

COFFEE, A POPULAR AND TRADITIONAL DRINK OF THE WORLD: A RATIONALE TO PRODUCE IT

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ABSTRACT-Coffee is produced in Guatemala of Central America, Honduras, Mexico, Uganda, India, Ethiopia, Indonesia, Colombia, Vietnam, Brazil, *etc.*, are the major coffee producing nations. Coffee is second product after oil which is globally highly traded well. Coffee is a third highest consumed drink in the world after water and tea. In most of the corners of the cities of most of the countries a café are seen. Coffee beans are produced in some nations but is consumed worldwide. Every year 0.5 trillion cups of coffee is consumed in the world. Coffee beans are not only used for preparing coffee but are used for producing cola, cosmetics and pharmaceuticals as it has caffeine. Black coffee has some nutritional values it contains Sodium, Potassium, Magnesium, Manganese, Riboflavin and Niacin. The study has following broad objectives. To study the importance of coffee production, to study the important trends in world production and consumption of coffee, to identify the coffee Importing and exporting countries of the world. The study has used only secondary data for the analysis. The paper made an attempt to identify the facts related to coffee like Production, Consumption, Exporting countries, Importing countries, trends, *etc.*,

Key Words: Café, consumption, nutritional, production, pharmaceuticals

INTRODUCTION

Coffee is a third highest consumed drink in the world after water and tea. In most of the corners of the cities of most of the countries a café are seen. Coffee beans are produced in some nations but is consumed worldwide. Every year 0.5 trillion cups of coffee is consumed in the world. Coffee beans are not only used for preparing coffee but are used for producing cola, cosmetics and pharmaceuticals as it has caffeine. Black coffee has some nutritional values it contains Sodium, Potassium, Magnesium, Manganese, Riboflavin and Niacin. The black coffee contains 95 percent of water and if consumed in moderation there will be no dehydration and hence for maintaining daily fluid balance in the body one cup of coffee consumption will help.

Coffee is produced in Guatemala of Central America, Honduras, Mexico, Uganda, India, Ethiopia, Indonesia, Colombia, Vietnam, Brazil, *etc.*, are the major coffee producing nations. Coffee is second product after oil which is globally highly traded well. Following is the table which shows the production of coffee in important coffee producing nations.

OBJECTIVES

The study has following broad objectives.

1. To study the importance of coffee production
2. To study the important trends in world production and consumption of coffee
3. To identify the coffee Importing and exporting countries of the world.

Data Base:

The study has used only secondary data for the analysis.

WORLD PRODUCTION OF COFFEE

Since 150 years Brazil is the highest producer of coffee in the world and ranks first in the world. In about 27000 square kilometers coffee planted in Brazil. In Brazil coffee production changed by -10.2 percentage in the year 2016-17. Ethiopia ranks 5th with the production of 7650 thousand 60 kg bags of coffee in 2017 and changed by +4.8 percentage in the year 2016-17. And 28 percent exports consists of coffee only. This industry has given employment to more than 15 million people in Ethiopia. In southern part of India coffee beans are grown along side of spices by small growers. As coffee beans are grown along side of cinnamon and cardamom due to which the flavor of Indian coffee is spicy. India ranks 7th in the world in the production of coffee. India produced 5840 thousand 60 kg bags in 2017 and change for the year 2016-17 was +12.3 percent. One of the coffee brands of India named TATA won 3 gold medals in Cus De Café Competition in 2004. In India tea is more popular than coffee. 80 percent of coffee is produced for exporting. The export trade of coffee is mostly with Europe and Russia. The following table gives details about the production for the year 2014, 2015, 2016 and 2017 and percentage change in production (2016-17).

Table 1. Production of Coffee in Top10 Coffee Producing Nations (in Thousands 60 KG Bags)

World Ranking	Name of the Country	2014	2015	2016	2017	% change 2016-17
1	Brazil	52 299	52 426	56 764	51 000	-10.2%
2	Vietnam	26 500	28 737	25 540	29 500	15.5%
3	Colombia	13 339	14 009	14 634	14 000	-4.3%
4	Indonesia	10 862	12 535	11 491	10 902	-5.1%
5	Ethiopia	6 575	6 714	7 297	7 650	4.8%
6	Honduras	5 268	5 786	7 457	8 349	12.0%
7	India	5 450	5 800	5 200	5 840	12.3%
8	Uganda	3 744	3 650	4 962	5 100	2.8%
9	Mexico	3 591	2 903	3 781	4 000	5.8%
10	Guatemala	3 310	3 410	3 684	3 800	3.1%
	WORLD TOTAL	148 559	153 561	159 047	158 560	-0.3

Source: International Coffee Organization

CONSUMPTION OF COFFEE

Europeans consume more coffee compared with other countries. In 2013-14 the consumption of coffee of Europe was 50254 (Thousand 60 KG Bags) increased to 51 043, to 51 829 and to 52 070 in 2014-15, 2015-16 and 2016-17 respectively. The consumption shown increasing trend and CAGR for the year was 1.2 percent. Lowest consumption was found in Uganda. In 2013-14 the consumption of coffee of Uganda was 221 (Thousand 60 KG Bags) increased to 229, to 234 and to 240 (Thousand 60 KG Bags) in 2014-15, 2015-16 and 2016-17 respectively. The consumption shown increasing trend and CAGR for the year was 2.8 percent.

Consumption of India was 2100 (Thousand 60 KG Bags) in 2013-14 the consumption of coffee of India was 2100 (Thousand 60 KG Bags) increased to 2200, to 2250 and to 2300 in 2014-15, 2015-16 and 2016-17 (Thousand 60 KG Bags) respectively. The consumption shown increasing trend and CAGR for the year was 3.1 percent.

Table 2. Consumption of Coffee in Top10 Coffee Producing Nations (in Thousands 60 KG Bags)

SI No.	Name of the Country	2013-14	2014-15	2015-16	2016-17	CAGR 2013-14-2016-17
1	Brazil	20 085	20 333	20 508	21 225	1.9%
2	Vietnam	2 000	2 200	2 300	2 400	6.3%
3	Colombia	1 469	1 505	1 672	1 736	5.7%
4	Indonesia	4 167	4 333	4 500	4 600	3.4%
5	Ethiopia	3 550	3 625	3 700	3 725	1.6%
6	Honduras	350	355	365	370	1.9%
7	India	2 100	2 200	2 250	2 300	3.1%
8	Uganda	221	229	234	240	2.8%
9	Mexico	2 321	2 347	2 329	2 360	0.6%
10	Guatemala	370	380	390	390	1.8%
11	Europe	50 254	51 043	51 829	52 070	1.2%
	WORLD TOTAL	148 951	151 954	155 876	158 901	2.2%

Source: International Coffee Organization

WORLD EXPORT OF COFFEE

Brazil is the largest exporter of coffee. Exports stood at 2188 thousand 60 KG bags in 2017 June, increased to 2548 thousand 60 KG bags in June 2018 and the percentage change in exports was 16.5. During October to June 2016-17 and 2017-18 exports of Brazil stood at 24877 and 23468 respectively. The percentage change was -5.7. India stood 6th in exporting coffee. In June 2017 and 2918 the exports was 591 and 591 thousand 60 KG bags the exports remained unchanged during the period. In October- June 2016-17, India exported 4700 thousand 60 KG bags which increased to 5162 in October to June 2017-18 and the percentage change was 9.8 percent. The following table gives details.

Table 3. Top Coffee Exporting Countries (in Thousands 60 KG Bags)

Sl No.	Name of the Country	June 2017	June 2018	% Change	Oct-June 2016-17	Oct-June, 2017-18	% Change
1	Brazil	2188	2548	16.5%	24 877	23 468	-5.7%
2	Vietnam	1 920	2 575	34.1%	18 406	21 980	19.4%
3	Colombia	947	918	-3.0%	10 170	9 492	-6.7%
4	Honduras	920	856	-6.9%	5 855	5756	-1.7%
5	Indonesia	723	250	-65.4%	6 141	4 138	-32.6%
6	India	591	591	0.0%	4 700	5 162	9.8%

Source: International Coffee Organization

WORLD IMPORT OF COFFEE

Plantation of coffee needs specific climate hence it cannot be grown everywhere. As coffee has become the common drink especially in the cold weathered countries. European Union is the largest importer of coffee. In April 2017 European Union imported 6093 thousand 60 KG bags increased to 6824 thousand 60 KG bags in April 2018. The percentage change during the same period was 12.0. During October- April 2016-17 EU imported 46586 thousand 60 KG bags and 48003 thousand 60 KG bags during October-April 2017-18 and the percentage change stood was 3.0.

Japan imported 661 thousand 60 KG bags in April 2017. The imports decreased to 651 thousand 60 KG bags in April 2018 The percentage change during the same period was -1.4. During October- April 2016-17 Japan imported 4531 thousand 60 KG bags and 4109 thousand 60 KG bags during October-April 2017-18 and the percentage change was -9.3 and shown decreasing trend.

USA is second largest importer of coffee. She imported 2414 thousand 60 KG bags in April 2017. The imports decreased to 2515 thousand 60 KG bags in April 2018 The percentage change during the same period was 4.2. During October- April 2016-17 USA imported 17123 thousand 60 KG bags and 16372 thousand 60 KG bags during October-April 2017-18 and the percentage change was -4.4 and shown decreasing trend. Norway is the lowest importer of coffee. The Following table explains the facts related to imports of coffee.

Table 4. Top Coffee Importing Countries (in Thousands 60 KG Bags)

Sl No.	Name of the Country	April 2017	April 2018	% Change	Oct-April 2016-17	Oct-April 2017-18	% Change
1	European Union	6 093	6 824	12.0%	46 586	48 003	3.0%
2	Japan	661	651	-1.4%	4 531	4 109	-9.3%
3	Norway	68	69	1.0%	460	430	-6.6%
4	Russian Federation	445	477	7.2%	3 197	3 113	-2.6%
5	Switzerland	235	229	-2.8%	1 746	1 881	7.7%
6	USA	2 414	2 515	4.2%	17 123	16 372	-4.4%
TOTAL		9 956	10 806	8.5%	74 001	74 198	0.3%

Source: International Coffee Organization

FINDINGS

1. Coffee is a third highest consumed drink in the world after water and tea
2. Every year 0.5 trillion cups of coffee is consumed in the world
3. Since 150 years Brazil is the highest producer of coffee in the world and ranks first in the world
4. India ranks 7th in the world in the production of coffee
5. Europe consumes more and Uganda consumes less coffee
6. Brazil ranks 1st and India ranks 6th in coffee exporting nation
7. European Union is largest importer and Norway is the least importer of coffee.
8. USA is 2nd highest importer of coffee.
9. The world production of coffee was 159047 thousand 60kg bags in 2016 decreased to 158560 in 2017.
10. The world consumption of coffee was 158 901 thousand 60kg bags in 2016-17 decreased to 158560 and the worlds CAGR is 2.2 percentage for 2016-17.

CONCLUSION

Coffee is a third highest consumed drink in the world after water and tea. In most of the corners of the cities of most of the countries a café are seen. Coffee beans are produced in some nations but is consumed worldwide. Every year 0.5 trillion cups of coffee is consumed in the world. Coffee is produced in Guatemala of Central America, Honduras, Mexico, Uganda, India, Ethiopia, Indonesia, Colombia, Vietnam, Brazil, etc., are the major coffee producing nations. Coffee is second product after oil which is globally highly traded well. Coffee has worldwide demand. USA, Japan, Norway, Russian, Federation, Switzerland, European Union.

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