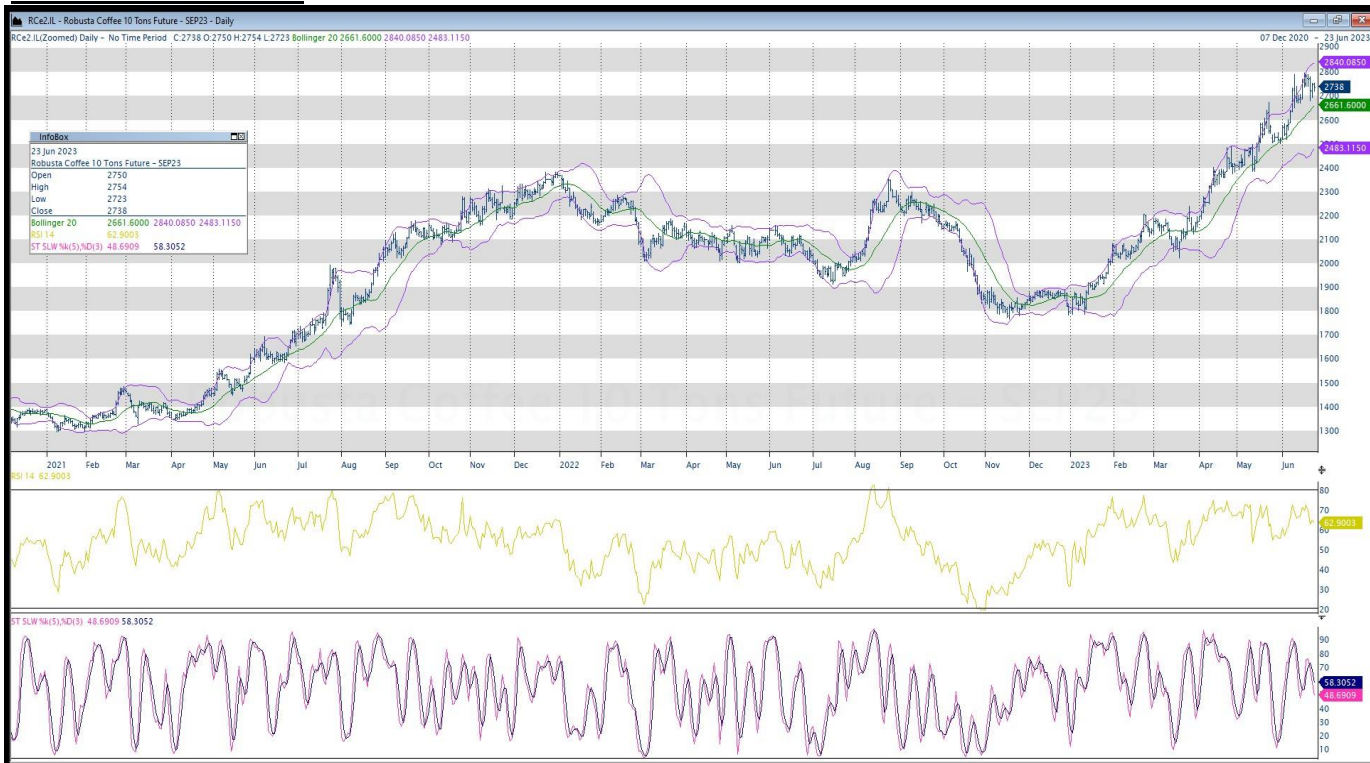


**LONDON ICE MARKET**



LONDRES					
Posición	último	dif	alto	bajo	cierre
JUL23	2747	-45	2796	2745	2792
SEP23	2709	-40	2754	2696	2749
NOV23	2630	-38	2672	2620	2668
JAN24	2549	-37	2590	2549	2586

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
JUL23	167,90	-3,80	167,90	167,90	171,70
SEP23	165,80	-4,45	169,95	165,15	170,25
DEC23	164,85	-4,20	169,25	164,30	169,05
MAR24	165,20	-4,10	168,95	164,85	169,30

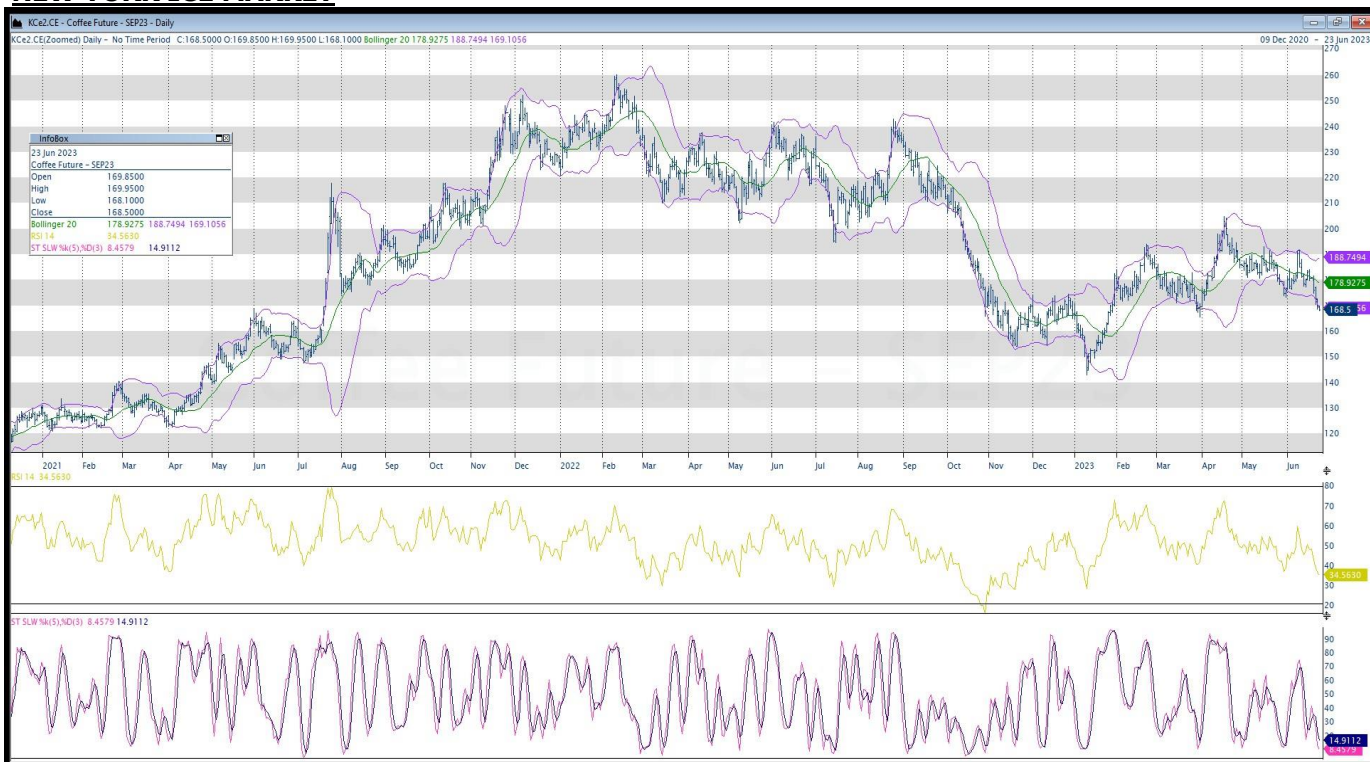
**London ICE:**

Supports: 2670, 2500 & 2465  
Resistances: 2735, 2790 & 2815

**New York ICE:**

Supports: 169,50 & 166,50  
Resistances: 173,00, 177,00, 184,25 & 191,50

**NEW YORK ICE MARKET**



WEEKLY MARKET REPORT



**BRAZIL**

As per the USDA, Brazil combined Arabica and Robusta harvest is forecast up 3.8 million bags to 66.4 million in 2023/24. Arabica output is forecast to improve 4.9 million bags to 44.7 million. In January 2023, coffee trees in top growing region Minas Gerais experienced higher than average rains during the fruit development stage, which caused difficulties for some growers in controlling plant diseases and pests. However, increased precipitation resulted in coarser and heavier beans compared to the last crop, which contributed to production gains.

Over the next few days, cold temperature trend is losing strength and the risk of frost becomes less probable. Dry weather will predominate throughout the week in the producing areas of Espírito Santo and Bahia. In the central-south, the weather changes again in the second half of the week. A cold front and an area of low atmospheric pressure are already spreading instabilities across southern Brazil and from Thursday onwards the instabilities are advancing towards Paraná.

**VIETNAM**

After three years of La Nina weather pattern, the El Nino phenomenon is likely to return in Vietnam in late May or early June, with a probability of up to 80%, and this phenomenon may last into early 2024. According to Weather Forecasting Department, 2023 weather is forecast warmer than 2022 but up to date, weather conditions are favorable for crop development. Rains have been beneficial for coffee tree development and farmers saved on irrigation costs.

Fertilizer prices dropped as much as 40/45% year-on-year and encouraged growers to increase the consumption of fertilizer for their farms. 2023/24 production is estimated 3 to 5% higher.

The total 2023/24 producing area decreased by 2.1% because farmers are actively cutting down their old coffee farms to replant or switch to others crops which are more profitable. Intercropping with pepper, macadamia, and durian especially increased thanks to China trade reopening. Anyway, interesting to mention that Sustainable coffee area in Central Highlands increased to 200K hectares.

The EU's ban on deforestation-linked imports is causing concern among Vietnamese producers as the requirements to trace commodities back to their origin can push up costs and entail finding alternative suppliers. Nguyen Nam Hai, Chairman of the Vietnam Coffee Cocoa Association, said the EU is Vietnam's largest coffee importer, consuming 40 per cent of the country's coffee export annually. In 2022, Vietnamese coffee exported to the EU topped 689,000 tons, up 26 per cent year-by-year. Vietnam should push the EU for a deferral of its effective date to give coffee companies more time to prepare for the regulation. It is also worth noting that the total area of coffee at high risk under EUDR was estimated at 13,000 ha.

**CENTRAL AMERICA / COLOMBIA**

**As per the USDA**, Central America and Mexico production is forecast nearly unchanged at 17.9 million bags. Modest gains in Honduras, El Salvador and Costa Rica are expected to offset a slight dip in Guatemala.

**Starbucks** announced plans to develop a new sustainability learning and innovation lab at Hacienda Alsacia – the company's global agronomy headquarters for research and development, located in Costa Rica. The lab will serve as a hub for hands-on and virtual learning opportunities for Starbucks partners (employees), students, researchers and industry leaders to innovate and scale sustainable solutions for some of the world's most challenging environmental and social issues, including climate adaption and agricultural economics.

**OTHERS**

**India** combined Arabica and Robusta harvest is forecast to decline 400,000 bags to 5.8 million. Robusta production is forecast to drop 300,000 bags to 4.6 million due primarily to a prolonged dry spell from December 2022 to March 2023 which was followed by poor pre-monsoon rains. Arabica production is seen slipping 100,000 bags to 1.2 million.

**DEMAND / INDUSTRY**

**USA coffee consumption** has been growing over the past few years. According to data from the National Coffee Association, between January 2021 and March 2022, the country's coffee consumption increased by 14%. This represented the largest increase since the NCA began collecting data on US coffee consumption – marking a 20-year high.

**Europe**, meanwhile, accounts for around one-third of global coffee consumption.

Alongside consumption, Europe is also the largest coffee importer in the world. In 2021, Europe collectively imported more than 3.62 million tons of green coffee – representing an average annual increase of 1.6% between 2017 and 2021. Germany in particular is Europe's biggest green coffee importer, accounting for around 34% of total annual imports. Italy and Germany are the two largest coffee roasting markets, followed by France, the Netherlands, Spain, and Sweden.

Generally speaking, the US market is much faster at adopting new coffee trends and technologies compared to other countries and regions, including Europe.

Looking at different European coffee markets, thanks to its diverse range of countries, it's difficult to generalize coffee consumption trends in Europe. Anyway, we could consider that espresso has been more prominent way of drinking coffee in Europe for some time. Filter coffee, meanwhile, has been more associated with the US – both in and out of the home.

**Nescafé** has published its first Nescafé Plan 2030 Progress Report, with results showing that farmers are gradually adopting regenerative agricultural practices and improving farming yields. The results are based on an impact assessment conducted by Nescafé in partnership with the Rainforest Alliance, from 2018 to 2022, and among more than 7000 coffee farmers in 14 countries from where Nescafé sources its coffee. ICE US saw the first pending gradings build up against Arabica last week since March. It's only 4,620 bags, but here comes the coffee certs. The fun begins again guessing how many get brought to the Board and how many actually pass.

**QUOTATION EURO / US DOLLAR**

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,08668	1,09585	1,08444

U.S. single-family homebuilding surged in May to its highest in more than a year and permits issued for future construction also climbed, suggesting the housing market may be turning a corner after getting clobbered by Federal Reserve interest rate hikes. May's rate was the highest since April 2022, which had been the highest since 2006. The average rate on the popular 30-year fixed mortgage has come down somewhat from last November's high above 7%. It averaged 6.77% in the latest week, according to data from the Mortgage Bankers Association. But tightening credit conditions could make it harder for builders to access funding for new projects.

**ADDITIONAL COMMENTS**

As per the USDA, World coffee production for 2023/24 is forecast 4.3 million bags (60 kilograms) higher than the previous year to 174.3 million. Higher output in Brazil and Vietnam is expected to more than offset reduced production in Indonesia. With additional supplies, global exports are expected up 5.8 million bags to a record 122.2 million primarily on strong shipments from Brazil. With global consumption forecast at a record 170.2 million bags, ending inventories are expected to remain tight at 31.8 million bags.



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