

BRAZIL

Arabica: The market seems to still be in holiday mode. There has been some price speculation from clients, but nothing substantial enough to generate new business. Interestingly, the producers have not kept pace with NY's trends, and the asking prices in Brazilian Real (BRL) have only decreased slightly. As a result, differentials have become quite expensive this past week, resulting in a significant decline in volumes. As for the harvest, there's a growing sense of anticipation, especially on certain farms within the Zona da Mata region. This anticipation might encourage sellers to become more active.

Conilon: The market flow for Conilon remains relatively calm, despite the rapid decline in London prices and tightening differentials. Exporters continue to be the most active participants, driving firm and high prices in BRL for both nearby and new crop deliveries. On the other hand, internal roasters are maintaining a calm approach, purchasing sporadic lots and waiting for better price opportunities. The demand for Conilon has surged, leading to reported FOB (Free on Board) transactions of considerable size. While the volume of offers for the current crop has decreased due to sellers focusing on fulfilling recently sold contracts, the outlook for the new crop (24/25) remains positive despite the current high prices. Additionally, there have been reports of good rains in the past week.

TANZANIA

Robusta: The crop is still 4 to 5 months away from arriving in Dar but bean development is looking good. We are waiting to see if there will be any regulatory changes this coming season. Demand is very strong.

Arabica: The 2023/24 season is finished with only a few boxes left to trade. 2024/25 new crop interest is starting. The expectation is that the harvest will be slightly late this year. Rains have been good and we are waiting to see if there is CBD damage.

ETHIOPIA

Shipment delays are becoming a huge issue as fewer vessels are arriving at the Port of Djibouti. Alternative ports such as Mombasa are not viable currently because the inland trucking cost is still very high and the roads are not safe for shipment. The flow of coffee from western Ethiopia is proceeding and we hope to see more commercial coffees flowing to Addis. Delays due to the situation in the Red Sea is expected. The minimum price for all grades has decreased due to recent dip in C market. The International Monetary Fund (IMF) has announced that its staff will be visiting Ethiopia in the coming weeks, raising speculation about a potential devaluation of the birr, the country's currency.

KENYA

Sale 18 took place this week with 26k bags on offer. Prices remain low for commercial qualities. Demand for top and plus lots remains strong as exporters need to cover nearby shorts. The harvest is now fully completed but only 40% has been milled due to lack of capacity.

RWANDA

Cherry season has begun in the northwest, although we don't expect significant volume until mid-March. Consistent rains are stalling ripening. Cherry prices are firm early in the season with CWS competing for the small volumes of ripe cherry available.

UGANDA

Robusta: Our head of procurement spent one week in the field to assess the coming summer crop. In general, the outlook is positive for both the volume and the quality due to the important rains experienced across the country since October with the phenomena of El Nino. Nonetheless, we have revised our crop timing, with the first flow arriving in Kampala in the first half of May. Despite the end of the winter crop, we still notice a dynamic field with farmers pre-selling their next crop to middlemen to lock in the historically elevated price. Some immature harvests have been reported, and the UCDA (local coffee authorities) have intensified efforts to stem the practice.

INDONESIA

Early indications of a Java crop assessment show a potential increase of 20% vs last year. This is despite a higher incidence of coffee borer beetle damage.

PNG

The country is currently facing major fuel restrictions as the only fuel supplier has run into trouble with the local banking authorities. The government has stepped in to break the monopoly and prevent any systemic issues, but the short term effects will take a few weeks until fully solved. This is causing a large number of flight cancellations and limiting the trucks moving goods around the country.

VIETNAM

Weather pattern has been normal with mostly sunny, very dry days. Local traders in Lam Dong are holding stocks that are about 50% lower than the same period last year. Farmers are operating the 2nd or 3rd round of irrigation. Flowering and cherry development is progressing well. Farmers released a fair amount of coffee and it was promptly grabbed by exporters covering short term needs.

YUNNAN

Cherry flow to wet mills has remained steady as the NY market dropped. Local pricing have so far been moving in tandem with NY, but the main issue is quality. Intrinsic quality is good, however, due to processing challenges from water restrictions, the rejection rate on parchment is nearing 60%.