

Swiss Farms  
Preliminary Observations about Coffee Growing in Australia  
Dan Kuhn, October 2003

1. Production Figures (based on HI and NSW)

**100 acres** of Coffee (in production)

Need to replant or cut back 10% per year in older orchards to regenerate in 10 years. In order to harvest 100 acres need 110 acres in production. Production costs have to reflect 110 acres.

Spacing:

12' x 3' = **1210 plants per acre** x 100 acres = 121,000 plants (should go to 14'x3')

According to other farmer, increase inline spacing....less cutback. According to Dr. Cloves replant in 8 years with no cutback or pruning. **Hawaii 12 to 15 year cycle** with two pruning's and one stumping.

Yield: A

**10 lb of fruit per tree** = 1,210,000 lbs. of fruit

1,210,000 of fruit to green = divided by **6.5** = 186,000 lbs divided by 2.2 = **84,500 Kg**

(this assumes every tree giving 10 lbs. of fruit which is probably too high as an average on the other hand larger trees will give more then 10 lbs of fruit. Brazil states a movable average of 2 lbs of salable green per tree with Catuai.

Or

Yield B

121,000 plants produce = **2 lbs of salable green per tree** = 242,000 lbs divided by 2.2 = **110,000 Kg**

Value based on 100,000 Kg

100,000 Kg x 8 \$ = \$ 800,000

100,000 Kg x 6 \$ = \$ 600,000

100,000 Kg x 4 \$ = \$ 400,000

Or

Value based on Type and Grade distribution:

**OR : 25%** of 100,000 Kg = 25,000 lbs x \$ 4.00 = \$ 100,000

**R : 60%** of 100,000 Kg = 60,000 lbs x \$ 6.00 = \$ 360,000  
\$ 460,000

UR 10% of 100,000 Kg = 10,000 lbs discard

2. Comparison for Hawaii Pricing, other then Kona Producers with Australia pricing.

<b>Australia\$</b>	<b>\$ 4 per Kg</b>	US \$ exchange \$ .6873	US equivalent <b>\$ 2.751 per Kg</b>
	<b>\$ 6 per Kg</b>		<b>\$ 4.126 per Kg</b>
	<b>\$ 8 per Kg</b>		<b>\$ 5.502 per Kg</b>

**New York C: US \$ -.65 / lbs = A \$ -.945 /lbs = \$ 2.07/ Kg**

Grade distribution:

US\$		equivalent A \$ /Lbs	Equivalent/ A Kg
EF	\$ 5.50/ Lbs	\$ 8.00	\$17.60
F	\$ 4.75/ Lbs	\$ 6.91	\$15.20
#1	\$ 4.50/ Lbs	\$ 6.54	\$14.38
Prime	\$ 4.25/ Lbs	\$ 6.18	\$13.59
Peab.	\$ 5.25/ Lbs	\$ 7.63	\$16.78
#3	\$ 3.75/ Lbs	\$ 5.45	\$11.99

These prices are not realistic in today's market. Could be **US\$ 2.00 to \$2.50/lbs. Upper grades \$ 3.50/ Lbs.**

Avr.	\$2.00/lbs	\$ 3.60	\$ 8.00
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Kona Green price (washed/sun dried)

US \$ 10.00/ Lbs	\$15.54/Lbs	\$34.18
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Today's pricing is the lowest in 30 years and can not sustain, otherwise there will be no coffee farmers left. Also there will be another frost in Brazil. Vietnam has decreased its production, however Brazil has expanded especially in frost free areas.

Central America the producer of the best washed coffees is feeling the crunch the most as they have higher production costs then Brazil. Foreseeable production will be neglected with fertilizers and other inputs missing. Quality and quantity will decrease. Prices will have to rise.