

How can the drop in the price of coffee be explained?

“While the price of a barrel rises irresistibly, hitting the \$ 80 mark, another black gold slips inexorably. In the frantic whirlwind of raw materials, coffee is being carried in a downward spiral. The pound of arabica, the most popular variety, trades at less than 100 cents. In mid-September, she flirted with 92 cents. A level she hadn't reached for twelve years. Coffee grinds black.

To understand this accelerated slide, which started in 2017, you have to walk in the Brazilian plantations of Minas Gerais. A country that has become the world's leading producer and exporter of coffee.



✿ Minas Gerais coffee fields

CONAB (Companhia Nacional de Abastecimento *The National Supply Company*) declared, on September 20, “expect a record harvest this year, a 33% increase compared to 2017. That is 59.9 million bags of 60 kg. Of which 34.3 million of arabica alone.”

The plants of this coffee have a biennial cycle and this year the flowering of arabica was extremely dense. The good weather conditions met expectations. Without forgetting that genetically modified coffee plantations boost yields. “

*Laurence Girard, "Le café broie du noir",
Le Monde, September 29, 2018.*

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