SUCAFINA

WEEK 3 | ORIGIN REPORT

VIETNAM

The flow of domestic sales has slowed even though farmers have now harvested and dried 70-80% of the crop as London did not offer any incentives and FOB diffs firmed then eased off a bit towards the end of the week. Demand remains firm. Container shortage remains.

PNG

Coffee continues to trickle in from most regions but most activity is focused on preparation of the upcoming crop. Prices locally remain firm for the little available coffee.

INDONESIA

The rains are showing no mercy and farmers are sending coffee towards the coast searching for dryer conditions to dry. All Medan shippers are very busy and running at near capacity and at the same time continue to offer nearby shipments.

CHINA

Flow into Pu'er has begun as farmers start to sell before the holidays in Feb. Prices are well above historical in local RMB and differential terms despite the recent NY movement.

UGANDA

Presidential elections were held this week and the government turned off the internet the night before. As of Saturday, the internet was not back on but things were generally quiet. Both sides claim victory but President Museveni was declared the official winner.

TANZANIA

The small auction this week saw a continuation of the very firm prices fetched for FAQ qualities. Very limited volumes in coming auctions with little breathing room predicted. Rains continue in all production areas.

ETHIOPIA

Flow into Addis continues. The informal currency market has risen and now stands 38% above the official rate as dollar demand increases and suggesting exports lacking. Most leaders of the TPLF have been apprehended with three remaining at large.

BRAZIL

Prices in BRL are getting more and more expensive for Arabica coffees, especially for immediate deliveries and 21/22 crop (not many sellers willing to sell). Some forward businesses have been reported, mostly 22/23 crop and some 23/24. Rio Minas remains calm and almost no offers for new crop. Conilon market remains very slow as prices are still very high and differentials not as attractive as before. The BRL exchange closed at 5.3032 vs 5.4160 last week.

During last week we had good rain volumes in the most zones, mainly in the arabica regions. On the other hand, in Robusta zones, only Rondonia has been receiving good rain volumes. In the Arabica regions the weather returned to normal with very good rains at this moment. The fruits now are in the expansion phase and its development is normal and vegetative growth is excellent due this current weather. On another hand, the main Conilon region, Espirito Santo and South of Bahia, had December rains below historical average and January also starts with same scenario, with few rains only in isolated areas. For the next 15 days no changes, we have only isolated rains possible. The fruits are finalizing its expansion phase and starting granulation period. If these rains don't return to normal there is a potential damage on coffee fruits development, causing loses in the yield.

Specialty coffee sector expected to have tight supply after severe drought in Brazil in 2020, BSCA says. Guilherme Salgado Rezende, president of the Brazilian Association of Specialty Coffees (BSCA), confirms that the trend is a decrease in the supply of special coffee, as a consequence of an uneven flowering, high temperatures, and lack of rain during the development of the plant.

Our field team has finished the crop tour over regions Espirito Santo, Zona da Mata, South of Minas Gerais. The main observations have been: excellent recovery thanks to favorable weather, low broca levels, and good agricultural practices applied by the farmers. The tour of other regions continues.

The latest commercialization report to December registered an increase of +3.08% (+2.08m bags) compared with the previous month, 48.0m to 50.1m bags for the 20/21 crop. The total commercialized for all crops was 3.52m bags. December preliminary exports are 4,327,202 bags, 6.8% lower than Nov. Arabica was 3,570,522 (-10.2%); Conilon was 376,482 (+12.5%) and Soluble was 380,198 (+13.6%).

COLOMBIA

No real change locally with parchment prices keeping up with NY and even surpassing it firming the diffs. The COP closed nearly unchanged at 3,462 v last week of 3,466 but had some fluctuations throughout. We estimate 86.3% of the main crop has been harvested.

SUCAFINA COVID-19 UPDATES

Sucafina has regular updates all centralized on our dedicated website: www.covid19.sucafina.com