

BRAZIL

Arabica: Coffee flows have picked up in response to the recent NY rally allowing producers to receive better farmgate prices. However, the price gap between buyers and sellers remains relatively wide, which is making it difficult for new businesses to materialize. The harvest enters its final stretch with favorable climate and the expectation of an increase in availability. Cecafé confirmed shipments at around 3 million bags for the month of July, in line with the past couple of years.

Conilon: Coffee flow is healthy thanks to the support of the market and currency. Prices in BRL have increased despite differentials dropping, mainly due to the USD strengthening. Exporters and local industry were able to secure good volumes and complete coverage until November deliveries.

International demand remains stable with requests concentrated on Q4'23 and Q1'24 shipments, but the inverted LDN market is keeping diffs high. Early flowering was reported in the Espirito Santo region showing good potential for next crop.

COLOMBIA

Very calm with slow coffee flows. August is a month of low availability since the country is in between crops. Despite the lack of flow, prices haven't made a significant correction. The outlook is for things to remain relatively quiet over the next 4-6 weeks. Main crop is expected to have moderate volumes with more parchment available compared to the 2022/2023 main crop. It's also important to note that we might see an increase in lower grades due to the warmer and drier weather. Differentials are expected to remain at current levels and may even go lower as the crop advances. The climatic effects of El Niño are more evident as the days pass.

TANZANIA

The first Arabica auction of the season has been announced and will be starting on the 24th of August. All eyes will be on these initial prices.

UGANDA

Robusta: The harvest is 90% completed. There is still some volume to be traded but with the inverted LDN price structure we continue to witness a wait-and-see approach between buyers and sellers. Farmers on the other hand continue to expect higher prices.

Arabica: We can anticipate the first harvest flows to begin in 2 to 3 weeks. Cherry is still yellow and all eyes are on rainfall for continued bean development. We are starting to witness more overcast days with brief rains across coffee growing regions, which is normal for the season.

INDONESIA

Robusta: Coffee arrivals to Lampung have dropped by 20% as FOB prices have been decreasing slightly. Lampung export figures in July were reported at 14,051MT, dropping 29% from the same month last year. Highland growing areas in West Lampung & South Sumatra are in full bloom and look promising. Fly crop is developing in some lowland growing areas and is expected to be harvested in December. More sunny days have been experienced with light and scattered rains.

Arabica: Indonesia arabica has entered its slowest month of the year as August sees minimal to no harvesting activities across all growing regions. With lack of availability (particularly for good quality) prices remain firm and trading is quiet.

VIETNAM

The Central Highland region continues to receive prolonged and heavy rains, particularly in Dak Nong and Lam Dong, causing flooding and landslides in the lowland and hilly areas. No serious damage to coffee is reported yet. Farmers are applying the 2nd and 3rd rounds of fertilization. Some local exporters are actively selling their inventories, mostly Gr. 1 Scr. 16 or Scr. 16 cleaned. New crop business remains relatively quiet due to the big price gap between expectations from sellers and buyers. Overall, there is little demand for prompt shipment and prices remain firm. Local exporters and traders have seen some activity for new crop November delivery.

YUNNAN

Appearance of Black Soot as a result of climate conditions in some areas has been noted, but relatively small numbers so far. We will continue to monitor its evolution closely. Interest in next crop Yunnan arabica has begun to increase.

ETHIOPIA

The Council of Ministers of Ethiopia decreed a six-month state of emergency last Friday in the nation's second-largest region, Amhara. The decree takes immediate effect and remains active as long as Parliament ratifies it within two weeks. This has come to be after the Fano, an irregular force that is composed of volunteer militiamen from the local populace, clashed with units of the Ethiopian National Defense Force (ENDF).