



PRESS RELEASE

**UNDER STRICT EMBARGO – NOT FOR PUBLICATION OR COMMENT BEFORE 11:00 UK TIME (GMT),
 FRIDAY 26 FEBRUARY 2010**

26 FEBRUARY 2010

FORTIS BANK NEDERLAND/VM Group: Agricommodities Monthly – Coffee Quarterly

VM Group in partnership with Fortis Bank Nederland today publishes the February 2010 edition of *The Agricommodities Monthly*, which reports on and analyses key developments in the global markets for agricommodities. This new report provides on a rolling quarterly basis in-depth analyses of cocoa, coffee and sugar. The February issue is a **Coffee Quarterly**, and presents our first tentative estimates for the global coffee supply-demand balance for the upcoming, 2010-2011 season.

Coffee supply & demand balance, million 60 kg bags

	2008/2009		2009/2010		2010/2011	
	Arabica	Robusta	Arabica	Robusta	Arabica	Robusta
South America	52.45	12.82	48.91	13.68	54.65	14.30
Central America & Caribbean	17.73	0.23	18.18	0.23	17.78	0.03
Africa	8.85	7.65	8.55	7.75	8.67	7.85
Asia	3.85	33.65	4.36	31.95	4.56	31.45
Rest of world	0.45	0.36	0.45	0.36	0.45	0.36
Total Production	83.33	54.71	80.45	53.97	86.11	53.99
Demand	78.55	49.15	79.02	49.68	79.12	50.58
Balance	4.78	5.56	1.43	4.29	6.99	3.41

Source: Fortis Bank Nederland

We currently anticipate that the 2010-2011 season will see a widening of the surplus for arabica, to 6.99m 60-kg bags, largely as a consequence of the bigger crop expected from Brazil, where the two-year arabica production cycle is embarked upon an 'on' year. Our current estimate for the robusta market suggests a slightly smaller surplus, of 3.41m bags, than is likely to have resulted from the 2009-2010 season.

We have also marginally revised our estimates for the global cocoa

supply-demand outlook, both for the 2009-2010 and 2010-2011 seasons, in both cases lifting expected production while maintaining our previous demand estimates. We now expect total global output in 2009-2010 will be 3.425 Mt (44,000t more than our January estimate) and 3.617 Mt in 2010-2011 (34,000t more than in our January report), giving a 126,000t deficit this season and a 14,000t deficit in that of 2010-2011.

The March edition of *The Agricommodities Monthly* will be a **Sugar Quarterly**, in which we will for the first time present a global supply-demand outlook generated from our own calculations of the market.

In addition, the report each month will carry an informative commodity-related feature. In February we publish an interview with two of the most important executives of Fortis Bank Nederland who are involved in managing the bank's commodity businesses.

The Agricommodities Monthly is free of charge and open-access and is available directly from the VM Group at www.vmggroup.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