

## BRAZIL

---

Arabica: Not a friendly environment for those who have commitments without coverage. From “nonexistent” to “scarce,” offers at producer level continue to jam the engine from the start; replacement prices are quickly moving uphill for nearby positions. Despite the political mess last Sunday at the Brazilian capital, no major impacts were reported on roads during the past week and impact the shipments. A good volume of rain was registered on coffee belt which seems to benefit the yield, but it’s still a long path till the confirmation of the expectations. Cecafe is showing 1m bags shipped on these first 10 days of 2023.

Conilon: The past week in the Conilon market was well offered as the sellers came back from holidays and needed to sell. The buyers on the other hand took advantage of the good volume offered and stepped back from the market, demonstrating low interest in buying. This movement resulted in a big drop in the BRL prices. Differentials remained firm, as the London market and the currency appreciation didn't help. The FOB market remains the same, without any business reported lately, as the diffs are still very expensive compared to other Robusta's origins.

## COLOMBIA

---

Not many changes for Colombia this week, and NY is definitely not helping. The reduction on the outright price for parchment is slowing down the internal market from an already slow pace. It seems we will still see some coffee for the rest of January and a couple of weeks into February. Weather remains very wet, especially for this period, which should be a “dryer” season. It seems we can see a small reduction on the rains for coming weeks. La Niña is still present and is expected to remain until March.

## INDONESIA

---

Robusta: Fly crop was ready to sell by farmers resulting in more arrival. More than 2,000MT of coffee was delivered to Lampung last week, 2 times more than previous weeks. There is fear that new crop is worse than pre-forecasted. There are talks in the country about a double digits decline on the crop 23/24 compared to crop 22/23. Weather was very good last week with only one-two days of rain, help for drying of the fly crop.

## PNG

---

Small to little fly crop volume over the last month as expected due to the high internal prices during the season causing small holders to sell their crop instead of holding onto it for the end of year. Wet season should have started but we are seeing extremely dry weather across the

country. We hope to see some rain in the coming weeks.

## VIETNAM

---

**Robusta:** It was raining in most of growing regions in the Central Highlands since last week. These rains stimulated flowering on a large scale. The wet conditions, however, have had a negative impact on drying process in Lam Dong, Daklak and Dak Nong. Our data shows 2.76M bags of Robusta (included processed coffee) and 112K bags of Arabica were exported in December 2022. The country will be closing for a week from end of this week for Tet holiday. The market shows limited interest in selling and buying, with main activity being fulfilling commitments. FOB diffs gradually firm up.

## YUNNAN

---

Production in Yunnan has almost closed down for CNY celebrations and will commence at the end of next week. Harvest is 70-80% completed. Quality has been good, volume lower than expected. Cherry and parchment traded pricing is very high. Outright pricing has increased over the last 2 months and completely disconnected from NY reference.

## KENYA

---

The first auction of the year took place this week with 15k+ bags on offer. Prices continued to come down due to the large volume of coffee flowing during the holiday period. Quality is improving as specialty microlots are now arriving at the dry mill. Very active week on the demand side as roasters took advantage of lower local prices and recent NY drop to book business at attractive outright prices. We expect auction volumes to reach their peak at the end of January - Early February.

## RWANDA

---

The main 2023 coffee harvest is due to start next week as the first coffee washing stations in the West of the country are scheduled to open their doors. While this marks the start of the season, we only expect the harvest to truly gain momentum end of February. Throughout December good rainfall has supported cherry growth and expectations are that the crop will be slightly better than 2021/2022.

## TANZANIA

---

**Arabica:** The first auction of the year is scheduled for 19th Jan in Songwe. Volumes are dwindling down and low NY is not incentivizing suppliers to sell either. In other news, the coffee trading system is to be reviewed says agriculture minister Hussein Bashe. A team of experts will be dispatched to the Southern Highland regions to commence the process of reviewing the coffee trading system. The decision comes after discovering that the farmers are being underpaid and exploited by cooperatives through the present system.

Robusta: Not much is happening. There is still some volume being held by millers and local traders who are waiting for better prices.

## UGANDA

---

Arabica: It's currently off-season on the Arabica front. There is very little flow of drugar and semi-washed coming into Kampala; the little volume that is traded is from last seasons' long positions that are being liquidated by middlemen. The purchase differential is at a wide range with the erratic NY movements. On the cherry front, we are seeing small flows of the first half 2023 season. No major red-flag on canopy development and weather - we expect the cherry harvest to be fully on from first week of February.

Robusta: The Robusta flow into Kampala continues to be disappointing. Whilst the absolute flow to Kampala has improved compared to Nov / Dec 22, it continues to be well below past year averages. From our various crop tours & field visits, the hope of any volume improvement before the summer crop remains subdued. We continue to see a firm range within local purchase price - showcasing low risk appetite amongst exporters.

