

## BURUNDI

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A new coffee tree census done by the government shows a sharp decline in trees (20% decline) from 2007 to 2019. The main reasons for the decline are economic as farmers are paid late (a rule by the government) and the overvaluation of the official exchange rate thereby depressing the local price in real terms. We have heard of some defaults by local exporters in an effort to renegotiate due to higher NY market.

## KENYA

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Despite the higher terminal market in the past week, the farmers' price expectations were a lot higher after seeing very good prices in the past auctions, while buyers are still waiting to see better lots becoming available. Two more auctions before the holiday recess. Millers reporting of good flow of coffee, and expecting peak deliveries just before the Christmas holiday. Micro-lot qualities should be available for sampling in January and February 2021.

In the field, the team is busy following up on quality during picking and processing all over the country with 50-75% completed and favorable weather for ripening and drying. A big project for the Sucafina Kenya team has been that 40 small estate farmers are participating in coffee quality and cupping training this month. Covid related health training has been completed for many cooperatives.

## BRAZIL

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A very slow week due to the drop in NY and the appreciation of the BRL which closed at 5.1245 vs 5.3250 last week. Differentials for all qualities became expensive and producers are not willing to sell at current prices. Exports of green coffee reached a record of 4.6m bags in November, up 39.5% from Nov'19 according to economic ministry data released on Tuesday. The new historical maximum exceeds the previous record in December 2018 of 4.1m bags, and also shows an increase of 850k bags compared to October. Cecafe has now published on the web page its official data to November.

Terra Forte, one of the largest coffee exporters in Brazil, will move ahead with a debt restructuring and divestment plan after obtaining court approval. After entering the equivalent of Chapter 11 of Brazil last year, Terra Forte negotiated an agreement with creditors that includes an 80% reduction on its debt of 1.4 billion Reals (US \$ 273 million), according to the legal representative da Terra Forte Alexandre Faro, associate of the law firm FASV. The rest will be paid in 10 years after a two-year grace period, he said.

During the week our agronomist team finished the crop tour in Espirito Santo (Conilon); the crops were with excellent vegetative development and productivity. We are predicting a record 21/22 harvest.

## COLOMBIA

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Very little new business domestically traded this week and suppliers focused on delivering previous commitments. We estimate 70% of the main crop has been harvested thus far. The COP closed at 3,466 vs last week at 3,605.

## VIETNAM

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Heavy rains this week in the coffee belt delaying some harvesting and drying activities but the next 10 days should be drier. We estimate 35% harvested in Kon Tum, 20% in Daklak & Gia Lai and 10% in Lam Dong. Daily arrivals to HCM remain elevated for Robusta. Arabica offers still slightly tight.

## PNG

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A tour of Western Highlands with various exporters confirmed the low crop of the current season and the optimism for next crop to begin in March. Complaints of berry borer from most producers but the overall impact expected to be less than 5%.

## INDONESIA

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Arabica offers remain steady for Dec to Feb but most shippers show some reluctance to offer to far forward. Robusta shipments from Lampung dropped by nearly 20% from October; some of this is due to container shortage.

## CHINA

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Harvest is nearly 20% completed but not yet flowing into Pu'er. Initial prices for cherry are 25% higher than last year as a multitude of domestic roasters and small traders have entered the market this year driving up initial demand.

## TANZANIA

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The Mbeya/Mbozi auction of 21,000 bags saw prices more or less unchanged but only a few cents above demand expectations; quality on offer was very nice. Parchment deliveries still trickling in which is normal as farmers want money for the holidays but will end soon.

## SUCAFINA COVID-19 UPDATES

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Sucafina has regular updates all centralized on our dedicated website: [www.covid19.sucafina.com](http://www.covid19.sucafina.com)

### SUCAFINA SA