

BRAZIL

Arabica: The players agree that the industry should reduce the expected crop size, but even more important is to assess how big this reduction is. The volume of fresh business is still low. This feeling is intensified by a lack of offers. Prices FOB and replacement are steady despite the large range of NY this week.

Conilon: Another week of a low volume of business reported and prices in BRL are practically unchanged, again. The producer behavior is the same as Arabica's: big retention of coffee and no rush to sell. On the other hand, there is considerable volume stored at the farm level and a great blossom opening will somehow put some pressure on the sellers.

COLOMBIA

Unchanged scenario for Colombia this week. Export demand remains nuanced, with nearby hand-to-mouth inquiries only. Good news on the weather front as we have seen much more sunny days, and fewer rains over the main coffee regions. Internal consumption is heavily demanding low grades. We do not have much "pasilla" around, which makes the Conilons more attractive. On the other hand, the prices in COP for imported coffees are getting firmer. This is due to the higher prices in London, and the continued strength of the Colombian peso.

PNG

The post-election nonsense has subsided, and we immediately see parchment deliveries pick up as the roads from rural areas are safe again. Unfortunately, the power supply is worse than normal as the main dam in the country is dry.

VIETNAM

The weather was a bit dryer this week with only scattered showers. Farmers have mostly completed the 2nd round of fertilization. Robusta shippers remain conservative on offers and only thin volumes changed hands with almost no flow from producers. Similar story for new crop Arabica as all shippers are very firm and conservative, increasing offer diff by a few cents this week.

KENYA

Another quiet week in Kenya due to the Presidential elections. Current deputy President William Ruto was elected by a thin margin (50.5%), despite 4 members (out of 7) of the Electoral Commission qualifying the election as "opaque". Raila Odinga, the defeated candidate, rejected the result and is expected to appeal to the Supreme Court. If an annulment is ordered,

a new vote must be held within 60 days. In terms of coffee, another auction took place this week with 16K+ bags sold. Differentials eased due to the recent rally in NY prior to Tues. Another auction is scheduled for next week with 18K+ bags on offer.

TANZANIA

Arabica: There is still no official announcement, however, the gossip is that the first auction will start on the 9th of September, very late compared to previous seasons. Mbeya and Mbozi harvests are about 75% done and the coffee is slowly finding its way to the mills. The harvest in Mbinga is just starting and some coffee is trickling down from the north also. Everyone is super cautious. A lot of suppliers are holding onto the coffee in anticipation of a well-priced opening auction.

Robusta: Robusta auction prices remain firm and supplier's price expectations are as well. Some farmers are setting unrealistic reserve prices at the auction, hoping to keep up the trajectory as we cross the 50% mark. Transport from the up country is improving each week and we are seeing more deliveries in Dar.

UGANDA

Arabica: All key growing regions received rainfall over the weekend, indicating the onset of monsoons. If the trend continues for the next 10 - 14 days, we can expect the crop to progress smoothly and farmers will begin harvesting at scale. For the moment, no change in crop expectation compared to the previous communication. We have started receiving the first flow of cherries across our washing stations.

Robusta: We are at the tail-end of the season as all of the current crop has been harvested. 90% of the coffee has already been sold in Kampala and the remaining quantities are expected to arrive in Kampala within the next few days. We are monitoring the current rains and will go on a crop tour in early September to assess the coming central crop. The Kenyan elections reduced the flow of dispatches as everybody erred on the side of caution but flows started to return to normal this week

ETHIOPIA

Business remains slow as quality continues to be of concern and coffee arrivals in Addis are not as plentiful as hoped. However, better quality and more volume will eventually flow to Addis before the new crop starts to arrive. Government data shows about 150K bags of coffee still remain un-exported despite the high prices traded for Grade 5 coffees. Farmers and local traders are holding these in their farms and warehouses presumably as a hedge against inflation and a devaluating local currency. There is a sense that there is a much higher proportion of Natural coffee being retained upcountry this season than last. This is due to the insecurity and heavy rain that has made transportation to Addis Ababa harder in recent weeks.

RWANDA

Demand continues to be strong and there is still availability of both FW and semiwashed coffees locally. However, most washing station owners have bought their coffee at high outright prices and continue to have even higher price expectations. The recent rally in NY was not enough to unlock these quantities.

