SUCAFINA

WEEK 41 | ORIGIN REPORT

BRAZIL

Conilon: Very quiet flow of business. Coffee availability is good, but local prices and differentials have remained firm. Exporters are continuously the main buyers in the market, covering nearby shipping commitments. International demand has picked up a little for Q4’23 and Q1’24 shipments. Weather has remained favorable.

Arabica: Short week in Brazil due to a national holiday. Coffee flow remains sluggish with producers waiting for better prices. Overall, differentials were slightly lower in response to the NY rally and exporters made competitive offers as a result. The recent flowering event reported is indeed the main flowering event for next crop. Overall crop development is going well and expectations for next crop are rising. All eyes on the weather to confirm the next crop potential.

ETHIOPIA

The harvest of new crop from lowland areas has been gaining momentum. Still, there have been no significant changes to floor prices, but we are seeing a slow reduction in the minimum price for Lekempti 5 and Djimma 5. Credit rating agency Moody's downgraded Ethiopia's foreign currency to 'Caa3' from 'Caa2', citing a high likelihood of default on foreign currency-denominated private sector debt.

KENYA

The harvest of the main crop is starting slowly in some regions while parchment from the fly crop is still being held at farm level, waiting for private millers to obtain their licenses from county governments. The first auction of the official 2023-24 season took place on Wednesday 11 October with 6,135 bags on offer, mostly of standard and grinder qualities.

RWANDA

The 2nd flush of cherry continues in the West and South, though it seems to be past its peak with volume and quality declining. Wet mill operators and small exporters are actively pushing to sell existing stocks amidst an environment if relatively soft demand.

UGANDA

Arabica: The country is at peak cherry harvest across all zones with most wet mills operating at max capacity. Pricing pressure from exporters and Drugar local traders is very aggressive in Western Uganda, seeming almost panic-driven to cover short term commitments. Overall, cup quality is in line with expectations. For Semi Washed parchment the season has started as well. Significant flow is coming into Kampala and suppliers are seeking attractive offers. Local price remains elevated while exporters exert caution given differential volatility.

Robusta: No major activity as we are off-season. Focus remains on processing and order fulfilment. The winter crop flow is likely to start in 4 weeks as few farmers have started harvesting.

INDONESIA

Arabica: The Sumatra harvest has begun to ramp up with better quality arrivals as we currently expect peak flow in the next 2 to 3 weeks. Local prices are supported by exporters' short-term needs but with a devaluation of the local currency we witnessed differentials easing a little. Sulawesi's unusual late harvest continues, resulting in steep prices for wet parchment. Light rains in Java have brought optimism for next year's crop.

Robusta: Rains were reported in most growing areas in South Sumatra, Bengkulu and Lampung. Farmers' hopes have risen again with the start of rain after previously being hit by fears of drier weather. Differentials have firmed due to a lower LDN market. Indo shippers are not yet ready to offer new crop and are waiting to assess crop development until November.

PNG

Harvest is complete, and we are coming to the end of the rainy season. Pockets of first flowering have been reported. It's too early to make predictions on the next harvest but we will be monitoring crop development carefully over the next few months into December. The current focus is on booking vessel space and shipping coffee.

VIETNAM

The weather in the central highlands turned drier with partial cloudy, sunny and milder temperatures interwoven with scattered showers. Up to this point rains had delayed the harvesting process in Gia Lai and Kon Tum. Local traders and drying stations estimate that farmers in Kon Tum and the northern part of Gia Lai will start harvesting in the next 10 days as dry and sunny conditions will speed up cherry maturation. As the harvesting process is just beginning, trading activity remains quiet, and differentials have stayed firm. Millers and exporters have paid high prices in order to collect coffee and fulfill obligations for Oct/Nov/Dec deliveries.

YUNNAN

We have experienced a lot of rain as we approach harvest season. Coffee is ripening, but slower than expected. Very early harvest has begun in some areas, but we expect to see commencement of main flow starting at the end of October. Very early prices seem stable compared to the last few years. New crop volume appears to be slightly lower than early estimations.