

BRAZIL

Arabica: The specialty team visited farmers and coops in Cerrado Mineiro region and purchased some lots. Farms in Patrocínio, Patos Minas and Carmo do Paranaíba are optimistic for crop 23/24 after a devastating year due to frosts. The market is still moving according to the necessity of coverage and this trend will likely last longer than expected due to the numbers of buyers paying up. The majority of diff prices are not only on the positive side but also have two digits with only low grades at negative. Local industry is searching for some arabica but struggling to find sellers. Cecafe showing more than 2.1mi bags already shipped on Jan'23.

Conilon: A moderate volume of business was reported this week as the upright movement in the London market gave sellers more appetite for higher BRL prices. Differentials are now back to higher levels as the valorization asked by the sellers in BRL is more than the offset given by London and currency. Internal industries did not buy much this week due to prices going up and preferred to wait. The price movement was due to other exporters who are also short and had to cover their position at higher levels. FOB market remains stuck.

COLOMBIA

We calculate no more than 12% of the crop is left to be harvested before March. We can be sure this coming month will have less availability, but the feeling remains that we will see a small, but constant flow. As mentioned before, during May 2022 we saw some "atypical" flowerings, which will have effects on the coffee harvested during the month of February.

La Niña is finally losing strength and the country will gradually start to see less rain during the coming weeks through March, which seems to be the final stage of La Niña. April is the beginning of our rainy season here in Colombia, so we will still see rains over the coffee regions, but with the same historical intensity. For the second half of the year, the probability of seeing the phenomenon El Niño is around 60% to 70%. Conditions that can eventually result in better flowerings for the mitaca crop in 2023/24. Coffee plants tend to react better to lack of water, but we will need to be very careful about the broca (borer). This a plague that needs to be specially controlled during dryer conditions.

INDIA

The harvest is late due to delayed rains in the coffee growing areas. As of today, arrivals are very low. We expect that the flow will start from mid-February, this harvest is said to be 5-10% smaller than last year.

INDONESIA

Robusta: Arrival to Lampung last week remained stable, despite a day off on Monday due to Lunar New Year holiday. Few lowland areas in Bengkulu started first picking the new crop, while in Lampung & South Sumatera we still saw the fly crop being harvested. Favorable weather last week with only 1-2 rainy days has supported harvesting & drying. The Meteorology, Climatology, and Geophysics Agency (BMKG) has forecasted that the dry season in 2023 will be drier compared to those in the last three years.

PNG

Parchment quality and availability remain low as the season is yet to start. We have started to see pockets of rain but the country had been unseasonably dry for this time of the year.

YUNNAN

COVID is basically under control and the country is starting to open up. Harvest is around 90% completed. The weather has gotten very cold, leading to slow development of remaining cherries.

ETHIOPIA

Following very few export registrations and growing pressure from the Government, buyers and shippers, the Coffee and Tea Authority (CTA) conceded and substantially reduced the minimum registration prices for old crop coffee (for e.g. the minimum price of low commercial naturals are currently -30), which led to increased trading activity towards the end of last week. However, the number of new crop contracts being registered is still very low, signaling that new crop prices remain high. The CTA is also preparing legislation to allow value-added coffee exporters to sell their products in foreign currency in Ethiopia. This requires approval by the National Bank and, even though it seems one of the exporters has already been granted a special license by the NBE, there is still some debate about the percentage of value-added coffee that exporters are allowed to sell locally.

RWANDA

The flow of cherry into the wet mills is still minimal as farmers and buyers are still eagerly awaiting the announcement of new minimum prices. Some FW parchment and green from 2022 remains unsold. Sellers are hopeful of a market rebound and sitting on their stocks.

TANZANIA

Arabica: The 2nd auction of the year saw a bit of action. 30kg bags were up and after 10 hours in the auction hall finally a good chunk of coffee was sold. Seems there is a bit of desperation in the market as suppliers are grappling with the new reality and the recent rally helped get them across the line.

UGANDA

Arabica: No major changes. The flow into our washing stations and Kampala is minimal. Drugar flow into Kampala is also negligible as harvests in the southwest are yet to reach their peak. Despite the minimal flow, we see purchase offers starting to become expensive.

Robusta: A similar story to arabica. The purchase differential remains firm, or even a bit expensive despite the London rally. With the low volumes, all exporters are scrambling for any flow that is available.

