

December 23, 2021

COFFEE MARKET REPORT



Month	Settle	Daily Change	Weekly Change	%Change This Week
22-Mar	2.3120	-.0290	-.0355	-1.51 %
22-May	2.3110	-.0270	-.0375	-1.60 %
22-Jul	2.3040	-.0285	-.0395	-1.69 %
22-Sep	2.2945	-.0275	-.0385	-1.65 %

Coffee Market

It is once again that time of year, we hope everyone gets some much-needed time off that can be spent with those closest to us. The C Market had quite the exciting start to the week, albeit on low volume, but has since stabilized a bit. The move seemed to be fueled by our new friend Omicron and fears that a new wave (number four... maybe five?) is coming and impending lockdowns could send the World back to a screeching halt, but the rest of the week seemed to solidify the resounding sentiment within the trade that the C Market has entered a sustained period of high prices. A multitude of issues continue to be a thorn in the side of everyone along the supply chain from the freight and logistics nightmare to the reports of farmer defaults in Brazil and Colombia have kept differentials high despite the record C Market run. Reports out of Brazil are still predicting a four year low in production with a 7.5-10 million bag shortfall and reports on Jul-Nov exports from the country show a 5.0m bag reduction from the previous year. Roasters are continuing to stay hand to mouth in their buying and only covering nearby needs while farmers no doubt recognize this and are holding out to see how much juice is still left to squeeze. It will be very interesting to see how things shake out as we go into the New Year and the trading really starts, but until then we should see continued volatility with upside on the high end.

Tea Market

A more selective week at Tea auctions around the world. Many buyers are a little more subdued as we inch closer to the holidays. North Indian production is closing down and only leftover stock is available in the South. At auction, there was still good demand. In some cases, in the North, anywhere between 75-88% absorption could be seen. Kenya saw subdued demand as many buyers are ready for the holidays. Brighter well-made teas sold while others were unsold. Production is good for the moment, but the dry season is just around the corner. For the end of the year, logistics concerns have become somewhat normal. Or at least, we may know the face of our issues for the coming year. As we slowdown in business, remember to take the time to be with friends and family during the holiday season. And enjoy the little things that make life great. Happy Holidays from our family to yours.

