

## Brazil to Unseat US as World's Top Coffee Guzzler in 3 Years

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The Brazilian Coffee Industry Association (ABIC) forecasts that Brazilian coffee consumption should rise from the current 16.33 million bag demand recorded in 2006 to 21 million bags in 2010, which will turn the country into the world's largest consumer of the commodity. This position is currently occupied by the United States, at an annual average of up to 20 million bags.

The figures of ABIC, disclosed yesterday, July 9, in the presence of the Brazilian Minister of Agriculture, Reinhold Stephanes, indicate that Brazil is the world's greatest exporter of coffee, with sales of 29.2 million bags for the 2006-2007 crop.

The volume is 19.1% superior to that of the previous crop. Consumption, still according to the ABIC, should grow by approximately 5% this year, whereas the global average is 1.5%.

The minister, who participated in the launch of the "Coffee Is Also Healthy" ("Café Também É Saúde") campaign, aimed at turning the southeastern Brazilian city of Rio de Janeiro "capital of coffee" during the Pan-American Games, of the appreciation of the real (Brazilian currency) against the dollar, as these effects reduce the profit of agricultural exporters.

"The one thing I do not like is when the dollar depreciates too much, because the effects are unfavorable to the sectors that we defend. Now, if we export over US\$ 50 billion in agricultural products, and import just US\$ 6 billion, then what can we do? This generates a surplus, more dollars come into the country, and the price falls," he said.

In the minister's assessment, the dollar inflow has maintained a high price for the Brazilian real:

"There is currently an excess of dollars in the world and in Brazil, particularly, due to the fact that it is now attractive to investors. Our economic conditions are very good, but there is this problem with agriculture - and it came precisely when it was time for them to earn a bit more," he regretted.

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