

BRAZIL

Arabica: Coffee flow is tight and local prices have reached new highs. The fluctuations of the NY market are not impacting grower expectations and differentials remain firm. Demand for prompt shipments has risen as buyers are actively seeking opportunities to cover their needs. The weather is still a critical factor and showers have cooled down some regions, but the effects of heat and dryness persist.

Conilon: Very hectic week due to the rally in London, but coffee flow and availability remains low. Local prices have risen fast as the LDN gains were quickly assimilated by internal prices, keeping differentials firm. Growers are holding offers and seeking higher prices. Exporters remain the main buyers covering immediate needs. Local roasters, on the other hand, are calm and waiting for lower levels. Concerns about the weather in Conilon areas continue to increase, with some reports already showing potential losses to the next crop.

HONDURAS

Exports reached less than 30k bags in October and November came in below 100k bags, showing an extremely slow start of the new crop. Delayed harvesting and excessive rains in November caused part of the shipping delays. Expectations are for the shipping pace to recover in December. Overall it's been dry in most of Central America, allowing for adequate harvesting activities.

KENYA

The country is now at the peak of the harvest. Drying beds are full of parchment and coffee is flowing to unions and government dry mills. Traded volume at the auction has increased to 20k bags this past week. Prices remain low due to slow international demand and plentiful availability. Last auction of the year (sale 10) is scheduled for next week with 22k bags on offer.

TANZANIA

Arabica: The last auction of the year is happening next week with 7k bags on offer. Volumes are small and activity is winding down. Logistics remains a major challenging. There are extended delays at the port due to the change of management from TPA to DP World. Systems are down and processes are being restructured. Shipping lines are cancelling vessels going to Dar until the situation improves. Vessel counts this morning was 35 vessels sitting outside the port waiting to berth.

INDONESIA

Arabica: Local prices continue to rally as NY shoots upward. Persistent rains and a slow inconsistent ripening pace have resulted in insufficient supply to meet short term demand. January flow is expected to decrease even further. Java is unseasonably dry.

Robusta: Very quiet with limited coffee flow and few international trades taking place. Exporters are mostly offering lower grade overstocks at high prices.

PNG

All mills have shut for the season with very little to no coffee flowing anymore. We expect to see mills re-open mid Jan for any potential fly crop.

VIETNAM

Weather has been favorable across coffee regions, with sunny and clear skies and no rain. These conditions are supporting harvesting and sun drying. We estimate around 70 – 75% of the crop has been harvested. Strong rebound in the London market has farmers and local traders reconsidering price expectations. The local market is extremely hot with exporters raising prices to source coffee while local traders are concerned about potential defaults on deliveries booked at lower levels. Local dealers are not keen to add new sales as they focus on fulfilling existing commitments.

YUNNAN

Cherry market continues to respond and match NY as the market rallies further. The weather has been varied with some rains and overcast. Overall cherry flow is gradually increasing, and most regions approach the 15-20% harvest rate.

