SUCAFINA

WEEK 18 | ORIGIN REPORT

DRC

The Kivu region saw the coffee season delayed of a couple weeks due to lack of rain earlier that year. However, the cherry volumes observed in early May are encouraging and depending on the rains these following weeks, might be a sign of a longer season to come.

TANZANIA

Rains throughout the growing regions. Most of the 20/21 Robusta crop has now been sold by the cooperatives, new crop looks to be reduced as per off cycle. The NY moves recently have not had any impact as harvest of Arabica has not started and contracts with producers can't be validated until the auction & selling season begin. The Prime Minister's office released the official rules of the season this week, no surprises and it mostly clarifies previous rules and procedures. Private buyers will be allowed to purchase Robusta cherry.

BRAZIL

Reasonable volume traded this week for Arabica coffees helped by the NY terminal. Replacement prices in BRL reached record highs, forwarded crops reported traded above 900 BRL/bag. Despite the rally, differentials did not change much. Prices for Rio Minas also got more expensive, the availability of current crop seems low and the lack of offers for new crop keeps the differentials unchanged, Zona da Mata started to show the first few lots of new crop. Prices in BRL for Conilons followed the terminal, meaning that differentials did not ease as demand (FOB and local industries) is keeping the differentials firm.

The BRL exchange closed at 5.229 vs 5.431 last week. The harvesting pace is at 10% and a few percentages ahead of long-term average at this point. We estimate the new crop is over 40% sold from farmers.

COLOMBIA

The protests sparked by the now withdrawn tax reform continue and cause major logistical concerns. Many roads are fully blocked, but they have negotiated to let in fuel and crucial supplies. Coffee flow remains very limited.

VIETNAM

Rains continue in most regions and farmers are planning on doing more input application in the coming weeks. The London move triggered plenty of selling from local traders who released stocks into HCMC at nearly 10,000MT per day.

INDONESIA

Fairly quiet across Robusta and Arabica as Eid approaches next week. Arabica outright prices continue to firm with many shippers refusing to offer forward on concerns of the crop.

PNG

Prices remain steady and have firmed in a few areas for commercial grades. The NY rally gave some reprieve on differential basis to shippers and flow is good.

RWANDA

Cherries on trees are encouraging and indicate that, subject to the rain patterns during May, the season might last a couple weeks longer than usual. About half of the harvest is in, although some areas are moving towards the end of the season and others towards the peak. Production and quality teams keep working on the first shipments of the year, as more parchment reaches the dry mill for processing. Unfortunately, it was also announced that the Commonwealth Heads of Government Meeting 2021 had to be postponed due to Covid-19.

ETHIOPIA

Most shippers either increased their outright price this week or help off on offering all together in hopes of even higher prices. The ECX continues to see a declining amount of coffee as many sellers and buyers move towards the vertical integration model. Moderate to heavy rain predicted in growing regions this week.

BURUNDI

The new crop looks to be very small, maybe only 110k-120k bags. The Minister of Trade was unexpectedly removed from office. Lake Tanganyika continues to rise and the land border with DRC is expected to reopen soon.

SUCAFINA COVID-19 UPDATES

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