Coffee Federation evaluates coffee rust levels on an ongoing basis, and according to recent updates, coffee rust would delay a stronger recovery in coffee production. In addition, the presence of the "La Niña" weather pattern makes coffee trees more vulnerable to the development of rust, which impacts coffee yields.