

Coffee Gains Most Since April on Brazil Crop Woes; Cotton Sags

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By Fareeha Ali

July 31 (Bloomberg) -- Arabica coffee for Sept. delivery rose 6.9% to settle at \$1.9505/lb on ICE Futures U.S. in N.Y., the biggest gain for a most-active contract since April 22.

* The price touched \$1.964, highest since May 15

* NOTE: Prices have surged 76% this yr following 1Q drought in

Brazil

* Brazilian export co. Terra Forte cut its est. of nation's

coffee output by 3.4% to 45.8mln bags on drought damage and
plantation stress

* For 2015, pruned plants showing as much as 40% loss on

vegetative growth, Terra Forte says

* "The current crop is severely compromised, and there will
be lower production this season because of the drought and
premature flowering," Sterling Smith, specialist at Citi
Futures, says in telephone interview

* "It's impossible for next year's crop to be bigger than
this year's, and it has sparked increased nervousness in the
coffee world"

* NOTE: Citi Futures Cuts Brazil Coffee-Crop Estimate to
41.75M Bags

* NOTE: Brazil is world's top producer, exporter

* Cotton futures for Dec. delivery dropped 1.8% to 62.87c/lb,
after touching 62.32c, lowest since Oct. 7, 2009

* In July, the fiber tumbled 14% to cap third straight monthly

drop, longest slump since July 2011

* Production in the U.S. seen 33% higher from yr earlier,

Morgan Stanley says

* Raw-sugar futures for Oct. delivery fell 1% to 16.46c/lb

* Prices declined 8.6% in July, most since Aug. 2012

* Cocoa futures for Sept. delivery gained 0.4% to \$3,219/mt

* Futures rose 2.9% in July for a fourth straight monthly gain

* Orange-juice futures for Sept. delivery rose 0.8% to

\$1.407/lb

* Prices fell for third month in a row, longest slump since

Oct.