

BRAZIL

“Semana Internacional do Café – SIC” has taken place in Belo Horizonte. The event promotes technical workshops on espresso preparation, roasting and tasting, lectures on business trends, coffee cultivation, and processing as well as barista competitions and business roundtables. During the event, they give the “Coffee of The Year” award. The 2022 edition had more than 500 samples from 32 different regions entered in the Arabica and Conilon categories. In addition to the technical note composed by Q-Graders and R-Graders during the evaluation process, the public present at the fair also contributed to the final result and blindly tasted the samples so they could vote for their favorite samples.

Arabica: Overall it is still the same with only an outside factor to change the ongoing trend. There’s no liquidity at farm level, which has been impacting FOB offers availability in the short-term. The weather is helping out as well and no bad event were reported this past week. The shipments are flowing despite the rumor that possible strikes may be organized by the dissatisfied side who lost the election.

Conilon: Another slow and short week due to the national holiday last Tuesday. Sellers have found support on prices and are holding back offers despite the movement in the futures and currency. As the end of the year comes closer, offer volumes tend to diminish and farmers are selling only what is strictly necessary to cover their urgent needs. Diffs ended the week practically unchanged when compared to the ones from last week, with firm internal prices and big volatility on currency due to the new president's transition plan at sight. The FOB market remains extremely quiet as Conilons are still not competitive in FOB market.

COLOMBIA

Relatively calm week for Colombia with the internal market not moving much coffee during the last couple of days. The feeling is that parchment volumes are finally being reduced as we get deeper into the main crop, but it can also be driven by a price. Intermediaries might be holding coffee hoping for better prices with any eventual NY correction. The question is how long they can hold the parchment since they need to rotate the money. FOB differentials for Colombia are all over the place. It seems like the origin hasn’t yet stabilized differentials. This is most likely due to the volatility in NY and the FX, lack of demand and not huge volumes for the crop. Weather continues pretty much the same and is very wet. La Niña continues strong all over the country with heavy rains and that have affected some roads in the Eje Cafetero.

PNG

Harvest has truly come an end. There are still one or two shippers paying higher local prices in an attempt to fill their short position from contracts earlier in the year. However, general local

price has dropped, which has seen coffee flow coming to an end. The main focus now for all is on shipping the remaining coffee.

VIETNAM

We estimate that farmers have harvested about 30-35% of the crop so far with 40-45% harvested in Gia Lai, Kontum and Dak Nong and about 20-25% harvested in Dakak and Lam Dong. Consecutive decrease in both the Robusta and Arabica markets disappointed farmers, who are no longer in a rush to harvest and sell coffee. Instead, farmers prefer to wait until a greater volume of their cherry ripens so they can harvest it all at once to save costs. This happened in most of Daklak and part of Lam Dong now. In the North, farmers have harvested around 65 - 70% of their Arabica crop and people have found that the crop was way down compared to last crop 21/22.

YUNNAN

Domestic prices for Yunnan coffees remain very high, which continues to support high cherry prices at wet mill and collector levels. Quality of the harvest is looking good, with the main issue being tightness of supply. Harvest is currently 30-40% progressed, a timeline that is a full 4-5 weeks ahead of last year and 6-8 weeks ahead of "normal". Some of the major market makers in Yunnan are beginning their buying next week, and this is almost entirely focused on TongDou (unsorted green) trade this season. We watch carefully to see the impact that this will have on pricing and if the market will continue to act completely separate from NY.

UGANDA

Arabica: In the west, about 95% of the harvest is done. We witnessed the last chunk of cherry flow into our washing station. Farmers are undertaking farm management activities to prepare for the first half of the 2023 season. Initial visual surveys promise a decent harvest, with early flow likely to kick in from end-Jan 23. Regarding Drugar, prices are firming with the market drop, but the flow still remains small with quality marginally better than past weeks. We anticipate Drugar and SW availability to drop within a fortnight given the finishing harvests.

Robusta: Robusta harvests continue to flow into Kampala at the same pace as past weeks. Unscheduled rains across key parts are hampering harvesting and/or drying. We continue to witness back-to-back business by major exporters working with middlemen all trying to make sense of the erratic LDN movements. Local prices across traders remain within a narrow range, indicating the low speculative appetite of all players.

RWANDA

Sucafina Rwanda/RWACOF was well represented last week at the Ernesto Illy International Coffee Awards. Three of our wet mill managers were each recognized separately for their

excellent quality and invited to travel to the awards' finals in Rome. We didn't win first place but it was a great to see the efforts of our team being rewarded.

TANZANIA

Arabica: There was no auction on the 17th. The next auction is on the 24th although volumes remain quite small. Water shortages are reported across a number of different regions and power cuts are severely reducing the milling capacity in the south. Most mills are milling at night.

Robusta: no change.

