

Green Coffee Quality Report Review & Expectations



Brazil

Dry weather prevailed in the main coffee belt with some sporadic rainfall in some areas of South of Minas. A first flowering was mixed, with good flowering on the healthier trees but poor on the stressed trees. Flowers covered about 30% of the trees so far and general fixing was ok. Producers are anxiously expecting a new and main flowering. Some local sources also believe that a third and small flowering can still occur later and a small vegetative growth might yet happen as well. Bottom line however is that potential Arabica 2017 crop is lower than this crop due to the low cycle of the trees. Harvesting is finished or practically over with producers just doing the final cleaning at their farms. Trees are now resting waiting for rains and a consequent main flowering. Wharehouses in South of Minas are fully loaded with most of them refusing to receive additional coffee. This situation seems rather serious with warehouses late on routine services due to difficult logistics.

The northern part of Espirito Santo's dry area finally got rain at the end of the month, although coverage was not perfect with some places getting up to 40/50 mm while some other important concentrated Conilon areas got almost nothing. The situation there remains critical with trees under bad shape. The area needs high amount of rains to help plants to recover. Conilons trees are said to be stronger than Arabicas but they need urgent rains for it. Coffeetree defoliation in Arabica regions of Minas Gerais state has been higher than recent years because of major incidence of coffee leaf rust and longer winter with cold temperatures and wind. CONAB released their 3rd. revised estimate for the 2016 crop. The area planted this crop stands at 2.2 million hectares, however 270 thousand hectares are young trees thus not producing this season. Total productive area covers 1.95 million hectares. They adjusted their estimate to 49.6 million bags being 41.3 million bags of Arabica and 8.4 million bags of Conilons. The gross yield average reaches 25.4 bags per hectare.



Colombia

The main crop slowly starts to trickle in, which is most welcomed as demand got better in the nearby months, probably partly caused by the backlog caused by the truckers. The good news is the quality, with yields of the first pickings being very good. Despite the negative impact of the El Niño phenomenon and the recent transport strike have had on Colombian coffee production and exports, coffee production increased significantly during the past twelve months. Total production reached 14 million 60 kilo

green coffee bags between September 2015 and August 2016, representing a 6% increase compared to the same previous period.



Costa Rica

Rain came back after a short summer. The strongest volcanic eruption of Turrialba since 1963 is cause for some concern and disruption.



Honduras

The crop is about to begin and the amount of coffee flowing is considerable for end of September.

Crop15/16: Last IHCAFE statistic shows exports of 6,676,366 46 kilo bags. This includes a carryover from crop 14/15 of 244,437.21 46 kilo bags. Exporters quote that in addition, at least 1 million 46 kilo bags have been taken to neighboring countries without entering the statistics. This would mean that the total crop 15/16 was somewhere between 7.3 and 7.6 million 46 kilo bags.

New Crop 16/17: The development of the new crop has been very favorable. Weather conditions have been and are nearly perfect, with a mix of rain and sun, and beans are expected to be large in size. All damages caused by roya/rust from past years have been eradicated and new areas are coming into full production. Crop forecasts vary between exporters' and official IHCAF numbers. Exporters mention total crop estimates between 8.2 and 8.5 million 46 kilo bags, but the official IHCAFE estimate is 9.39 million 46 kilo bags.



Guatemala

Rains are expected to increase during first half of September onwards. Producers taking advantage of current prices and sell their leftovers. Crop outlook is generally positive after a year of dedicated husbandry. Coffee plantations in general are looking better than previous years. Harvesting is about to start.



Peru

September supposed to be the peak to harvest premium coffees in higher elevations.



Ethiopia

Heavy rains continue to pour in Addis and in all growing areas in the South. The bulk of the harvesting activity in the south is not expected to commence before mid of September.

In some areas of Ethiopia (mainly Oromia and Amhara) the chaos is getting bigger and some mention already political unrests could be possible in a stronger way. Different tribes felt oppressed.



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Kenya

Dry mills report declining arrivals from the field, whilst estates report early picking of the late crop with the onset of slightly warmer weather with shower intervals in most parts of the coffee growing regions. Rains are expected during October but the meteorological experts warn that they are likely to be late and short.

Generally the late crop on the trees is slowly expanding – main harvesting period will be a month later than usual i.e. Nov/Dec/Jan due to the rain-induced delayed flowering a few months ago.

In general, the outlook for coffee supply doesn't look promising. There will be a gap between the end of the current (fly) crop and the beginning of the new (late) crop.



Tanzania

Volumes for the auction from the north were meagre and the quality was not very impressive.

Sunny warm days prevail across the coffee regions although temperatures recorded are lower than usual for this time of the year. Producers in the south shift their focus back onto their farms with preparation activities of their trees for the next harvest ahead of the expected October rains.



Uganda

Arabica The Mount Elgon region received some decent rains which improved the cherry and parchment flow as well as the quality of the new arrivals. The crop is gaining momentum and cupping of the first production look promising. Uganda continues preparing itself for a crop of more than 5 million of bags in 2020.

Robusta Rains have improved in the central region. Robusta crop is delayed this season



India

Off-season. The Indian Coffee Act 2016 became effective this month. Main focus is supervising quality and re-import of Indian coffee is no longer allowed. Farmers are starting post-monsoon activities with fertilizers application. Water shortage in reservoirs. Farmers are waiting for the north-east monsoon to bail out the current situation.



Indonesia

Weather generally good with afternoon rains. At the end of the month rains have intensified, drying cherries becoming challenging.



PNG

The coffee is now predominantly from the Morobe Province. The flow to the factories and warehouses is steady. Exporters have seen a wet weeks with many hours of evening rains throughout the Highlands. The coffee trees are looking healthy would however need some dry periods to trigger additional flowerings.



Vietnam

On the weather front we saw heavy rains, with flooding seen in HCM, but still not enough to catch up longer term averages. Farmers watching the water reservoirs to be filled by heavy rainfall caused by the latest storm. First pickings done during the sunny morning and afternoons.

Various

A recent study in the UK market revealed supermarket pod sales – including brands such as Nespresso, Tassimo and Dolce Gusto – will soon overtake standard roast and ground coffee after an increase of 29.5 per cent over the last 12 months, bringing sales to £137.5 million. During the same period, sales of roast and ground varieties rose by only 2.5 per cent to £167million. Starbucks is getting ready to roll out its first Nespresso compatible capsules in the UK following the increase in the sales of coffee pods over the last few months.

In the US, millennials are at the center of the niche segment of consumers embracing craft coffee brewing methods at home, according to the new Craft Coffee at home report from global information company The NPD Group.

Maximo Zanetti has finalized its acquisition of Portuguese roaster Nutricafés, strengthening their position in the Portuguese market with such brands as Nicola and Chave D'Ouro.

Researchers have found new uses for the coffee grounds, other than landfill fillers. They have developed a foam that can filter contaminated water by removing heavy metals like lead or cadmium.

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



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