

WORLD COFFEE ANALYTICS

—
Producer Profiles
Part I

Moon Island – January 2019



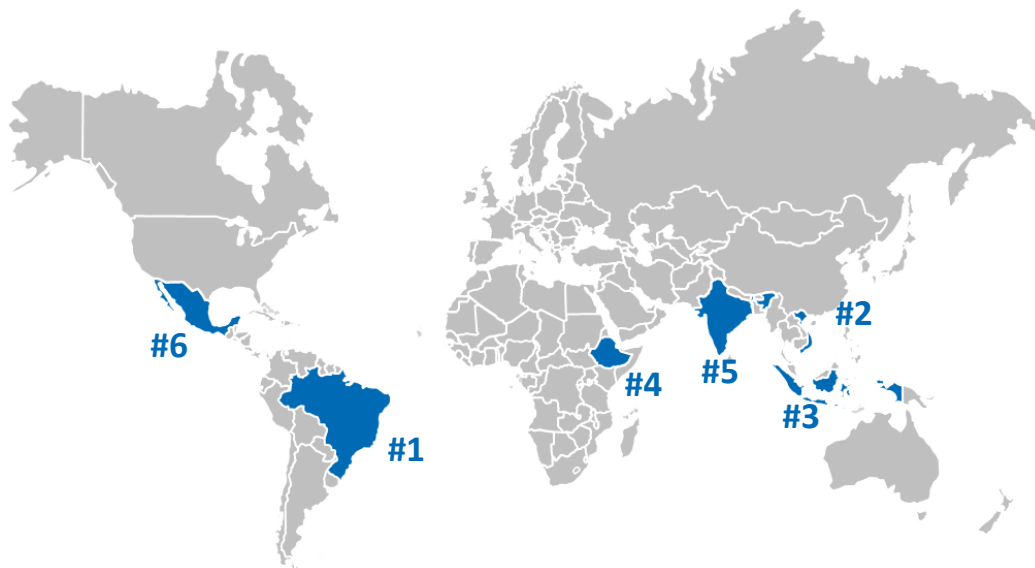
MOON
ISLAND

INTRODUCTION

SUMMARY

For the second chapter of the World Coffee Analytics project, we are excited to introduce Producer Profiles (Part I). In it, we analyze several quantitative economic indicators for coffee producers, such as production, yields, exports, farm size and GDP per capita. We also discuss some more qualitative factors that influence these unique industries, such as government support and access to capital. We believe this template will be useful for future looks into some of the major global producers that are not included in this report. In a landscape made up of independent smallholder farmers (SHFs) of varying sizes and levels of sophistication, precise data collection is currently impossible. As such, most of the figures presented in this report should only be considered directional.

LIST OF COUNTRIES STUDIED



	<i>Share of global production</i>	<i>Arabica / Robusta split</i>	<i>Coffee yield per Ha</i>	<i>SHF share of coffee land</i>	<i>2017 GDP per capita</i>
#1: Brazil	32%	75/25	1.4 MT	70%	\$9,821
#2: Vietnam	15%	5/95	2.4 MT	95%	\$2,343
#3: Indonesia	8%	15/85	0.5 MT	95%	\$3,846
#4: Ethiopia	4%	100/0	0.7 MT	98%	\$767
#5: India	3%	30/70	0.9 MT	75%	\$1,939
#6: Mexico	3%	95/5	0.3 MT	40%	\$8,902



#1: BRAZIL



32%

Share of global coffee production

75/25

Arabica/Robusta split

1.4 MT

Coffee yield per Ha

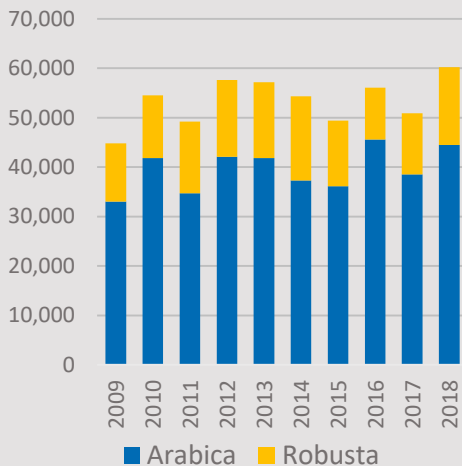
70%

SHF share of coffee land

US \$9,821

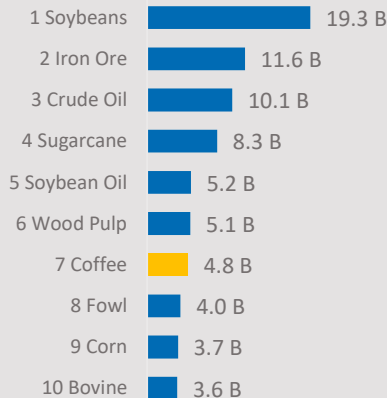
2017 GDP per capita

A. Production Trends (000s, 60 kg bags)



B. 2016 Exports by Commodity (USD)

Total = \$183 B



C. Top 5 Importing Countries (2016)

Partner	Qty (MT)	Value (\$)	Price (\$)
1 Germany	371 K	954 M	2.57
2 USA	357 K	939 M	2.63
3 Italy	172 K	484 M	2.81
4 Japan	134 K	413 M	3.08
5 Belgium	124 K	342 M	2.76

Brazil is the world's number 1 producer of coffee. The Brazilian coffee industry is characterized by large, flat farms with low costs of production and excellent capital availability.

PRODUCTION

Brazil produces a mix of Arabica and Robusta coffees, with most of its growth between 2009 and 2018 coming from Arabica coffees. It is by far the leading producer of Arabicas in the world and the second leading producer of Robusta behind Vietnam. Unlike most other coffee producing countries, Brazil's production is dominated by medium-to-large sized growers, allowing them to use larger-scale commercial practices at a lower cost/Ha. Brazil also boasts some of the highest green coffee yields in the world of 1.4 MT/Ha. As a result, Brazilian coffee farms are among the most profitable in the world according to a recent ICO margin study.

EXPORTS

Brazil is one of the most significant agricultural traders in the world, with US\$84 billion of agricultural exports in 2017 – second only to the United States. Much of the country's agricultural export activity comes from soybeans, which represented over 10% of the nation's total export value for 2016. After soybeans, some of Brazil's leading exports are iron, crude oil and sugarcane. Brazil's coffee exports totaled \$4.8 billion, making it the 7th-most exported commodity by value and making Brazil the world's leading exporter of coffee. Brazil has historically exported ~65% of their total coffee crop annually, but domestic consumption is continuing to compete with exports. The biggest export market for Brazilian coffee in 2016 was Germany, followed by The US, Italy, Japan and Turkey. Of the top 5 importers of Brazilian coffee, Japan and Italy bought on average the most expensive coffees at \$3.00/kg compared to the average of \$2.78/kg.



#1: BRAZIL



C. Coffee Production Map



Key

- Arabica Producing Region
- Robusta Producing Region

D. Marketing Year Graphic



E. Share of Producing Area (2017)

Crop	Producing Ha	% Share
1 Soybeans	33,153,679	43.5%
2 Corn	14,958,862	19.6%
3 Sugar Cane	10,226,205	13.4%
4 Dry Beans	2,584,170	3.4%
5 Wheat	2,166,170	2.8%
6 Coffee	1,994,761	2.6%
7 Rice	1,943,938	2.6%
8 Cassava	1,406,258	1.8%
9 Seed Cotton	996,188	1.3%
10 Cocoa	720,053	0.9%
Other	6,081,005	8.0%

COFFEE SUITABLE REGIONS

Brazilian coffee is grown on 2 million hectares in the major coffee producing regions of Minas Gerais, Espirito Santo, Sao Paulo, Rondonia and Parana at altitudes between 2,000 and 4,000 feet above sea level. Being lower in elevation than most other Latin American producing nations, Brazil’s coffee farms will be some of the most impacted by climate change through 2050 and beyond. Brazil is one of the largest agricultural producers in the world where coffee is only ranked 6th in land area despite its global dominance. However, the high altitudes and rainfall associated with coffee producing regions are not supportive of all crops. Most growers in the region are limited to coffee, cocoa, bananas and a few other tropical crops. The crop year for coffee in Brazil begins with harvest in Q2. Thanks to more formalized bean processing, coffee can be shipped in a matter of weeks after it is harvested.

QUALITATIVE SUMMARY



Access to Financial Resources

Debt funding for regular business practices in the coffee sector is easily available through several sources.



Access to Farming Resources

Public extension services and private rural extension services are available in Brazil. Some cooperatives provide training to their members.



Political Environment

The coffee sector is a strategic priority for the government. The sector is well organized thanks to the well-established industry association: ABIC.



Access to Markets

Most farmers are linked to global markets through traders. Brazil has few problems with global market access.



#2: VIETNAM



15%

Share of global coffee production

5/95

Arabica/Robusta split

2.4 MT

Coffee yield per Ha

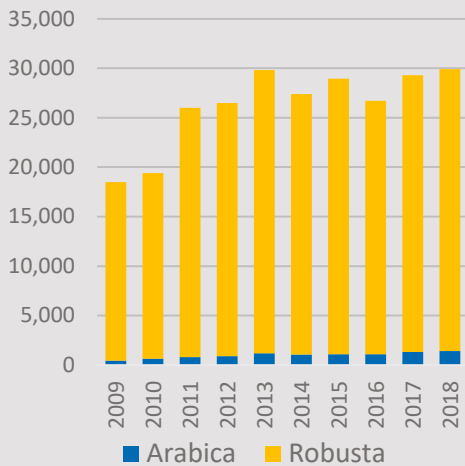
95%

SHF share of coffee land

US \$2,343

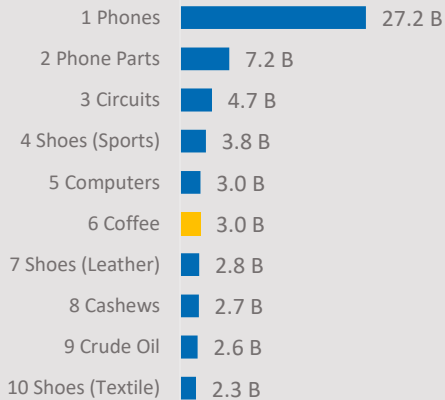
2017 GDP per capita

A. Production Trends (000s, 60 kg bags)



B. 2016 Exports by Commodity (USD)

Total = \$176 B



C. Top 5 Importing Countries (2016)

Partner	Qty (MT)	Value (\$)	Price (\$)
1 Germany	272 K	478 M	1.76
2 USA	223 K	408 M	1.83
3 Italy	135 K	240 M	1.78
4 Spain	108 K	190 M	1.76
5 Japan	100 K	181 M	1.81

Vietnam is by far the largest producer of Robusta Coffees and the second largest producer of all coffees. Its dominance comes from its incredibly high yields, which are thanks to widespread use of technology.

PRODUCTION

Vietnam is the world's second largest producer of coffee behind Brazil, which has maintained global coffee dominance since the early 1800s. Almost all the coffee that is produced in Vietnam is low-quality Robusta, but there is a small presence of Arabica Coffees as well. Production in Vietnam has been growing rapidly since the 1980s thanks in part to intense government support for coffee farmers. Further advancing Vietnam's coffee production is the widespread adoption of technology, such as irrigation, application of chemicals and pruning of trees. The result is a dense monoculture of Robusta trees whose yields are the world's highest. Over the last five years, Vietnam's yields have averaged 2.4 MT/Ha – far more than even Brazil, where yields were just 1.4 MT/Ha. Notably, however, more than 30 percent of Vietnam's coffee trees are between 20 and 30 years old – beyond their productive age. With an aging tree profile, coffee farmers will face investment decisions shortly.

EXPORTS

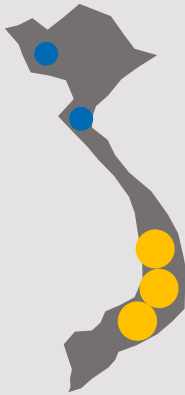
Vietnam's economy is heavily supported by manufacturing of electronics, such as phones and computers, but also from the coffee industry. In 2016, coffee exports totaled \$3 billion, making it the second largest exporter of coffee in the world. Roughly half of Vietnam's coffee exports for the year went to its top 5 importers – Germany, The US, Italy, Spain and Japan. Since Vietnam grows almost 100% Robusta, the price for its coffee is far lower than other producers. Also of note, the price paid by top importers is almost identical. That is because Robusta is traded almost entirely as a commodity.



#2: VIETNAM



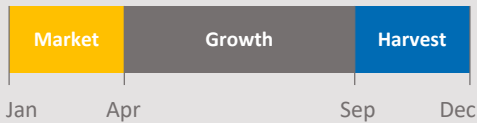
C. Coffee Production Map



Key

- Arabica Producing Region
- Robusta Producing Region

D. Marketing Year Graphic



E. Share of Producing Area (2017)

Crop	Producing Ha	% Share
1 Rice	7,708,534	60.7%
2 Corn	1,099,274	8.7%
3 Rubber	653,213	5.1%
4 Coffee	605,178	4.8%
5 Cassava	532,501	4.2%
6 Cashews	283,791	2.2%
7 Sugar Cane	281,149	2.2%
8 Dry Beans	149,702	1.2%
9 Coconuts	148,106	1.2%
10 Bananas	125,456	1.0%
Other	1,105,667	8.7%

COFFEE SUITABLE REGIONS

Vietnam’s coffee is grown on only 600,000 hectares (4% of total arable land), making it the 4th highest use of arable land behind rice, corn and rubber. Rice is by far the highest use of land in Vietnam at 60% of the total. As previously mentioned, many producers in Vietnam are now facing difficult investment decisions since some 30% of the coffee trees are beyond the age of 20. With coffee prices near all-time lows at their current levels, some other crops like corn, rice, rubber, cashews or pepper are being considered by growers as alternatives to coffee. The beginning of coffee harvest in Vietnam is typically in September. With the majority of Vietnamese coffee production being the Robusta variety, coffee producing regions are typically low in altitude. As a result, some studies suggest Vietnam’s land suitable for coffee will decrease by 50% by 2050 due to climate change.

QUALITATIVE SUMMARY



Access to Financial Resources

There is limited access to commercial finance. Collectors can provide access to finance, but require high interest rates and commitment of future sales.



Access to Farming Resources

The government is increasingly involved in ensuring quality and verification of seedlings. There is a high availability of inputs.



Political Environment

There is strong government support for coffee in Vietnam, and coffee production has reduced tax burden to help drive growth in the sector.



Access to Markets

Farmers receive around 95% of the export price, making Vietnam the most cost-efficient coffee supply chain in the world.



#3: INDONESIA



8%

Share of global coffee production

15/85

Arabica/Robusta split

0.5 MT

Coffee yield per Ha

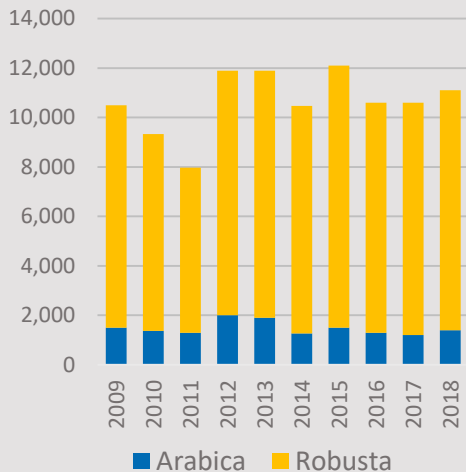
95%

SHF share of coffee land

US \$3,846

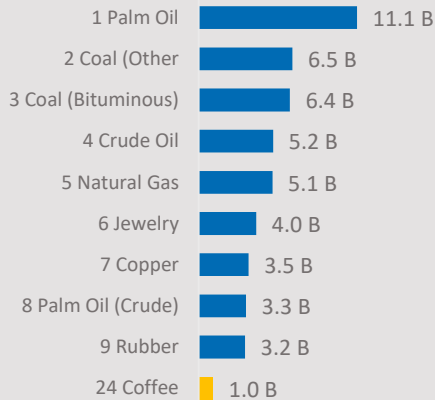
2017 GDP per capita

A. Production Trends (000s, 60 kg bags)



B. 2016 Exports by Commodity (USD)

Total = \$144 B



C. Top 5 Importing Countries (2016)

Partner	Qty (MT)	Value (\$)	Price (\$)
1 USA	67 K	270 M	4.01
2 Germany	43 K	90 M	2.12
3 Japan	35 K	87 M	2.45
4 Malaysia	39 K	67 M	1.72
5 Italy	36 K	66 M	1.85

Indonesia is among the world's top coffee producing and exporting countries. Most of its production comes from lower-quality Robusta, but Indonesia is also famous for having a number of specialty coffees such as Kopi Luwak.

PRODUCTION

Indonesia is currently the third largest producer of coffee in the world, accounting for 8% of global production. Similar to the regional coffee giant, Vietnam, the bulk of Indonesia's coffee production comes from Robusta. Contrary to Vietnam, though, Indonesia does not have widespread utilization of technologies, leading to more difficulties in safeguarding stable production volumes and quality. Furthermore, the size of coffee estates in Indonesia are in decline as farmers have shifted their focus to more profitable alternatives, such as oil palm, rubber and cocoa. Aside from the production of commodity coffee, Indonesia also produces several ultra specialty coffees. The most famous of these specialties is the luwak coffee, which is possibly the most expensive coffee in the world. It is made from beans that have passed through the digestive system of the Asian palm civet (a cat-like animal). Due to special fermentation processes inside the animal, the coffee is believed to have a richer taste.

EXPORTS

Indonesia's top exports are almost entirely comprised of natural resources, like palm oil, crude oil, coal, natural gas and rubber. Coffee was the country's 24th largest export in 2016 at \$1 billion in value. A huge portion of that value was sent to the United States, who also paid by far the highest price out of the top 5 importers – \$4.01/kg. The reason the US pays such a premium is likely because they buy the most premium coffees the country has to offer. Rounding out the top 5 importers were Germany, Japan, Malaysia and Italy, who were all importing the cheaper Robusta variety.



#3: INDONESIA



C. Coffee Production Map



Key

- Arabica Producing Region
- Robusta Producing Region

D. Marketing Year Graphic



E. Share of Producing Area (2017)

Crop	Producing Ha	% Share
1 Rice	15,788,000	33.4%
2 Palm	9,277,690	19.7%
3 Corn	5,375,000	11.4%
4 Rubber	3,659,129	7.8%
5 Coconuts	3,260,015	6.9%
6 Cocoa	1,730,002	3.7%
7 Coffee	1,253,796	2.7%
8 Cassava	779,000	1.7%
9 Cloves	548,091	1.2%
10 Cashews	511,268	1.1%
Other	5,029,213	10.7%

COFFEE SUITABLE REGIONS

Indonesia's coffee plantations cover a total area of approximately 1.25 million hectares composed of ~940K hectares of Robusta plantations, mostly in Bengkulu, South Sulawesi and Lampung, and ~310K hectares of Arabica plantations, mostly in Aceh and North Sumatra. Coffee plantations are heavily exposed to dry weather throughout Southern Sulawesi, Java and Eastern Indonesia. Similar to Vietnam, coffee is the 7th highest use of land behind crops like rice, oil palm rubber and cocoa. As previously stated, in years where coffee prices are consistently low, producers often switch to crops like rubber and cocoa. Replanting need is driven by high age of trees planted in dense areas, and minimal adoption of good agricultural practices. Most regions in Indonesia are projected to remain suitable for coffee growing as the climate changes.

QUALITATIVE SUMMARY



Access to Financial Resources

Growers have very limited access to credit from local banks. Foreign investors experience currency risk when they make loans in local currency.



Access to Farming Resources

Only one research institute in Indonesia provides seedlings, but not at commercial volumes. Some private nurseries provide seedlings with low quality.



Political Environment

Coffee is not a strategic priority for the Indonesian government, which mostly supports the sector as part of its commodity export strategy.



Access to Markets

Farmers sell their unprocessed coffee to collectors. Collectors sell processed coffee to traders.



#4: ETHIOPIA



4%

Share of global coffee production

100/0

Arabica/Robusta split

0.7 MT

Coffee yield per Ha

98%

SHF share of coffee land

US \$767

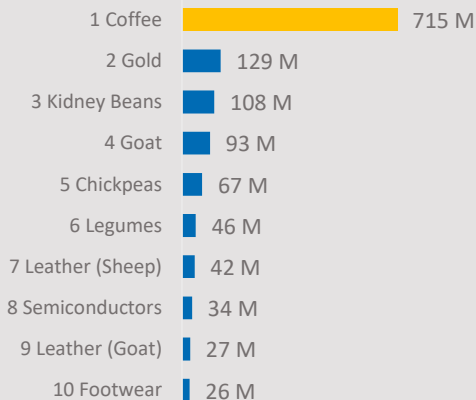
2017 GDP per capita

A. Production Trends (000s, 60 kg bags)



B. 2016 Exports by Commodity (USD)

Total = \$1.7 B



C. Top 5 Importing Countries (2016)

Partner	Qty (MT)	Value (\$)	Price (\$)
1 Saudi Arabia	31 K	123 M	3.95
2 USA	16 K	105 M	6.72
3 Germany	26 K	98 M	3.81
4 Japan	14 K	57 M	4.01
5 Rep. of Korea	10 K	50 M	5.20

Ethiopia, known as the birthplace of the coffee tree, is one of the most notorious coffee producers in the world. It is the largest producer of coffee in Africa and relies heavily on the industry as a source of income.

PRODUCTION

Ethiopia is ranked 5th on the list of top global coffee producing nations, accounting for a modest 4% of global production. It is the largest producer of coffee in Africa and relies heavily on the industry as a source of income. Ethiopia is also the third largest producer of Arabica Coffees by most sources, since virtually all the coffee it produces is the higher quality variety. 98% of the farms in Ethiopia are classified as SHFs – the highest share out of any coffee producer. At the same time, there is very little done to organize the small growers so that they might share knowledge and resources with each other. This has caused Ethiopian farmers to go on utilizing poor crop management techniques, keeping yields low. However, there has been an attempt in the last decade to improve knowledge sharing among SHFs, leading to moderate yield improvements and growth in overall production.

EXPORTS

The coffee industry makes up an immense proportion of Ethiopia's economy, accounting for nearly half of all exports in 2016 at a value of \$715 million. That makes coffee an incredibly important industry for Ethiopia. Other top exports in 2016 were gold, legumes and goat/sheep products. The leading importers of Ethiopian coffee in 2016 were Saudi Arabia, The US, Germany, Japan and South Korea. The US pays by far the most for its beans out of the top 5 importers at an average of \$6.72/kg – far more than the prices paid for other Brazilian Naturals.



#4: ETHIOPIA



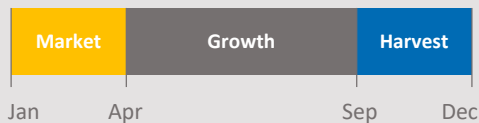
C. Coffee Production Map



Key

- Arabica Producing Region
- Robusta Producing Region

D. Marketing Year Graphic



E. Share of Producing Area (2017)

	Crop	Producing Ha	% Share
1	Corn	2,173,543	20.1%
2	Sorghum	1,840,018	17.0%
3	Wheat	1,717,451	15.8%
4	Barley	955,029	8.8%
5	Coffee	694,332	6.4%
6	Millet	463,992	4.3%
7	Dry Beans	329,824	3.0%
8	Sesame Seed	293,645	2.7%
9	Sweet Potatoes	246,503	2.3%
10	Chick Peas	232,341	2.1%
	Other	1,889,647	17.4%

COFFEE SUITABLE REGIONS

Coffee is planted on ~700,000 hectares, making it the 5th highest use of arable land in Ethiopia behind grains that are needed for basic nutrition like corn, sorghum, wheat and barley. The main coffee growing areas are found within the Oromia Region and Southern Nations, Nationalities, and Peoples' Region (SNNPR), with modest production in the Amhara Region and minor output in the Benishangul-Gumuz Region. Coffee is typically harvested beginning in September, but is not ready to be marketed within several weeks due to the longer processing methods employed by Ethiopian farmers, whereby the beans dry out inside the fruit, giving the coffee a much fruitier flavor that consumers enjoy. Thanks to the high altitudes at which Ethiopian coffee is grown (1500-2700 meters) the land area viable for production is actually expected to rise due to climate change.

QUALITATIVE SUMMARY



Access to Financial Resources

SHFs are highly credit constrained. Roughly 70% of SHFs complain about their inability to access credit, and 14% complain about the high cost of credit



Access to Farming Resources

Research stations provide certified seeds, but not at commercial volumes. Privately produced seeds are not registered leading to high mortality.



Political Environment

Several reforms are under implementation (Plan to increase coffee productivity and double coffee production by 20202) - Emphasis on specialty.



Access to Markets

A majority of SHFs have loose and weak links to market. Farmer share of export price is ~60%. There is potential to increase supply chain efficiency.



#5: INDIA



3%

Share of global coffee production

30/70

Arabica/Robusta split

0.9 MT

Coffee yield per Ha

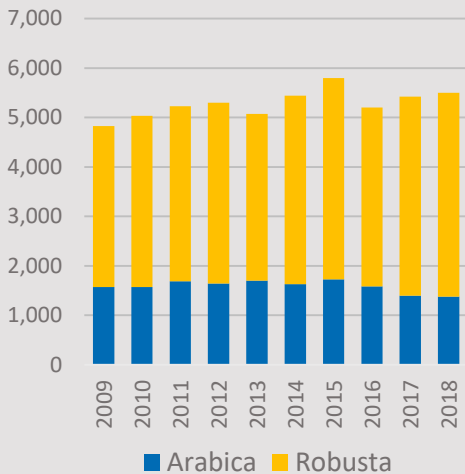
75%

SHF share of coffee land

US \$1,939

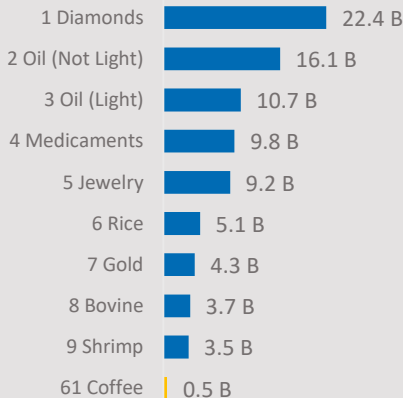
2017 GDP per capita

A. Production Trends (000s, 60 kg bags)



B. 2016 Exports by Commodity (USD)

Total = \$259 B



C. Top 5 Importing Countries (2016)

Partner	Qty (MT)	Value (\$)	Price (\$)
1 Italy	85 K	168 M	1.96
2 Germany	32 K	75 M	2.31
3 Belgium	21 K	55 M	2.68
4 Jordan	9 K	26 M	3.01
5 Slovenia	12 K	21 M	1.72

India gets less publicity as a coffee giant than most other producers in the top 10. The beans are often planted alongside spices such as cardamom and cinnamon, which gives the coffee a spicy taste and aroma.

PRODUCTION

India is the 7th leading producer of coffee in the world, accounting for 3% of global production. The industry is driven by the enterprise of around 280,241 coffee growers, whose farms employ an average of 659,865 people on a daily basis, according to provisional estimates for 2017-18. The majority of what India produces is Robusta (70%), although the area planted to Arabica and Robusta is roughly equal. This is because in the past India produced mainly Arabica Coffees, but they have gone years without widespread replanting of Arabica trees. As a result, Arabica yields are far lower than the younger, more vigorous Robustas nearby. With Arabica yields falling and Robusta yields improving over time, Indian coffee production has only risen slightly since 2009.

EXPORTS

The bulk of the Indian Coffee production is exported since the majority of Indians are traditionally tea drinkers, though there is some speculation that India, like China, will experience a cultural shift toward coffee. Coffee was India's 61st ranked commodity exported in 2016 by value at \$500 million. The three main exporters of Indian coffee are Allansons PVT (Arabica), Coffee Day Global (Arabica) and Olam Agro India (Robusta). Included in India's other top exports were diamonds, oils, jewelry, rice and meat products. Major buyers of Indian coffee in 2016 were Italy, Germany, Belgium, Jordan and Slovenia. Average prices paid range from \$1.70-\$3.00/kg. The range is likely due to the wide variety of coffees that are grown in India.



#5: INDIA



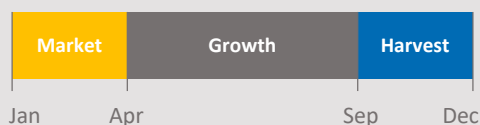
C. Coffee Production Map



Key

- Arabica Producing Region
- Robusta Producing Region

D. Marketing Year Graphic



E. Share of Producing Area (2017)

Crop	Producing Ha	% Share
1 Rice	43,789,000	21.4%
2 Wheat	30,600,000	15.0%
3 Dry Beans	15,425,864	7.6%
4 Cotton	12,200,000	6.0%
5 Soybeans	10,600,000	5.2%
6 Chick Peas	9,539,000	4.7%
7 Corn	9,219,000	4.5%
8 Millet	9,094,000	4.5%
9 Rapeseed	6,000,000	2.9%
44 Coffee	449,357	0.2%
Other	57,285,045	28.1%

COFFEE SUITABLE REGIONS

India's coffee growing regions have diverse climatic conditions, which are well suited for cultivation of different varieties of coffee. Some regions with high elevations are ideally suited for growing Arabicas of mild quality while those with warm, humid conditions are best suited for Robustas. Most of this area is concentrated in the southern states of Karnataka (53.83%), Kerala (18.89%) and Tamil Nadu (7.83%). The beans are grown by small growers in monsoon rainfall conditions, and often planted alongside spices such as cardamom and cinnamon, which gives the coffee a spicy taste and aroma. Coffee is planted on ~450,000 hectares, making it one of the smaller uses of agricultural land in the country. Huge amounts of land are planted every year in rice and wheat to feed India's growing population.

QUALITATIVE SUMMARY



Access to Financial Resources

SHFs are severely credit constrained. Few SHFs are organized into credit savings groups and thus cannot access microfinance funds.



Access to Farming Resources

There are several private nurseries in India which are owned by farmers themselves, or professional groups, and which meet current demand.



Political Environment

The Coffee Board is implementing a plan to support rainfall insurance for SHFs and subsidies for farm mechanization – the success of the plan is unclear.



Access to Markets

Indian coffee growers are generally fragmented and disorganized. SHFs typically sell their coffee via middlemen.



#6: MEXICO



3%

Share of global coffee production

95/5

Arabica/Robusta split

0.3 MT

Coffee yield per Ha

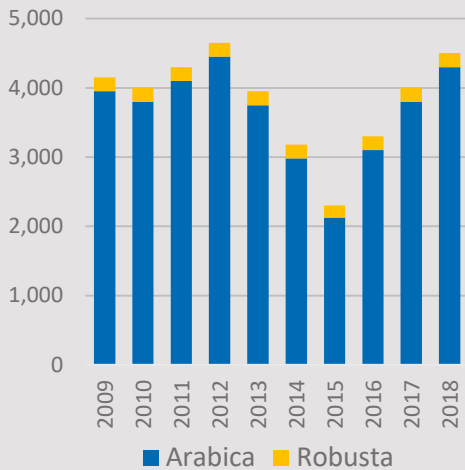
40%

SHF share of coffee land

US \$8,902

2017 GDP per capita

A. Production Trends (000s, 60 kg bags)



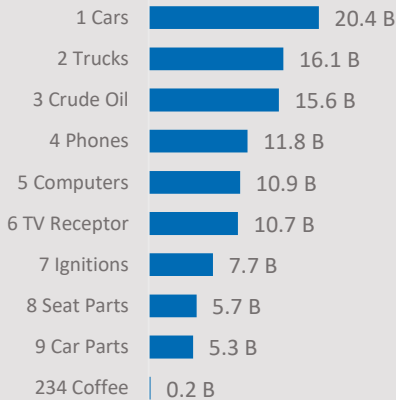
Mexico is the 11th largest producer of coffee in the world and the largest producer in North America. Mexico has had the most recent episode of “La Roya,” but farmers have fought back with the help of social enterprises.

PRODUCTION

Mexico ranks 11th among the world’s leading coffee producers, accounting for just under 3% of global production. A huge proportion of what Mexico produces is an Arabica variety (95%) and, notably, only 40% of Mexican coffee farmers are categorized as SHFs according to USAID. In recent years, coffee production in Mexico has been hit hard by considerable damage from coffee leaf rust. The impact of the coffee rust, known as “La Roya” in Latin American countries, can be seen visibly in Chart A. By 2015, ~40% of Mexico’s production had been lost. Yields have been improving thanks in part to a renovation program led by the Secretary of Agriculture (SAGARPA). At the same time, leading farmer cooperatives like Triunfo Verde have led the distribution of disease-resistant coffee varieties and trained farmers on agronomic best practices, while social financiers like Root Capital and Oikocredit have provided important long-term loans for farmers to renovate their plantations.

B. 2016 Exports by Commodity (USD)

Total = \$368 B



EXPORTS

Out of the 6 countries profiled in this report, Mexico is the leading exporter by value with \$368 billion of total exports in 2016. Cars and car parts, electronics and natural resources account for most of the top 10 commodities exported. Coffee exports for the year were all the way back at 234th with \$200 million of value. Leading importers of Mexican coffee are The US, Spain, Belgium, Germany and Canada, with the US taking by far the majority of the crop. Average prices paid by the top 5 importers were all in the modest range of \$3.60-3.70/kg.

C. Top 5 Importing Countries (2016)

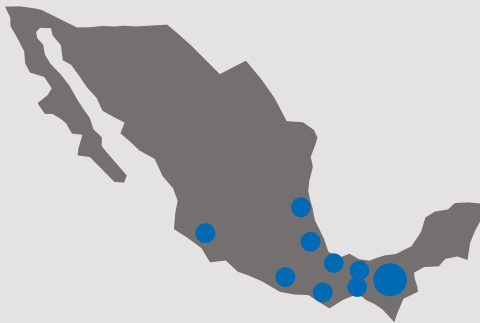
Partner	Qty (MT)	Value (\$)	Price (\$)
1 USA	33 K	121 M	3.71
2 Spain	9 K	34 M	3.61
3 Belgium	8 K	30 M	3.72
4 Germany	3 K	13 M	3.71
5 Canada	3 K	10 M	3.69



#6: MEXICO



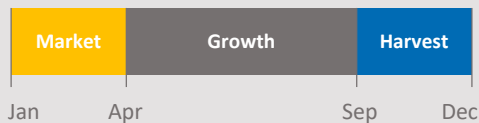
C. Coffee Production Map



Key

- Arabica Producing Region
- Robusta Producing Region

D. Marketing Year Graphic



E. Share of Producing Area (2017)

Crop	Producing Ha	% Share
1 Corn	7,327,501	44.4%
2 Dry Beans	1,625,213	9.9%
3 Sorghum	1,427,801	8.7%
4 Sugar Cane	772,003	4.7%
5 Wheat	661,450	4.0%
6 Coffee	638,603	3.9%
7 Barley	354,757	2.2%
8 Oranges	320,794	1.9%
9 Soybeans	262,602	1.6%
10 Cotton	211,917	1.3%
Other	2,884,789	17.5%

COFFEE SUITABLE REGIONS

Coffee is planted on ~650,000 hectares in Mexico, making the 6th highest use of arable land in the country – more than staples of Mexican agriculture like avocados and citrus. Other major uses of land include corn, beans, sugarcane and wheat. Its main growing regions are the states of Veracruz, Oaxaca and Chiapas located in the south central and southern areas of the country – extending south to the border with Guatemala. Chiapas has strong coffee-growing fundamentals. With a rich history as Mexico’s top producing state, growers there are the most experienced and innovative growers in the country. Coffee is typically harvested and marketed beginning in September. One study suggests that climate change could have a pronounced effect on coffee producers in Mexico – reducing the suitable area for coffee growth by ~40% by 2050.

QUALITATIVE SUMMARY



Access to Financial Resources

In 2011, about 4% of SHFs had access to credit. The Trust Fund for Rural Development (FIRA) lends to finance institutions to increase the volume of loans.



Access to Farming Resources

PIAC provides support to private nursery and certification institutions, hoping to reach commercial volumes of locally produced seeds.



Political Environment

The coffee policy is managed by the Secretary of Agriculture (SAGARPA). Since 2015, SAGARPA has been leading a plan to reshape the coffee sector.



Access to Markets

A majority of SHFs are linked to the market through “coyotes” – lenders that charge extremely high interest rates.

A MOON ISLAND PROJECT



The World Coffee Analytics program is coordinated by **Moon Island**.

Moon Island's mission is to support personal, professional and vocational development by providing a platform to share insights and discoveries about select business and creative topics. We hope that by exploring on Moon Island, our audience will learn from our internal projects and discussions and be inspired to pursue projects of their own.

Moon Island is defined by its projects. The website is primarily a place for its contributors to compile projects that represent the culmination of something they are passionate about. Each new project that is added brings a new insight or experience to the overall platform. Perhaps more important than that, however, is the fact that each project provides the contributor an opportunity to create something meaningful to them.

Have cool project ideas? Email me at joey@moonisland.com.