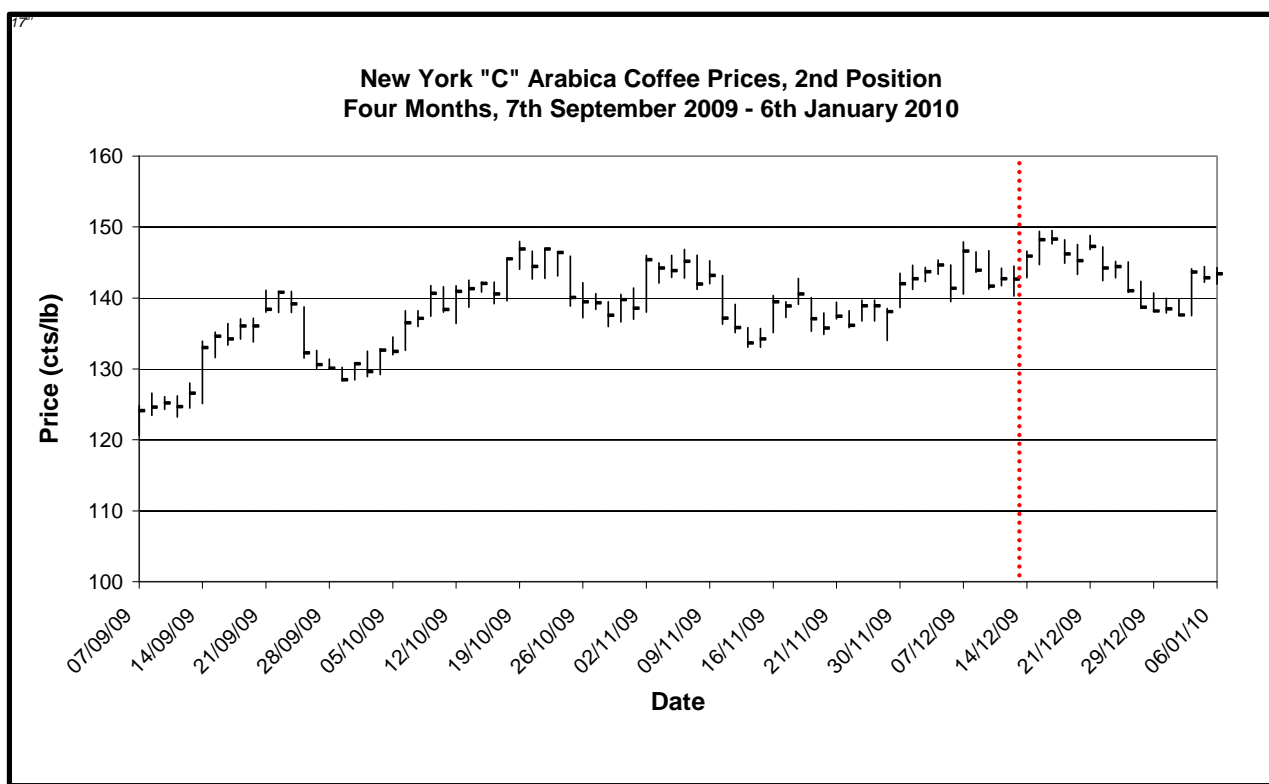




Goodbye 2009 – down 9 cents Hello 2010 – up 6 cents

1. COFFEE PRICES: REVIEW AND OUTLOOK 1.1 NY ARABICA 'C' MARKET



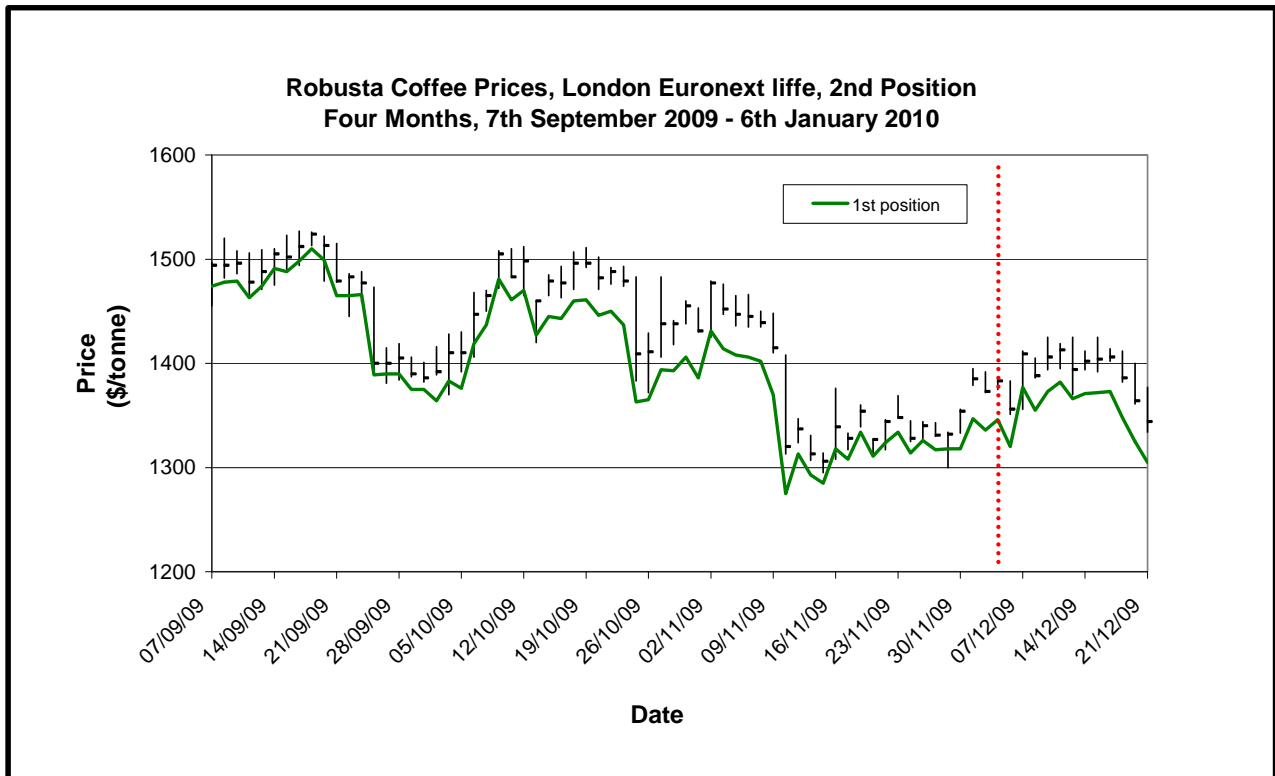
REVIEW OF NY 'C' ARABICA MARKET 2 WEEKS ENDING 6TH JANUARY 2010 & OUTLOOK FOR ARABICA PRICES

New York traded in a narrow range over the last holiday-interrupted days. Arabica prices came under pressure as the US Dollar strengthened. An absence of industry buying left the door open for some fund liquidation (selling) during these days.

Also the New York / London arbitrage (the difference between New York Arabica price and London Robusta price) reduced from 84 cents to around 78 cents as London Robusta prices failed to track the falls in New York.

144 cents/lb is the key 'indicator' price for now. In our view further weakness can be expected unless prices can get back up to this level.

1.2 LONDON ROBUSTA COFFEE MARKET



REVIEW OF EURONEXT LIFFE ROBUSTA MARKET 2 WEEKS ENDING 6TH JANUARY 2010 & OUTLOOK FOR ROBUSTA PRICES

Amidst good daily traded volumes, bearing in mind that we were in a holiday period, robusta prices performed well over the last 2 weeks. In fact this market took on its own head of steam and chose to ignore the weakness in New York coffee prices.

The key level here is at \$1380. If prices can keep above this point this will be a positive sign for the next days.

1.3 SUMMARY OF PRICE MOVEMENTS FROM 22ND DECEMBER 2009 – 6TH JANUARY 2010, 2ND POSITION.

	Period High	Date	Period low	Date	Close on 21 st Dec.	Close on 6 th Jan.	Overall Change + / -
ARABICA Mar 10 NY Cts/lb.	147.20	22/12/09	137.60	04/01/10	147.25	143.40	- 3.85
ROBUSTA Jan 10 London US\$/ton.	1380	04/01/10	1300	29/12/09	1344	1381	+ 37
ICO composite price Arabica and Robusta cts/lb					127.52	126.47	- 1.05

2. Coffee News

2.1. RWANDA'S 2010 COFFEE OUTPUT COULD CLIMB 13%

According to the Rwanda Coffee Development Authority, the country's coffee production for the year 2010 may climb 13% to 27,000MT because of favourable weather. It has been said that output may rise from a provisional 24,000MT last year. Harvesting in Rwanda, which mainly produces the Arabica variety, runs from March to July and the country plans to boost coffee production to 40,000MT a year by 2011 through wider planting and improved farming techniques. (Source: Bloomberg.com)

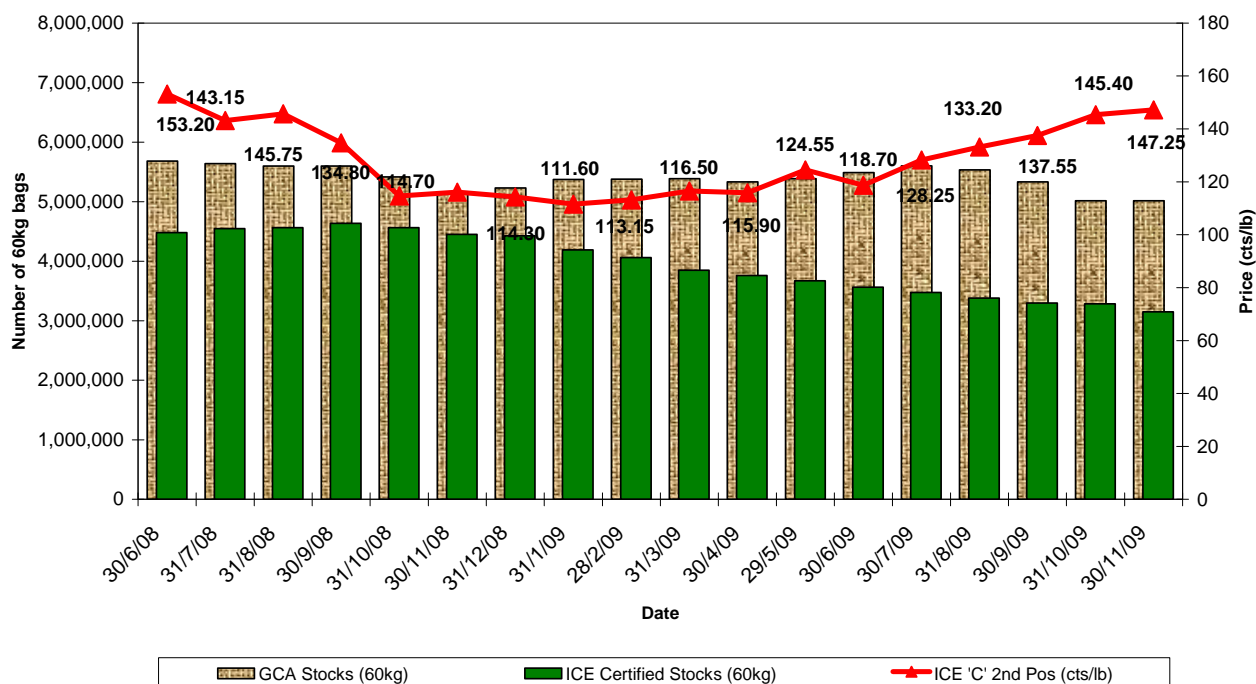
2.2 HOPES REST ON COLOMBIA'S SHOULDERS FOR COFFEE OUTPUT

According to FO Licht, global coffee production in 2009/10 is projected to fall to 127m – 60kg bags from 135m bags in 2008/09 with output significantly reduced in Brazilian crop and also lower Vietnamese crop. Thus, analysts turn their attention to Colombia where hopes are significantly high for a considerable recovery. However, this could prove to be wishful thinking as Colombia's main 2009/10 crop has started badly and the country's coffee growers' federation recently lowered its 2009 output target to around 8.3m (See last TwinCafé Bulletin).

3.0 NY CERTIFIED STOCKS AND GREEN COFFEE ASSOCIATION STOCKS

	21/12/09	06/01/09	Change
NY Certified Stocks (60kg bags)	3,151,140	3,095,021	- 56,119
Pending Grading	24,258	14,167	- 10,091
GCA Stocks (60kg bags) Next release of figures 15 th Jan 10	31/10/09 5,017,169	30/11/09 4,757,883	- 259,286

GCA Stocks with ICE-Certified Stocks and ICE 'C' Arabica Prices (2nd pos.)
18 months, June 2008 - November 2009



4.0 DIFFERENTIALS

Accurate differentials are more difficult to establish with more business being executed on fixed price bases. These are estimated conventional prices. They do not currently represent the higher differential paid for specialty grades. All prices are FOB against New York (Arabicas) or London (Robusta) Futures:

ORIGIN	QUALITY (NEW CROP)	SHIPMENT	DIFFERENTIAL (c/lb)
BRAZIL	NY 2/3 mtgb, fc	Jan-Feb	-18.00
COLOMBIA	EXCELSO	Jan-Jun	+25.00
COSTA RICA (new crop)	STRICTLY HARD BEAN EP	Feb-Jun	+24.00
	HARD BEAN EP	Feb-Jun	+18.00
DOM. REP.	BANI	n/a	+10.00
GUATEMALA	STRICTLY HARD BEAN EP	Feb-Jun	+20.00
	HARD BEAN EP	Feb-Jun	+15.00
HAITI	WASHED ARABICA EP	n/a	n/a
HONDURAS (new crop)	STRICTLY HIGH GROWN	Jan-Jun	+3.00
	HIGH GROWN	Jan-Jun	-1.00
MEXICO	HIGH GROWN EP	Jan-Jun	+10.00
	HIGH GROWN US	Jan-Jun	+7.00
	PRIME WASHED EP	Jan-Jun	+3.00
	PRIME WASHED US	Jan-Jun	-1.00
NICARAGUA	STRICTLY HIGH GROWN	Jan-Aug	+5.00
	HIGH GROWN	Jan-Aug	+3.00
PERU	Grade 1	Oct-Dec	+15.00
	Grade 2	Oct-Dec	+12.00
RWANDA	Standard	n/a	n/a
	Ordinary	Oct-Dec	-5.00
TANZANIA	AA North	n/a	n/a
	AB North		
UGANDA	Bugisu AA FAQ	Dec-Feb	-1.00
	Bugisu AB FAQ	Dec-Feb	-6.50
Robusta			
TANZANIA	Bukoba Robusta Superior		
	Bukoba Robusta FAQ		
UGANDA	Robusta Screen 18		
	Robusta Screen 15		
VIETNAM	Robusta Grade 1 Scr 18	Jan-Jun	-20.00
	Robusta Grade 2	Jan-Jun	-80.00
INDIA	Robusta Cherry AB	Sep	+240

© Twin, 2009. The next issue is due to be published on the 21st January 2010. For more information contact: John Weaver, Matt Horsbrugh or Joanna Lawson at: Twin, Tel: + 44 (0)20 7375 1221, Fax: + 44 (0)20 7375 1337, e-mail: joannalawson@twin.org.uk