

BRAZIL

Conilon: An active week with a lot of offers in the market followed by a price meltdown. As the harvesting period comes closer, buyers stepped aside from the market and the lack of demand caused a sharp price decrease in BRL and consequently lower differentials. With better diffs offered, the FOB market is starting to get more attractive with more demand appearing but business reported still shy.

Arabica: It was almost a lost week due to external factors to the coffee market except on Thursday when the markets aligned enabling buyers to pay better prices to producers. The trading volume made up for the calm week but differentials remained stable. The climate continues to help prices, as far as possible, favoring the announced forecasts. Shipments in general are at a slow pace without much indication of change in the short term.

COLOMBIA

Another week without changes for Colombia. The main crop is done, and most likely we will still have at least 3 weeks without any coffee available from the coming crop. Some mills are still offering excelsos at very aggressive prices, but just for nearby shipments. As La Niña keeps softening, the country is entering the “usual” rainy season, and we have had some heavy rains. For the second half of the year, EL Niño and a lack of precipitation is still very possible. Even when the coffee trees react better to a dryness, the berry borer can be an issue for the second half of the year in Colombia. The berry borer has been “naturally” controlled by the wet conditions we have had during the last three years; and the coffee producers might have forgotten to take the proper measures again this plague.

INDIA

The harvest is about 90% completed. Due to London market drop, diffs firmed up and local prices didn't change much in the last week. Most of the exporters covered their shorts and are now relatively relaxed.

INDONESIA

Robusta: Arrival to Lampung remained stable last week. Local prices remain unchanged even though London market dropped. This is leading to much higher differentials. The weather was better with more sunshine that helped farmers dry cherry. However, we expect to see a slowing down of cherry arrival in the coming weeks as fly crop is over and Indonesia started fasting month this week.

YUNNAN

Flow from harvest has finished and demand for clean washed coffees has increased. This has driven domestic pricing for G1 even higher as the supply tightens. The local market is now accepting Sc13+ for higher prices with higher defects.

KENYA

Sale 21 took place last week with 32k bags sold. It was the 5th consecutive week with 30k+ bags offered. We saw the main grades (AA, AB, C) trading about 3cents/lb lower than last week despite lower NY levels. The good availability of coffee keeps weighing on local prices as exporters have less appetite to keep adding on their existing long position due to the high carry cost and inverse market structure. The next auction (sale 22) will take place on March 21st with 32k bags and sale 23 is scheduled for next week with 31k bags.

RWANDA

The cherry harvest, supported by good rainfall, is picking up momentum across the entire country. We are building up towards peak season a few weeks earlier than expected compared to previous weeks. NAEB has voiced concerns about some poor wet mill management and is making efforts to encourage local owners to pay farmers on time, invest in local farms and improve environment, health and safety standards.