

# Green Coffee Quality Report

## Brazil

Good amount of rains fell over coffee areas on the first 15 days of December. Those rains were noticeably more abundant (above 150 mm) in Parana, Sao Paulo and South of Minas and above 100mm over Cerrado and Zona da Mata. Espirito Santo up to Bahia got much less rains, below 100 mm while north Espirito Santo (Conilon's areas) got the lowest amounts only up to 30mm.

The rainy coverage was erratic and not enough to fill the dams, mostly used for irrigation.

Until the end of the year the rains were concentrated over South of Minas, Sao Paulo and Parana. The other producing areas from Cerrado until Zona da Mata only got sporadic rains while Espirito Santo (Bulk of Conilons farms) remained dry.

Reports were published estimating Brazil's Robusta production lower, at 15 million bags instead of 20 million.

## Colombia

Main crop flow is slowly coming to an end, with yields improving marginally, and some areas which never really recovered from the damage suffered.

The weather has again turned dry, a little earlier than needed.

## Guatemala

At this time, all coffee producing areas are involved in harvest activities, where coffee picking from primes, extra primes and semi hard beans has finalized and the last of the hard beans are now being picked. The Strictly Hard Bean harvest has now begun and will run approximately until March 2016.

The crop is developing with some obstacles due to the presence of rains, which are affecting the drying, as most wet mills use the sun-dried method.

At the wet mills, yields from cherries to parchment coffee are high due to continuous rain persisting during the last few months and there are some negative yields from parchment to green coffee due to a lack of rain during the bean formation phase; the lack of rain came during the months of May, June and July prevented the correct application of fertilizers.

As there were two to three flowerings in the coffee areas, exporters don't expect the harvest to extend too much (time wise).

Some relevant percentages regarding crop advances:

South West Area: Primes and XPs now 100% harvested (areas of Coatepeque, San Marcos Chocola). Medium area being harvested at the moment (La Reforma and El Quetzal). Still early for the Atitlans to emerge.

North West Area: Low harvest advance at 5% for San Pedro Necta area and La Democracia (medium altitude areas).

Still awaiting for harvest to come in full force from December onwards in the high areas of San Pedro Necta, Cuilco, San Cristobal Verapaz, Mataquescuintla, Esquipulas, Fraijanes and San Juan Sacatepequez.

This year has been marked by the participation of Mexican buyers, who have transferred significant quantities of parchment coffee from Guatemala into their territory, altering the purchase system dynamics in our country.

## Honduras

The country is in full harvest mood, some talks of not having enough pickers. The coffee is mostly left in deposit waiting for higher prices. Quality is so far not overwhelming, but should improve. It's confirmed that Honduras will have a plentiful crop this year, but also, that the local prices are higher right now than the export prices. But both in Honduras and Nicaragua, the low prices and the high taxes for the producers will force many of them into the smuggling of coffee towards Guatemala and Mexico.

## Costa Rica

Harvest season at full throttle, starting in the upper lands.

## Nicaragua

The crop 15/16 is advancing as expected. The weather in the main drying areas is still choppy which places a risk on quality due sun drying but seems that the instability will finish soon.

The crop is expected to be on the high side between 1,840,000 to 2 million bags 60 Kilos each.

Coffee pruning and renovations since 2 years ago account for the up-trend.

Producers have been investing adequately on their farms anticipating a good load of cherries however they are concerned that at actual NYC "C" level they are at breakeven.



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No firm offers obtained on Maragogype Superior Z.# 20 - 90/10 as it was indicated that this variety was adversely hit by Roya fungus. Producers not motivated to reinstall the lost plants or areas into this variety.

#### **Peru**

There is still coffee left in the interior, but producers and middleman prefer to keep the coffee.

The weather is somehow normal and not reflecting the El Niño patterns.

#### **Ethiopia**

The delayed crop is in full swing now with parts being harvested up to 80 % in Kaffa and Teppi. Others like Sidamo and Djimmah around 50 %. The total crop volume seems to be down by abt. 10/15 % to last year due to the El Niño effects. The quality of first arrivals looks promising.

#### **Kenya**

November was one of the wettest in decades so the drying of coffee has been much delayed as a result. The weather has been dry in December which is a welcome respite after the rainy November.

#### **Tanzania**

On weather - Mbinga and Mbeya continue to receive rainfall across all areas while the midlands remain dry. Scanty showers have been reported in the Kilimanjaro area.

Minor congestion is reported at Dar-Es-Salaam port while all clearing and forwarding agents are expected to submit electronic copies of documents on behalf of their clients as port operations go digital with the recently launched PS platform.

#### **Uganda**

Arabica: Parchment flow in Bugisu area is reasonable whilst the western area is slowing down. The Drugar crop slowing down as well.

Robusta: Robusta FAQ arrivals increase while moisture levels decrease. This allows producers to proceed faster and more efficiently at their facilities. On quality side there are also improvements both in preparation and cup. So far things look pretty much in line with forecasts.

#### **China**

Internal market turned very quiet. Producers and middle men are holding coffee, waiting for better selling prices. Green bean availability is still limited due to bad weather conditions in the past few weeks.

China has by all accounts represented one of the world's fastest-growing coffee markets in recent years, both in terms of production in the primary growing region in Yunnan, and in consumption. The ICO said the double-digit annual growth in Chinese production and consumption have made it a larger producer than Kenya and Tanzania combined, while annual total consumption throughout the country now outpaces that in coffee-loving Australia.

Drawing from its own collection of monthly import and export figures over the past 20 years, the ICO suggested that consumption has been growing at an average annual rate of 16 percent over the past 10 years, a number in part driven by the increased presence of coffee shops in urban areas.

#### **India**

Rains have finally come to an end but the weather remains cloudy and wet in Robusta regions delaying the crop arrivals. Harvesting is underway in Kerala and coffee started to flow, same goes for Karnataka where the peak volumes were yet to arrive by the end of December.

#### **PNG**

Arrivals throughout most of the highlands region continue at a reduced rate. End of coffee season. Favourable weather conditions throughout the highlands with evening rains and sunny days.

#### **Vietnam**

Weather is sunny and dry.

With Lam Dong lacking behind, other provinces like Dak Lak and Gia Lai have harvested already about 70% of the crop. Same time last year the industry estimated a harvest of 60% of the crop.

New crop is readily available but farmers still keep past crop stocks waiting for higher prices. Therefore exporters expect they will see past crop being shipped into 2016.

#### **Indonesia**

Off-season with only very limited trucks arriving in Lampung. The rainy season has arrived and good to heavy rains seen on a daily basis.



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### Various

According to public figures published by the **National Coffee Association** in the US, the fastest growing sector in consumption during November was single serve, while the remainder of the sectors experienced a reduction.

**Nestlé** finished the second round of 4C (Common Code for the Coffee Community) training this week in China. To help coffee planting business in Yunnan keep up with international trends, and to help coffee bean growers to connect to the international market, experts from Nestlé, with the support of local government and partners, started training of 4C for coffee bean growers and manufacturers that have long term partnership with the company since 2012. 4C is the world accepted principles concerning the sustainable development of coffee planting, manufacturing, processing and marketing. Its goal is to promote the sustainable progress of coffee manufacturing, processing and trading.

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



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