

BRAZIL

Arabica: Overall, another quiet week with buyers and sellers not agreeing on prices. The producers are in no rush to sell now with lower prices and added income tax cost if they sell this calendar year. Thus, we have a firm diff. No flags for weather and shipments at all.

Conilon: Very difficult week in terms of the flow of business as sellers are very retracted and holding up the offers, selling only that which is strictly necessary to cover their urgent needs. Merchants and other players who are short nearby positions entered the market aggressively to cover and due to the lack of sellers the prices, both in BRL and diffs, spiked. Internal Industries keep looking for coffee Q1 2023 at better levels, helping to support the prices. The FOB market remains extremely quiet as Conilons are still not competitive in FOB market.

COLOMBIA

Same scenario for Colombia this week with no major activity or changes. Internal market still seems to have some sort of availability. If a decent price is presented, parchment can be found. Regarding the crop development, our estimate is that around 70 to 80% of the volume was already harvested and the raw material changing hands is most likely coffee held at the farms and by the intermediaries. Weather is looking a little better for December down here. We are expecting a reduction of the rain patterns for the first half of the month with less rain over all coffee regions.

INDONESIA

Arabica: Sumatra main harvest is near its conclusion with only a few high elevation areas left. After a few weeks of near constant rain, the weather has improved. Exporter demand remains high as they cover shorts, driving replacement prices upwards for basic Mandheling DP. Some deals are still to be found from those who went long purchasing main crop, but we expect a tight situation until at least the March fly crop. Rupiah strengthened from 15,700 to 15,350 per \$1 in the last week.

Robusta: Last week's arrival was more than the previous weeks because of the higher market and also the fly crop had started to come out. FOB business remains low and quiet, local shippers only want to sell their leftover stock rather than doing new B2B business. Rain continues to come, adding fears of a crop reduction for the next season.

VIETNAM

Robusta: We estimate that farmers have picked up around 60% of the 22-23 crop, with 70-80% completed in Gia Lai/Dak Nong and 45-50% in Daklak/Lam Dong. Except Gia Lai, Kon Tum, where farmers harvested a very positive crop with considerable yield increased compared last crop, many farmers in other regions are reporting a quite small yield. Wet conditions during last week somehow have negative impacts on quality of approximately 15-20% cherries harvested in Lam Dong and Dak Nong.

Arabica: In the North of Vietnam, farmers have harvested around 80% of the crop and prices remain firm.

YUNNAN

Cherry prices remain high and producers are more confident than buyers in the levels. Only small volumes are being traded domestically. Market waits for the delayed announcement of pricing from the usual price leaders who remain sidelined. Cherry continues to flow. However, the buyers remain cautious and unwilling to fill larger trades especially while NY holds at lower levels and imported replacements remain competitive. Weather has been good so far during harvest and quality has generally been good. Covid restrictions continue to significantly increase their impact over the past few weeks as case numbers have soared and resistance to strategy becomes more vocal.