

BRAZIL

Arabica: Volume traded was still lower than expected for this period of the harvest, but it was an improvement compared to last week. The main players in the internal market were middlemen. Producers were not as involved this week. FOB offers remained disconnected and result in wide ranges for the same quality depending on the shipper. The Brazilian Specialty Coffee Association (BSCA) added a new region on the map of coffee-producing regions: the Volcanic Region. Its unique terroir due to the caldera of an extinct volcano. The caldera marks an area of volcanic soil between the south of Minas Gerais and the northeast of the state of São Paulo.

Conilon: Harvest is almost at its end. Good quality and yields are being confirmed. Despite the volume increases in the warehouses, we don't see this flowing into the market. As a result, business remained low and prices got tight, pushing differentials. The FOB market is very calm as Conilons are still not competitive abroad and domestic roasters keep buying.

COLOMBIA

The weather is improving for July and the August forecast, which will help the pace of the main crop ripening and also push the flowering for the next Mitaca. Parchment flow is limited but steady with no major changes. NY volatility these days is certainly not helping, as the intermediaries are expecting a "better" price. The COP is still weak, not only because of the effect of the newly elected president, but likely also due to the economic environment around the world pushing dollars out the Colombian economy.

PNG

We are still seeing pockets of unrest as they shift from voting to counting the votes across the country. Internal flow is limited for now and we expect it to resume in the coming weeks.

INDONESIA

Arabica: Sumatra is off-season and activity is slow. Harvests in Java, Flores, Bali, Sulawesi, and East Timor are rapidly approaching their conclusions. Prices in those regions remain firm and are not reacting to market movements.

Robusta: Robusta harvest is estimated to be around 65-70% completed. The lowland areas' harvest is around 80-85% completed while highland areas are at 55-60%. The arrival pace to Lampung remains stable. Local prices are not moving much despite lower market. New flowerings are starting in all lowland areas.

VIETNAM

Robusta: The weather continues to be favorable for the crop thanks to the decent amount of rain. FOB diffs stay unchanged compared to last week. New crop business is at a standstill with no interest of selling from most of the big exporters, who prefer to focus on internal buying. The exceptions are a few small exporters who are willing to offer, preferably certified coffee.

Arabica: No significant changes this week with crop/harvest expectations. The expected reduction in 22/23 crop is largely due to the off-cycle of production this year, starting from early September. Another reason was the excessive rains during the flowering stage a few months ago, leading to problems in fruit development.

BURUNDI

The wet season is over and the harvest is expected to end next week. The total crop this year is expected to be in the 15,000 to 16,000 MT range. So far, ODECA (the coffee board), has sold 60% of the coffee they produced this season. Fuel, electricity and water shortages have worsened in Bujumbura due to limited forex availability and high fuel prices.

RWANDA

Sellers have not adjusted their outright price expectations to meet the recent drop in NY and, as a result, differentials are firming. Currently, wet mill owners and exporters who purchased cherry at high prices are struggling to find willing buyers.

UGANDA

Robusta: The harvest is 95% complete and roughly 70% of the crop has been sold to exporters with the remaining 30% kept in stores by farmers waiting for prices to go back up. Coffee is expected to arrive in Kampala through August 15th. First outlooks for the December season show a significant weather risk with low soil moisture due to short and late March rains and the September rains are very much anticipated.

Arabica: The season is only expected to start in mid-August and so far, the crop is looking good. The UGX has been depreciating amidst global dollar strength. UGX is trading close to 3850 to the dollar.

ETHIOPIA

An early crop is expected for some Djimmah growing areas due to recent weather favoring cherry ripening in Limu and Benchi Maji. High rainfall in the Western Wollega region has made roads to Addis Ababa impassable, exacerbating the existing logistical constraints for exporters.

Overall, inland prices have not followed the recent drop in NY and remain high. Fuel price hikes also continue to drive inflation and the cost of exports.

KENYA

Again, a good volume at the exchange this week with a total of 10,500 bags for sale. Strong demand for UTZ/RFA lots and generally higher local prices combined with lower futures pushed FOB diffs higher. At least 4 more auctions will take place until the end of August, confirming good availability of coffee for the rest of the season. A big auction is scheduled next week with about 15,000 bags on offer.

