

Green Coffee Quality Report Review & Expectations

Brazil

The remaining old crop quantities are in strong producers and cooperatives hands therefore it is very difficult to get cheaper prices from them. Most producers are already focusing on the last procedures (get financing for cleaning, surfacing, etc...) being ready to start harvesting at the ideal timing. New crop lots ex SDM and Mogiana trickling in. Quality is good. Bigger screens are back. During May some coffees should be available but common sense is that harvest should be at full swing during June.

Dry and warm weather is prevailing over the coffee areas this autumn so far. Rains have been sporadic and isolated, typical summer rains. Temperatures remain above 30 °C, too high for this time of the season. This autumn is breaking the highest temperature records ever.

At the end of the month a quite severe cold front finally broke the warm and dry system and was able to extend the humidity bringing good rains over all coffee lands from Parana until south of Bahia. This cold air mass dropped temperatures abruptly. There are no frost alerts but the high lands might face below 5 degrees C.

Safras & Mercados made their 15/16 survey available at 56.4 million bags being 42.8 million bags of Arabica and 13.6 million bags of Conillons. Their survey was made based on cooperatives, producers, exporters and in-land sources.

Colombia

Since way back in 1997 Colombia had not faced such difficult issues with bean size and yields both at farm and dry mill levels. So much so that now the FNC has officially changed the Excelso regulations to now allow 5 % below screen 14 and above 12, instead of 1,5 % used until now. Accordingly Supremo production is practically non existent and expectations for the rest of the Mita-ca are not better. The good news are continued rains in most areas which are permitting the proper development of the year end crop. Colombia's National Coffee Research Center (Cenicafé) issued a statement on 5 April warning that the dry season caused by El Nino is leading to the quick spread of coffee berry borer.

A dry season has afflicted Colombia since the second half of 2015, as perhaps one of the most harmful effects that the El Niño phenomenon has had on Colombian coffee growing, Cenicafé said in a statement. It noted that the dry conditions in the departments of Caldas, Quindío, Risaralda, Antioquia and Valle del Cauca have created fertile terrain for the spread of coffee berry borer.

The insect, which is known for its speedy reproduction, is considered to be the most harmful plague for coffee. Rain is chasing out the insects that have survived within dry fruits. They are now spreading and attacking new fruits in formation. A recent study conducted by the FNC's Extension Service identified significant damage in harvested fruits in post-harvesting facilities, this reveals that a significant amount of coffee berry borer populations are surviving both in fruits that have fallen to the ground, and in uncollected dry fruits.

Global warming can also be blamed for increasing farm's susceptibility to coffee berry borer. Cenicafé noted that areas with average temperatures above 21 °C are more prone to the speedy reproduction of coffee berry borer. Correspondingly, the presence of the plague is weak in areas that are located at 1600 meters above sea level (MASL) with average temperatures below 20 °C. While in areas located at 1.218 MASL with temperatures of 22.5 °C coffee berry borer can attack up to 959 coffee beans from a single infested fruit on the ground. It only attacks up to 29 coffee beans in areas located at 1.700 MASL and temperatures of 19.8 °C.

Costa Rica

Finally, rain! Good flowerings were reported.

Mexico

Crop advancement at 85 %. There might have been some delays on the higher grown areas due to unusual cold weather. A combination of disease and aging plants has left the Mexican coffee industry with one of its smallest harvests in recent years. The National Union of Coffee Producers predicted that crop levels for the current 2015-16 season could be as low as 1.5 million bags of coffee – a fifty percent decline compared to last year's 3 million total. "Just five years ago we were producing 5 million bags per season," said Gabriel Barreda, the president of the producer's union. Data made available from the Agriculture Secretariat, Sagarpa, has shown that coffee production in Mexico has dropped by 61 % over the course of the past seven years. The primary reason for such a drop is the onset of an aggressive



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form of the roya fungus. This particularly nasty strain first appeared in Mexico four years ago but the authorities were collectively slow to react to it. Leaf rust disease arrived at a time when the nation's coffee crop was at its most vulnerable, something which only exasperated the problem. According to Barreda, Mexico's coffee farmers need to replace about 70 % of their trees. He admits that it is an ambitious but necessary plan that "should be implemented in the next four years." "Aside from seeing crop decimated by roya, many farmers are now battling with aging crops that cannot produce as much coffee as they once could. Official statistics indicated that around 500,000 producers are directly reliant on the coffee industry from their livelihood. The industry is also responsible for a further two million jobs in the country.

El Salvador

El Salvador exported 51,119 60-kg bags of coffee in March, the Salvadoran Coffee Council estimates, down nearly 55 % from 113,212 bags in March 2015.

Shipments in first half of the crop year were down 50.6 % from one year earlier to 191,131 bags from 309,023. El Salvador has declared an emergency in the Metropolitan Area of San Salvador, to address the lack of water affecting the country due to the effects of climate change.

Honduras

The crop has come to an end with last cherry pickings taking place. Most of the coffee is in the hands of intermediaries at high asking prices. Farmers are focused on new crop, some of the needed rains are expected soon.

Guatemala

The present crop is over, with less than 0.5 % pending to be picked. It is estimated that around 10 % of the crop that is in parchment is still in hands of intermediaries and producers.

The transition period from dry to wet season just started. Good rains reported in all coffee production areas, which have triggered good flowering. Actual farm activities include nursery maintenance for next crop's plants.

Peru

Increasing flow of fresh coffee from the central region. Yields and cup quality is improving significantly. Talking about climate, in Peru, the "coffee and climate" program has been launched, promoting "climate-smart" agriculture, with the aim to secure the sustainability of the coffee farming, as well as improving production up to 30 % by 2021.

Rwanda

The harvesting has started in Rwanda, at this stage the flow of cherry is very slow.

Kenya

Weather is cool with light showers in most parts of the coffee growing regions. Increasing quantities of naturals and lower grinder qualities will be the norm for the next few weeks at the auction as farmers wind down during May to finish off the late crop. An auction break is expected during June, and some of the marketing agents / estate growers have already indicated that there would be an early crop coffee available for the market by the end of June.

Tanzania

Steady rainfall is received across various locations in the country which continues to bolster the upcoming crop development. Harvesting activities have begun in the southern parts of the Kigoma region where the crop on the whole is expected to be of similar volume to the previous year – it is still however a bit too early to tell what to expect of the quality. Producers in the Mbeya and Mbinga regions expect to begin harvesting within the next 2 weeks.

In Dar-es-Salaam, the port authorities blame the proposed VAT on transit goods for the reduced cargo volumes passing through the port. Although the tax is yet to be applied, some large importers have considered other options and are reluctant to renew their contracts.

Uganda

Arabica The Drugar flow is picking up. Exporters expect some lower volume than last year for the fly crop, but quality has been better so far. The fly crop in the Mount Elgon area is starting.

Robusta Rain in the western region slows down the drying process. Harvested and processed coffee is offered at high moisture level.



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India

Due to continuing hot weather irrigation systems are running at full speed but this puts pressure on the water reserves. So far the impact on the crop is limited but the need for rains increase.

Continuing warm and dry weather triggered concerns about the size of the 16/17 crop. Several exporters start to become more cautious with offering further out shipments. Eyes are on the (pre) monsoon rains which would take off the pressure.

Indonesia

Low availability of fresh coffee, high local prices. New crop is still at least one month away and not expected before end May. Weather: Rains are reported in Sumatra and large parts of Indonesia.

PNG

Cherry arrivals from the Western Highlands as well as parchment sales increase steadily. Intermediary suppliers are taking more frequent forward contracts as their turnover increases. Heavy rains continue and some flooding is reported. Wet conditions are delaying the sun drying at wet mills. Traditionally the wet season should draw to its end in May but currently wet conditions prevail throughout the highlands region. The activity in the Western Highlands has substantially increased, while the Eastern Highlands region was quiet since this region's crop is usually weeks later.

Vietnam

Exporters hear that suppliers and agents build a large position upcountry as 'drought fever' catches on. Showers in Lam Dong brought selling pressure to the farmers. They are liquidating stock to buy fertilizer which will be applied during the rains. There were mixed rains up country but next to nothing in Daklak.

Vietnamese farmers become better financed every year and the natural early crop selling pressure becomes weaker. Exporters estimate that approx. 50–55% of the crop that has been released by farmers. The pepper price was moving around 145–148k VND/kg that encourages farmers enough to grow more pepper and feel happy now. Besides, prices of other products such as passion fruit, fresh cashew nut and yellow corn... are also good to help farmers have more daily cash.

Various

South Korea's coffee shop craze is frothing over. In fashionable retail and commercial districts of southern Seoul, nearly one in every two buildings boasts a coffee shop – evidence of a boom. South Korea's per capita coffee consumption has nearly doubled since 1990 to 2.3 kg (5 lb) per person, according to the International Coffee Organization.

Nestlé continues investing in production, with an 85million USD improvement planned for its South African company.

As a sign of the increasing importance of coffee quality for the airlines, United has reached an agreement with Illy coffee to offer the Italian roaster's product on its flights.

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



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