



LETTER FROM THE EXECUTIVE DIRECTOR

COFFEE MARKET REPORT

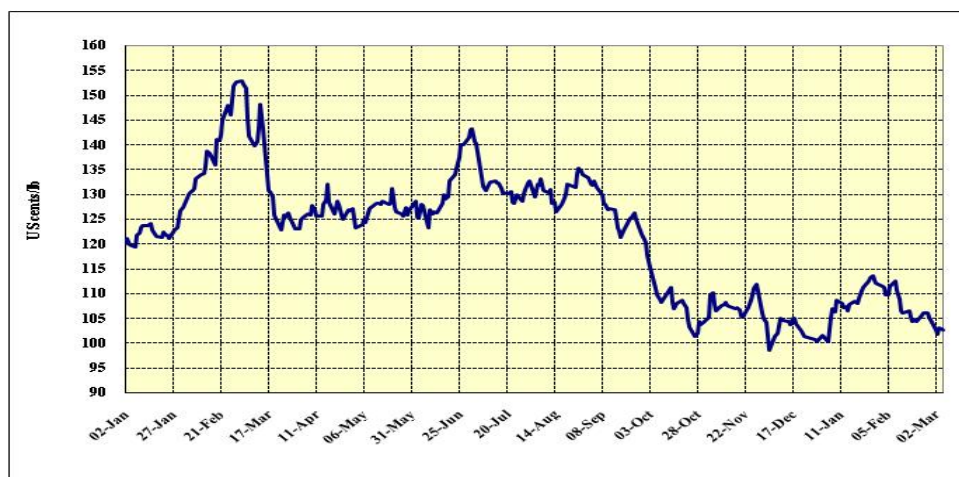
February 2009

Coffee prices were little changed in February, with the monthly average of the ICO composite indicator price at 107.60 US cents per lb compared to 108.39 US cents per lb in January 2009. Prices of the Colombian Milds and Other Milds groups remain firm, confirming that the current crops in Colombia, Central America and India are smaller than initially estimated, as a result of climatic and structural problems. As a consequence, premiums paid for prompt shipment of coffee from these countries of origin have increased, widening the arbitrage with Robusta prices. However, the short-term behaviour of coffee prices on the New York and London futures exchanges continues to be influenced by the weak performance of major stock exchanges and financial instruments.

In terms of the fundamentals of the coffee market, the outlook remains unchanged. Availability in coffee year 2008/09 is sufficient to satisfy demand. The supply/demand balance is expected to go into deficit during 2009/10, when global output will be reduced because of the off-year in the Brazilian production cycle. At the same time, demand for coffee is not expected to be significantly affected by the world economic crisis. Furthermore, stocks in producing countries have fallen to their lowest levels since records began. These factors are likely to lend support to the market in the medium-term and prices are expected to strengthen as the year progresses.

Exports by all exporting countries in January 2009 totalled 7.8 million bags, 2.6% lower than the figure for the same month in the previous year. However, total exports from October 2008 to January 2009, the first four months of coffee year 2008/09, were 30.9 million bags, a rise of 3.6% compared to the 29.8 million bags shipped in the corresponding period of 2007/08.

Graph 1: Daily composite indicator price 2 January 2008 – 9 March 2009



Price movements

The monthly average of the **ICO composite indicator price** was 107.60 US cents per lb in February compared to 108.39 US cents per lb in January, representing a slight drop of 0.73%. The monthly average of the composite indicator price has fluctuated in a narrow range, between 103.07 and 108.39 US cents per lb, since the onset of the crisis in world financial markets in September 2008. The behaviour of prices of the four groups of coffee in February was not uniform: prices of **Colombian Milds** and **Other Milds** rose (by 1.6% and 0.9% respectively), while falls were recorded in **Brazilian**

Naturals (1.4%) and **Robustas** (3%). These movements reflect the reduced availability of coffee from Colombia, which has led roasters to increase their purchases of washed Arabicas from other countries of origin, notably those in Central America. Prices fell during late February and early March under the influence of the continued fragility of world financial markets¹. Graph 1 shows changes in the ICO daily composite indicator price since 2 January 2008. Graphs 2 to 5 show changes in daily indicator prices for the four groups of coffee since 1 December 2008.

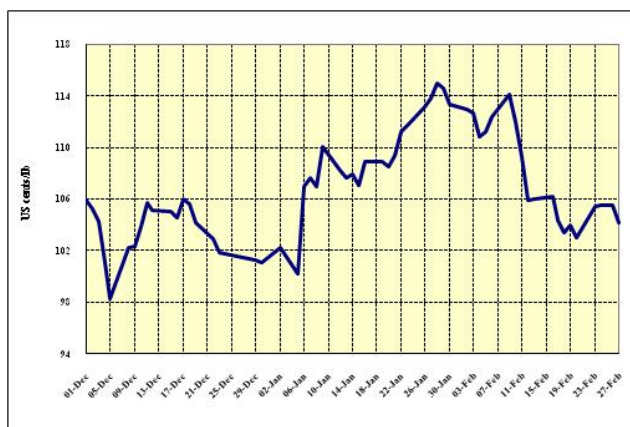
Graph 2: Daily indicator prices for Colombian Milds
1 December 2008 – 27 February 2009



Graph 3: Daily indicator prices for Other Milds
1 December 2008 – 27 February 2009



Graph 4: Daily indicator prices for Brazilian Naturals
1 December 2008 – 27 February 2009



Graph 5: Daily indicator prices for Robustas
1 December 2008 – 27 February 2009



¹ The composite indicator price recorded on 9 March was 101.42 US cents per lb.

Table 1: ICO daily indicator prices and futures prices (US cents per lb): February 2009

	ICO composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
Feb-09							
02-Feb	111.32	147.21	133.11	112.95	83.07	123.05	76.18
03-Feb	111.14	147.04	132.91	112.63	83.01	122.55	76.25
04-Feb	109.76	144.75	131.41	110.84	82.43	119.15	73.66
05-Feb	109.65	145.89	132.45	111.22	80.72	122.47	75.77
06-Feb	111.36	147.47	133.76	112.33	83.26	122.85	76.54
09-Feb	112.54	149.17	135.76	114.11	83.21	124.65	75.89
10-Feb	110.64	146.62	132.86	111.91	82.43	120.10	73.84
11-Feb	108.80	145.79	131.25	109.29	80.74	118.90	74.16
12-Feb	106.57	142.20	127.96	105.88	80.69	115.57	72.19
13-Feb	106.13	142.42	128.17	106.00	79.13	116.15	72.35
16-Feb	106.42	142.54	128.40	106.18	79.63	Holiday	72.73
17-Feb	105.20	141.08	126.47	104.35	79.46	114.20	72.14
18-Feb	104.26	139.95	125.42	103.36	78.69	112.75	71.62
19-Feb	104.84	142.17	126.37	103.92	78.42	113.67	72.19
20-Feb	104.32	141.15	125.37	103.00	78.74	112.38	71.30
23-Feb	105.67	144.53	127.64	105.38	77.82	114.33	71.94
24-Feb	105.98	145.18	127.72	105.48	78.32	114.43	71.96
25-Feb	105.94	145.03	127.60	105.46	78.34	113.97	71.80
26-Feb	106.10	145.62	128.10	105.48	78.26	114.25	71.62
27-Feb	105.29	145.19	126.90	104.12	78.02	113.05	71.06
Feb-09	107.60	144.55	129.48	107.69	80.22	117.29	73.26
2008							
February	138.82	159.90	157.29	143.78	115.45	155.83	108.17
March	136.17	151.64	149.89	136.41	121.92	146.75	113.77
April	126.55	142.04	140.70	127.67	111.29	136.23	103.48
May	126.76	143.60	141.95	129.52	108.88	137.03	100.89
June	130.51	149.15	146.15	133.65	111.34	143.59	102.98
July	132.78	151.18	147.36	134.88	115.23	144.31	106.49
August	131.14	151.03	146.43	133.28	112.56	144.26	103.85
September	126.69	148.36	143.27	130.26	105.38	140.72	97.50
October	108.31	130.99	123.59	110.27	88.77	121.11	81.49
November	107.88	130.45	121.89	107.96	90.76	117.23	81.07
December	103.07	130.89	118.97	103.46	82.51	111.91	74.71
2009							
January	108.39	142.32	128.30	109.18	82.74	119.75	75.88
February	107.60	144.55	129.48	107.69	80.22	117.29	73.26
annual averages							
2000	64.24	102.60	87.07	79.86	41.41	94.58	40.11
2001	45.59	72.05	62.28	50.70	27.54	58.86	23.92
2002	47.74	64.90	61.52	45.23	30.01	57.02	25.88
2003	51.90	65.33	64.20	50.31	36.95	65.24	34.11
2004	62.15	81.44	80.47	68.97	35.99	79.53	32.85
2005	89.36	115.73	114.86	102.29	50.55	111.38	46.80
2006	95.75	116.80	114.40	103.92	67.55	112.30	59.77
2007	107.68	125.57	123.55	111.79	86.60	121.83	78.56
2008	124.25	144.32	139.78	126.59	105.28	136.46	97.18
% change between Feb-09 and Jan-09	-0.73	1.57	0.92	-1.36	-3.05	-2.06	-3.45
% change between Feb-09 and Feb-08	-22.49	-9.60	-17.68	-25.10	-30.52	-24.73	-32.27
% change between Feb-09 and 2008 average	-13.40	0.16	-7.37	-14.93	-23.80	-14.05	-24.61
volatility (%)							
Feb-08	1.34	1.15	1.15	1.26	1.86	1.51	1.88
Mar-08	2.66	2.68	2.74	2.81	3.23	3.02	3.37
Apr-08	1.39	1.57	1.54	1.58	1.44	2.02	1.77
May-08	1.15	1.29	1.32	1.23	1.54	2.01	1.54
Jun-08	1.58	1.69	1.69	1.68	1.58	2.02	1.78
Jul-08	1.32	1.21	1.22	1.25	1.71	1.75	1.90
Aug-08	1.31	1.27	1.31	1.30	1.79	1.64	1.82
Sep-08	1.08	1.21	1.22	1.20	1.24	2.04	1.56
Oct-08	1.48	1.86	1.86	2.05	2.20	2.15	2.47
Nov-08	1.35	1.23	1.30	1.35	2.15	1.78	2.48
Dec-08	1.43	1.51	1.71	1.65	1.51	2.22	1.62
Jan-09	1.42	1.75	1.63	1.89	1.52	2.35	2.00
Feb-09	1.02	1.20	1.17	1.37	1.18	1.67	1.47

*Average of the 2nd and 3rd positions

Table 2: Production in selected exporting countries

Crop year commencing	2005	2006	2007	2008	% change 2008&2007
TOTAL	109 631	126 820	116 496	127 805	9.71
Africa	13 044	15 233	14 873	17 668	18.79
Cameroon	849	836	795	800	0.59
Côte d'Ivoire	1 962	2 847	2 150	2 500	16.30
Ethiopia	4 003	4 636	4 906	6 133	25.02
Kenya	660	826	652	950	45.68
Tanzania	804	822	810	917	13.20
Uganda	2 159	2 700	3 250	3 500	7.69
Others	2 607	2 565	2 311	2 868	24.11
<i>Arabicas</i>	<i>6 556</i>	<i>7 415</i>	<i>7 410</i>	<i>9 614</i>	<i>29.74</i>
<i>Robustas</i>	<i>6 488</i>	<i>7 818</i>	<i>7 463</i>	<i>8 054</i>	<i>7.91</i>
Asia & Oceania	29 715	33 581	29 626	29 603	-0.08
India	4 396	5 079	4 148	4 610	11.14
Indonesia	8 659	6 650	6 371	5 833	-8.45
Papua New Guinea	1 268	807	968	850	-12.16
Thailand	999	766	653	825	26.26
Vietnam	13 542	19 340	16 467	16 000	-2.84
Others	851	939	1 019	1 485	45.74
<i>Arabicas</i>	<i>3 893</i>	<i>3 460</i>	<i>3 311</i>	<i>3 427</i>	<i>3.50</i>
<i>Robustas</i>	<i>25 821</i>	<i>30 121</i>	<i>26 315</i>	<i>26 176</i>	<i>-0.53</i>
Mexico & Central America	17 118	16 936	18 283	18 260	-0.13
Costa Rica	1 778	1 580	1 784	1 781	-0.18
El Salvador	1 502	1 371	1 626	1 448	-10.96
Guatemala	3 676	3 950	4 100	3 900	-4.87
Honduras	3 204	3 461	3 842	3 833	-0.22
Mexico	4 225	4 200	4 150	4 500	8.43
Nicaragua	1 718	1 300	1 700	1 600	-5.88
Others	1 016	1 074	1 081	1 198	10.83
<i>Arabicas</i>	<i>16 982</i>	<i>16 801</i>	<i>18 158</i>	<i>18 116</i>	<i>-0.24</i>
<i>Robustas</i>	<i>136</i>	<i>135</i>	<i>124</i>	<i>144</i>	<i>15.96</i>
South America	49 753	61 071	53 714	62 275	15.94
Brazil	32 945	42 512	36 070	45 992	27.51
Colombia	12 329	12 153	12 515	10 500	-16.10
Ecuador	1 120	1 167	1 110	640	-42.36
Peru	2 419	4 249	2 953	4 102	38.91
Others	941	990	1 066	1 041	-2.33
<i>Arabicas</i>	<i>40 091</i>	<i>51 262</i>	<i>42 459</i>	<i>51 408</i>	<i>21.08</i>
<i>Robustas</i>	<i>9 662</i>	<i>9 808</i>	<i>11 255</i>	<i>10 867</i>	<i>-3.44</i>
TOTAL	109 631	126 820	116 496	127 805	9.71
Colombian Milds	13 487	13 488	13 685	12 037	-12.04
Other Milds	25 206	26 974	26 883	28 871	7.40
Brazilian Naturals	28 830	38 476	30 771	41 657	35.37
Robustas	42 108	47 882	45 157	45 241	0.19
Arabicas	67 523	78 938	71 339	82 565	15.74
Robustas	42 108	47 882	45 157	45 241	0.19
TOTAL	100.00	100.00	100.00	100.00	
Colombian Milds	12.30	10.64	11.75	9.42	
Other Milds	22.99	21.27	23.08	22.59	
Brazilian Naturals	26.30	30.34	26.41	32.59	
Robustas	38.41	37.76	38.76	35.40	
Arabicas	61.59	62.24	61.24	64.60	
Robustas	38.41	37.76	38.76	35.40	

In thousand bags

Market fundamentals

On the basis of available information, **total production** for crop year 2008/09 has been adjusted downwards, from 133.4 million to 127.8 million bags, mainly as a consequence of reductions in the estimates for Colombia, Vietnam and India (Table 2).

While sufficient coffee exists to meet existing levels of demand, concern has been growing about the immediate availability of washed Arabicas, especially from Colombia. The current Colombian crop is widely perceived as being lower than initially forecast, as a result of heavy rainfall and a temporary fall in production in areas participating in the plan to replace old trees currently being implemented by the National Federation of Coffee Growers. The crop estimate for Colombia has accordingly been revised to 10.5 million bags. As a consequence of the shortage of Colombian coffee, roasters have shown increased interest in other types of coffee, particularly Other Milds. However, supplies of this type of coffee are also tight, as a result of adverse weather conditions in Central America. The perception of a tightened supply situation has been reinforced by news received from Vietnam. VICOFA has just published a new crop estimate for 2008/09 of 16 million bags, 3.5 million bags lower than the previous estimate, as a result of low yields in older plantations and unexpected rainfall. Crop estimates from other sources remain considerably higher. The ICO will continue to monitor the development of the 2008/09 crop in Vietnam and Colombia in upcoming months.

The reduction in the anticipated surplus in coffee year 2008/09 will have consequences further into the future. In 2009/10, production in Brazil, the largest coffee producer in the world, is expected to fall as this will be the off-year in the biennial production cycle. The Brazilian authorities forecast a crop of between 36.9 and 38.8 million bags. A similar cyclical reduction in production is expected in Peru, which is a significant supplier of washed Arabica. In other countries, in which the crop year begins later in the year, it is still too early to forecast production. In these circumstances, an accurate assessment of the supply situation for 2009/10 would be premature. Nevertheless a significant decrease is expected, and consequently production will be insufficient to meet current levels of demand.

Coffee prices have fallen by approximately 15% since September 2008. This performance compares relatively well in relation to other agricultural commodities, which have fallen much further. Even so, current price levels may discourage coffee farmers from increasing their production potential through new investments or improved farm maintenance. However, the impact of price declines may be off-set by exchange rate movements and reductions in the costs of fertilizers, to a greater or lesser extent depending on the policies adopted in individual countries. During the current month, the ICO will publish a study on changes in the prices of fertilizers used in coffee farming in order to assess their possible impact on production trends.

Exports in January 2009 totalled 7.8 million bags, 2.6% lower than in the same month of 2008. This brings the total volume exported during the period February 2008 to January 2009 to 96.6 million bags, an increase of 0.5% in relation to exports in the preceding twelve months. Concerns about the size of the current crop in Colombia are corroborated by the fall in exports of Colombian Milds, which totalled 3.98 million bags from October 2008 to January 2009, 13.9% lower than in the same period of the previous year. The reduction in supplies from Colombia has been off-set by increases in shipments of Other Milds (4.7%) and Brazilian Naturals (15.8%) (Table 3).

Table 3: Total exports of all forms of coffee (October – January 2007/08 and 2008/09)

	2007/08	2008/09	% change
TOTAL	29.82	30.90	3.64
Colombian Milds	4.62	3.98	-13.92
Other Milds	5.33	5.58	4.70
Brazilian Naturals	9.53	11.04	15.83
Robustas	10.34	10.31	-0.30
Arabicas	19.48	20.60	5.73
Robustas	10.34	10.31	-0.30

In thousand bags

Information received from exporting countries indicates that the volume of **opening stocks** for crop year 2008/09 is around 17.2 million bags compared to 25.3 million bags for the previous crop year. This level is the lowest recorded since the ICO began collecting figures on stocks during the 1960s. Stocks held in importing countries show little change in recent months, fluctuating seasonally within a range of between 21 million and 23 million bags.

The preliminary estimate of **world consumption** in calendar year 2008 is maintained at 128 million bags, compared to 125.1 million bags in 2007 (Table 4). Domestic consumption in exporting countries totalled 33.2 million bags in 2007 compared to 31.7 million bags in 2006. Consumption of importing countries as a whole, including Members and non-members, totalled 91.9 million bags in 2007 compared to 89.9 million bags in 2006. As indicated in our preliminary evaluation of the impact of the world economic crisis on the coffee sector (document ED-2059/09), consumption is not expected to suffer major adverse effects from the current turbulence in financial markets. However, the situation is changeable, especially in the emerging markets of Eastern Europe, and requires continual monitoring.

Table 4 World consumption (Calendar years 2003 – 2007)

	2003	2004	2005	2006	2007*
WORLD TOTAL	112 919	118 420	118 426	121 577	125 061
<i>Producing Countries</i>	<i>28 374</i>	<i>29 495</i>	<i>30 470</i>	<i>31 686</i>	<i>33 208</i>
Brazil	14 088	14 760	15 390	16 133	16 927
Mexico	1 500	1 500	1 556	1 794	2 050
Indonesia	1 958	2 000	2 000	2 000	2 000
Ethiopia	1 833	1 833	1 833	1 833	1 833
Colombia	1 400	1 400	1 400	1 400	1 400
India	1 142	1 188	1 272	1 337	1 360
Philippines	873	917	917	917	989
Vietnam	500	500	500	604	938
Venezuela	693	700	703	723	760
Others	4 389	4 698	4 899	4 945	4 952
<i>Importing Countries</i>	<i>84 544</i>	<i>88 925</i>	<i>87 956</i>	<i>89 891</i>	<i>91 853</i>
<i>European Community</i>	<i>39 738</i>	<i>41 193</i>	<i>39 276</i>	<i>40 941</i>	<i>40 577</i>
Germany	9 499	10 445	8 665	9 151	8 627
Italy	5 507	5 469	5 552	5 593	5 799
France	5 394	4 929	4 787	5 278	5 628
Spain	2 740	2 705	3 007	3 017	3 198
United Kingdom	2 236	2 458	2 680	3 059	2 824
Netherlands	1 743	1 978	1 927	2 129	2 292
Poland	2 242	2 281	2 267	1 953	1 531
Sweden	1 178	1 234	1 170	1 315	1 244
Belgium	1 579	1 396	1 158	1 537	1 103
Finland	966	1 034	1 102	1 047	1 057
Greece	929	871	870	857	1 015
Others	5 725	6 392	6 091	6 007	6 260
USA	20 193	20 973	20 998	20 667	21 033
Japan	6 770	7 117	7 128	7 268	7 282
<i>Other Importing Countries</i>	<i>17 844</i>	<i>19 643</i>	<i>20 554</i>	<i>21 014</i>	<i>22 960</i>
Russian Federation	3 582	3 086	3 212	3 263	4 055
Canada	2 146	2 747	2 794	3 098	3 535
Algeria	1 752	2 159	1 892	1 836	1 968
Korea, Republic of	1 305	1 401	1 394	1 437	1 425
Ukraine	647	739	1 025	968	1 057
Australia	873	864	1 039	992	1 031
Others	7 538	8 646	9 198	9 420	9 890

* Preliminary
In thousand bags

Tables 5 and 6 show per capita consumption in selected exporting and importing countries. Table 7 shows retail prices in selected importing countries in September 2006 to 2008. It may be noted that these prices have increased in all countries, with the exception of the United Kingdom and Norway. From September 2007 to the same month in 2008, increases above 10% have been recorded in the following countries: Slovakia (28.3%), Latvia (22.9%), Poland (21.9%), Japan (13.5%), Denmark (13.2%), Luxembourg (10.7%), France (10.2%), Portugal (10.1%) and Finland (10%).

Table 5: Per capita consumption in selected exporting countries (Calendar years 2003 – 2007)

	2003	2004	2005	2006	2007
Brazil	4.65	4.80	4.94	5.11	5.30
Costa Rica	3.40	4.17	5.04	4.77	4.18
Honduras	1.83	1.86	2.02	1.98	2.43
Dominican Republic	2.22	2.31	2.39	2.36	2.32
Haiti	2.27	2.23	2.19	2.16	2.13
Nicaragua	2.10	2.12	2.09	2.06	2.04
El Salvador	1.42	1.44	1.62	1.85	1.96
Colombia	1.92	1.90	1.87	1.84	1.82
Venezuela	1.61	1.60	1.58	1.59	1.65
Madagascar	1.03	1.43	1.50	1.46	1.42
Guatemala	1.49	1.45	1.42	1.38	1.35
Ethiopia	1.47	1.43	1.39	1.36	1.32
Panama	1.29	1.26	1.24	1.22	1.20
Cuba	1.20	1.20	1.20	1.20	1.20
Mexico	0.88	0.87	0.90	1.02	1.15
Côte d'Ivoire	1.06	1.04	1.02	1.00	0.99
Ecuador	0.70	0.70	0.69	0.68	0.67
Philippines	0.65	0.66	0.65	0.64	0.67
Vietnam	0.36	0.36	0.35	0.42	0.64
Indonesia	0.53	0.54	0.53	0.52	0.52

In kilogrammes

Table 6: Per capita consumption in selected importing countries (Calendar years 2003 – 2007)

	2003	2004	2005	2006	2007
Algeria	3.30	4.00	3.46	3.30	3.49
Australia	2.64	2.58	3.07	2.90	2.98
Canada	4.07	5.16	5.20	5.71	6.45
European Community	4.89	5.06	4.81	5.00	4.94
Austria	5.26	7.24	5.59	4.41	6.08
Belgium	9.18	8.09	6.68	8.84	6.33
Bulgaria	3.04	2.81	3.33	3.28	2.86
Cyprus	3.89	4.32	4.97	3.92	4.89
Czech Republic	3.66	3.56	3.87	3.72	4.00
Denmark	8.06	9.43	8.80	9.09	8.75
Estonia	5.08	5.71	6.48	7.48	4.53
Finland	11.10	11.87	12.60	11.94	12.01
France	5.37	4.88	4.71	5.16	5.48
Germany	6.90	7.58	6.29	6.64	6.27
Greece	5.04	4.72	4.70	4.62	5.46
Hungary	3.82	4.20	3.39	3.57	3.12
Ireland	2.27	3.31	3.23	2.88	3.41
Italy	5.67	5.61	5.68	5.71	5.91
Latvia	4.08	4.01	3.76	4.74	3.44
Lithuania	3.01	3.44	3.38	3.76	4.07
Luxembourg	12.07	15.67	11.66	13.49	16.65
Malta	1.58	2.33	2.44	4.32	2.33
Netherlands	6.46	7.30	7.08	7.80	8.38
Poland	3.51	3.58	3.56	3.07	2.41
Portugal	3.79	3.93	3.74	3.85	4.28
Romania	2.08	2.26	2.38	2.33	2.30
Slovakia	3.18	3.15	3.26	3.13	3.97
Slovenia	5.02	5.55	5.44	5.27	5.85
Spain	3.91	3.79	4.16	4.12	4.33
Sweden	7.89	8.22	7.76	8.69	8.19
United Kingdom	2.25	2.46	2.67	3.03	2.79
Japan	3.18	3.34	3.34	3.41	3.41
Korea, Republic of	1.65	1.76	1.75	1.79	1.77
Norway	8.95	9.23	9.61	9.27	9.85
Russian Federation	1.48	1.28	1.34	1.37	1.71
Switzerland	6.95	5.86	8.89	7.51	7.93
Ukraine	0.82	0.94	1.31	1.25	1.37
USA	4.12	4.24	4.20	4.09	4.13

In kilogrammes

Table 7: Retail price of roasted coffee in selected importing countries

	September			% change 2008-2007
	2006	2007	2008	
<i>European Community</i>				
Austria	419.13	422.27		
Belgium	445.11	499.79	542.15	8.48
Cyprus	541.06	582.36	602.75	3.50
Denmark	456.30	481.25	544.54	13.15
Finland	302.51	335.30	368.82	10.00
France	304.82	345.38	380.55	10.18
Germany	438.76	476.47	495.23	3.94
Italy	639.08	717.86	778.69	8.47
Latvia	441.24	493.85	606.96	22.90
Luxembourg	654.09	678.16	750.67	10.69
Malta 1/	1 115.82	1 249.91	1 305.86	4.48
Netherlands	401.81	451.27		
Poland	282.47	371.71	453.27	21.94
Portugal	476.86	518.70	570.82	10.05
Slovakia	313.00	399.86	513.14	28.33
Slovenia	404.27	461.97	471.77	2.12
Spain	351.00	390.76	424.86	8.73
Sweden	321.22	358.13	377.08	5.29
United Kingdom 1/	1 694.25	1 820.24	1 662.78	-8.65
Japan	841.21	791.88	899.12	13.54
Norway	401.87	466.54	417.82	-10.44
USA	317.30			

In US cents per lb

1/ Soluble coffee

In conclusion, despite price falls recorded in recent weeks on the futures markets, the supply/demand balance continues to favour the maintenance of firm coffee prices in the medium term. Demand is not expected to suffer greatly as a result of the ongoing world economic crisis, while supply is expected to tighten towards the end of 2009. Although unexpectedly small harvests in some producing countries have helped to support prices in recent weeks, price movements are still subject to the influence of factors unrelated to coffee supply and demand, particularly the behaviour of stock markets and exchange rates.