



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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Production costs

Background

1. In the context of its programme of activities, the Organization pays particular attention to the collection of relevant statistical data on the world coffee sector.
2. In April 2010 the Executive Director requested all Members of the Organization to send data on production costs for crop years 2000/01 to 2009/10. The attached tables present replies received from the following countries: Brazil, Colombia, Costa Rica, Ecuador and Kenya. For purposes of comparability, all tables are presented in US dollars per 60-kg. Data received in national currency were converted into US dollars at the exchange rate indicated in the respective tables. Totals may not add due to rounding or discrepancies in the original data.
3. Members who have not yet furnished data are requested to do so as soon as possible.

Action

The Council is requested to take note of this document.

PRODUCTION COSTS

Country: **BRAZIL** (Guaxupé, Minas Gerais)

Type of coffee: **NATURAL ARABICA**

Unit: **US\$/60-kg**

CROP YEAR	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
A - CULTIVATION COSTS							
1 - Operations with machinery	0.78	0.86	2.08	2.46	2.80	2.68	0.00
2 - Hiring of machinery/services	0.00	0.00	0.00	0.00	0.00	0.00	8.51
3 - Seasonal labour (including social security)	11.90	14.57	30.50	30.00	37.36	34.90	83.80
4 - Fixed labour (including social security)	9.43	11.66	19.89	19.57	24.64	23.02	0.91
5 - Seedlings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 - Fertilizers	11.26	14.70	13.22	13.02	17.03	23.40	25.33
7 - Crop protection products	5.60	6.47	7.09	6.33	7.52	8.31	12.72
8 - Bags and other items	3.24	3.43	3.20	3.40	3.70	3.75	0.00
9 - Administrative expenses	0.00	0.00	0.00	0.00	0.00	0.00	2.99
10 - Other items	0.00	0.00	0.00	0.00	0.00	0.00	1.87
Total Cultivation Costs (A)	42.21	51.69	75.98	74.78	93.05	96.06	136.13
B - POST-HARVEST EXPENSES							
1 - Drying + processing + external transportation	2.13	2.62	0.50	0.50	0.62	0.58	2.41
2 - Insurance of production	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 - Rural social security tax	0.00	0.00	0.00	0.00	0.00	0.00	3.26
Total Post-Harvest Expenses (B)	2.13	2.62	0.50	0.50	0.62	0.58	5.67
C - FINANCIAL EXPENSES							
1 - Interest	1.47	1.60	2.56	1.84	1.88	1.97	5.44
Total Financial Expenses (C)	1.47	1.60	2.56	1.84	1.88	1.97	5.44
D - VARIABLE COSTS (A+B+C)	45.81	55.91	79.05	77.11	95.55	98.62	147.24
E - DEPRECIATION							
1 - Depreciation of installations	0.12	0.17	1.02	1.10	1.38	0.39	0.47
2 - Depreciation of implements	0.07	0.10	0.13	0.13	0.16	0.12	0.00
3 - Depreciation of machinery	0.25	0.28	0.43	0.43	0.52	0.48	0.00
4 - Depreciation of coffee plantation	8.35	9.82	11.12	11.13	14.34	13.39	11.61
Total Depreciation (E)	8.80	10.37	12.69	12.80	16.40	14.39	12.07
F - OTHER FIXED COSTS							
1 - Periodic maintenance of machinery	0.14	0.15	0.21	0.20	0.25	0.23	0.03
2 - Insurance of fixed capital	0.03	0.04	0.15	0.15	0.19	0.08	0.05
3 - Social security contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.54
Total Other Fixed Costs (F)	0.17	0.19	0.35	0.36	0.44	0.31	0.62
G - FIXED COSTS (E+F)	8.97	10.56	13.05	13.15	16.84	14.70	12.70
H - OPERATING COSTS (fixed + variable costs)	54.78	66.47	92.09	90.27	112.39	113.31	159.94
I - RETURN ON INVESTMENT							
1 - Expected return on fixed capital	0.34	0.44	2.34	2.49	3.12	1.21	0.44
2 - Expected return on coffee plantation	0.26	0.30	0.34	0.34	0.44	0.41	0.35
3 - Land	3.28	3.34	4.14	4.47	5.19	4.85	5.88
Total Return on Investment (I)	3.87	4.09	6.83	7.30	8.76	6.47	6.67
J - TOTAL COSTS (H+I = J)	58.65	70.55	98.92	97.57	121.15	119.79	166.61
Exchange rate	2.93	2.87	2.32	2.15	1.85	1.98	1.87

Note: Data are also available on production costs for the following regions: Franca, Luis Eduardo Magalhães, Patrocínio and S. Sebastião do Paraíso (2003/04 to 2009/10); Londrina and Manhuaçu (2007/08 to 2009/10) - on request from the Secretariat.

PRODUCTION COSTS

Country: BRAZIL (São Gabriel da Palha, Espírito Santo)

Type of coffee: NATURAL ROBUSTA (CONILLON)

Unit: US\$/60-kg

CROP YEAR	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
A - CULTIVATION COSTS							
1 - Operations with machinery (irrigation equipment)	0.67	0.72	0.90	1.29	3.08	1.40	6.50
2 - Hiring of machinery/services	0.00	0.00	0.00	0.00	0.68	0.00	0.00
3 - Seasonal labour (inc. social security)	4.27	4.36	4.31	4.65	16.86	5.05	25.72
4 - Fixed labour (inc. social security)	9.83	11.40	16.21	18.87	12.11	20.49	0.64
5 - Seedlings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 - Fertilizers	3.31	5.55	6.73	6.73	11.33	9.59	16.21
7 - Crop protection products	4.74	5.78	6.41	5.19	2.24	6.14	2.86
8 - Bags and other items	1.38	2.01	2.75	2.98	3.31	3.71	0.00
9 - Administrative expenses	0.00	0.00	0.00	0.00	0.00	0.00	2.81
10 - Other items	0.00	0.00	0.00	0.00	0.00	0.00	4.28
Total Cultivation Costs (A)	24.19	29.82	37.31	39.71	49.62	46.37	59.01
B - POST-HARVEST EXPENSES							
1 - Drying + processing + external transportation	5.76	5.88	8.35	8.54	0.54	9.28	9.09
2 - Insurance of production	0.00	0.00	0.00	0.00	0.00	1.11	0.00
3 - Rural social security tax	0.00	0.00	0.00	0.00	0.00	2.09	2.09
Total Post-Harvest Expenses (B)	5.76	5.88	8.35	8.54	0.54	12.48	11.18
C - FINANCIAL EXPENSES							
1 - Interest	2.42	2.65	3.73	2.91	3.39	2.82	2.15
Total Financial Expenses (C)	2.42	2.65	3.73	2.91	3.39	2.82	2.15
D - VARIABLE COSTS (A+B+C)	32.38	38.36	49.39	51.16	53.55	61.68	72.34
E - DEPRECIATION							
1 - Depreciation of installations	1.31	1.33	1.67	2.01	2.18	2.18	2.48
2 - Depreciation of implements	0.00	0.00	0.00	0.00	0.00	0.00	0.43
3 - Depreciation of machinery	0.00	0.00	0.00	0.00	0.00	0.00	3.56
4 - Depreciation of coffee plantation	2.90	3.60	3.84	5.42	6.55	4.29	4.49
Total Depreciation (E)	4.21	4.93	5.51	7.43	8.74	6.47	10.96
F - OTHER FIXED COSTS							
1 - Periodic maintenance of machinery	0.00	0.00	0.00	0.00	0.00	0.00	1.29
2 - Insurance of fixed capital	0.00	0.00	0.00	0.00	0.00	0.00	0.44
3 - Social security contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.37
Total Other Fixed Costs (F)	0.00	0.00	0.00	0.00	0.00	0.00	2.10
G - FIXED COSTS (E+F)	4.21	4.93	5.51	7.43	8.74	6.47	13.06
H - OPERATING COSTS (fixed + variable costs)	36.59	43.29	54.91	58.60	62.28	68.15	85.41
I - RETURN ON INVESTMENT							
1 - Expected return on fixed capital	0.00	0.00	0.00	0.00	0.00	0.00	3.52
2 - Expected return on coffee plantation	0.09	0.11	0.12	0.17	0.20	0.13	0.27
3 - Land	0.89	0.91	1.12	1.21	1.62	1.31	2.33
Total Return on Investment (I)	0.98	1.02	1.24	1.38	1.82	1.44	6.12
J - TOTAL COSTS (H+I = J)	37.57	44.31	56.14	59.97	64.10	69.60	91.52
Exchange rate	2.93	2.87	2.32	2.15	1.85	1.98	1.87

Note: Data are also available on production costs for the following regions: Pinheiros (2008/09-2009/10); Ji-Paraná and R. Moura (2007/08-2009/10) - on request from the Secretariat.

PRODUCTION COSTS

Country: COLOMBIA

Type of coffee: WASHED ARABICA

Unit: US\$/60-kg

YEAR	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Installation	2.26	1.93	1.57	1.60	2.21	2.96	3.44	3.76	3.76	4.26
Planting & weeding	11.09	10.57	9.58	6.64	7.79	8.29	9.47	10.93	10.71	12.28
Fertilizer	10.93	11.79	11.81	14.35	17.18	20.70	23.19	35.97	32.83	29.84
Sanitary control	7.57	6.83	5.87	7.58	8.76	9.43	10.73	12.47	12.05	13.64
Harvesting and processing	36.59	32.34	27.09	32.09	33.74	53.56	60.78	65.72	59.22	70.37
Other tasks	3.37	2.59	1.81	1.28	1.53	1.57	1.80	2.01	1.93	2.22
Subtotal	71.80	66.05	57.77	63.55	80.80	96.54	109.41	130.82	123.79	132.60
Labour	55.12	51.62	45.64	42.37	55.20	64.14	72.85	80.02	76.13	86.42
Inputs	16.68	14.43	12.13	21.19	25.60	32.40	36.56	50.81	47.65	46.18
Subtotal	71.80	66.05	57.77	63.55	80.80	96.54	109.41	130.82	123.79	132.60

PRODUCTION COSTS

Country: COSTA RICA
Type of coffee: WASHED ARABICA
Unit: US\$/60-kg

CROP YEAR	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Labour	21.27	21.25	26.37	26.60	28.09	30.81	34.46	36.78	39.21
Labour	14.74	14.65	18.15	18.29	19.19	20.92	23.38	24.92	26.53
Social security contributions	6.52	6.60	8.22	8.31	8.90	9.90	11.08	11.86	12.68
Materials & Transportation	20.12	19.13	14.95	16.57	17.33	19.24	23.35	33.81	30.50
Nursery (renovation)	0.94	0.94	2.38	2.84	3.23	2.33	2.48	2.83	2.97
Fertilizer (NPK)	6.22	5.78	5.08	6.16	6.42	7.31	9.55	14.96	13.60
Fertilizer (NH ₄ NO ₃)	2.30	2.14	2.87	3.49	3.44	3.31	4.40	8.09	6.65
Calcium carbonate	0.67	0.64	0.00	0.00	0.00	1.45	1.60	1.57	2.03
Fungicides 1/	1.71	1.61	1.83	1.84	1.84	2.07	2.15	2.15	2.14
Foliar Nutrients 1/	1.51	1.48	1.57	1.02	1.02	1.03	1.09	1.25	1.24
Herbicides 1/	1.20	1.15	0.69	0.63	0.73	0.69	0.87	1.72	0.80
Insecticides-Nematicides	3.59	3.41							
Transportation of Materials	1.51	1.58	0.53	0.59	0.66	1.05	1.20	1.25	1.06
Transportation (fertilizers & calcium)			0.29	0.32	0.36	0.81	0.92	0.96	0.82
Transportation (seedling)			0.24	0.27	0.30	0.24	0.28	0.29	0.24
Other inputs	0.45	0.39							
Cost Technological Package	41.38	40.38	41.33	43.18	45.43	50.06	57.81	70.59	69.71
Harvest:									
Harvesting of coffee	26.49	24.91	23.79	27.40	31.98	35.20	43.86	42.54	40.98
Transportation of Coffee	3.22	2.97	2.26	2.52	2.79	2.99	3.41	3.56	3.02
Cost of Harvest	29.71	27.89	26.05	29.92	34.78	38.20	47.28	46.10	44.00
Other indirect costs:	28.83	28.36	20.77	22.55	24.30	21.02	22.97	25.65	25.65
Soil exhaustion	8.83	8.73	8.34	9.79	10.52	10.80	12.16	14.28	14.47
Depreciation	4.77	4.63	8.86	9.17	10.05	6.77	7.12	7.48	7.20
Maintenance	2.38	2.32	1.21	1.25	1.36	0.95	1.03	1.09	1.06
Administrative expenses	12.86	12.68	2.37	2.34	2.37	2.49	2.66	2.79	2.92
Total Cost	99.92	96.62	88.14	95.65	104.51	109.28	128.06	142.34	139.35

1/ From 2003/04 fungicide refers specifically to triazol; foliar nutrients to zinc; and herbicide to glyphosate

NB: Change in methodology from 2003/04 onwards and change in statistical base from 2006/07 onwards.

PRODUCTION COSTS

Country: ECUADOR
Type of coffee: WASHED ARABICA
Unit: US\$/60-kg

CROP YEAR	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Labour	30.09	30.09	30.09	30.78	29.65	36.33	38.69	41.16	42.40	39.92
Inputs & Others	16.20	16.20	16.20	16.57	18.10	18.30	21.76	28.02	41.07	31.24
TOTAL	46.30	46.30	46.30	47.35	47.75	54.63	60.45	69.18	83.47	71.16

PRODUCTION COSTS

Country: KENYA (smallholder sub-sector)

Type of coffee: WASHED ARABICA

Unit: US\$/60-kg

CROP YEAR	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Field expenses	53.01	53.80	53.34	70.45	106.55	69.06	85.12	50.80	50.31
Crop expenses	5.22	5.22	5.34	5.25	5.31	5.63	5.97	6.25	5.24
Processing cost	40.40	40.36	41.32	40.61	41.06	43.57	46.17	48.35	49.55
Interest on working capital	0.78	0.78	0.80	0.79	0.80	0.84	0.90	0.94	0.79
Total cost	99.42	100.16	100.80	117.10	153.71	119.12	138.16	106.35	105.89

Country: KENYA (Estate sub-sector)

Type of coffee: WASHED ARABICA

Unit: US\$/60-kg

CROP YEAR	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Field expenses	31.36	31.37	31.79	40.94	41.39	41.65	51.74	37.12	36.24
Crop expenses	26.48	26.49	26.84	34.57	34.95	35.17	43.68	31.34	30.60
Processing cost	64.12	65.63	64.52	65.22	69.22	73.35	76.81	64.41	65.32
Interest on working capital	6.01	6.01	6.09	7.85	7.93	7.98	9.91	7.11	6.94
Total cost	127.97	129.50	129.24	148.58	153.48	158.15	182.15	139.98	139.11