SUCAFINA

WEEK 38 | ORIGIN REPORT

BRAZIL

Arabica: The highlights were the good rains that happened on the coffee belt with more to come as forecasted and Conab's new reduction on 22/23 crop numbers. Replacement prices kept steady, resulting in firm diffs. The switches are being considered on offer prices for forward business. Modest volume of business locally reported.

Conilon: Still very few businesses being reported during the week, only for nearby deliveries for exporters covering their shorts. Producers are keeping the prices of the bicas firm; even with more volume of offers appearing at the market, it was not enough to ease the prices. Internal industries kept aside this week, lowering their price targets and putting pressure on the sellers. FOB market remains slow for Conilons as Viets continue more competitive overall.

INDONESIA

Arabica: New crop has not started yet in Sumatra and according to our analysis on crop survey, the upcoming crop isn't great (expected to be average to slightly below average). Combined with the high demand, price is not expected to come down anytime soon this year. We will have clearer picture once the main crop starts to flow in a few weeks (late October).

PNG

Communication interruption between PNG and the world continues to be problematic as the damage from the earthquake to the fiber cable that runs from Sydney is not fixed. Coffee season is starting to wrap up, with some stock flowing though near the end of the season. Exporters are trying to get as much as coffee to the port as possible.

VIETNAM

Robusta: The typhoon Noru (considered the strongest in 20 years) is hitting Central of Vietnam in a few days, with average wind speed up to 166 km per hour. Due to its influence, heavy downpours of 150 to 300 millimeters accompanied strong winds will batter Central provinces and the northern part of Central highlands. The Robusta region in Gia Lai province may be strongly affected. Harvest is starting in some areas, but main will be in a month. Forecast from the National Center for Hydro-meteorological is calling for much more rains than normal during October to December in the Central highlands. This may not be good for the harvest and processing.

Arabica: In Son La, harvest has not really started (mostly starting now in the lowland area, with 60% ratio of ripe cherry). Main harvest will be from end of October or mid of November. In the Central Highlands (Southern Vietnam), arabica harvest will be later in December or January.

YUNNAN

Covid restrictions have stepped up in China last week: anyone with close contact with a Covid patient must be quarantined up to 5 days. Testing is required for use of public transport. Coffee harvest is expected to begin mid of November, with proper flow starting early of December.

KENYA

Another week of large volume on sale with 19K bags on offer at the central exchange. So far, more than 165k has been sold since the restart of the auctions after recess. This is confirming a large fly crop of about 250k bags in total. The same trend remains valid this week; more volume on sale and lower demand from exporters keeping local prices in check.

RWANDA

No major changes compared to previous weeks. The wet weather has continued, especially in the Northern and Western regions of the country. A good amount of SW and FW coffees remains available in Kigali, but sellers' prices expectations remain high. Overall, demand for FW is still strong.

TANZANIA

Arabica: At the auctions high reserve prices persisted, resulting in a lot of coffee continuing to be submitted and withdrawn again. In other news, a new 4usc/lb levy was announced for Arabica (it was already in place for Robusta) for the coffee development fund. It isn't yet clear from who exactly this will be collected or how it will be spent.

UGANDA

Robusta: The flow into Kampala has become negligible and everyone is preparing for the upcoming year-end crop. We conducted crop surveys across key districts in anticipation of the upcoming crop. There were good rains continuing across key growing regions, which would likely lower the risk of disruption from May-Jun drought. We witnessed many farmers planting new trees and/ or renewing canopy, a promising sign for upcoming seasons.

Arabica: Harvests are 35-40% through, as season has entered the peak. We have witnessed increase in flow of cherries into our CWS. Price wise, we're seeing exporters wary of any aggressive pricing given the fluctuations of NY. Flow of washed parchment and Drugar continues to Kampala at steady pace without any massive glut. On the weather front, we're witnessing good cycles of rain and sunshine which should aide further ripening of cherries and steady harvests.