

BRAZIL

Arabica: Coffee flow remains slow, with producers holding inventories and presenting offers at high asking prices. Nearby demand seems to be picking up, but a gap remains between growers' expectations and buyers' wishes. The weather has a better outlook with ample rainfall and adequate temperatures over the coffee regions.

Conilon: The market is slowly restarting after the holidays. Local prices remained firm during the week and closed slightly higher. For forward shipments, the highly inverted Mar/May and May/Jul spreads continue to limit business.

KENYA

The first auction of the year took place, with 17,000 bags on sale. Differentials are weak as availability is plentiful and international demand remains quiet. We expect coffee flows to accelerate over the next couple of months as milling picks up its pace. Next week's auction will present 24,000 bags.

TANZANIA

Arabica: The last auction for 2023 coincided with a market rally, and the result was some of the highest-paid outright prices for the whole season. We estimate most of the current crop is commercialized, with only small volumes on offer during Q1 '24. Logistics is proving more challenging every day as berthing delays are now 23 days. There are 31 vessels in a queue outside of the port, and some vessels are skipping Dar altogether.

UGANDA

Arabica: The volume of natural arabica is almost nonexistent and will remain low until the next crop in mid-February. However, offers of semi-washed coffee keep flowing at around tenderable parity, triggered by higher local prices.

Robusta: The differential has strengthened mainly because of aggressive competition as we approach the end of the fly crop in the Central Region. This situation has incentivized farmers to hold their stocks, anticipating further price increases over the next several days.

INDIA

Unseasonal rains spoiled the harvest momentum. Crop loss is expected due to continuous rains, and quality will be deteriorated. Arabica areas are the most affected. Soluble companies have little coverage and are actively looking for lower-priced opportunities, but these are not materializing at the moment. Coffee Flow is expected to pick up pace from February onwards as long as the market stabilizes.

INDONESIA

Robusta: Supply is very tight with very high prices. The weather has been wet, with only a few days without rain. Growers remain optimistic about a bigger crop and hope rainfall will not be excessive.

VIETNAM

The weather in the central highlands has been favorable for sun drying. Harvesting is almost completed, with only about 3-5% remaining on trees. As the London market price moved up sharply, it triggered strong selling from farmers. Around 1M bags were traded locally during the past week, which partially satisfies ongoing demand. With a wide gap in the inverted market between March/May and the risk of tight supplies, not many sellers are willing to offer forward deliveries.

YUNNAN

The coffee season has been progressing well, with good volumes of cherry deliveries as firm local prices remain. The quality of cherry has been adequate, and intrinsic quality remains good, but enforcement of low water use has meant a lot of mills producing poorly processed coffee. Chinese New Year means that either we will see a surge of coffee flow in the next 3 weeks (CNY officially starts Feb 10th) or a delay in that flow until after CNY during the 2nd half of February.

