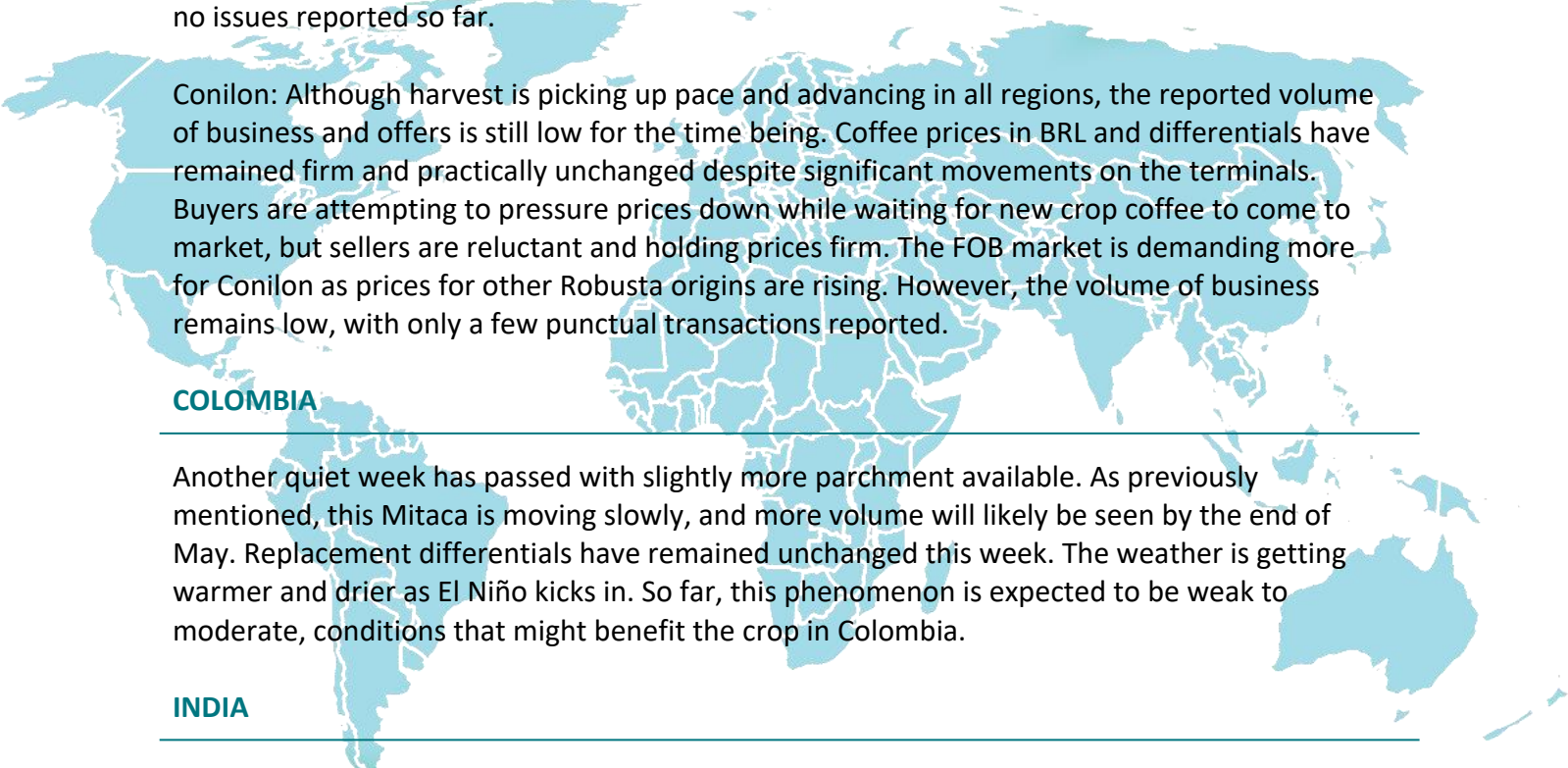


## BRAZIL

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Arabica: The Arabica market appears to be following a similar trend as last-minute decisions have increased demand for nearby positions. Additionally, the combination of NY and currency did not assist buyers in maintaining their bases, resulting in difficulties for producers to secure liquidity. However, some exporters have taken advantage of the brief window of opportunity to rebuild their position, resulting in improved differentials on FOB offers. Furthermore, new positions for the new crop have contributed to optimism for lower FOB prices from June onwards. Although there have been reports of rainfall in coffee-growing areas, there have been no issues reported so far.



Conilon: Although harvest is picking up pace and advancing in all regions, the reported volume of business and offers is still low for the time being. Coffee prices in BRL and differentials have remained firm and practically unchanged despite significant movements on the terminals. Buyers are attempting to pressure prices down while waiting for new crop coffee to come to market, but sellers are reluctant and holding prices firm. The FOB market is demanding more for Conilon as prices for other Robusta origins are rising. However, the volume of business remains low, with only a few punctual transactions reported.

## COLOMBIA

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Another quiet week has passed with slightly more parchment available. As previously mentioned, this Mitaca is moving slowly, and more volume will likely be seen by the end of May. Replacement differentials have remained unchanged this week. The weather is getting warmer and drier as El Niño kicks in. So far, this phenomenon is expected to be weak to moderate, conditions that might benefit the crop in Colombia.

## INDIA

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Most Robusta coffee areas (in Murnad, Bethri, Cherambane, Kakotparambu Virajpet, Athur regions of Coorg district) have received showers between 50mm and 125mm. Next crop conditions look good for the moment, but the end results can only be assessed after the monsoon. The regions of Valnoor and Chetthalli, which have both Robusta and Arabica, also received good rains in the last 2 weeks. Arabica is flowering in all these regions. The final crop survey will be done in October. Farmers are still holding about 30% of the current crop, asking for much higher prices compared to current market.

## INDONESIA

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Arabica: Sumatra harvest is slowing down & Java has passed its peak. Prices eased slightly toward the beginning of last week and then firmed again. Good weather accelerated ripening

and drying. Mostly high elevation areas remain as we pivot toward specialty processing. Bali, Sulawesi and Flores are entering their main harvests.

Robusta: FOB diffs change rapidly from day to day due to a volatile market last week. Almost no FOB offers have been available recently. Some shippers ask for firm bid from buyers. Arrival last week to Lampung was around 7500mts, which was 9% lower than the previous week. About 55-60% of the lowland areas in Southern Sumatra have been harvested and 30% for the highlands.

## PNG

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We have seen a window of dry weather up in the highlands creating good drying conditions and clear roads so an influx of coffee was delivered to buying points at the end of last week. Local prices are still sitting high and have not dropped yet to match the softening diffs.

## VIETNAM

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The monsoon season has started this week with most growing regions in the Central highlands receiving decent rain during the week, which helped cool down the very hot weather. Dak Nong, Lam Dong and Gia Lai have received greater amount of rain than Daklak. We expect regular rains in most of the Robusta and Arabica regions in the coming weeks. Farmers are preparing for the first main round of fertilization. The high London market has pushed local FAQ farmgate price to a new record level, however, many farmers are still holding coffees and only selling when they need cash. Local and FOB markets are very quiet. Most exporters are not offering.

## YUNNAN

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More good rains accompanied very hot weather last week with some areas reaching 40 Celsius degrees. Producers are feeling very comfortable and lacking urgency after a few good seasons. Almost all flow of green coffee through traders has finished now and remaining inventory is small and expensive. Some of the market makers are actively lowering their end of season offers to normal differential basis price level.

## BURUNDI

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The harvest season is currently around 35% complete. We are still expecting the 2023 crop to be much smaller: around 10kmt in total and compared to last year, the price of cherry type A increased by 60%. The president received several heads of state during the weekend for the 11th summit of the regional follow-up mechanism for the Addis Ababa Framework Agreement. The Secretary-General of the UN was also present. A 35% devaluation of the Fbu is now official. The open market initially reacted positively, but it has now returned to nearly the same level as before the announcement. Fuel shortages are still ongoing in the country.

## ETHIOPIA

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The past few weeks have been tricky for commercial players. The VAT levy has been a disruptor for the supply chain in Djimmah and now Lekempti as well. Adding VAT to the already extremely high prices would mean shippers will be incurring even higher losses. For this reason, most shippers are not willing to offer. Stocks in Addis were liquidated during the NY rally a couple of weeks ago. However, most shippers have been unable to source new coffee from upcountry as their bank loans are not being facilitated. To improve cash flow, we are seeing shippers pushing for LCs as soon as possible and prioritizing buyers who are willing to arrange this ahead of time. The Coffee & Tea Authority this week decided to reduce Minimum Registration Prices by a couple of cents (USD 1.62 for G5s) possibly because registrations are low. Regarding peace talks, the negotiations held in Zanzibar between the OLF (Oromo Liberation Front) and the Government have ended without an agreement. Not much is known about the content of the negotiations or what caused it to fail.

## RWANDA

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The week-on-week cherry flow to wet mills continues to decline. We have slightly reduced our expectations for the overall crop and estimate the season to be 80% complete. The quickly declining volumes continue to fuel competition in the field. The corresponding price hikes are a direct violation of NAEB's fixed cherry price regulation. The regulator currently has its hands full managing prices and has threatened to close various wet mills in the past week.

## UGANDA

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Arabica: Drugar flow into Kampala started to subside as the season is almost done. Availability is tightening and quality is dropping. Most farmers and traders used the NY rally as an opportunity to liquidate any longs held upcountry. Focus now shifts towards canopy management for the second half of the year. Cherry harvests are 100% done. The quality this season was better than anticipated and we continue to focus on shipment fulfilments. Currently, no operational roadblocks are expected for shipments in the upcoming quarter.

Robusta: We are witnessing a pick-up in the flow to Kampala, indicating the Southwest crop has started. We estimate the harvest progress at <5% but more and more farmer patios are filling up with coffee for drying. Despite an increase in volume, the diffs remain firm as most of the trade enters the crop still short from last season. Weatherwise, we foresee ample sunshine, enabling farmers to dry their harvest (with 1-2 days per week of overcast weather). On the demand side, there could be a dip in upcoming months due to the conflict in Sudan (a key off-taker of Ugandan Robusta).