

BRAZIL

Arabica: Another slow week and nothing seems likely to change this trend through the end of this year. Due to that, the low volume of offers and very high asking prices resulted in a low volume of reported traded. FOB inquiries keep showing up but the majority are just for price updates with no real interest as prices are changing fast. The weather is ok with no flagging at all and Cecafe registered 3.4mi bags shipped out of Brazil on Nov'22.

Conilon: Very difficult week in terms of flow due to excessive rains registered in Conilon areas and with a sharp price movement. Producers have avoided selling due to taxation and the lack of coffee offered is pushing prices up as mid-merchants and exporters continue going to the market and paying any price to cover their immediate short positions. The stock levels continue high for this period, confirming not a lack of coffee but no interest in selling by producers. The price range hiked for the bicas and differentials also went high quickly. Internal industries also had to adjust their targets for coverage Q1 2023, which keeps supporting the prices. FOB market remains very calm as the diffs are still not competitive against other origins.

COLOMBIA

Flow is moving slowly as we get into December with a marked reduction in the availability of parchment during the first days of the month. Offer prices haven't yet reacted to this lack of availability. With lower volumes we have also seen a deterioration of the qualities in parchment flowing into the mills. This is just normal towards the end of a crop and something to be expected. There are no red flags in terms of the quality. We still believe we will see a small improvement of the parchment flow during January, but for February and March things can get a little hard as we get in between crops.

Weather in Colombia is showing improvements, especially on the precipitation levels. These changes are not due to a weakening of La Niña, but due to the transition from the rainy season to the dry season. December is expected to have precipitation levels above the historic numbers but will be a month with less rains than the previous ones. La Niña is expected to reduce its impact beginning of March.

INDONESIA

Arabica: Main harvest in Sumatra is almost finished and the weather has been rainy making it difficult to dry. Local price remains firm. Other islands are in the off season with small amounts of fly crop.

Robusta: Coffee arrivals continued to decline with only around 1000mts last week. FOB business was very quiet with limited activities. Fly crops are likely to start being delivered to the

city in January since picking and drying were hampered by heavy rain. The cherry development has entered the endosperm phase. The harvesting time for next crop is expected to be normal or slightly delayed compared to the current season which came earlier.

VIETNAM

Robusta: Weather was unfavorable for harvesting and drying due to several days of rain. This is raising a concern about quality. We estimate that the 22/23 harvest has been 65-70% completed, with 75-80% in Gialai/Daknong and 55-60% in Daklak/Lam Dong.

Arabica: Farmers have harvested around 85% of the crop and very little availability is to be found.

The wet weather conditions in combination with strengthened VND vs USD has negative impacts on business. Farmers and middlemen are slowing down their sales and looking for higher prices. Local exporters focus on executing their commitment and are reluctant to add new sales.

KENYA

The harvest activity is now in full swing in western regions and expected to be at its peak in 1-2 weeks in central Kenya. The latest outlook for the crop is down 15% vs last season at 30k MT. Average quality is starting to improve as we see small lots of AA & AB Plus on offer. The average screen size is also expected to be lower due to abnormal dry weather throughout 2022. However, international demand remains subdued, which is helping to offset some of the supply reduction.

Looking forward, early signs of the 22/23 early crop (April-May) are positive as recent rainfalls around Nairobi and central region triggered good rounds of flowering. We expect the crop to be similar to last year at 16K MT.

RWANDA

The dip in NY has increased interest in FW while demand for SW continues to be strong. Both SW and FW Rwandan diffs remain competitive compared to East African equivalents. Locally, availability of FW remains good but outright owners of stocks are still hoping for a market rebound and refusing to liquidate at replacement levels.

November rainfall has been good and most are optimistic about the 2023 crop. NAEB and wet mills are distributing the last batches of NPK and organic fertilizer. At Sucafina Rwanda (RWACOF), we are preparing to distribute the approximately 4 million seedlings we produced in 2022 to farmers. Starting January, all eyes will be on the main harvest that is due to start in February.

TANZANIA

Arabica: One last auction of 2022 is scheduled for this week. Farmers are rushing to mill their stock, albeit milling is very slow due to power cuts. Price expectations remain high and NY drop is not helping.

UGANDA

Arabica: Harvests in Central-West Uganda are over. We will have small flows continuing in the run-up to the main harvest of Southwest Uganda beginning around February 23. Farmers continue to undertake farm management and are hoping for no disruptions in weather. On Drugar and SW front, we saw some more availability (relative to November 22, but still well below the volume flow same period in 2021). Middlemen tried to get out of their speculative positions before end-of-year given already tight cash-flows.

Robusta: No change in the Robusta story. The flow for end of November was well below past seasons and is becoming a concern among exporters. We estimate the flow to pickup in mid-December as we enter the dry season and the last beans on trees mature. Local prices across traders and exporters continue to be within a narrow range.

