

BRAZIL

Arabica: September has arrived and the better flow of new coffee coming to market has helped fresh reported business but it's still far from normal. The weather is on the spotlight again to assess if the forecast will contribute or not to the flowering we had couple of weeks ago. Also, Aug shipment numbers seems better than July's. Prices FOB nearby have softened, and good opportunities can be found but offers for 2023 remain expensive.

Conilon: The view remains the same with good availability but with a very low volume of business reported week on week. Sellers keep holding coffee and are reluctant to sell, keeping prices firm. Industry and exporters coverings nearby deliveries are supporting the BRL prices. We had a good blossom last week that reached about 60% of the potential flowering of this season.

PNG

Parchment flow continues but we are clearly in the second half of the season and the focus is around processing and getting coffee shipped. The newly re-elected Prime Minister appointed a Ministry of Coffee. This is a new position and there's no clarity yet on how this will impact regulation or exports. Local prices mostly flat week on week.

TANZANIA

Arabica: The auction catalog has been released and samples are making their way across the country to QC labs. First auction is small, just shy of 20k bags with 65% mild coffee, including low grades, and 35% natural coffee, including Robusta. All eyes are on the first auction since suppliers are eager to see the price benchmark.

Robusta: Prices keep rising week on week and the price expectations remain high. Cherry keeps flowing through the auction, although at a slower rate as we're well over the halfway mark. A lot of coffee is flowing from upcountry to Dar es Salaam and out onto vessels.

UGANDA

Arabica: Season is still in the early stage (10% harvested) but is starting to pick-up with a good stretch of rain and sunshine over past week. Farmers have started to bring fresh red cherry to our various sites and we see many players becoming active. As it stands, there are no major roadblocks in upstream supply chain and we expect the season to reach its peak towards end Sep/early Oct.

Robusta: No major change from last week. The season is clearly on the tail end as availability in Kampala continues to decline. Focus is now shifting towards monitoring farm maintenance and weather in anticipation of the harvest at year end.

ETHIOPIA

During the past two weeks, the terminal market helped shippers book some business, liquidate stale washed coffee longs and achieve better prices for lower grade naturals. The quality of arrivals in Addis Ababa of grade 5 is generally poor but this should improve as we approach the last quarter of 2022, when we expect that local players will start to come under pressure to ship the current crop and will start buying the upcoming new crop from farmers.

The conflict in the North has ramped up in the last week, with more and more regions in the neighboring Afar and Amhara regions being thrown back into conflict. As we feared at the start of the fighting, some regions in Oromia (Lekempti in particular) are starting to experience increased instability with reports coming in that indicate that the OLF are moving into the void created by the military after it repositioned its forces towards the North. We are already hearing from multiple shippers they have been struggling to get coffee out of the region. If the conflict drags on, the situation is only going to get worse.

