SUCAFINA

WEEK 31 | ORIGIN REPORT

BRAZIL

Good volume traded this week for Arabica. Coops and producers have been selling during the rallies, spot and forward crops as well with differentials easing slightly. Rio Minas started to show up in Zona da Mata, however not as much as expected. Decent volume traded for Conilons as well, mainly for export. The BRL is mostly unchanged at 5.2170 vs 5.2060 last week. The harvest pace is 76.7% with Arabica at 67.1% and Conilon at 100%.

During July the rains accumulated among 25-50mm in Espirito Santo Conilon and Bahia Conilon regions, slightly above average. The other regions with dry weather below average are South Minas, Mogiana and Parana. July preliminary exports 3,168,092 bags (12.2% higher than June) Arabica 2,354,362 bags (24.0% higher than June) Conilon 441,627 bags (21.8% lower than June) Soluble 372,103 bags (3.2% higher than June).

COLOMBIA

Physical availability continues its downward course for the midcrop. General comments locally agree the main crop will start in late Aug which would help as exporters still struggle to find physical coverage. Preliminary reports suggest the quality of the main crop will be very good in South Huila. Internal prices continue up to 1,230,000 COP/carga due to NY rally and some COP devaluation (3730 to USD). Replacement diff has softened a bit remains in the low 50s.

COVID-19 situation throughout the country hasn't improved with daily contagion rates above 8,000 to 10,000. All the coffee sector is aware of this situation which could generate a dramatic impact on labor availability for next main crop and making plans to overcome the obstacle.

VIETNAM

Commercial differentials are softening a bit in Arabica but mostly unchanged in Robusta. Most Robusta traders seem to be flat and we are still far away from the farmer's dreaming price of 35,000 VND. Weather wise no real change as the Southern Central Highlands have favourable rains and the Northern areas remain very dry; but forecasts predict rain in all regions next week.

RWANDA

The domestic market trade for semi-washed ordinary continues to flow very slowly, despite the NY. Due to the very high cherry price set by NAEB producers benchmark parchment to an unrealistic price. In other news, Rwanda re-opened its International Airport this weekend, with major international airlines such as KLM, Brussels Airlines, Qatar Airways operating at least thrice a week

INDONESIA

Nice sunshine in Southern Sumatra allowing the Robusta to be picked and dried efficiently. No change in Rupiah and only moderate FOB trading happening.

PNG

Parchment continues to flow and prices firmed a bit but that was less to do with NY rally and more a function of limited availability and exporters continuing to compete over it.

BURUNDI

The first ODECA auction took place this week with the winning bids more or less at commercial fully washed prices; however the government refused to sell FW15+ qualities so those will return in the next auction or they will try to negotiate with the winning bidder. The government has issued a warning to several companies which bought government wet mills and dry mills that they must pay the dividends to the government by the end of August; this affects 5 wet mills and 1 dry mill plus several others who received government bank guarantees.

ETHIOPIA

Political and ethnic tensions remain as the country awaits several prominent trials. ECX volumes remain stable at around 60,000 bags. The locusts have caused over 380,000MT of food crops to be destroyed and many worry another infestation is around the corner.

SUCAFINA COVID-19 UPDATES

Sucafina has regular updates all centralized on our dedicated website: www.covid19.sucafina.com