

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Brazil

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Brazil to Import Coffee

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Coffee

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Report Highlights:

On February 10, Minister of Agriculture Livestock and Supply (MAPA) Blairo Maggi requested the Foreign Trade Chamber (Camex) to allow temporary imports of one million 60-kg bags of Robusta coffee. MAPA advocates for a 250,000 bag import volume per month during the February-May period, right before the beginning of the 2017 domestic crop. The requested import tariff is two percent and imports would likely be originated from Vietnam.

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On February 10, 2017, Minister of Agriculture Livestock and Supply (MAPA) Blairo Maggi requested Brazil's Foreign Trade Chamber (Camex) to allow temporary imports of one million 60-kg bags of Robusta coffee. MAPA advocates for a 250,000 bag import volume per month during the February-May period, right before the beginning of the 2017 domestic crop. The requested import tariff is two percent and imports would likely be originated from Vietnam, who produces Conillon, a very similar species to Brazil's Robusta. The request must be approved by Camex, which should meet soon.

If Camex approves the request for imports, the move will likely provide the domestic coffee roasters some relief, given that the roasting industry is reportedly facing shortages in supply. According to official numbers from the National Supply Company (CONAB) of the Ministry of Agriculture, Livestock and Supply (MAPA) Robusta coffee stocks are currently at roughly two million bags and insufficient to supply historical volumes for roasters.

Indeed, Robusta coffee prices in the domestic market have been steadily increasing as a consequence of a persistent drought in the state of Espirito Santo, major Brazilian growing area for this coffee variety coffee, since 2014. ATO/Sao Paulo estimates that the state production dropped nearly 50 percent from 2014 (13.1 million 60-kg bags) to 2016 (6.7 million 60-kg bags). The graph below shows Robusta Coffee Index prices released by the University of São Paulo's Luiz de Queiroz College of Agriculture (ESALQ).

