


BRAZIL

Arabica: Not much has changed as prices have remained firm and the volume of reported business remains low despite the availability and volume of coffee offered to the market still being good. Some rains were reported in the coffee belt in the past few days, which may bring some difficulties to harvesting and quality, but it is still too early to assess. More and more samples of the new crop are appearing in some regions, mainly in Matas de Minas, where the new crop coffee is already being commercialized at a good volume and better prices due to its freshness.



Conilon: A significant amount of business has been reported as prices in BRL have risen quickly and attracted sellers to the market. Producers have taken advantage of the prices to lock in some sales of newly harvested coffee. Industries and exporters have been very active, with London and currency helping to push the prices up. However, differentials have remained practically unchanged as the prices in BRL have followed the appreciation at the terminals. The FOB market remains in high demand with some businesses being reported at negative differentials although not as aggressively as most buyers are aiming for.

COLOMBIA

The Mitaca is finally starting to show a little more activity with an increased availability of parchment. The exporters' interest in parchment is still very low, which is also putting pressure on the prices. Despite the recent weather fluctuations, the quality of the coffee has not shown major concerns. Some regions have reported a slight increase in "broca", but it is not yet a major concern. On the other hand, it appears that the producers are starting to take measures to control a possible outbreak of this pest. It is essential for the authorities to reinforce this message throughout the entire country to raise awareness about it. The transition from La Niña to El Niño is occurring more rapidly than usual and resulting in alternating periods of dry and wet weeks, which could potentially benefit the coffee plantations. So far, El Niño is still expected to have a weak to moderate impact in the second half of the year.

INDIA

Heavy rains were noticed in all the Robusta areas during the week. Farmers are yet to finish regular shade lopping, fertilizing, spraying of pesticides, etc. Therefore, the break in rains is good so that they can finish their work before the monsoons, which may start in a few days. Cherry formation will start from mid-June onwards. Farmers are holding between 25 to 30% of the crop and are not in a hurry to sell at current prices. We might see some coffee released by the farmers after monsoon to cover farm and personal expenses. Prices remain very firm, varied from exporter to exporter.

INDONESIA

No major change in either Robusta or Arabica. Robusta current crop prices continue to firm both differentially and in outright terms with 55% of the crop harvested. Arabica prices remain stable with limited availability and all eyes on the October harvest.

PNG

No major changes this week except dryer weather has come and, with it, improved drying conditions.

VIETNAM

Most of the growing regions in the Central Highlands received decent to high rains to support the crop as well as fertilization. Accumulated rainfall since last weekend in Daklak and Gia Lai has reached 90-100 mm on average, while other provinces such as Lam Dong, Dak Nong and Kon Tum received less (50-60 mm). We forecast favorable, prolonged heavy rains across all the growing regions in the next 10 days. Business for nearby shipments is almost at a halt with very limited volume offered, mostly coming from FDI factories or foreign traders. Local exporters are focusing on buying coffee to cover their shorts. The local market was quiet last week. Asian roasters keep asking for G1 cleaned/wet polished for Jun-Oct shipments.

YUNNAN

No major changes in Yunnan this week. The weather remains very hot and some areas reached 40°C and higher. Producers' expectation for pricing of the current crop remains high. The price of fertilizer has increased 30% year on year.

ETHIOPIA

After the VAT levy was lifted last week, we have seen more lower quality commercial grade coffees arriving in Addis. Overall, exporters seem frustrated with the quality they are receiving from their middlemen at the current high prices. The lower quality, coupled with liquidity issues and pressure from CTA, has put exporters in a very tight spot. Security in Western Ethiopia (Lekempti region) is still volatile with insurgency and attacks being reported regularly. On the logistics front, low import levels are slowing down exports as container shortages have been progressively getting worse. The CTA is expected to register historically low export figures as May 2023 is expected to be 25K MT (vs 31K MT for May 2022). It is unlikely that this trend will change anytime soon.

RWANDA

The season is 90% complete and will most certainly end in the next two weeks. Year-on-year we estimate the harvest to be down 38%, making it the smallest crop in the last 4 years. The tightness in supply is reaffirmed by the limited SW coffee offers we are receiving.

