

**Atté's Weekly**

Hamburg, 28<sup>th</sup> March 2019

**“¡NO ACTUAR NO ES UNA OPCION!” \***

Below organisations wrote a declaration during the current ICO meeting in Kenya, expressing strongest concerns about the current coffee market situation and its impact on coffee producing countries and coffee producers in future

AFCA Burundi, Cameroun, DR Congo, Ethiopia, Ghana, Kenya, Malawi, Rwanda, South Africa, Tanzania, Uganda, Zambia, Zimbabwe  
AMECAFE - Asociación Mexicana de la Cadena del Café; ANACAFE - Asociación Nacional del Café Guatemala; **India Coffee Trust**  
**BSCA - Brazilian Specialty Coffees Association**; CNC – Conselho Nacional do Café – Brazil  
IACO - Inter-African Coffee Organization; FNC - **Federación Nacional de Cafeteros de Colombia**  
PROMECAFE -México, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panamá, Perú, República Dominicana, Jamaica;  
VICOFA - Vietnam Coffee and Cocoa Association; SCA – **Specialty Coffee Association USA**

[https://www.federaciondecafeteros.org/algrano-fnc-es/index.php/comments/declaracion\\_del\\_grupo\\_de\\_coordinacion\\_del\\_foro\\_mundial\\_de\\_produtores\\_de\\_ca/](https://www.federaciondecafeteros.org/algrano-fnc-es/index.php/comments/declaracion_del_grupo_de_coordinacion_del_foro_mundial_de_produtores_de_ca/)

**The physical market** – Mixed activities. And very mixed in Brazil. Demand is good. But only few sellers getting close to buying ideas. Vietnam/Indo Robusta no business. Centrals slow in standard grades and slowly running out of “bargains”, stocklots, etc. Colombia – stuck. African washed Arabica trading water, unwashed are enjoying ongoing interest. Spot market activities ongoing across a wide scope of grades.

**Latin/South America**

**Colombia** – Stuck. No offers, really. And if any, then tiny lots and sold at the asking price. Internal market firmed. Unclear, whether anyone accepted FNC’s set outright price.

**Brazil** – Some nearby demand seen, diff negotiations tough and no big volume traded. As further weakening of the Real to 4.00 vs the USD not freeing enough coffee. New crop enquiries on the rise, but also here apparently no bigger business happening. Isolated showers in coffee areas,

**Honduras** – HG offers a trace softer. Some buying in heavy bags took place. Overall, however, very limited activities. Ihcafe 2018/19 crop estimate: 8.13 mio bags of 60kg.

**Africa**

**Kenya** – Sale 22, abt. 30,000 bags on sale with better lots well bid – as much as some of the low grades/unwashed. The majority of coffee found lukewarm interest, with many lots withdrawn again by producers in wait for better prices later on. Next sale will offer ca. 29,000 bags – with offered qualities on the decline. Weather continued to be dry – but some forecasts give hope for a change beginning of April. Among a few measures to support the coffee sector, Kenya’s government will make abt. 30 mio USD (3bn KES) accessible for harvest funding of small producers from July.

**Uganda** – ripening in the western Robusta regions of Uganda are supported by rains last week. The weak market causes the FAQ prices to stay firm with very limited activity. Also the Arabica regions are favored by some rains and the flow of Drugar is picking up, but prices are firm with Drugar being offered around -23 FOB with buying ideas way below these levels and consequently limited activity.

**Ethiopia** – The offered prices are not attractive enough to create buying interest. Only Some Washed coffees changing hands as the big exporters are in urgent need of US\$ on the import side. ECX levels did not correspond to ICE Talk of town: According to latest records from the International Coffee Organisation (ICO), Uganda - the largest exporter in Africa, recorded an 8.8 per cent to 1.47 million bags from October 2018 to January 2019. ICO records further show that Ethiopia - the region's largest producer, and second largest exporter due to significant domestic consumption of coffee, in the first four months of 2018/19, saw its exports decrease by 8.9 per cent to 1 million bags.

## **Asia**

**Indonesia** – First ripe beans showing up on the trees. Weather relatively good so the larger flow of coffee to come in about 2 weeks time. Low London/Ice market prevented exporters to shorten some positions to the industry. We hope some pressure will come after the first big appetite of the local players is satisfied. An interesting factor might impact the export soon. If the actual president is re-elected, exporters fear the Indonesian rupiah would firm and prices in USD will increase as a result.

**Vietnam** – Isolated showers in the highlands last week with rainfall levels “normal” for March. Local news and some European models calling for drier than average April with varying degrees of conviction. Tree condition average for time of year. Local market slightly more active than recent weeks as farmers begin lower target selling price from 37,000vnd to 35,000vnd while bids ca. 33,200 in the highlands or 33,800 delivered HCMC . Local market remains well bid for Gd2 and lower grades while stocks of bigger bean coffees build. Vietnam continues to be behind the curve on its May price to be fixed contracts but sentiment is buoyed by the current inverted structure. Overall, industry has some lukewarm interest and international trade needs to cover some position.

**India** – Arabica farmers reluctantly releasing balance held by them at the current low prices rueing their future. There is all-round resentment among the Arabica farmers as prices not even covering cost of production. This is bound to reflect on maintenance and upkeep of farms. Dream run continues for both the Robusta as exporters and domestic roasters competing with each other to grab the little flow. Growing areas await showers even as hot weather prevails. Rupee hovering around 69.00 and closed @ Rs.69.33/USD.

**PNG** – Good interest in all types of new crop Coffee. Exporter differentials from less 4.00 to level for Y/1 can't attract the international trade to book some good volume. Industry waits lukewarm to step in.

**\*not acting is not an option**

**Indicative FOB Differentials - no offers.**

Origin	Shipping Month	Exchange	Diff. c/lb
Brazil 2/3, mtgb, ss, fc	April onw.	NYC	-8
Colombia Excelso ep	May onw.	NYC	+30
Guatemala shb, e.p.	April onw.	NYC	+37
Indian Plantation A	April onw.	NYC	+34
Honduras hg, ep	April onw.	NYC	- 1
Kenya AB faq	April onw.	NYC	+110
PNG Y1-Grade	May onw.	NYC	-4
Ethiopia Djimmah Gr. 5	April onw.	NYC	-12
India Robusta Cherry AB	April onw.	LIFFE	+375
Indonesia EK 1, 80 defects	May onw.	LIFFE	+100
Vietnam Gr. 2, 5%	Mar onw .	LIFFE	-15

The information herein was compiled from different sources and is for information purpose only

27. Mrz. 19	Close	weekly change	Open Interest	weekly change	27. Mrz. 19	Close	weekly change	Open Interest	weekly change																		
May 19	93,85	-0,90	156.131	540	May 19	1504	9	55.706	-3.181																		
Jly 19	96,45	-1,00	72.436	8.705	Jly 19	1503	1	37.684	2.301																		
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Dec 19	103,10	-1,00	29.348	837	Nov 19	1529	-3	5.738	584																		
<b>Total:</b>			<b>344.800</b>	<b>13.839</b>	<b>Total:</b>			<b>122.219</b>	<b>1.139</b>																		
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