

## BRAZIL

---

Brazilian coffee shipments totaled 3.471 million 60 kg bags in October. This is down 3.2% from the 3.587 million recorded in the same month of 2021. In terms of foreign exchange revenue, the result showed a growth of 30.5% in the same month. The amounts received by the country jumped from US\$ 653.4 million to the current US\$ 852.5 million, the highest level since 2011. The data are from the monthly statistical report of the Council of Coffee Exporters of Brazil (Cecafé).

Arabica: A little bit more activity internally with few producers showing some offers but with insignificant volume to really start the engine again. Overall, there is no liquidity for nearby. The first IMPACT coffee, Sucafina's Responsible Sourcing program, was traded after a long period of hard work and farm audits to make it happen. Despite the lower BRL prices, differentials are still firm. FOB demand is still hand to mouth, but buyers' prices are still fishing (though just those who have appetite to add risk.)

Conilon: Very slow week in terms of business as producers remain retracted. Prices kept steady this week, trending to the high side at the end of the week following the currency devaluation. Farmers are still holding the offers at current price levels and are selling only that which is strictly necessary to cover their urgent needs. Internal roasters keep buying small volumes, extending their coverage up to Feb 2023. Diffs kept practically unchanged WoW with physical prices following terminal and currency movements. The FOB market remains extremely slow with just punctual businesses reported to Colombia at flat price.

## COLOMBIA

---

According to the FNC, exports in October stood at 729,594 bags of 70kg. Despite the internal market continuously moving slowly during the last weeks, it seems that the Colombian differential has found a support.

Parchment availability seems to remain good and healthy, and volumes can still be found if the price is right. We expect that Colombia will eventually face a reduction of parchment available during December, but it's most likely that such movement will be offset by an increase of parchment flowing to mills and buying stations during January.

Last week we had the local event "Asoexport" hosted in Cartagena. The general feeling among the attendees was how slowly demand has been lately, especially for nearby shipments in 2023, a market that is moved mostly by the local mills. In general terms, we have felt demand is picking up, and some roasters are more actively looking volumes for 2023. The lack of demand for nearby shipments has kept diffs at lower levels even with the NY dropping. Weather

continues to be wet across the whole country, with moderate-heavy rains in the main coffee regions. Colombia still depends significantly on the sun light to dry its coffee.

## INDONESIA

---

Availability in both Arabica and Robusta is tight. Sumatra Arabica harvest is ongoing. Moreover, with the decline of the Robusta market, local collectors did not want to sell their stock at lower prices, causing the differential to skyrocket. Very limited FOB offers are available. We saw some potential flowerings in Tanggamus on our short trip end of October. Farmers hope the new flowers could developed well so that it can help improve the production in the next season.

## PNG

---

Quiet week in terms of trade as local buyers continue to scale down in price and volume. A few guys are still buying at the same parchment price as a month ago but only a little parchment remains in the hands of producers. Although it was unusually dry for this time of the season, signs are looking positive for next crop with most of the country's coffee regions already seeing two rounds of flowering.

## VIETNAM

---

This year's harvest is expected to be about the same size as last year's crop. La Nina provided sufficient rainfall during the growing season and high FAQ price last year gave farmers enough income to apply an ideal amount of inputs, according to our Vietnam crop survey. The total expected harvest for 2022/2023 is about 29 million bags, about 0.9 million of which will be Arabica. The harvest is expected to begin 4 to 5 weeks earlier than the previous crop. The forecast is calling for more rainfall in November and December, which is when the main harvest and drying take place. This may affect drying conditions and impact quality, but the outlook is hopeful.

## ETHIOPIA

---

The harvest is well underway and washing stations are now open throughout most of the growing regions. We recently received a great new crop washed Yirgachefe Bukissa in the lab that has made us optimistic about the quality coming from the south. Cherry prices are still high. In Guji, prices are around 40-45 Birr per kg. In Limmu, they are 52 Birr per kg and in Yirgacheffe, prices are as high as 60 Birr per kg. To make commercial sense, washing stations should be buying below 40 Birr per kg. As a result, we see shippers being hesitant to pre-finance cherry purchases. On another note, the dry weather is helping coffee quality as it travels from Welega and other Grade 5 locations to Addis. However, offers still remain unattractive as these new coffees, which were bought at exorbitant prices, haven't yet adjusted to the current levels of NY.

## RWANDA

---

Local offer prices eased slightly this week. It appears local traders are slowly coming to terms with the lower NY market levels. Following a concerning dry spell, the weather has turned and heavy rainfall is expected. The authorities have even issued a 10-day weather alert across the country, warning people to prepare for landslides and flooding. The alert is still active and it is too early to say what the impact on coffee will be.

## TANZANIA

---

There has been a little movement at the Arabica auction, although the volumes submitted to the auction remain small. Suppliers are still hesitant to liquidate their positions. They remain in disbelief about the NY market movement and are waiting for a rally. It looks like it's going to be a drawn-out season.

