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Mexican Coffee Production Surpasses 5.4 Million Bags in 1995-1996 Season

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According to the Mexican coffee producers confederation (Confederacion Mexicana de Productores de Cafe, CMPC), the country's coffee crop surpassed 5.4 million 60-pound bags during the 1995-1996 season (October-September). The total represented a 1.2 million-bag increase compared with 1994-1995, when 4.2 million bags were harvested. The increased coffee output is attributed primarily to improved cultivation practices. In addition, the trees that were planted several years ago are now beginning to produce. Meantime, a report published by the US Agriculture Department (USDA) in mid-November said the government's decision to add coffee to the agricultural support program (Programa de Apoyos Directors al Campo, PROCAMPO) could help boost output further in coming years.

The USDA report said President Ernesto Zedillo's administration is hoping to boost production by 35% by devoting funds to develop coffee trees that are resistant to insects and diseases such as broca and rust. Preliminary estimates have forecast coffee production for the 1996-1997 season at between 4.7 million and 5.5 million bags, depending on weather conditions.

Exports expected to decline slightly

Meanwhile, the Mexican coffee council (Consejo Mexicano del Cafe, CMC) has forecast coffee exports for 1996-1997 at slightly more than 4 million bags, down from 4.5 million bags exported in 1995-1996.

However, according to David Juarez Carrejo, president of the Mexican coffee exporters association (Asociacion Mexicana de Exportadores de Cafe, AMEC), if coffee prices remain high, revenues from coffee exports could increase to about US$700 million, compared with US$660 million last year. Global coffee prices reached US$1.44 per pound in January and have continued to climb since, reaching US$1.59 by mid-February. This follows a low of US$0.88 cents per pound in December.

Juarez said increased demand in Europe for Mexican coffee beans could also help boost prices in coming years. Currently, 90% of Mexico's coffee exports is shipped to the US and Canadian markets, but a recent decision by the European Union to eliminate tariffs on Mexican coffee imports could boost shipments to European countries. [Sources: US Department of Agriculture/Attache Report (Mexico City), 11/18/96; Notimex, 01/22/97; El Nacional, 01/23/97; El Universal, 01/23/97; El Economista, 02/04/97 El Financiero International, 01/20/97, 02/03/97, 02/10/97]