

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Indonesia

COFFEE ANNUAL

Annual Report 2009

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Report Highlights:

Robusta production is forecast to decrease in MY 2010 due to the uncertainty of rainfall in 2009. Continuous rain after February onwards will affect the growth of coffee cherries and can damage the young cherries. Papua Arabica has been introduced to the market and got a positive respond from the market. This followed the introduction of another Arabica, Mangkuraja Arabica from Bengkulu, southern of Sumatera.

Commodities:

Coffee, Green

Production:

Coffee is a weather sensitive plant. The shift of rainfall, which usually stops in February – March, continues until May. Robusta harvest usually starts in March and reaches its peak in August.

During pollination, the right humidity and weather are significant and contributing factors for the production. During MY 2009/2010 Robusta production is forecast to decrease about 2 percent. Meanwhile, Arabica production will maintain about the same at 60,000 MT due to the new and intensive development of Papua Arabica in Papua and Mangkuraja Arabica in Bengkulu, southern part of Sumatera.

Coffee growing areas are forecast to grow about 2 percent due to the development new Arabica in Papua and southern Sumatera and few replanting in North Sumatera.

Consumption:

Coffee consumption is forecast to decrease about 5 percent in MY 2009/2010 due to the global financial crisis. Lower income people will tend to switch to other beverage drinks rather than coffee or switch to the cheaper coffee blends. Typically, in Indonesia people brew the mixture of coffee beans and roasted corn to reduce the acid after taste and to get cheaper blends.

But, there is new opportunity for Papua Arabica, which recently has been introduced to the market. Papua Arabica has very strong taste and flavorful after taste.

Trade:

Despite the decrease in Robusta production, coffee bean exports are forecast to increase about 2.5 percent in MY 2009/2010 due to the increasing interest on Indonesian specialty coffee.

In MY 2008/2009 major markets were Germany (19%), United States (14%), Japan (11%), Belgium (8%) and Italy (6.5%).

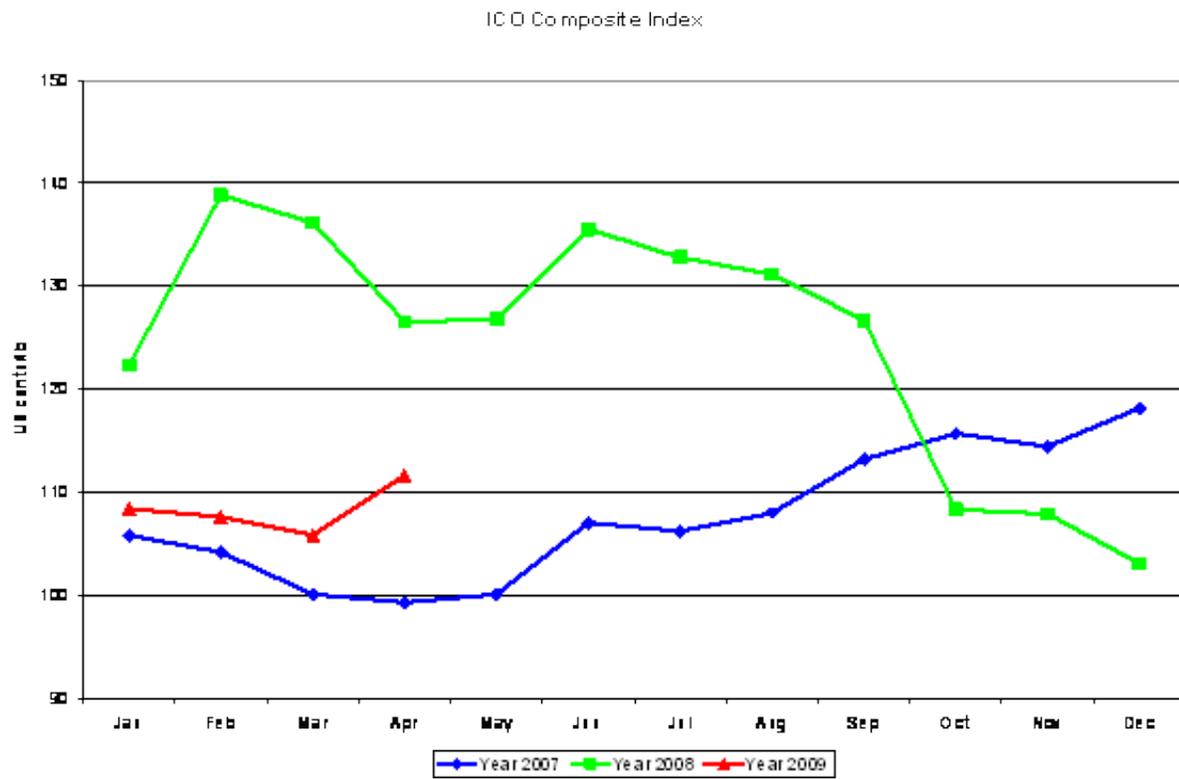
Production, Supply and Demand Data Statistics:

Coffee, Green Indonesia	2008			2009			2010			
	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Apr 2007			Market Year Begin: Apr 2008			Market Year Begin: Apr 2009			
	Annual Data Displayed	New Post		Annual Data Displayed	New Post		Annual Data Displayed	Jan		
		Data			Data			Data		
Area Planted	1,300	1,300	1,300	1,290	1,290	1,320			1,350	(1000 HA)
Area Harvested	900	900	1,000	900	900	950			1,000	(1000 HA)
Bearing Trees	1,150	1,150	1,200	1,150	1,150	1,200			1,250	(MILLION TREES)
Non-Bearing Trees	220	220	190	200	200	190			200	(MILLION TREES)
Total Tree Population	1,370	1,370	1,400	1,350	1,350	1,390			1,450	(MILLION TREES)
Beginning Stocks	48	48	100	68	68	88			100	(1000 60 KG BAGS)
Arabica Production	800	800	800	750	750	1,000			1,000	(1000 60 KG BAGS)
Robusta Production	5,850	5,850	5,800	5,850	5,850	5,900			5,800	(1000 60 KG BAGS)
Other Production	0	0	0	0	0	0			0	(1000 60 KG BAGS)
Total Production	6,650	6,650	6,600	6,600	6,600	6,900			6,800	(1000 60 KG BAGS)
Bean Imports	400	400	500	450	450	400			450	(1000 60 KG BAGS)

Roast & Ground Imports	40	40	45	45	45	45			50	(1000 60 KG BAGS)
Soluble Imports	0	0	0	0	0	0			0	(1000 60 KG BAGS)
Total Imports	440	440	550	495	495	450			500	(1000 60 KG BAGS)
Total Supply	7,138	7,138	7,250	7,163	7,163	7,438			7,400	(1000 60 KG BAGS)
Bean Exports	4,570	4,570	4,570	4,505	4,505	4,500			4,620	(1000 60 KG BAGS)
Rst-Grnd Exp.	70	70	70	80	80	100			80	(1000 60 KG BAGS)
Soluble Exports	0	0	0	0	0	0			0	(1000 60 KG BAGS)
Total Exports	4,640	4,640	4,640	4,585	4,585	4,600			4,700	(1000 60 KG BAGS)
Rst,Ground Dom. Consum	2,295	2,295	2,372	2,340	2,340	2,588			2,500	(1000 60 KG BAGS)
Soluble Dom. Cons.	135	135	150	140	140	150			100	(1000 60 KG BAGS)
Domestic Use	2,430	2,430	2,522	2,480	2,480	2,738			2,600	(1000 60 KG BAGS)
Ending Stocks	68	68	88	98	98	100			100	(1000 60 KG BAGS)
Total Distribution	7,138	7,138	7,250	7,163	7,163	7,438			7,400	(1000 60 KG BAGS)
Exportable Production	4,220	4,220	4,078	4,120	4,120	4,162			4,200	(1000 60 KG BAGS)
TS=TD			0			0			0	

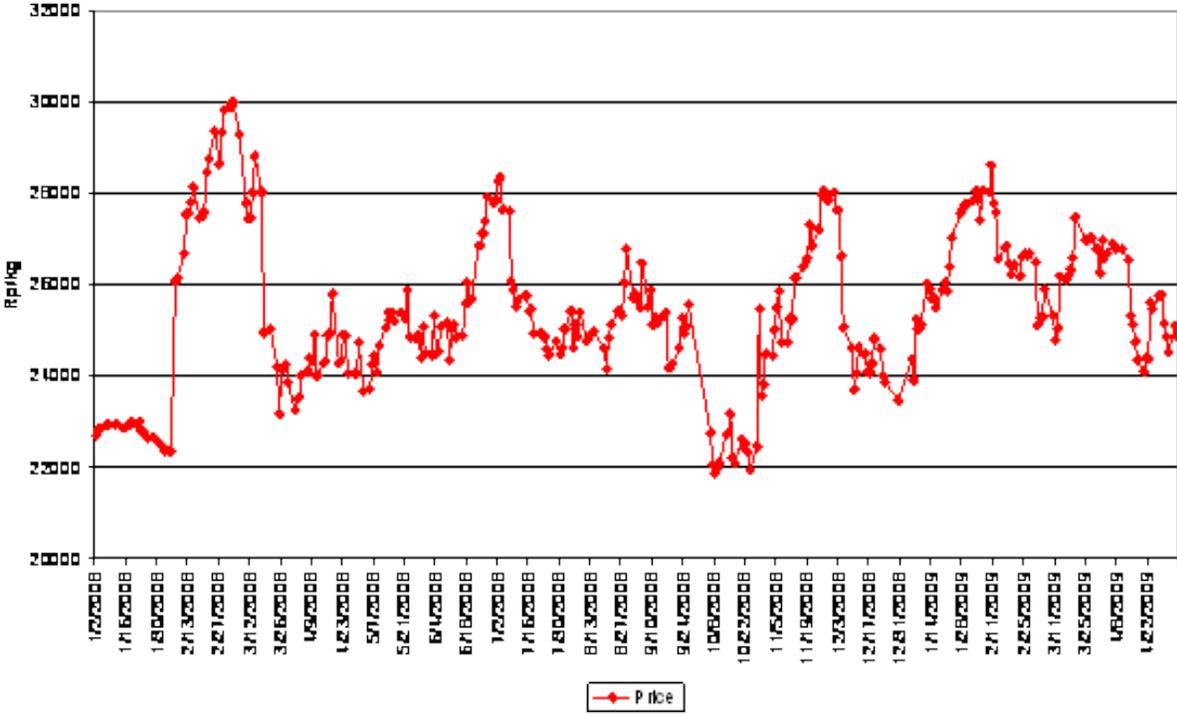
Coffee Prices:

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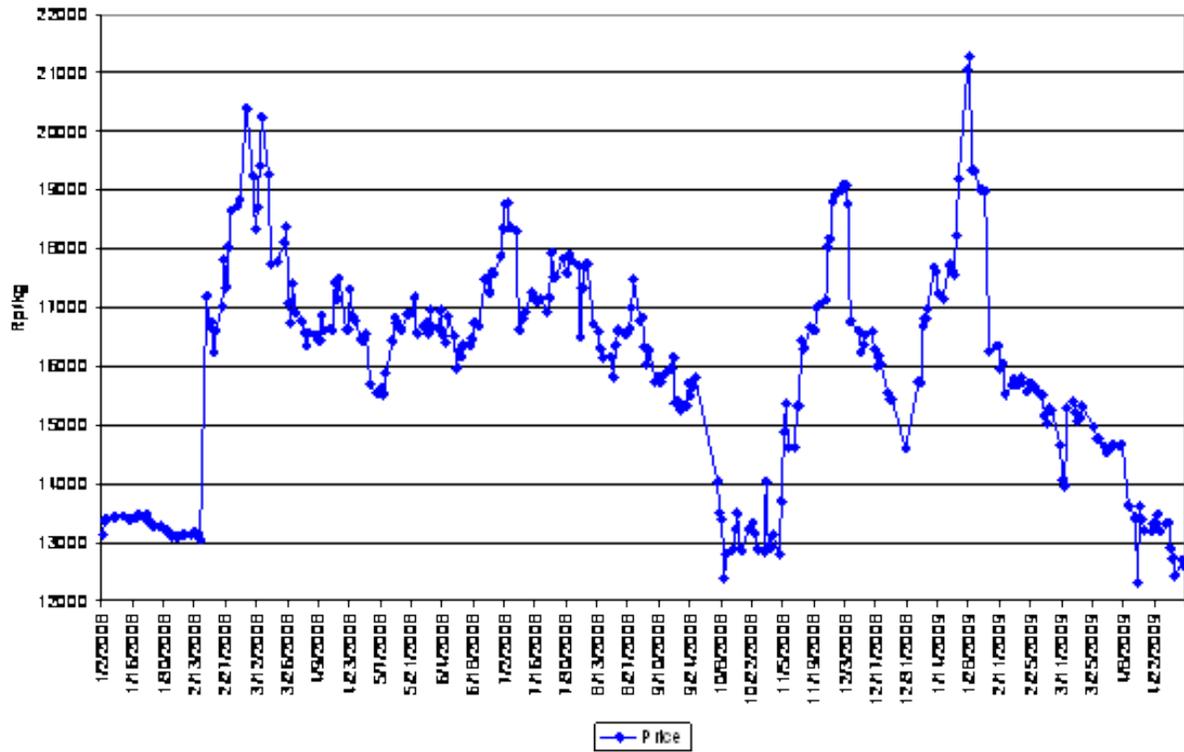
Source: www.ico.org

Arabica Spot Price Medan 2008 - 2009



Source: <http://infoharga.bappebti.go.id/komoditi/harga.php> (Indonesia Ministry of Trade)

Robusta Spot Price Lampung 2008 - 2009



Source: <http://infoharga.bappebti.go.id/komoditi/harga.php> (Indonesia Ministry of Trade)