

Cocoa Jumps to 11-Month High on Supply Concern; Coffee Slumps
2013-09-05 14:11:11.252 GMT

By Luzi Ann Javier and Marvin G. Perez

Sept. 5 (Bloomberg) -- Cocoa futures jumped to the highest in almost a year on mounting West African supply concerns. Coffee dropped to a four-year low. Sugar rose, while cotton and orange juice dropped.

Ivory Coast, the world's top cocoa exporter, and Ghana, the second-biggest, had an average of 1.25 inches (3.2 centimeters) of rain in the past 30 days, compared with 3.25 inches typically, Kyle Tapley, a meteorologist at MDA Weather Services in Gaithersburg, Maryland, said yesterday in a telephone interview. Inventories at warehouses monitored by ICE Futures U.S. have dropped 7.7 percent this quarter to the lowest since April 2.

"We won't know the crop losses until the harvest" starts next month in West Africa, Sterling Smith, a futures specialist at Citigroup Inc. in Chicago, said in a telephone interview. "The drop in stockpiles is supportive for prices because it shows healthy demand in the cash market."

Cocoa futures for December delivery advanced 2.7 percent to \$2,563 a metric ton at 10:05 a.m. on ICE in New York. Earlier, the price reached \$2,575, the highest for a most-active contract since Sept. 28, 2012.

Through yesterday, the price gained 12 percent this year. That trailed only crude oil's advance of 17 percent among 24 raw materials in the Standard & Poor's GSCI Spot Index.

Some growing areas in West Africa may get as much as 1.5 inches of rain by Sept. 9, MDA's Tapley said yesterday.

Arabica-coffee futures for December delivery fell 1.2 percent to \$1.154 a pound. Earlier, the price touched \$1.1525, the lowest since July 16, 2009. Through yesterday, the commodity dropped 19 percent this year, partly because of bumper crops in Brazil, the top exporter.

Raw-sugar futures for October delivery gained 0.5 percent to 16.46 cents a pound.

Cotton futures for December delivery fell 0.1 percent to 82.675 cents a pound.

Orange-juice futures for November delivery fell less than 0.1 percent to \$1.3315 a pound

For Related News and Information:

Top commodities news: [CTOP <GO>](#)

Top agriculture: [YTOP <GO>](#)

--Editors: Patrick McKiernan, Thomas Galatola

To contact the reporters on this story:

Luzi Ann Javier in New York at +1-212-617-8222 or ljavier@bloomberg.net;

Marvin G. Perez in New York at [+1-212-617-7757](tel:+1-212-617-7757) or mperez71@bloomberg.net

To contact the editor responsible for this story:

Steve Stroth at [+1-312-443-5931](tel:+1-312-443-5931) or sstroth@bloomberg.net