

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
STARRED QUESTION NO. 24
TO BE ANSWERED ON 05th FEBRUARY, 2018

COFFEE MARKET

*24. SHRIMATI VASANTHI M.:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the coffee market has slowed down due to acute shortage of supply of coffee from coffee producing countries;
- (b) if so, the details thereof along with the reaction of the Government thereto;
- (c) whether the Government has taken any measures to increase the export of Indian coffee keeping in view the short supply of coffee in world coffee market and if so, the details thereof;
- (d) whether these measures taken by the Government have proved fruitful and if so, the details thereof; and
- (e) the details of the incentives being provided to Indian coffee exporters in order to earn foreign exchange?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री सुरेश प्रभु)

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI SURESH PRABHU)

a) to e): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA
STARRED QUESTION NO. 24 FOR ANSWER ON 05th FEBRUARY,2018
REGARDING “COFFEE MARKET”.**

(a) & (b): No Madam. As such there is no acute shortage of supply of coffee from coffee producing countries and therefore there is no slowdown in world coffee market. As per International Coffee Organization (ICO) Coffee Market report, the world coffee production has been increasing steadily in recent years.

The production of coffee in the world for the last 4 years is as below:

Year	Global coffee production (in million bags of 60 kg each)	Global coffee production (in lakh tonnes)
2014	149.08	89.45
2015	152.11	91.27
2016	157.69	94.61
2017	158.78	95.27

ICO Data

(c)& (d): Government of India through the Coffee Board is undertaking various measures to boost the export of coffee, which inter-alia includes conducting promotional activities highlighting uniqueness of Indian coffee in the foreign markets, reinforcing presence in the traditional markets, lending promotional support to Indian coffee exporters in their marketing efforts and also providing financial assistance for export of high value and value added coffee. The details are as under:

- (i) Participation in International Coffee Conferences / events
- (ii) Organising Buyer Seller Meets
- (iii) Branding of Indian Coffee through publicity campaigns/ Media publicity
- (iv) Organizing Flavour of India -The Fine Cup Award Competition to select fine coffees and expose them to export market
- (v) Organising India International Coffee Festival

The efforts taken by the Central Government have significantly contributed in increasing India’s coffee exports. Export Data of the last 4 years is given below:

Year	Exports Quantity (Tonnes)	Exports Value (Rs.Crores)	Exports Value (million US \$)
2014	2,87,352	4835.52	793.89
2015	3,06,021	5155.80	807.19
2016	3,58,409	5524.90	822.33
2017	3,86,361	6233.25	958.30

Note: Data includes re-exports by 100% Export Oriented Units (EOUs) under Advance Authorization scheme.

(e): Coffee Board gives the following financial assistance to Indian Coffee Exporters to mitigate freight disadvantage for export of coffee in important far off destination / markets.

- i. Assistance @ Rs.2/kg for export of high value coffee to the far-off destinations viz. USA, Canada, Japan, Australia, New Zealand, South Korea, Finland and Norway.
- ii. Assistance @Rs.3/kg for export of value added coffee in retail packs as India Brand.

Further, the coffee exports are also covered under Merchandise Exports from India Scheme (MEIS) and Duty Drawback schemes of the Government of India.
