SUCAFINA

WEEK 39 | ORIGIN REPORT

BRAZIL

Arabica: Rain has arrived as forecasted! We will continue monitoring its impact for next flowering event. New business remains slow with no major change in the behavior of producers. Prices have remained relatively stable, both on the local market and on FOB offers. Coffee shipments from Brazil reached almost 3 million bags in September.

Conilon: Coffee flow continues at a healthy pace with no major changes in prices and differentials. Exporters remain the main buyers in the market and they are covering their immediate shipments. Local roasters remain calm and are showing more interest in low grade Arabicas. International demand continues strong, specifically for late ´23 and early ´24 shipments. Weather in Conilon regions has been favorable.

KENYA

The last auction of the coffee year (sale 33) took place with approximately 5,600 bags sold. Quality was mostly standard and grinders. Prices were elevated due to the limited volume offered. So far, our estimations indicate that only 12% of the total fly crop has been commercialized. Much parchment remains upcountry as private millers have yet to receive licenses to operate.

RWANDA

Last week Sucafina in Rwanda (RWACOF) celebrated the end of the cherry harvest by inviting farmers for drinks, a season recap and Q&A session across all of our wet mills. In total, over 10,000 farmers attended across 30 wet mills. Despite the ceremonial end to the cherry season, we continue to see an unusually large amount of cherry being harvested for this time of year.

TANZANIA

Arabica: This week’s auction is only 260MT. Power cuts and low NY levels are slowing down the flow of arabica through the mills. Price expectation remains as if the NY C were at 160 levels.

Robusta: Very slow coffee flow from up country. Commercial activity is almost nonexistent.

UGANDA

Arabica: The flow of coffee intensified in Western Uganda with good availability of semiwashed and cherry. A significant improvement in cherry quality has also been observed. This week, we are entering the peak of the season in some growing areas around the equator. Despite an increase in flow, differentials for Fully Washed coffee ticked upwards due to stiff local competition from processors. While local prices remain high, inventories have been building up over the past weeks which should help stabilize local valuations.

INDIA

World Coffee Conference 2023 concluded in Bangalore. The theme this year was "Sustainability through circular economy and regenerative agriculture." The Conference was a great success and attended in great numbers. Delegates from 90 countries participated in the event and shared their perspectives on how to improve the sector. Local arabica traders are struggling to find buyers for the coffee they bought during the last season. Accordingly, arabica prices are falling in line with NY and some may be eager to sell as the new season is approaching. Robusta is trading at firm diffs but no major business was noticed. Most buyers are waiting for new season prices before committing. It´s possible that Robusta prices may also come down once the new crop coffee hits the market in January next year.

INDONESIA

Arabica: It’s still very early for the crop in Sumatra with limited flow and slow drying due to daily rains. We expect harvest pace to increase steadily, reaching its peak by the end of October. Local prices have yet to move but the local currency has been soft, allowing for lower FOB offers for November onwards. South Sumatra and Java remain very dry.

Robusta: Coffee flow is slowing down with limited demand from both local & overseas buyers. Local traders have not started offering new crop, waiting until November to see crop development.

PNG

95% of the harvest has been completed. Most of the parchment left is the same coffee circulating locally looking for the best price. Although harvest is over, we are in in the peak of the shipping window AUG/SEP/OCT so all exporters are currently focused on securing vessel space to dispatch their cargoes

VIETNAM

There is a tropical depression heading towards the central coastal provinces, bringing heavy rains to the region. This weather pattern is favorable for the last round of fertilization. Great demand amidst very high prices for prompt delivery is inducing farmers to pick up the early ripen cherries. Lowland arabica has also started to flow around this time. We expect a good amount of coffee will be harvested in October, especially when the rains subside. Local exporters keep offering Dec-Feb shipmens at firm prices. Traders are showing little interest and are waiting for lower diffs once the peak season begins.

YUNNAN

Cherries are starting to mature in the regions around Pu'er with 2 to 3 weeks remaining before first cherry is expected to be picked. Sucafina’s wet mill in Yunnan is currently scheduled to begin cherry buying on October 20th. There are still no clear indications on pricing, however the local market is fully aware of bearish NY and cheaper imported replacements for domestic demand.

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