

BRAZIL

Arabica: It's the middle of July and the pace of shipments for the month appears lower than the last 3 years. The local market has begun to slow down as the gap between roaster price targets and grower expectations widens.

Conilon: Internal coffee flows remain steady as prices stabilize due to a less volatile futures market and local currency. Harvest continues to progress and is moving closer to its end. Differentials are slightly tighter as the local industry was back in the market. Demand remains concentrated for Q4'23 and Q1'24 shipments but the market inversion remains a challenge.

COLOMBIA

Mitaca's volume in some regions is now starting to dwindle as the crop progresses. Local prices for parchment have begun to stabilize and Colombian diffs may be finding a bottom after 2 months of continued downward pressure. The climate keeps getting warmer all over the country, but some sporadic rains have fallen on coffee-growing regions. These climatic conditions have been beneficial for coffee trees and quality remains high. However, if El Niño becomes stronger, it could lead to an increase in undergrade beans.

INDIA

Monsoon has been weak in all coffee regions. The next crop appears 20% higher and harvest is expected one month earlier than usual. Many coffee growing areas are facing black rot disease in which cherry falls after rotting in the tree. Local prices for standard quality coffees are dropping as soluble companies seek to cover deliveries from October onwards. Current prices remain higher than soluble companies can absorb.

INDONESIA

Arabica: Availability continues to shrink as we enter the slowest time of the year. Sumatra will start again with limited flow in Sept-Oct with the peak harvest from November onwards.

Robusta: The local market price has been relatively unchanged compared to last week and local buyers are not as aggressive as before. We have also witnessed reduced buying pressure as some local roasters stopped paying high prices. However, FOB values are not moving much and local exporters are reluctant to make new offers as the buying interest still expects prices to drop. Rains have been reported daily in South Sumatra growing areas and farmers predict a healthy production next year. About 80% of the crop have been harvested.

PNG

Weather has been hot and dry, potentially marking the start of the dry season. Local prices remain stable, and farmers continue to hold onto stocks in hopes for better prices.

VIETNAM

Due to the impact of another heat spell, a large swath of the Central highlands received less rain compared to last week. Forecast for the next 10 days is calling for a higher chance of rain as a tropical convergence band is currently developing in the East Sea. Buying interest continues for new crop Nov/Dec shipment while local buyers keep competing for prompt delivery coffee, pushing local prices up independent of the London market. Commercial coffee flow from upcountry has essentially dried out.

YUNNAN

Weather continues with a combination of heat and rain. Broad market awareness continues to develop with EP10's currently generating the most interest.

ETHIOPIA

Rains have been reported in Addis as exporters become increasingly concerned over the effects of higher moisture on coffee stocks. Heavy rainfall is expected ahead for Western Ethiopia. Minimum registration prices have not been adjusted downwards by the CTA, further diverging with the terminal market.

TANZANIA

Robusta: Cherry volumes are starting to increase at the auction. A lot of coffee is turning up wet from the cooperatives. We are expecting the flow of clean green coffee flow into Dar to start picking up towards the end of the month. Local auction prices are hitting record highs, despite the London market retraction. We suspect it's mostly short covering and a bit of a delay in terms of timing.

Arabica: Washing stations around the country are starting to kick into gear. A little bit of parchment is on offer, but regular coffee flow is expected in 1-2 weeks. A lot of uncertainty in the field with the market correction and a lot of speculation about the prices for the upcoming season. Quality is looking good. Volume is still on track for a bumper crop.

UGANDA

Robusta: Standard quality coffee flow into Kampala continues at a stable pace. Farmers and middlemen are liquidating their stock, systematically taking advantage of any London market spikes. The local price is still firm and with the lower London trading range from 3 weeks ago, the purchase diffs are starting to increase. We have completed 80% of the harvest and anticipate the flow of coffee to become erratic over the coming weeks. Farmers with financial strength will hold stock and liquidate systematically during price rallies. On the weather front, we continue to see mostly dry weather, with small tranches of rainfall, adequate overall for coffee drying and enabling the development of the upcoming crop.