

BRAZIL

The local market remains extremely tight with elevated prices. Producers are holding steady amidst limited coffee flow and steady demand, adding pressure to local prices. This past week saw business negotiated at record-high levels. 2024 ended with record Brazilian coffee exports, which confirms strong demand and raises concerns about current stock levels and coffee availability. Climatic conditions remain favorable for crop development and there are no major concerns noted.

COLOMBIA

A major diplomatic rift blew up over the weekend between Colombia and USA. At issue are U.S. military aircraft that were turned away by Colombia. The flights carry migrants being deported. On Sunday Trump said he would impose sweeping retaliatory measures on Colombia, including tariffs and sanctions. Colombia, the U.S. third largest trading partner in Latin America, swiftly responded, threatening a 50% tariff on U.S. goods. By Sunday evening the parties had reached an agreement, and the trade war was averted for the time being. However, the US administration said tariffs and sanctions would be held in reserve as deportations unfold.

COSTA RICA

Unseasonable rains the past couple of months, compounded by Nicaragua's strict migration laws contributing to Costa Rica's labor shortages, are leaving approximately 15% of ripe coffee unharvested. In response, ICAFE has implemented a campaign to encourage young Costa Ricans to join the coffee industry in the countryside.

KENYA

The end of picking season is approaching in Central Kenya. Farmers are focusing on pruning and getting the trees ready for the fly crop. The highest altitudes will end by early February. Congestion in dry mills is redirecting volumes to facilities with spare capacity. With rains starting south of Mount Kenya, early flowering will positively influence the volume and quality of the cherries. Should the Eastern Region receive the same precipitation, a national increase in volume and quality is expected throughout the country.

INDONESIA

Arabica: Sumatra's main crop is now over, and the local market is quiet as most shipping commitments through June are well covered by exporters. Moderate coffee is expected through May.

Robusta: The crop is expected to develop earlier than last year but with similar volumes. Crop analysis farm tours will be finalized in the weeks ahead to better understand the crop potential.