

UNITED STATES

The US President threatened to impose 50% tariffs on Brazil in a letter directed at President Lula. Unlike all other tariffs intended to reduce US trade deficits (the US has a trade surplus with Brazil), he singled out Brazil over legal action against former president Jair Bolsonaro. The timing of tariffs on Brazil could not come at a worse time for the coffee industry, as Brazil's harvest is fully underway and shipments are about to pick up pace. Brazil supplies around 35% of U.S. green coffee imports, approximately 8 million bags. There is no other origin that can realistically fill this gap in the short or medium term.

BRAZIL

The abrupt decline in NY prices has effectively stopped all new business. Bids keep dropping, but producers are not engaging, stalling activity and prompting most market actors into a wait-and-see mode. The Arabica crop is nearing 50% completion, projected to extend into late August. Robusta is now in its final stage and the harvest will be over by the end of July. Post-harvest conditions are promising and trees show strong vegetative vigor, signaling excellent production potential for the next cycle. Minimum temperatures are expected to stay near normal across producing regions with no signs of dangerously cold fronts.

COLOMBIA

The harvest has picked up pace and is now estimated to be 40% complete. The late evolution of Mitaca may mean an overlap in terms of coffee flow with the Main crop starting in October. Climatic conditions remain a challenge due to a lack of consistent sunshine, delaying the drying process.

MEXICO & CENTRAL AMERICA

Rains continue steadily, providing ample opportunity for new crop development. Farm tours are ongoing, confirming a positive outlook for the 2025/26 cycle.

ETHIOPIA

Local prices remain firm even though the NY market has dropped significantly. Coffee flow has improved for Natural Grades as local traders release inventories fearing a sharp price drop.

KENYA

Auctions resumed and local prices have firmed up as traders and exporters cover short terms needs. It is expected for prices to stabilize once coffee flow increases in the next several weeks. Fly crop is healthy but there are growing concerns over development of the upcoming main crop.

RWANDA

The harvest season is over, and operators have closed washing stations. The focus by local traders and exporters is now on processing parchment to expedite shipments as much as possible.

TANZANIA

Arabica: New crop season has begun with parchment flowing into mills. It is estimated 15-20% of the crop is already harvested and expectations are for increased parchment flow in the next 2-3 weeks.

Robusta: Suppliers are largely disappointed with low offers stemming from the LDN market sell off. So far, very little volume has been sold at the auction even with the minimum price being lowered. Another revision of the minimum price by the TCB is expected to boost auction sales if the LDN market remains low.

