

Arabica Coffee Prices Rise 92 Percent in Four Months Due to Brazilian Drought



Brasilia, March 5 (RHC) -- This year, Arabica coffee prices are likely to rise to 150-160 cents/pound (lb). Currently, the price is 194 cents/lb, a rise of 92 percent compared with 101 cents/lb in November 2013, the Business Standard daily reported.

According to analysts, the price hike follows prospects of a smaller-than-expected crop in Brazil, the world's top coffee producer, owing to prolonged dry weather.

"The market has moved up significantly in the last month. The Brazilian crop has been affected by a severe drought. Although the extent of the damage to the crop isn't known, the supply of beans will be lower than last year. However, we expect prices to fall about 10 percent in the short-to-medium term," said Ramesh Rajah, president of Coffee Exporters' Association of India. He feels this year, prices won't fall below the 150 cent-mark. And Rajah said that owing to the low supply of Arabica and the higher prices, robusta consumption should improve.



Radio Habana Cuba