



The VM Group 101 Ashmill Street, London - NW1 6RA, United Kingdom

Tel + 44 (0) 20 7569 5930

Web: <http://www.virtualmetals.co.uk>

Email: info@virtualmetals.co.uk

PRESS RELEASE

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ABN AMRO/VM Group: Agricommodities Monthly – COFFEE QUARTERLY

VM Group in partnership with ABN AMRO today publishes the August 2011 edition of *The Agricommodities Monthly*, which reports on and analyses key developments in the global markets for agricommodities.

The August issue is a **Coffee Quarterly** for the time being, we see no reason to alter our estimate for the global balance for the **2010-2011 season** now in its closing months, and retain our estimate of a projected arabica surplus of 5.64m 60-kg bags, and a global robusta surplus of 4.89m bags. Our estimate for total arabica production is held at 85.14m bags, with consumption at 79.50m bags; total robusta output we estimate will be 55.71m bags and consumption 50.82m bags. For the approaching **2011-2012 season** we still see output from South America improving with a global arabica surplus for the October-September season (which we also apply to Brazil) of 0.69m bags based on a production estimate of 80.97m bags and demand of 80.28m bags. The robusta surplus is still forecast to drop from 2010-2011 levels to 4.07m bags with production of 55.39m bags and demand of 51.32m bags. The end of the most recent La Niña weather event will see the return to more normal output levels of both arabica and robusta.

In addition, the report each month carries a commodity-related feature. In this issue we look at Ethanol in the US. The rise and fall of ethanol in the US public imagination has been nothing short of spectacular. Heralded as a saviour against foreign oil interests barely five years ago, the US Senate recently voted to pull the financial rug from under the ethanol industry. So, where did it all go wrong?

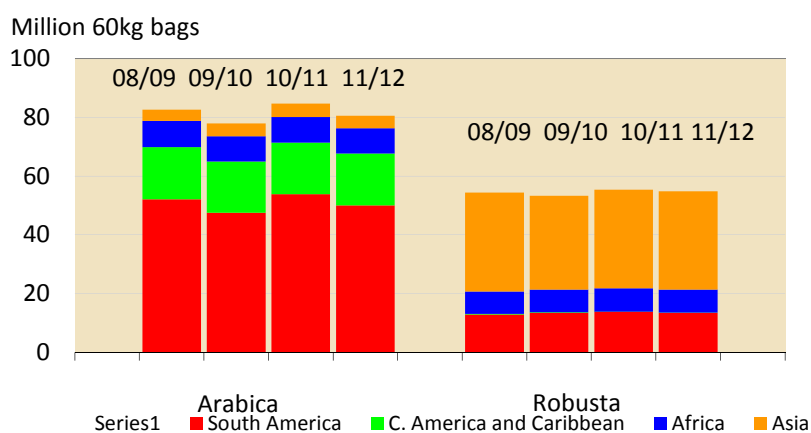
The Agricommodities Monthly is free of charge and open-access and is available directly from the VM Group at www.vmgroupp.co.uk. If you have not received a copy of this report, or should you require further details or commentary, please contact:

Clare Hayter, VM Group, +44 20 7569 5930, info@virtualmetals.co.uk

Coffee supply & demand balance, million 60 kg bags

	2009-2010		2010-2011		2011-2012	
	Arabica	Robusta	Arabica	Robusta	Arabica	Robusta
South America	47.49	13.36	53.88	13.82	50.00	13.40
Central America & Caribbean	17.50	0.23	17.48	0.03	17.70	0.03
Africa	8.55	7.75	8.77	7.85	8.61	8.10
Asia	4.36	31.95	4.56	33.65	4.21	33.50
Rest of world	0.45	0.36	0.45	0.36	0.45	0.36
Total Production	78.35	53.65	85.14	55.71	80.97	55.39
Demand	79.02	49.68	79.50	50.82	80.28	51.32
Balance	(0.67)	3.97	5.64	4.89	0.69	4.07

Note: italics denote revisions to previous estimates



Source: ABN AMRO, VM Group