

BRAZIL

Arabica: A week of price adjustments in general, reflecting the NY correction. The harvest continues to advance and the availability of new lots on the market adds an extra layer on the feeling of better opportunities and more competitive prices at the buyers side. Some rains reported in coffee growing regions may slow down the harvest in some specific spots.

Conilon: Exporters targeting short positions based on immediate producer offers. On the other hand, buyers looking for futures positions at well-discounted prices. Thus, we have a well-supplied market, with a lot of volume available for sale but very few deals. It is worth remembering that this availability remains in the hands of producers who are reluctant to sell any bag of coffee at prices lower than the current ones. Domestic industries accounted for a good part of the week's sales.

COLOMBIA

The Mitaca volumes are available but not flowing with much intensity. This fly crop is not showing huge volumes, but we might have coffee available all the way the trough to September, almost joining the main crop stream. Meaning Colombia will have a steady flow and be able to deliver fresh coffee all year. Weather over the coffee regions continue with the transition from La Niña, to EL Niño; despite we are entering the rainy season, El Niño is slowing down the rains patterns.

INDIA

Monsoon season has begun in India but with less rains than normal noticed during the last week . Farmers are done with regular agricultural practices. Local prices/diffs offers are firm. Farmers are stuck with washed Robusta parchment and not many buyers are there for it.

INDONESIA

Arabica: The first main harvest in Sumatra is over. Most activities now are on Java, Bali, Sulawesi, and Flores, the latter of which are seeing a spike in prices due to increased competition. FOB offers out of Medan are similar to last week with forward offers at a discount to nearby due to a positive crop outlook for Sumatra's second main harvest (Oct-Dec). Some scattered showers in Java have been a nuisance but overall the weather has been favorable for drying.

Robusta: June & July will be the peak of arrivals for Sumatra, then will be much reduced in August. Local prices continued to strengthen just following the London market. Big buyers were active in local market, forcing local sellers to be aggressive in buying coffee, keeping local prices

high. Some rains occurred during the week. Flowering is almost even in the lowlands showing a good prospect.

PNG

We are still seeing large amount of coffee flowing as we are in the middle of peak season. Local prices have eased with the good availability outright and the government has allowed the forex to float a bit (about 1%) further helping USD sale prices.

VIETNAM

The coffee growing regions in central highlands continued to receive decent rains, which was favorable and farmers have completed applying the 1st main round of fertilization. Some farmers in Dak Nong and Lam Dong started applying 2nd round. The prospect of 23-24 crop is still positive. The national center for hydro-meteorological forecasting has just issued their long term forecast where they officially declared the El Nino event and forecasted for lower cumulated amount of rainfall during Oct-Dec 2023. Local/FOB market was quiet last week. Prices are still firm in the midst of very limited supply.

YUNNAN

No significant change in Yunnan. Weather continues to be favorable with regular productive rain helping to regulate temperatures.

ETHIOPIA

In the past week, we have observed better availability for commercial offers as shippers have bank commitments and performance figures to meet for them to have a decent borrowing base next season. After the VAT levy was removed, there is now appetite to sell and flow of coffee from upcountry has improved, although the quality issues still persist.

RWANDA

Last week, the Government of Rwanda announced several significant changes regarding its coffee sector regulations. The most surprising announcement was the repealing of the “Zoning Policy”, which had been strictly enforced this year. This policy, in place since 2016, prohibited farmers or middlemen from selling coffee cherries to wet mills outside their designated geographic zone. The policy was introduced to incentivize wet mill owners to invest in their allocated zones – e.g. through input and seedling distribution, GAP training etc. Zoning has had mixed results, achieving more success in areas with stronger enforcement by local authorities and good commitment of the local wet-mill operator. Repealing this policy means farmers can now legally trade cherry to any buyer paying above the NAEB minimum price, including middlemen from other sectors or districts. Those concerned with the announcements believe repealing zones will reduce the ROI of farm investments thus potentially compromising farm

productivity. Proponents believe a liberalized cherry market will give farmers access to better prices, especially to farmers who are in zones with badly managed or cash-constrained wet mills.

UGANDA

Robusta: Week-on-week the flow has been stable, we expect the crop to be ~35-45% harvested. The El Nino effect seems to be resulting in unusual rains, which is disrupting the increase of daily flow into Kampala and, given the constrained drying capacity, increasing moisture content as well. However, there has been no impact on quality yet as the coffees we are seeing remaining well within our expectations. With the stable flow, the diff remains firm despite the LDN spikes of last week. Farmers and middlemen continue to liquidate their inventory systematically as the flat price at origin continues to trend upward - further fueling their expectations.

