

BRAZIL

Arabica: NY volatility has spurred coffee flow, but has not been as widespread as was hoped. This can be explained by an increase in the asking price by growers combined with cautious exporters. Rainfall continues in the main arabica regions and bean development so far is adequate.

Conilon: Local roasters were the most active players in the market as diffs eased a little. Exporters sought lower prices locally in BRL, but producers remained patient and kept prices firm. Coffee availability remains healthy while international demand is strong but the price expectation gap between buyers and sellers has increased, diminishing trade flows.

COLOMBIA

Coffee is flowing well with good volume of parchment making its way to collection stations and mills. However, this will not be a record main crop, but merely a good one. Given the pace of coffee flow it is projected that there will be steady volumes through January 2024. This is compounded by relatively passive exporters and little demand for nearby shipments. El Niño still very present in most coffee regions with less rain and sunnier days, which is creating fairly adequate conditions for harvesting. Low grades are the main question for this main crop and the coming mitaca. Yields suggest that there could be a higher incidence of low grades in 2024.

ETHIOPIA

Like most origins, Ethiopia is preparing for the impending European Deforestation Regulations and the Coffee and Tea Authority held a meeting with stakeholders to review the matter. Floor prices have not increased much even though demand has picked up. This will create opportunities for buyers, but quality remains a concern. Harvesting in low and mid altitude areas is proceeding well and higher regions will be starting soon.

KENYA

Sale 3 took place with 7,400 bags sold. Quality is improving but we are still mainly seeing average lots. Availability of RFA is increasing as government and county dry mills are in the process of certification.

TANZANIA

Arabica: Activity has picked up in the last two weeks. Availability remains steady and coffee is flowing to auction, though at a slower-than-expected rate. Rain and power cuts across the country are slowing things down. Up country truck availability remains adequate, but we are experiencing delays at the port. So far there is a berthing delay of 12 days and container shortages with major shipping lines.

UGANDA

Arabica: Cherry flow has drastically reduced as we near the end of the season. There are no concerns on quality and all production and loading is proceeding smoothly. Drugars continue to see erratic flow as differentials are not easing despite elevated NY levels.

Robusta: Differentials continue to rally despite the upward LDN trend. This is likely linked to the expectation that there will be limited availability until Q2 2024.

INDIA

Robusta: Current crop offers for Robusta are not available. Our farm tour is progressing well, and new crop expectations are between 10 and 12% higher than last year. Overall, the next crop looks promising. However, diffs are not necessarily going to come down. This is due to high demand.

Arabica: Differentials eased as the NY market surged and exporters sought to book some business.

VIETNAM

Climate in the central highlands is gradually switching from wet to dry with a few scattered rains. Drier conditions helped speed up harvesting and we estimate around 10% of the crop has been harvested. Coffee flows to Ho Chi Minh are gradually improving. Demand remains high and buyers are paying a premium for prompt delivery. Most exporters have offers for Dec/Feb shipments and are hesitant to sell further forward.

YUNNAN

The upward move in NY pushed cherry prices higher. It is still early in the harvest, but we expect cherry quality and flow to increase in the weeks ahead. There is a general acknowledgement that cherry may have reached overpriced territory, but some have continued to buy and absorb higher risk. Roasters are becoming increasingly interested in Yunnan coffees and are expected to close deals in the next 2 weeks.