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Cocoa Climbs to Five-Month High in N.Y.; Sugar, Coffee Decline 2011-01-20 15:27:30.423 GMT

By Debarati Roy

Jan. 20 (Bloomberg) -- Cocoa jumped to a five-month high on concern that supplies from Ivory Coast, the world's biggest producer, may be disrupted because of political unrest. Sugar and coffee fell.

A disputed election on Nov. 28 left the country with two rival presidents and triggered a wave of violence that left at least 260 people dead, according to the United Nations. European Union-registered ships are barred from new financial transactions with the main cocoa ports in Abidjan and San Pedro, as part of sanctions begun last week.

"We could see some cocoa factories having to declare a force majeure because of supply disruptions," said Tom Mikulski, a senior strategist at Lind-Waldock, a broker in Chicago.

Cocoa for March delivery jumped \$37, or 1.2 percent, to \$3,137 a metric ton at 10:24 a.m. on ICE Futures U.S. in New York. Earlier, the price touched \$3,175, the highest for a most-active contract since Aug. 5.

The commodity may surge to \$3,300 a ton, Mikulski said, without giving a time frame.

Force majeure is a contract clause companies invoke to avoid penalties when they are unable to make deliveries because of events beyond their control.

In London, cocoa futures for March delivery rose 43 pounds, or 2.1 percent, to 2,098 pounds (\$3,327) a ton on NYSE Liffe.

Raw-sugar futures for March delivery declined 0.91 cent, or 2.9 percent, to 30.27 cents a pound in New York. On NYSE Liffe, refined-sugar futures for March delivery fell \$13.80, or 1.8 percent, to \$757.80 a ton.

Arabica-coffee futures for March delivery dropped 3.75 cents, or 1.6 percent, to \$2.2875 a pound on ICE. In London, robusta-coffee futures lost \$28, or 1.3 percent, to \$2,091 a ton.

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