

BRAZIL

Coffee flow has slowed as the correlation between the NY market and local prices breaks down. Most reported business is largely disconnected from NY pricing, even during upward corrections, pushing differentials higher as a result. Current rainfall has been significant, with forecasts indicating a shift to lighter, more scattered showers in the days ahead. Abundant rainfall has resulted in exceptionally lush and healthy coffee cherries, which are currently in a strong growth phase. Weather models predict rainfall could intensify later in the month, potentially making February one of the wettest months in recent years.

MEXICO & CENTRAL AMERICA

The crop is advancing well with 60% progress. Cold fronts in the past few weeks delayed cherry maturation and slowed down the pace of the harvest, but ripening is now normalizing. Coffee Leaf Rust (Roya) is well under control through improved farm management, but Berry Borer (Broca) remains as troublesome as ever. Quality overall has been good, and most producers have a positive outlook for the current season after multiple challenges during the 2024/25 cycle.

ETHIOPIA

The harvest is almost complete, with a large quantity of coffee in the hands of Farmers. Local prices have started to trend downwards, but the chance that the official minimum price will drop further is very low.

KENYA

The port of Mombasa is heavily congested, resulting in delayed berths and the discharging of import containers. Export trucks/containers entry to the port is restricted and very slow, with long queues awaiting entry, resulting in missing vessel handover deadlines. Additionally, the customs system upgrade in Kenya is affecting the timely processing and clearance of containers at the borders. In turn, there are long truck queues on both the Kenya and Uganda sides, increasing transit times and longer lead times for truck allocation. A shortage of trucks and containers is expected in the coming weeks, with ensuing inevitable delays for not only Kenya, but also Uganda, Rwanda and Burundi shipments.

RWANDA

The harvest is ongoing in the western region, although coffee flow remains low and cherry prices are sky-high despite the NY market dropping over the past 2 weeks. The crop is expected to be 30% smaller than last year, pressuring prices from the start.

UGANDA

Arabica: The season has started, and the sharp NY market correction has pushed differentials higher. Arabica Natural traders are holding inventories, speculating that the market will rebound. As the rainy season starts, there will be more coffee arriving to washing stations. For now, most market actors are cautious, anticipating that local prices in the field will normalize.

Robusta: The season is winding down and coffee flow will be diminishing in the weeks ahead. Traders are likely staying active in the market until the season is completely finalized. There have been reports of consistent rains every other day, which is good for fruit fixation and flowering for the new crop.

