



Vietnam coffee monthly round-up February 2022

//

Most shipping companies had suspended delivery services to Russia, while Russia-based importers struggled to make payments and send documents and invoices via banks as the West ramps up sanctions over the Ukraine war

Shipment

A slightly easier container freight market and the use of breakbulk vessels have coincided with the start of Vietnam's peak shipment period.

It is estimated that Vietnam's green coffee beans exports in February are estimated up 6% from January at 138,000 tonnes, This is more than double the number at the same point in February 2021. Totally, in the first two months of 2022, Vietnam's green coffee beans exports were estimated at 268,200 tonnes, up 43% a year earlier.

Inventory

The upcountry inventory in February is estimated at 215,800 tonnes, 6% lower than January. Port inventory in February is about 446,100 tonnes, 5% higher than last month. Farmers have sold about 65% of the new crop 21-22 until the end of February 2022. The total current inventory is estimated at 1,298,000 tons.

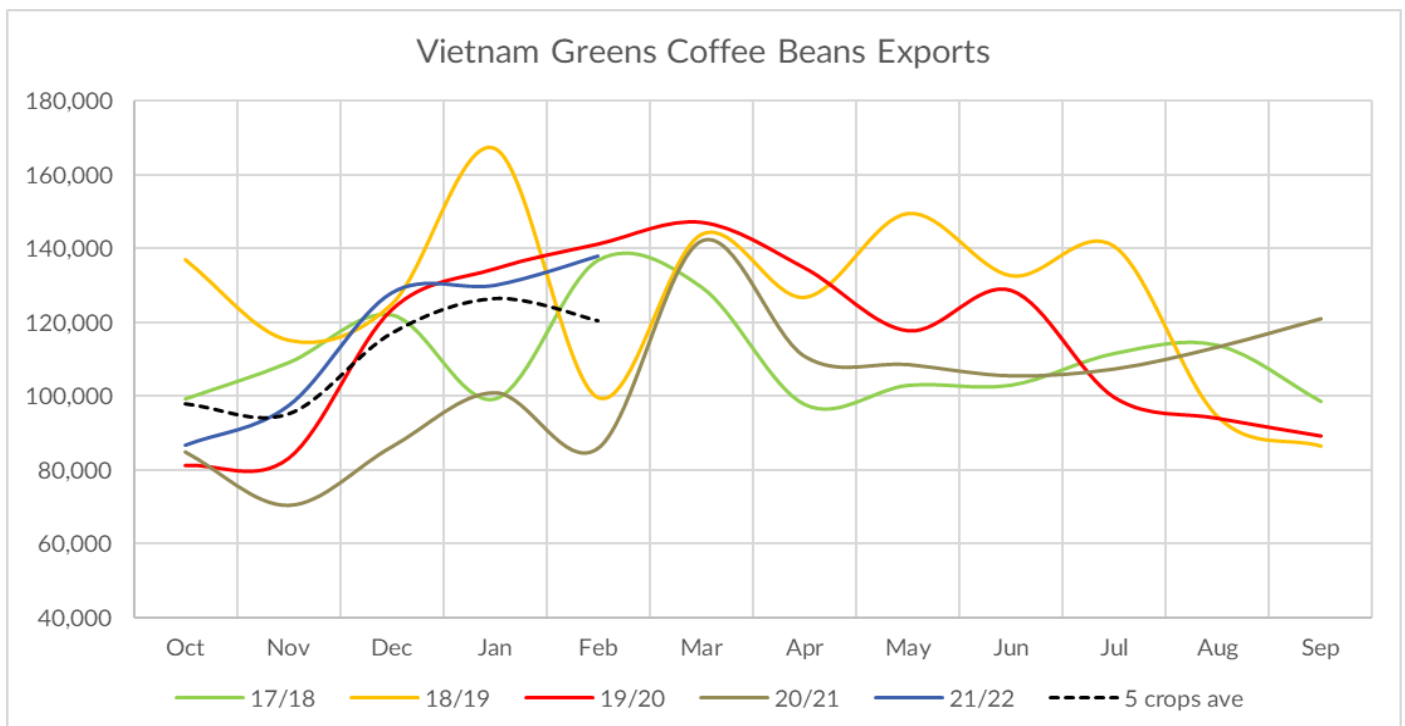
Price

The market is still pretty quiet after the TET holidays, together with the spike in cases due to the Omicron variant. Farmers stop selling more as future prices on the London market drop down to 2013 USD/MT and wait for price recovery.

Farmers in the Central Highlands, Vietnam's largest coffee-growing area, sold coffee at an average of 38,900-41,000 dong (\$1.70-\$1.80) per kg. They are also releasing old stock from mini harvest in April 2021.

The sharp drop in futures over the last days of February have disrupted the physical market and we are unable to report differentials price.

Discounts for Vietnamese coffee may narrow in the next few weeks amid high gasoline prices and shipping rates, and thin trade



Analyzed by Simexco Daklak Ltd.

Weather

Conditions remained mostly dry in the central highlands of Vietnam with some scattered showers over Lam Dong and Dak Lak. In Dak Lak and Gia Lai, farmers have started the second round of irrigation.

We estimate about 91% of the 2022 crop has flowered with 80% in Daklak and almost complete in other provinces.

Others

Most shipping companies had suspended delivery services to Russia, while Russia-based clients struggled to make payments and send documents and invoices via banks as the West ramps up sanctions over the Ukraine war.

Concerns over rising fertilizer and gasoline prices resulting from sanctions on Russia raised.

The pandemic has pushed fertilizer prices to 2-2.5 times higher, now with tightening supplies, production costs will keep increasing.



Disclaimer

This publication has been prepared by Simexco Daklak Ltd., for information purposes only and are not intended (and should not be considered) to be legal advice on any subject matter. Simexco Daklak Ltd., does not give any representation or warranty, whether express or implied, as to the accuracy, completeness, currency or fitness for any purpose or use of any information in this publication or as to whether this publication reflects the current legislative or regulatory position or any other relevant developments. Simexco Daklak Ltd., assumes no responsibility to update this publication based on events after publication of the information contained therein.

Readers are responsible for assessing the relevance and accuracy of the content of the information in this publication. Simexco Daklak Ltd., will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information therein.

Information in this publication should not be considered as advice, or as a recommendation or solicitation to purchase or otherwise deal in securities, investments or any other products. Such information has been prepared for institutional clients, is not directed at retail customers and does not take into account particular investment objectives, risk appetites, financial situations or needs. Recipients of the document should make their own trading or investment decisions based upon their own financial objectives and financial resources.

For further information concerning the contents and usage of this publication please contact: trade@simexcodl.com.vn