

BRAZIL

Arabica: There's a clear perception of more sellers in the market resulting in larger reported trading volume this week. We saw some reduction in diffs but nothing significant to indicate a trend. The rains continue to contribute to a more optimistic scenario for crop 23/24. According to Cecafé, more than 2.7 million bags were shipped in the first month of 2023.

Conilon: A week with a relatively low volume of business reported as the market and currency volatility gave strength to the sellers. The behavior continues the same: they keep holding coffee and waiting for higher prices in BRL. The most active buyers in the market were the industries and the short exporters who have to go to the market and buy to cover. FOB business continues very slow and reflecting on the number of Conilons exported in Jan23 below 72k bags according to Cecafe.

COLOMBIA

The overall feeling is that the crop is not over yet; in some regions, there is still coffee available although not huge volumes. This "atypical" flow may last for another 2 to 3 weeks; almost enough time to match with the coming Mitaca. It may be too optimistic about the parchment flowing for another two months, but the general feeling is that a steady flow may eventually last all the way through to the first coffees harvested from the Mitaca. Demand seems to be little more active. Weather keeps improving all over the country; we have seen more sunny days, and much less rain!

INDONESIA

Robusta: Arrival remains stable last week and we recorded coffee arrival to Lampung in January around 9,500 mts, which is doubled from January 2022. More rains were seen during last week, with only 2-3 sunny days in a week.

Arabica: Indonesian arabica trade is stagnant with very high local prices. Sumatra main crop flow is still 1-2 months away. Java fly crop has commenced but small volumes.

VIETNAM

Weather in the Central Highlands is a bit unfavorable for flowering/pollinating process due to strong wind, cloudy and cold weather since last weekend. There was light rain in some parts of the growing regions, but it's not enough to stimulate flowering. Farmers are preparing for the first round of irrigation. Harvest is completed; a few farmers are still busy drying their coffee in Lam Dong/Daknong. Business became very active thanks to the great rebounding of the London market. Our data shows that 150K mts were shipped in January.

YUNNAN

We estimated that 95% of cherries have been harvested; only the final cleaning harvest remains. Quality in the market has transpired to be cleaner cup than previous season which is positive, and prices remain very firm. Producers have the resources to not require a quick sale and are prepared to be patient. On the other side of the equation, local traders are physically short and have been focused on liquidating length for cashflow after a poor Dec for trade.

KENYA

Another busy week, as we are still at the peak of the main crop. Sale 15 took place last week with 30k bags on offer. It is the 3rd consecutive auction with >28k bags. Quality keeps on improving, and strong demand for specialty micro-lots are pushing auction prices higher. We anticipate liquidity to remain high for the next 3 weeks and start dropping by end of Feb. Our main crop estimate remains unchanged at 0.5mio bags (-15% vs last season). Next auction (sale 16) is scheduled for tomorrow with 25k bags.

RWANDA

The World Coffee Producer Forum (WCPF) and Africa Fine Coffee Association (AFCA) event are being organized in Kigali next week. Sucafina will be hosting WCP attendees on a coffee field trip to showcase sustainability projects, digitization initiatives and processing methods. If anybody is wanting to schedule a meeting with Sucafina during their visit to Kigali, please reach out to Teta at ttg@sucafina.com.

Regarding coffee, the industry is still waiting for the minimum price to be set, expectations are the announcement will come this week. Meanwhile, there is a steady flow of SW as sellers are a little more active following the rally. The flow of cherry coming into washing stations is still small.

TANZANIA

Arabica: 3rd auction of the year only had 8k bags up for sale. 95% sold as farmers need cash to buy inputs and the market rally also helped. We anticipate only a handful of auctions left for the season. The quality of the coffee submitted to auction is also starting to deteriorate.
Robusta: No update.

UGANDA

Arabica: The Drugar flow is expected to pick up from the 3rd week of Feb. With the prevailing situation across natural Arabicas, we witness tightening of the differential despite the NY rally. Liquidity is low now and we remain vigilant to ascertain any changes in the direction of the diff. All middlemen are taking a cautious approach and trying to avoid being caught out with long

positions on flat price, as they were during the NY drop in Q4 2022. The availability of SW is low overall. No major changes in the past week despite the market rally. The next window to start purchasing would be Feb onwards. We continue buying the small flow of cherries and we anticipate our competition to become more active within the 1-2 weeks, when the flow will pick up. Weather wise, everyone is focusing on small pockets of rain to promote cherry ripening from green to red.

Robusta: Local availability continues to tighten, with the differential firming with the London rally - indicating desperation of all exporters and most continue to pay up for Screen 15.

