

Green Coffee Quality Report

Brazil

According to accurate research of wire news Safras & Mercados there are yet 7% of Arabica remaining to get the harvesting totally completed.

Southeast areas from Sao Paulo until Bahia coffee areas got substantial rains. Precipitations have varied from one area to the other. Now dry weather is prevailing all over coffee areas of the southeast.

Good flowering has occurred in most of the producing areas. The timing was perfect as it happened just after a good rainy period, thus the soil is wet enough to help the setting. The coverage was good therefore can be called as the main flowering. If the weather continues the quality of the next crop should be nice as the cherry maturation will tend to be uniform, helping the picking.

There is a consensus amongst the exporters that the next crop could reach 60 million bags, of course if the weather conditions keep good, mainly in the Brazilian summer.

Colombia

The internal flow is at a standstill which is normal for this time of the year with new crop activities to start about soon.

Coffee from lower altitudes is mature and ready for harvesting but first impressions show dramatically low yields. Mitaca outlook remains side-lined due to extended dryness. Water supply restrictions have been announced for 300 municipalities.

National news have warned about the worst potential of El Nino in 65 years.

The cherries have not been fully developed because plantations were not fertilized before Mitaca harvest by the lack of rains.

Guatemala

Rains finally reached the coffee regions which took away some stress from the trees.

Good crop progress in the lower producing regions with first deliveries to take place fairly soon, showing promising quality. By the 1st. half of October it is expected that the harvest will gain momentum. Actually the weather is cold and rainy.

Producers remain very concerned about the price development as the board price can't cover production costs.

Honduras

The coffee flow from the low lands has improved producers showing up more regularly and delivering first pickings. The western regions show disappointing yields due to the former dry spell. Commercialization will improve towards October/November.

At the end of the month it has rained in most parts of the country which will help farmers to fertilize plantations.

Costa Rica

Overall too dry throughout the country. Farmers have left the market waiting for better prices.

Slow week with harvest pace picking up in the lower regions. First cherries confirm "lower-than-normal" bean size. Some regions with drastic low harvest (-40%) as rain excess hurt plantations.

Peru

Last pickings of this crop continue and first flowerings in the centre region were reported.

About 5-10% of crop left for harvesting.

Weather is warm and dry. Peru delivers about 650,000 bags Fair Trade coffee a year which represent 40% of all Fair Trade coffee worldwide.

Special Africa

The El Nino phenomenon may be the strongest since records began in 1950. The system may bring torrential rains to parts of Eastern Africa that could result in "severe" flooding in parts of Kenya, Uganda, Tanzania, Rwanda and Burundi, the United Nations Humanitarian agency said Aug. 21. Coffee-industry authorities in Uganda and Kenya said heavy rains may damage the crop this year. Funguses such as Coffee Berry Disease could increase because of excess of rains. There is even concern because flowering could be destroyed.

Burundi

Fully Washed

Approximately 9,000 MT of parchment have been delivered to the dry mills with a further 4,000 MT expected. This would place the Fully Washed green volume at around 10,500 MT; considerably smaller than initial estimates for the "on cycle".

Washed

Very few participants are operating in the washed sector; expected volumes have been strongly revised downwards. Around 2,500 MT of green equivalent has been delivered to



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the dry mills, placing estimates for the total washed crop at just 4-5,000 MT.

Ethiopia

ECX prices remain unchanged and market is at a complete standstill.

Demand from outside is non-existent due to non-competitive prices from exporters. Sun-dried coffees are currently offered up to plus differentials.

Kenya

Main grades are almost all trading into triple digit differentials.

Most dry mills are chewing through the secondary parchment qualities and exporters can see this in the increasing miscellaneous sections of the auction catalogue. Early crop yields were generally some 30% less than originally estimated as a result of the drought earlier this year.

The Estate sector has been picking smaller quantities continuously during the last couple of months and now sees heavier coffee coming through - this being cherries which benefitted from the long rains in April / May. Smallholders will follow in a few weeks time. The weather continues dry and warm but the meteorological services warn of heavy upcoming short rains in Oct / Nov / Dec which might cause landslides and flooding in some areas of the country, but will also provoke a good early crop 2016 flowering and fill the hydroelectric dams.

Tanzania

Some producers, especially in the north, appear hesitant to offer their coffee through the auction at current price levels and have chosen to either hold out in view of better prices or negotiate for direct export contracts.

Sunny weather in the south, the north remains cool and overcast while some sporadic showers are reported in Dar-es-salaam.

Harvesting and processing activities in the north progress well so far.

On production in the south, activity has almost come to an end with very few washing stations, particularly those in the higher elevated areas, remaining operational. Bulk of the harvest is still in parchment and undergoing drying.

The Tanzania Ports Authority (TPA) plans to increase capacity of Dar es Salaam Port to handle 18 million tonnes per year from the current 15 million tonnes with effect from

next year. The port manager also mentioned in a conference that the port will be able to handle consignments in five days instead of the current nine, an improvement which would allow more ships to anchor in the port

Uganda

Arabica

It is still early for the washed parchment and the middlemen that jumped in early are now eager to sell the relatively small volumes they bought.

Robusta

Robusta western season is over, businesses are simply waiting for the next central main crop.

The first FAQ is expected on the local market a month from now.

India

Coffee producers were confronted we heavy rains in all coffee growing areas and statistics show above average rains by the end of the month.

The local market is dull as farmers are not selling the remaining stocks at current price levels.

PNG

The continuing low market has kept coffee flow at a minimum. Both collectors and farmers are holding back coffee in expectation of higher prices.

The main season is completed, but there are reports that some parchment is being held in villages awaiting better prices. The dryness continues. Some areas are now experiencing problems with food and water shortages. Coffee trees in the drier Eastern Highlands are budding and will require some rains to produce/develop a flowering.

Vietnam

Heavy rain and sunshine - typical for this time which is traditionally the peak of the wet season. Rains should slightly start to reduce next month, however ongoing rain would be needed to get all the irrigations done. A dry November is better than a wet one as it's harvest time.

Lam Dong Arabica

The domestic market was much calmer this year as Colombia and Honduras viewed for the attention of the US industry which is the largest market for Vietnam Arabicas. Also one of the largest buyers decided to scale back purchases to a 7/8 month spread instead of 12 months as Arabicas lose their



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colour after May/June depending where stored. Wet mills maintained or improved quality and found willing buyers from various destinations. Differentials edged up 5-10cts as NY fell and the season progressed. However wet mills were also hurt by their (lack of) risk management in hedging and are now more conservative, preferring to wait for the coming new crop to arrive before making sales. The crop will bounce back this year and the harvest starts in October, with better quality arriving late November onwards.

Indonesia

It has been one month of no rains at the coffee belt. Now the weather is generally cloudy and rainy in Sumatra with a forecast of being cloudy with potential light rains in west and central Java.

Sources: Flavour, Volcafe, Atte, Taylor Winch, ICONA



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