

## UNITED STATES

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The U.S. launched a major military operation against Iran over the weekend, and while the situation continues to evolve, significant impacts on global markets and logistics are already emerging. Energy prices have surged, with oil and natural gas leading the way. Fertilizer prices are also rising sharply, as the region is a key producer and transit hub for urea, phosphates, and ammonia. The risk of wider regional escalation is a major concern. Houthi forces in Yemen (who had paused attacks on commercial vessels in the Red Sea following the Israel–Hamas ceasefire) have resumed targeting shipping. Lebanon’s Hezbollah has also launched its first strike on Israel in more than a year.

Maritime disruption is intensifying. Traffic through the Strait of Hormuz is currently stalled, and vessels en route to the Arabian Sea are being instructed to turn back due to severe security risks. MSC and several other major carriers have suspended all new bookings to Middle East destinations until further notice. We expect significant congestion at nearby Asian transshipment hubs as carriers divert and temporarily store containers originally destined for Gulf ports. Asia–Europe voyages are being forced into significantly longer routes. The re-routing around the Cape of Good Hope adds an estimated 7–14 days of transit time, alongside higher freight and insurance costs.

## BRAZIL

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At this stage in the crop development cycle, the Brazilian 2026/27 season is projected to yield a record crop. Ideal climatic conditions have not only fully developed cherries that will ripen in the months ahead, but vegetative growth that portends 2027/28 production has also been excellent. Local trade dynamics are being influenced by two conflicting forces. On the one hand is the broadly accepted expectation of a bumper crop in the 2026/27 cycle, and on the other is the very limited availability of coffee from the current crop. Coffee flow, however, has picked up pace, especially during NY market upticks as exporters cover short-term needs.

## COLOMBIA

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The highly anticipated Mitaca crop is expected to start in April and provide a much-needed boost to local coffee flow. Persistent rains, however, are raising concerns over the development of the Main crop. If precipitation maintains its current pace, the country’s drying capacity could be tested in the months ahead, as well as affect flowering for the Main crop.

## CENTRAL AMERICA

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The cold fronts from early February have decidedly delayed progress on the harvest evolution. Coffee flow slowed down enough that shipping delays are now a real possibility. Higher-grown regions are expected to come into full force in the weeks ahead, easing pressure on exporters with scheduled shipments in the short term.

## BURUNDI

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The country's 2026 coffee harvest is expected to increase by up to 60% compared to last year. Favorable weather, with the right balance of rainfall and temperature, has supported strong flowering since mid-August. The harvest is expected to start in full around mid-March, which is one month earlier than the previous year. The harvest season is expected to run until July, depending on rainfall.

## RWANDA

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The 2026 harvest is projected to be significantly lower than last year's in volume, but with improved quality. The harvest outcome generally depends on flowering cycles and rainfall levels. For this season, the country experienced less favorable flowering conditions, which suggests a 30% reduction in volume compared to last year. Harvesting activities have already begun and are expected to continue until the end of June.

## UGANDA

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**Arabica:** The country is entering the rainy season and this will shift production from Naturals (Drugar) to fresh cherry flowing into washing stations. Expected rains during February never materialized and climatic conditions have favored sun drying until now. So far, only 25% of the crop has been harvested, which will boost the availability of fully washed coffee.

**Robusta:** Approaching the end of the Fly crop. Early rains have been consistent for the last couple of weeks, which could mean an early harvest for the next Main crop.

## INDONESIA

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**Arabica:** Coffee flow remains subdued, reflecting the poor output from the last crop. Local traders are opting to stay on the sidelines as local prices remain elevated despite the drop in the NY market. Coffee flow is expected to improve in April, and buyers are patiently waiting for a price correction.

**Robusta:** Slow commercial activity after the festivities of the Lunar New Year. Most coffee deliveries are still from low-grown regions, but availability is expected to improve during the month of March. Stubborn rains are also slowing down harvesting activities.