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Robusta Coffee Jumps to Two-Year High After Rainfall in Vietnam 2010-
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By Stephen Morris

Dec. 30 (Bloomberg) -- Robusta coffee futures rose to a two-year high on speculation that rains delayed the harvest and curbed exports from Vietnam, the world's largest grower of the beans.

Vietnam's 2010-11 coffee crop may be down 15 percent, Thoi Bao Kinh Te Vietnam newspaper reported on Dec. 28, citing information from the ministry of agriculture and rural development. Vietnam's crop usually starts by November.

"Prices are up as exports out of Vietnam for December are expected to be lower than the previous year, and some see this as a sign that production will not meet expectations," said Keith Flury, an analyst at Rabobank International in London, in an e-mail today. "A late rainy season delayed this year's harvest."

Robusta-coffee futures for March delivery rose as much as \$128, or 6.3 percent, to \$2,152 a metric ton, the highest price for a most-active contract since September 2008. It was up \$63 at \$2,087 a ton by 12:08 p.m. in London, bringing the gain this year to 61 percent.

Arabica coffee for March delivery gained 1.7 cents, or 0.7 percent, to \$2.4130 a pound on ICE Futures U.S. in New York. Earlier, the price reached \$2.4175, the highest for a most-active contract since Dec. 22.

White sugar for March delivery fell \$3, or 0.4 percent, to \$823.40 a ton on NYSE Liffe and raw sugar for March delivery climbed 0.07 cent, or 0.2 percent, to 33.9 cents a pound.

Cocoa futures for March delivery lost \$22, or 0.7 percent, to \$3,043 a ton on ICE. In London, cocoa futures for March delivery declined 0.3 percent to 2,047 pounds (\$3,158) a ton on NYSE Liffe.

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