

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:929

ANSWERED ON:04.03.2013

COFFEE PRODUCTION

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**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether there has been increase in the production of coffee in the current year;
- (b) if so, the details of the total coffee produced, consumed and exported during each of the last three years along with its impact on price of coffee and coffee growers;
- (c) whether the Indian coffee exporters have not been able to penetrate into the American market despite export subsidies provided by the Coffee Board;
- (d) if so, the details thereof;
- (e) whether the Government has analysed the reasons for the same; and
- (f) if so, the corrective measures taken/being taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a): Yes, Madam. There has been a gradual increase in the production of coffee in the country. The production of coffee in the country increased from 289600 MT in 2009-10 to 315500 MT in 2012-13.

(b): The details of coffee production, exports and consumption are as follows.

Year	Production of Coffee	Exports
	Quantity	Quantity(in MT)
	(in MT)	

2009-10	289600	196002
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2010-11	302000	299725
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2011-12	314000	324253
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The post monsoon crop estimation for 2012-13 is placed at 3, 15,500 MT. Since, the coffee harvesting is still going on, the final estimation will be available by May, 2013.

The coffee exports for 2012-13 are based on permits issued and are 2, 60,636 MT as on 22nd February, 2013. The confirmation of exports will be known about six months after completion of the Financial Year. Total exports include export of Indian coffees as well as imported coffees that were re-exported. Coffees exported in a Financial Year are generally contributed by about three crop year's production.

As per the consumption survey 2010, the coffee consumption is increasing @ 6% per annum. The projected coffee consumption as per the survey report for 2009-10, 2010-11 and 2011-12 could be about 1,02,000 MT, 1,08,000 MT and 1,15,000 MT respectively. Coffee is an export oriented commodity with about 75% of the coffee produced in the country being exported. As such the returns to coffee growers largely depend on international prices. Though the domestic prices are also aligned with international prices, they have been found to be a little higher than the international prices. In view of this price differential, Coffee Board is endeavoring to promote domestic coffee consumption to create a buffer against the international price fluctuations. The coffee prices were increasing for the

last five years till 2011. The prices have however started to decline, especially Arabica coffee prices, in 2012 and to that extent the income of the coffee growers have been affected.

(c & d) : No, Madam. There has been a steady increase in the coffee exports to US except for the year 2008-09 due to low production in the country and overall low exports. The Indian coffee exports to US during the last five years are as follows:

Year	Quantity(in MT)	Value (in Rs. crores)
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2007-08	4304	40.49
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2008-09	1950	26.33
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2009-10	3843	47.06
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2010-11	6985	88.72
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2011-12	6157	96.47
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The export incentives provided by the Coffee Board to capture high value far off destinations like USA are helping not only in an increase of export volumes but also in higher unit value realization. The unit value realization to the USA has increased from Rs. 94 per kg in the year 2007-08 to Rs. 157 per kg in 2011-12.

(e) : The drop in exports during 2008-09 was due to overall lower exports and thereafter it is increasing from 2009-10 onwards. In 2008-09 and 2009-10 there was a general decline in overall coffee export volumes over that in 2007-08, mainly due to decline in production.

(f): To capture the high value far off markets, Government is already extending support to exporters for export of High Value coffee to far off regions @ Re. 1/kg to USA, Canada, Japan, Australia and New Zealand.