Production, consumption and trade of coffee.

Coffee is produced in various geographical settings – from the slopes of the Andes Mountains to the African plateau and forests, from South America’s hilly areas to the Asian monsoon environment. While there are numerous coffee species worldwide, only two are commercially significant: Coffea arabica and Coffea robusta (also referred to as Coffea canephora). Arabica, which accounts for two-thirds of world coffee production, is an upland species requiring an average temperature of 18° to 25°C (64° to 77°F) and annual rainfall of 1,500 to 2,000 millimetres. Robusta, which accounts for a third of world production, is more widely adaptable but still requires an average temperature of 24° to 26°C and 1,000 to 2,000 millimetres of rainfall.

The International Coffee Organization

The International Coffee Organization (ICO) was established in 1963 to administer the first International Coffee Agreement. Since then it has administered six International Coffee Agreements, the most recent of which dates from 2001, with the goals of promoting international cooperation in the world coffee market, encouraging the development of a sustainable coffee economy and ensuring transparency in the coffee sector. In 2002, the ICO launched a coffee quality improvement programme with the aim of setting minimum grading standards and maximum moisture content for coffee exports. Consumers thus benefit from higher quality in coffee blends, while producers are able to reduce surpluses by eliminating trade of substandard coffee in international markets.

The economic situation

Raw coffee is the second largest commodity export after oil. In the early 2000s, annual exports totaled $10 to $12 billion, three times the aggregated value of cocoa and tea exports. The brew is consumed by 40% of the world’s population.

Although more than 60 developing countries produce and export coffee berries, fewer than 20 of them account for more than 90% of coffee output. In fact, 70% of coffee production is grown by 20 to 25 million families, mostly smallholder farmers. In countries such as Costa Rica, Guatemala and Nicaragua, more than 30% of the rural labour force is employed in the coffee sector. Coffee accounts for the bulk of export earnings in countries such as Burundi (75%–80%), Ethiopia (65%–70%), Rwanda (60%–65%) and Uganda (60%–65%).

World market

Three countries – Brazil, Colombia and Viet Nam – account for more than half of world production and exports. With 40% of world demand, Europe is the largest market for coffee, followed by the United States (which accounts for a quarter of world consumption) and Japan (10%). Alongside tradi-