

BRAZIL

Arabica: The short week due to Carnival only slowed down the activities but not enough to change the pattern. Producers kept following the terminal and increasing prices in BRL offsetting any opportunity. The price gap is still there but at least it feels that it is closing a little. In general, the demand seems to be there, but price is an impediment. The humid weather with record levels of rains on the coast of São Paulo has even closed the main South America port for a few hours but without an impact for the operations. Only a few days for the February ending and CECAFE is showing less than 1.5m bags shipped in the month.

Conilon: Very low volume of business during the past week due to the Carnival holidays, as most sellers and buyers were completely out of the market. They returned at the end of the week with just a few businesses reported to exporters who had to cover some urgent needs. Prices in BRL continue very firm, and without change overall. There are a lot of expectations from now on about the increasing volume of offers as the market tends to speed up after Carnival.

COLOMBIA

Availability is finally getting closer to an end and differentials remained unchanged but we have seen some mills offering more aggressively for Excelsos. The NY rally made some volume appear, but still nothing significant. This clearly indicates that there is not much coffee available for the internal market. Most likely the parchment traded was held by the intermediaries, who are looking for better prices.

INDIA

Harvest is almost 70% completed. However, despite the fact that outright prices in Rupee are at an all-time high, coffee is not coming onto the local market in sizeable volumes. FOB diffs are firm. Local exporters who are short are willing to cover at any price. Flowering is taking place now and the next crop is off to a good start.

INDONESIA

Arabica: Very little activity in the local market as prices were well above buyers' expectations. Heavy rains in West Java slowed the start of the season.

Robusta: New crop harvest has started earlier in some lowlands in Lampung, South Sumatra & Bengkulu. Farmers have started drying new crop. Highland areas suffered a big drop in production due to excess rain. Peak season will start in April - after Idul Fitri Holiday. Arrival volume to Lampung improved gradually, reaching around 4,000mts last week.

PNG

Parchment availability remains low, but we are starting to see a slight pickup indicating we are close to the start of harvest. We have also seen some much-needed rain over the past few weeks.

VIETNAM

Weather was good (sunny, light wind) in most parts of the Robusta growing regions. Consecutive rallies of the London market pushed FAQ price at farm gate to a very high level. However, farmers are not rushing to release their coffee. Exporters/FDI companies are competing to cover their shorts. The majority of them are holding out, offering very limited volume. FOB diffs are moving in the same direction as the London market and are getting more expensive. Our data showed 90'000MT (including Robusta, Arabica and processed coffee) was exported through the first half of February.

YUNNAN

Cherry harvest is finished, barring a few micro-regions. Green is being traded locally, but it has become very clear that total volume is not just slow, but that actually is at least 30% down vs 21/22. Concern continues to grow amongst Chinese roasters who have demand but have seen no break in price that is being supported by replacement costs continuing to rise. We have seen strong and consistent interest from roasters, traders, producers, other mills and governments from throughout China and overseas.

ETHIOPIA

Export registrations remain very low. Even the recent hike in the terminal market has not spurred new crop trading. Typically by the end of February, all new crop operations across Addis Ababa warehouses would be picking up as this is the time exporters are getting ready to mill and ship their coffees. However, this year the picture could not be more different as trading is at a near standstill. The CTA reports show that a measly 8,690MT of coffee was exported in Jan.

KENYA

We are still at the peak of the season. Sale 17 and 18 took place the past two weeks with 32k and 34k bags on offer, respectively. Local prices moved slightly higher for high grades; AA, AB and C. However, differentials remained stable due to higher NY. All the main exporters were present at the AFCA conference in Kigali. The central topic for discussion was the low interest in Kenyan coffee from roasters despite the relatively low price compared to other milds. In terms of supply, parchments deliveries at the dry mills started to slow down as a large majority of the coffee has already moved down from upcountry. Prices for microlots keep moving higher as

exporters are bidding up to secure volumes. Sale 19 is scheduled for this week with a record 37K bags on offer.

RWANDA

For the past two weeks AFCA and WCPF attracted many visitors to Kigali. Sucafina was fortunate to host many of these visitors at our wet and dry mills. The cherry harvest is slowly gaining momentum as more wet mills in the Western regions have started harvesting. We are waiting for the March, April and May rains to accelerate cherry growth across the country. The forecast for the coming months is that rains will be in line or slightly lower than the long-term mean so our expectation is still that the current crop will be similar to the 2022 harvest. The National Agricultural Export Board (NAEB) set the minimum 2023 cherry price at RWF 410 per kg (+/- USD 0.38 per kg), which is unchanged compared to 2022. To compensate for lower NY levels, NAEB also slightly reduced their fertilizer export levy.

TANZANIA

25k bag auction last week with less than half of the catalogue getting confirmed. The season is coming to an end and most people are winding down their operations. We anticipate another couple of auctions left to wrap up the season. As it's the end of the season, there is good availability of lower grades, including triage and grinders.

UGANDA

Arabica: Flow marginally picked up the past few weeks with internal prices offered over a wide range and quality of initial arrivals seems fair and in line to expectations. Right now, all focus remains on the weather for initial rains to push forward the cherry ripening cycle. Cherry flows into our wet mills are stable and no major changes occurred over the past week. The quality is in line with expectations and we continue to monitor the cherry progression on trees closely. We are adding more drying capacity (i.e. tables) at our wet mills to ease the pressure on drying and improve quality on cup profiles.

Robusta: Local availability in the past weeks has dropped by more than 30%, indicating the winter crop is about to end. With the reopening of schools two weeks ago, most farmers have sold a majority of their coffee and used their earnings to pay for school tuition. The differential continues to firm despite the rally, with all exporters continuing to struggle to cover their commitment.