

BRAZIL

ARABICA: Coffee flows remain slow with producers expecting better prices in response to volatility in the futures market. Differentials eased a little in response to the NY rally but a mismatch remains between FOB expectations and the local market as farmers are reluctant to sell aggressively. After the recent flowering event all eyes are on the weather following it to confirm the next crop potential.

CONILON: The market remains stable with a relatively slow pace to coffee flow. Local prices have remained practically unchanged despite the volatility in the London market as differentials became more attractive for prompt shipment. Demand however is focused on 2024 but forward differentials are more expensive due to the market inversion, making business difficult. Weather in Conilon-growing regions continues to be favorable.

KENYA

Sale 32 took place this week with only 2.8k bags sold. This is significantly below seasonal average as private millers are still pending to receive their licenses from county governments.

RWANDA

An unseasonal 2nd flush of cherry continues in the West, South and East and washing stations to reopen. Aside from cherry, buying focus remains on Fully-Washed parchment, FW green and Semi-Wash, with good volumes of both on offer

TANZANIA

Arabica: coffee coming through to auction seems to be selling well. Milling and movements from up country have begun to normalize. Coffee is starting to arrive in Dar, quality is looking good and traders are focusing on getting shipments on the water.

UGANDA

Arabica: Wet mills in Western Uganda have begun the new season. Last week, the volume of cherry coming into mills gained momentum boosted by the rainfall experienced a few days earlier. However, these initial deliveries were characterized by a high percentage of floaters. Nonetheless, we expect to double the volume by the end of next week. The second flowering phase for the February to May 2024 season is over, and the last phase will likely occur in two weeks.

INDIA

Differentials eased a little, mainly due to the rise in London and New York markets but overall they remain firm. No major demand has been noted as most buyers are waiting for new season prices. Very few exporters are willing to take price risks at the moment and are waiting for new crop estimates in October.

VIETNAM

It has been overcast with long lasting rains for several days in the North of Central highlands. Forecast for the next 10 days is calling for less rain in the region, except for the northern highlands. Arabica farmers in the north of Vietnam started picking early ripe cherries. In the Central Highlands a few drying stations are operating to receive early cherry arrivals amidst very high local prices and strong demand from buyers. The FOB/offshore market is limited as local exporters are raising offer prices and traders remain reluctant. Local market remains quiet Little to no upcountry stocks left. Local and international exporters paid very high prices in order to collect coffee for deliveries in Oct/Nov/Dec.

YUNNAN

Weather continues to be hot with regular heavy rains. We are in hopes of improved sunshine to drive ripening and limit quality risks over the next month. Producers appear divided on perception of pricing, with 50% holding on to the highs of last season and 50% becoming more realistic.

