BRAZIL

Arabica: Brazil is still on extended holidays from last week. Activity has slowed down and the low volume of business reported confirm this trend. Producers holding coffee but this time by asking high prices. This results in the same conclusion: few sales are happening. There are indeed more inquires for new crop but buyers' price expectations seem not to consider how high the price to source is. Weather is okay and the low level of shipments from Brazil probably will extend more than just a month.

Conilon: Business is getting back to normal after last week's low volumes. Prices in BRL continue firm week after week, with producers holding up the prices in BRL but diffs showed a slight softening overall due to the futures and currency. The short exporters continue in the market buying what is offered to fulfill nearby commitments. Industries were slow in general, buying just small lots for prompt delivery and with no interest so far in the new crop. They seem to be waiting for lower levels in BRL. The movement to the new crop harvest is starting slowly, especially in Rondonia region.

COLOMBIA

Very low volumes of coffee for the internal market, and a replacement not getting any firmer, despite the low availability. Mitaca is expected to start flowing into the mills by the end of March or beginning of April. Weather keeps showing improvements, with less rains over the main coffee regions as La Niña gets weaker. We can expected the conditions to have a positive impact for the 2023/24 main crop, and will also help the ripening of the cherries for this coming crop. For the second half of the year, El Niño will also be beneficial not only for the main crop, but dryer conditions can eventually push some better flowerings towards the Mitaca next year.

INDIA

Harvest is almost 75% completed. Due to firm diffs, almost no business is happening except for some short covering.

INDONESIA

Robusta: We finished our Robusta crop survey in Southern Sumatra areas last week. It rained every day during the tour. Highland regions suffered a drop in yield due to excess rain during the flowering stage. The unavailability of subsidized fertilizer from the government exacerbated the decline in production this season. Farmers in some lowland areas in Southern Sumatra were drying their early harvests and the highland will start the harvest in mid-April. However, the Idul Fitri holiday at the end of April may encourage farmers to start picking the cherries earlier to get money. The arrival of coffee last week dropped due to heavy rains. Current FOB basis price was at the record high.

VIETNAM

Farmers continue to irrigate their coffee farms at the moment. Flowering and cherries set are looking good. Farmers are not in need of cash until the end-April or early-May, when they need to invest in fertilizers. They tend to wait for higher price to release their stock, while partially selling depending on their monthly needs. Daily arrival to Ho Chi Minh region is gradually narrowing. Local exporters are rushing to cover their shorts, and are reluctant to add new sales. The majority of exporters now focus only on selling higher quality grades, but with limited volumes. FOB diffs are still firm. Our data showed 138’000 MT (including robusta, arabica and processed coffee) was exported in Feb.

CHINA

No major changes in Yunnan supply other than the tightness that continues to grow. At the same time, demand continues to increase, and replacement of imported coffees constricts further. A government policy around sales VAT for small business is being eliminated, all working hard to keep retail bubbling along. The market is optimistically cautious.

KENYA

Sale 19 took place last week with 32k bags on offer. Local prices for almost all grades traded lower. Overall, we saw a lack of liquidity on the demand side for commercial grades. Average quality has now started to go down as a limited volume of specialty micro lots are appearing at the auction. Parchment qualities have also started to decrease as growers are now delivering P3, PL and Mbuni grades. The next auction will take place on Tuesday with 34K bags and sale 21 is already scheduled for the following week with 32k bags. Overall, the size of the crop looks healthy.

RWANDA

The cherry harvest is picking up pace quickly in North Kivu and we expect an earlier-than-usual peak in this specific region. Despite NY’s recent sell-off, cherry prices are steadily increasing beyond the NAEB set minimum price.