

BRAZIL

With the rise in the NY market, local coffee prices are also climbing and reaching all-time highs. There has been an improvement in coffee flow, but the number of active buyers has been decreasing at a steady pace. Shipments out of Brazil remain strong. Climatic conditions have been favorable, with no major warnings for the upcoming crops of both Arabica and Robusta. Ongoing challenges with logistics and cash flow continue to afflict local traders.

MEXICO

Last week Trump announced a massive 25% tariff on Mexican goods and most imports from Canada. An additional 10% tariff on Chinese products was also enacted. Mexico and Canada agreed with the US to suspend the tariffs for 30 days. The shock to the coffee industry was widespread before temporary calm returned as industry participants monitor new developments closely.

CENTRAL AMERICA

As if market price volatility were not enough to contend with, the sudden and chaotic dismantling of USAID represents a major setback for the coffee sector in Central America. USAID is the international development agency of the United States and has invested millions of dollars in coffee initiatives throughout the region. With the expressed goal of promoting trade, decreasing poverty and addressing food security, the agency has provided financial support for multiple projects in Central America. All active projects, its implementing organizations, and the thousands of people within them, were suddenly in limbo when the Trump administration ordered a freeze on international foreign aid. Soon after, all USAID staff were put on administrative leave while the dismissal paperwork was finalized. An agency with a workforce of more than 13,000 has now been reduced to less than 300.

KENYA

Harvesting for Main Crop has come to an end. Milling pace is adequate as there is a steady availability of coffee at auction as farmers receive historically high prices. Rains in Central and Eastern Kenya are beneficial for the upcoming fly crop.

RWANDA

Steady rains have been experienced across the country as coffee cherries are in the maturation phase in most regions. Harvesting is expected to start in the next couple of weeks.

TANZANIA

The Ministry of Agriculture recently raised export and phytosanitary certificate fees. Exporters are assessing the impact of these changes on transaction costs.

Arabica: The 2024/25 season has come to an end, with auction activity significantly reduced.

Robusta: The season has also ended, but around 5% of the crop remains unsold as some suppliers are still holding stocks anticipating higher prices.

UGANDA

Robusta: The harvest in Central Uganda had ended, reducing coffee flow to Kampala. Volumes will dip until the fly crop in Rukungiri picks up momentum by late-February. Approximately 15-20% of the volume initially expected for the fly crop harvest around Masaka shifted to the summer crop in April owing to suboptimal weather conditions that delayed ripening. This coffee shortage, despite the relatively low level of coffee commercialisation by exporters, has led to a strengthening of local differentials.

Arabica: The harvest in Western Uganda is gaining pace, with the first cherries arriving at coffee washing stations. A production increase of 20% is expected, recovering the losses from the 2023/24 cycle caused by adverse climatic conditions. However, overall production remains well below Uganda's potential.

INDIA

The Arabica harvest has been completed, and Robusta progress is at 65%. Arrivals at mills are low by historical standards as local prices remain at record levels.