SUCAFINA

WEEK 32 | ORIGIN REPORT

BRAZIL

Arabica: The harvest is ending and the expectation that increased availability would reduce local prices continues to be challenged by producers´ reluctance to sell at offered levels. Prices have remained relatively stable the last few days both on the local market and FOB offers.

Conilon: This week was marked by the rapid growth of registered shipments from the port of Vitória. Trading volume continues with good internal flow supported by the market and currency. FOB demand has weakened since last week as most requests are now for 2024. The inverted market is not helping business flow. Up to 40% of the flowers in Espirito Santo have already opened and recent rains continue to aid new crop development.

ETHIOPIA

The National Bank of Ethiopia (NBE) has changed the directive towards retention and utilization of export earnings. Now, exporters will have the ability to utilize 40% of their export earnings (compared to 20% of their earning before) for their import business. This is a major improvement as most exporters are more ready than ever to clear out their stocks since they're expecting floor prices to go down soon. The Ethiopian Coffee and Tea authority has called all exporters (shippers) to a meeting to be held on August 14th to discuss coffee export issues. Perhaps together with the new NBE directive the CTA will lower floor prices after the meeting. The Ethiopian Parliament will hold an emergency meeting to approve the state of emergency declared in the Amhara region. After briefly cancelling all flights to four cities in the conflict-ridden Amhara region for security reasons, Ethiopian Airlines is resuming services to two of the cities (Bahir Dar and Gondar) starting August 10, 2023.

KENYA

The first auction of the 2022-23 fly crop is scheduled to take place on August 15th. This is one month later than expected due to delays in delivering licenses to market participants. Brokers will be presenting lots on behalf of farmers. It is still unclear how the new regulations will look but the commercialization of coffee is expected to accelerate as the harvest is now coming to an end.

RWANDA

With cherry season over, small volumes of parchment and green coffee are being traded though seller's price expectations have still not adjusted to NY.

TANZANIA

Robusta: Volumes at the auction seem to be getting smaller, which suggests that we are over the peak. We estimate that approximately 65% of cherry has been sold. Coffee is flowing to Dar, but delays have been experienced due to transport issues.

Arabica: Everyone is eagerly awaiting the first auction.

UGANDA

Arabica: The second harvest has started to trickle in with both Drugar and cherry flows slowly picking up pace. Cherry maturation is still largely green/yellow and special attention is being placed on quality (especially bean density) across purchasing points.

Robusta: The weekly flow is slowing down as the end of the season approaches. Diffs remain firm as some exporters continue to cover nearby needs. There is a clear reduction in coffee flow into Kampala through a combination of factors: 1) harvest is 95% complete, 2) erratic LDN market and 3) farmers continue to anticipate higher prices. On the weather front, we continue to experience overcast days with multiple short showers across coffee growing regions.

INDIA

No monsoon rains for the last 10 days and some regions are reporting black rot. A few farmers are spraying fungicide to stop black rot spreading. Local prices have eased and demand remains soft.

INDONESIA

Robusta: Coffee supply has been relatively stable. The quality of deliveries however is worsening and contains more insect-damaged beans. FOB prices continue to ease as the global market was lower and both local & overseas demand has been soft. Weather has been dry in most robusta growing areas and flowering continues in a healthy pace.

Arabica: Prices are firm and availability is minimal. With the harvest over, the focus now is on executing shipments and some specialty selections.

VIETNAM

It has been mostly dry and hot with less rain in the Central Highlands. The forecast calls for the weather to be dry before regular rains start next week. There is little demand for prompt delivery as local exporters and traders are focusing on new crop for Nov/Dec delivery

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