INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

E

MONTHLY COFFEE MARKET REPORT

December 2010

Coffee prices continued to increase in December, particularly in the case of Arabicas, leading to a sharp rise in the monthly average of the ICO composite indicator price from 173.90 US cents in November to 184.26 US cents per lb in December. This was the highest monthly average recorded since October 1994. The average of the 2nd and 3rd positions on the New York futures market increased by 7% from 206.92 US cents per lb to 221.51 US cents, the highest monthly level recorded since September 1994.

Market fundamentals continue to be favourable to the support of high price levels. Adverse weather is still disrupting harvesting and transportation in many exporting countries and affecting short-term coffee supplies. World coffee consumption remains relatively buoyant, particularly in emerging countries. As well as a high production level in Brazil in crop year 2010/11, the country's domestic consumption has continued to grow. Production is expected to be slightly lower in Vietnam, while significantly lower production is anticipated in Indonesia and several other exporting countries as a result of unfavourable weather conditions. Colombia will find it difficult to recover its former production level since many coffee trees have been affected by coffee leaf rust and access to appropriate treatment is limited by the high cost of inputs. On the other hand, the latest information received from other exporting countries, particularly from Ethiopia and some other African countries, have led to an upward revision of the preliminary estimate of total production in crop year 2010/11 to around 135 million bags. In the case of crop year 2011/12, the first official estimates published by CONAB, the government agency responsible for agricultural estimates in Brazil, indicate a crop of between 41.9 and 44.7 million bags, the highest level ever recorded for a low production year in the biennial cycle.

Exports by all exporting countries during November 2010 totalled 7.7 million bags, bringing the cumulative total for January to November 2010 to 87.1 million bags as against 88.3 million bags for the same period in 2009, a decrease of 1.4%. Exports by Brazil during this eleven-month period in 2010 were, however, higher compared to the same period in 2009.

Graph 1: Daily composite indicator prices
1 December 2009 –11 January 2011

Price movements

The monthly average of the **ICO composite indicator price** rose to 184.26 US cents per lb in December from 173.90 US cents in November, an increase of 6% (Table 1). The average for December is the highest since October 1994. On an annual basis, the 2010 average was 147.24 US cents per lb, which is the highest level recorded since 1986. Increases were recorded for all four groups of coffee in December, confirming the firmness in prices throughout calendar year 2010. Compared with their averages in 2009, prices of **Colombian Milds**, **Other Milds** and **Brazilian Naturals** increased by 27.1%, 36.2% and 33.3%, respectively. Prices of **Robustas** increased by 5.6%. Graphs 1 and 2 show daily composite indicator prices and group indicator prices since 1 December 2009. Differentials between the three Arabica groups and Robustas widened. Moreover, while the differential between Colombian Milds and the other two Arabica groups also widened, the differential with Other Milds showed a more marked increase (Table 2). Graph 3 shows changes in the differential between Colombian Milds and the other three coffee groups since January 2009.

Graph 2: Group indicator prices
1 December 2009 – 11 January 2011

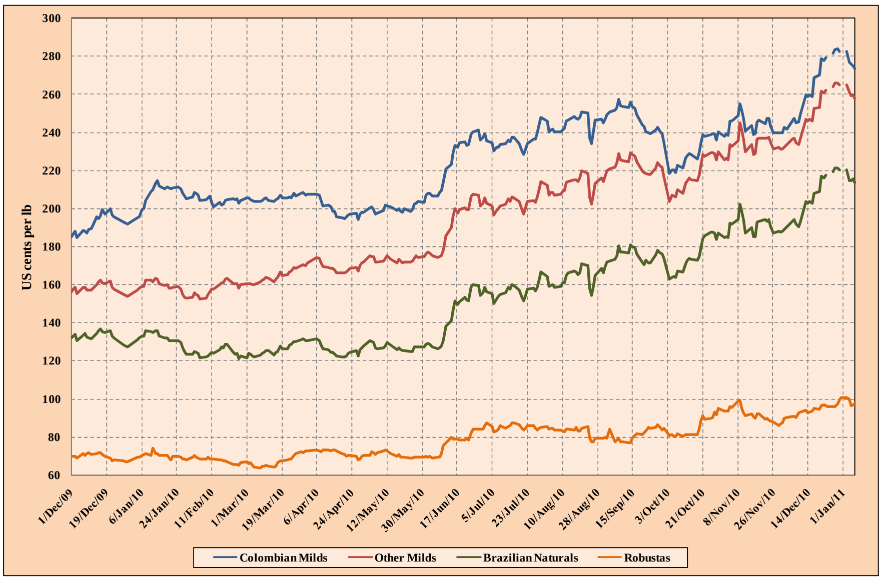

Table 1: ICO daily indicator prices and futures prices (US cents per lb) – December 2010

	ICO composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
2009							
December	124.96	192.11	158.16	132.84	69.89	144.08	62.80
2010							
January	126.85	207.51	158.90	131.67	70.08	142.76	62.66
February	123.37	204.71	157.86	124.57	67.88	134.35	60.37
March	125.30	205.71	164.50	126.21	67.25	134.97	58.64
April	126.89	199.50	169.24	125.71	71.52	135.12	62.21
May	128.10	200.33	173.28	127.32	70.61	135.81	62.46
June	142.20	224.49	190.90	143.20	76.92	152.36	69.72
July	153.41	235.52	203.21	156.87	85.27	165.23	78.17
August	157.46	243.98	211.59	163.21	82.68	175.10	78.42
September	163.61	247.77	222.71	175.15	81.28	187.80	75.87
October	161.56	230.02	217.64	175.38	85.27	190.43	80.08
November	173.90	244.02	233.48	190.62	92.04	206.92	86.40
December	184.26	261.97	248.17	204.25	94.09	221.51	88.70
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
2009	115.67	177.43	143.84	115.33	74.58	128.40	67.69
2010	147.24	225.46	195.96	153.68	78.74	165.20	71.98
% change between Dec-10 and Nov-10							
	6.0	7.4	6.3	7.2	2.2	7.1	2.7
% change between Dec-10 and Dec-09							
	47.5	36.4	56.9	53.8	34.6	53.7	41.2
% change between 2010 and 2009 averages							
	27.3	27.1	36.2	33.3	5.6	28.7	6.3
volatility (%)							
Jan-10	3.9	4.8	4.1	4.8	7.8	5.5	4.9
Feb-10	4.1	3.8	4.4	5.8	4.6	6.4	4.6
Mar-10	3.4	2.6	3.2	4.7	6.0	5.7	7.2
Apr-10	3.8	3.6	3.8	5.0	5.0	5.0	5.2
May-10	3.6	3.4	3.5	4.4	5.3	4.9	4.7
Jun-10	7.6	6.0	7.8	10.2	9.4	10.7	7.6
Jul-10	6.3	5.2	6.2	7.7	7.4	9.6	8.2
Aug-10	9.2	7.7	8.9	11.0	9.2	12.3	10.5
Sep-10	5.3	4.5	5.3	6.8	11.7	8.6	6.2
Oct-10	8.8	9.0	8.6	9.0	10.4	10.6	10.7
Nov-10	8.3	7.3	8.6	9.8	9.0	11.2	9.3
Dec-10	**5.6**	**6.4**	**5.9**	**7.2**	**5.1**	**8.0**	**3.9**
Change between Dec-10 and Nov-10	**-32.8**	**-12.6**	**-31.8**	**-26.3**	**-43.0**	**-28.6**	**-57.9**

*Average of the 2nd and 3rd positions

Table 2: Price differentials

	Colombian Milds Other Milds	Colombian Milds Brazilian Naturals	Colombian Milds Robustas	Colombian Milds New York*	Other Milds Brazilian Naturals	Other Milds Robustas	Brazilian Naturals Robustas	New York* London*
Oct-09	23.56	53.51	104.62	37.36	29.95	81.06	51.11	74.03
Nov-09	26.12	52.16	108.85	38.00	26.04	82.73	56.69	77.49
Dec-09	33.95	59.27	122.22	48.03	25.32	88.27	62.95	81.28
Jan-10	48.61	75.84	137.43	64.75	27.23	88.82	61.59	80.10
Feb-10	46.85	80.14	136.83	70.36	33.29	89.98	56.69	73.98
Mar-10	41.21	79.50	138.46	70.74	38.29	97.25	58.96	76.33
Apr-10	30.26	73.79	127.98	64.38	43.53	97.72	54.19	72.91
May-10	27.05	73.01	129.72	64.52	45.96	102.67	56.71	73.35
Jun-10	33.59	81.29	147.57	72.13	47.70	113.98	66.28	82.64
Jul-10	32.31	78.65	150.25	70.29	46.34	117.94	71.60	87.06
Aug-10	32.39	80.77	161.30	68.88	48.38	128.91	80.53	96.68
Sep-10	25.06	72.62	166.49	59.97	47.56	141.43	93.87	111.93
Oct-10	12.38	54.64	144.76	39.59	42.26	132.37	90.11	110.35
Nov-10	10.54	53.40	151.98	37.10	42.86	141.44	98.58	120.52
Dec-10	13.80	57.72	167.88	40.46	43.92	154.08	110.16	132.81
% change between Dec-10 and Nov-10	**30.9%**	**8.1%**	**10.5%**	**9.1%**	**2.5%**	**8.9%**	**11.7%**	**10.2%**

*Average of the 2nd and 3rd positions

Graph 3: Differential between prices of Colombian Milds and the other three coffee groups
January 2009 – December 2010

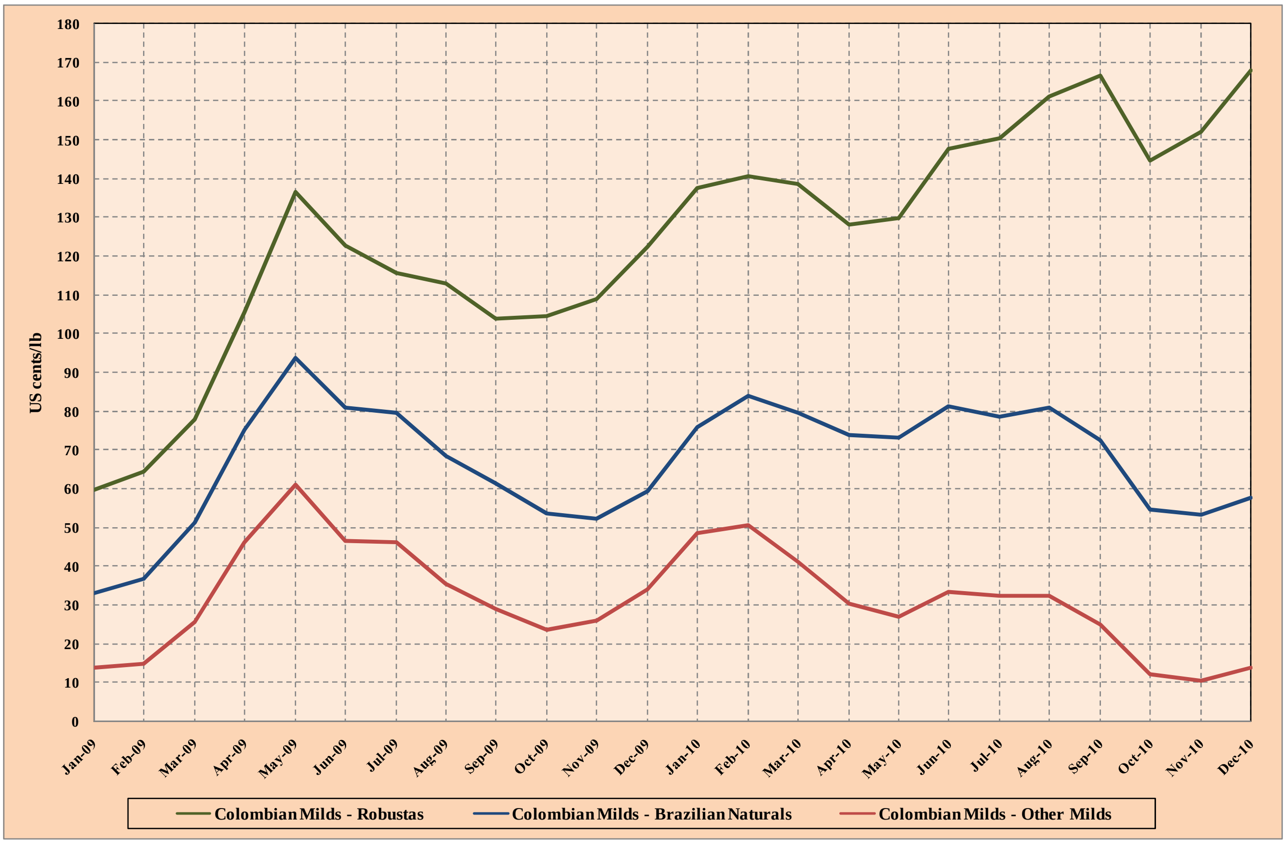

Table 3: Production in selected exporting countries

Crop year commencing	2007	2008	2009	2010	% change 2010 & 2009
TOTAL	**120 129**	**128 587**	**122 855**	**134 633**	**9.6**
Africa	***15 960***	***15 933***	***15 655***	***18 140***	***15.9***
Cameroon	795	750	736	750	1.9
Cote d'Ivoire	2 317	2 397	1 795	2 200	22.6
Ethiopia	5 967	4 949	6 931	7 450	7.5
Kenya	652	541	643	850	32.1
Tanzania	810	1 186	709	1 083	52.9
Uganda	3 250	3 197	2 797	3 200	14.4
Others	2 169	2 914	2 045	2 607	27.5
Arabicas	*8 404*	*7 889*	*9 161*	*10 588*	15.6
Robustas	*7 555*	*8 044*	*6 494*	*7 552*	16.3
Asia & Oceania	***31 231***	***34 829***	***36 768***	***35 735***	***-2.8***
India	4 319	4 062	4 827	5 000	3.6
Indonesia	7 777	9 612	11 380	9 500	-16.5
Papua New Guinea	968	1 028	1 004	1 100	9.5
Thailand	653	675	794	850	7.0
Vietnam	16 467	18 500	18 200	18 000	-1.1
Others	1 048	952	563	1 285	128.3
Arabicas	*4 236*	*4 357*	*4 901*	*4 909*	0.2
Robustas	*26 995*	*30 472*	*31 867*	*30 826*	-3.3
Mexico & Central America	***18 510***	***17 519***	***16 911***	***18 174***	***7.5***
Costa Rica	1 791	1 320	1 450	1 414	-2.5
El Salvador	1 621	1 547	1 100	1 500	36.4
Guatemala	4 100	3 785	3 835	4 000	4.3
Honduras	3 842	3 450	3 575	3 850	7.7
Mexico	4 150	4 651	4 200	4 500	7.2
Nicaragua	1 903	1 442	1 831	1 800	-1.7
Others	1 103	1 325	921	1 110	20.6
Arabicas	*18 373*	*17 376*	*16 777*	*18 034*	7.5
Robustas	*136*	*143*	*134*	*140*	4.5
South America	***54 429***	***60 305***	***53 520***	***62 584***	***16.9***
Brazil	36 070	45 992	39 470	48 095	21.9
Colombia	12 504	8 664	8 098	9 000	11.1
Ecuador	1 110	691	813	900	10.7
Peru	3 063	3 872	3 315	3 718	12.2
Others	1 682	1 086	1 825	871	-52.3
Arabicas	*43 173*	*49 388*	*42 465*	*50 599*	19.2
Robustas	*11 256*	*10 917*	*11 056*	*11 985*	8.4
TOTAL	**120 129**	**128 587**	**122 855**	**134 633**	**9.6**
Colombian Milds	13 674	9 964	9 195	10 543	14.7
Other Milds	28 081	27 281	27 098	28 544	5.3
Brazilian Naturals	32 433	41 765	37 011	45 042	21.7
Robustas	45 942	49 577	49 551	50 503	1.9
Arabicas	74 187	79 010	73 304	84 130	14.8
Robustas	45 942	49 577	49 551	50 503	1.9
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	
Colombian Milds	11.4	7.7	7.5	7.8	
Other Milds	23.4	21.2	22.1	21.2	
Brazilian Naturals	27.0	32.5	30.1	33.5	
Robustas	38.2	38.6	40.3	37.5	
Arabicas	61.8	61.4	59.7	62.5	
Robustas	38.2	38.6	40.3	37.5	

In thousand bags

Market fundamentals

Crop year 2010/11 has been affected by adverse weather conditions which have caused some delays in harvesting and transportation. Total production in 2010/11 is estimated at 134.6 million bags, a rise of 11.8 million bags (9.6%) over the previous year (Table 3). Most of this increase will be in Arabica production, which is expected to grow by 10.8 million bags (almost 15%). Robusta production is expected to rise by just under one million bags (nearly 2%). It should be noted that crop year 2010/11 is a high production year in Brazil and recent estimates by the coffee authorities indicate a total production of 48.1 million bags. Nevertheless, unfavourable weather conditions and coffee tree diseases seem to have reduced production potential in some other exporting countries. More specifically, an increase of 7.5% is expected in the Mexico and Central America region, mainly due to increased production in El Salvador, Guatemala, Honduras and Mexico. In Asia and Oceania, production is expected to decrease slightly in Vietnam and significantly in Indonesia as a consequence of adverse weather. In Colombia, an increase in production is expected, however, the coffee industry is still experiencing difficulties, particularly as a result of the outbreak of disease, especially coffee leaf rust, which may delay a return to the country’s normal production levels. African production is expected to increase by around 16% mainly as a result of continued high performance by Ethiopia and increases in other countries.

In Brazil, crop year 2011/12 will begin in the next few months and production will be lower in accordance with the biennial production cycle for Arabicas. The level of this decrease may, however, be reduced due to advances in agricultural practices that should make it possible to reduce pronounced fluctuations in production from one year to the next. Initial estimates published by the Brazilian authorities indicate total production between 41.9 and 44.7 million bags, the highest level recorded for low production in the biennial cycle that characterises Arabica production in Brazil.

In the case of crop year 2009/10, the estimated total production level has been revised upward to just under 123 million bags.

Table 4: Total exports of all forms of coffee (January – November 2009 and 2010)

	2009	2010	% change
TOTAL	**88 330**	**87 132**	**-1.4**
Colombian Milds	8 332	7 551	-9.4
Other Milds	19 575	21 151	8.1
Brazilian Naturals	27 769	29 650	6.8
Robustas	32 654	28 780	-11.9
Arabicas	55 676	58 352	4.8
Robustas	32 654	28 780	-11.9
Angola	7	3	-47.6
Benin	0	0	
Bolivia	74	70	-5.3
Brazil	27 789	29 578	6.4
Burundi	271	208	-23.1
Cameroon	557	751	34.8
Central African Republic	4	21	419.0
Colombia	7 106	6 716	-5.5
Congo, Dem. Rep. of	146	137	-6.6
Congo, Rep. of	0	0	
Costa Rica	1 170	1 111	-5.0
Côte d'Ivoire	1 653	1 792	8.4
Cuba	7	5	-29.5
Dominican Republic	99	34	-65.1
Ecuador	1 027	1 089	6.0
El Salvador	1 233	880	-28.7
Ethiopia	1 744	3 072	76.1
Gabon	1	1	20.0
Ghana	15	16	11.9
Guatemala	3 337	3 287	-1.5
Guinea	395	324	-18.1
Haiti	16	0	-100.0
Honduras	2 936	3 033	3.3
India	2 910	3 999	37.4
Indonesia	7 171	4 989	-30.4
Jamaica	24	15	-38.4
Kenya	516	484	-6.2
Madagascar	34	43	28.4
Malawi	14	1	-91.7
Mexico	2 693	2 364	-12.2
Nicaragua	1 304	1 605	23.0
Nigeria	1	0	-100.0
Panama	56	54	-4.5
Papua New Guinea	917	859	-6.3
Paraguay	0	0	-54.0
Peru	2 759	3 470	25.8
Philippines	6	5	-23.7
Rwanda	275	279	1.3
Tanzania	1 068	500	-53.2
Thailand	171	316	85.5
Togo	147	196	33.0
Uganda	2 742	2 418	-11.8
Venezuela	13	12	-9.6
Vietnam	15 477	13 054	-15.7
Zambia	26	21	-20.2
Zimbabwe	26	6	-76.5
Other exporting countries 1/	391	313	-19.9

In thousand bags

1/ Equatorial Guinea, Guyana, Laos, Liberia, Sierra Leone, Sri Lanka, Timor-Leste, Trinidad and Tobago and Yemen

Exports in November totalled 7.7 million bags, bringing the total volume exported during the first eleven months of calendar year 2010 to 87.1 million bags as against 88.3 million bags for the same period in 2009, a fall of 1.4% (Table 4). Brazilian exports were the highest recorded for the month of November, indicating a strong demand for Brazilian coffee as a replacement for those origins in short supply.

Preliminary information on **world consumption** in calendar year 2010 indicates a level of at least 131 million bags compared to 130 million bags in 2009 (Table 5). Data on consumption in the five leading importing countries (France, Germany, Italy, Japan and the United States) indicate a total consumption of 37.3 million bags during the period January to September 2010 compared to 36.5 million bags for the same period in 2009. It should be noted that domestic consumption in Brazil is expected to continue to grow at a fast pace.

Table 5: World consumption (Calendar years 2006 – 2009)

	2006	2007	2008	2009	2009-2008 Difference	2009-2008 % change
WORLD TOTAL	**124 662**	**129 615**	**132 023**	**130 160**	**-1 863**	**-1.4**
Producing Countries	**34 311**	**36 321**	**37 814**	**38 983**	**1 169**	**3.1**
Brazil	16 133	16 927	17 526	18 208	681	3.9
Indonesia	2 750	3 208	3 333	3 333	0	0.0
Ethiopia	2 644	2 785	2 933	3 089	156	5.3
Mexico	1 794	2 050	2 200	2 200	0	0.0
Venezuela	1 472	1 534	1 599	1 649	50	3.2
India	1 357	1 438	1 518	1 573	55	3.6
Colombia	1 400	1 400	1 400	1 400	0	0.0
Vietnam	829	938	1 021	1 208	187	18.3
Philippines	917	989	1 070	1 080	10	0.9
Others	5 015	5 054	5 214	5 243	29	0.6
Importing Countries	**90 351**	**93 294**	**94 209**	**91 177**	**-3 032**	**-3.2**
European Union	**41 063**	**40 679**	**39 777**	**38 630**	**-1 146**	**-2.9**
Germany	9 151	8 627	9 535	8 897	-638	-6.7
Italy	5 593	5 821	5 892	5 806	-86	-1.5
France	5 278	5 628	5 152	5 629	477	9.3
Spain	3 017	3 198	3 485	3 352	-134	-3.8
United Kingdom	3 059	2 824	3 067	3 220	153	5.0
Sweden	1 315	1 244	1 272	1 133	-140	-11.0
Finland	1 047	1 057	1 115	1 058	-57	-5.1
Greece	857	1 015	978	974	-4	-0.4
Poland	1 953	1 531	1 190	970	-220	-18.5
Others	9 795	9 736	8 090	7 591	- 499	-6.2
USA	20 667	21 033	21 652	21 436	-216	-1.0
Japan	7 268	7 282	7 065	7 130	66	0.9
Other Importing Countries	***21 353***	***24 300***	***25 715***	***23 981***	***-1 735***	***-6.7***
Canada	3 066	3 245	3 210	3 292	82	2.5
Russian Federation	3 263	4 055	3 716	3 131	-585	-15.7
Algeria	1 836	1 968	2 118	2 066	-51	-2.4
Korea, Republic of	1 437	1 425	1 665	1 551	-114	-6.8
Ukraine	968	1 057	1 733	1 460	-272	-15.7
Australia	992	1 031	1 145	1 223	78	6.8
Others	9 790	11 518	12 130	11 258	-872	-7.2

In thousand bags

Tables 6 and 7 show per capita consumption in selected exporting and importing countries. Table 8 shows retail prices for the month of September 2008 to 2010.

Table 6: Per capita consumption in selected exporting countries (Calendar years 2006 – 2009)

	2006	2007	2008	2009
Brazil	5.14	5.34	5.48	5.64
Honduras	1.96	2.41	3.77	3.69
Venezuela	3.25	3.33	3.41	3.46
Costa Rica	4.77	4.19	3.54	3.16
Dominican Republ	2.35	2.31	2.28	2.25
El Salvador	2.05	2.20	2.25	2.24
Ethiopia	2.07	2.12	2.18	2.24
Nicaragua	2.06	2.04	2.01	2.19
Haiti	2.13	2.10	2.06	2.03
Colombia	1.92	1.89	1.87	1.84
Madagascar	1.55	1.51	1.47	1.43
Guatemala	1.38	1.35	1.35	1.42
Mexico	1.01	1.14	1.22	1.20
Panama	1.22	1.20	1.18	1.17
Cuba	1.20	1.20	1.16	1.15
Côte d'Ivoire	0.97	0.94	0.92	0.90
Indonesia	0.74	0.86	0.88	0.87
Vietnam	0.58	0.65	0.70	0.82
Philippines	0.63	0.67	0.71	0.70
Ecuador	0.68	0.67	0.67	0.66

In kilogrammes

Table 7: Per capita consumption in selected importing countries (Calendar years 2006 – 2009)

	2006	2007	2008	2009
Algeria	3.30	3.49	3.70	3.55
Australia	2.88	2.97	3.26	3.45
Canada	5.64	5.91	5.79	5.88
European Union	**5.01**	**4.95**	**4.82**	**4.67**
Austria	4.44	6.12	6.53	6.35
Belgium	8.81	6.28	3.68	5.27
Bulgaria	3.28	2.86	3.51	3.25
Cyprus	3.94	4.87	5.38	5.20
Czech Republic	3.70	3.97	3.61	3.04
Denmark	9.09	8.75	7.57	7.89
Estonia	7.45	4.52	6.88	5.53
Finland	11.93	12.00	12.61	11.92
France	5.16	5.47	4.98	5.42
Germany	6.66	6.29	6.95	6.50
Greece	4.64	5.48	5.27	5.24
Hungary	3.57	3.12	2.96	2.67
Ireland	2.85	3.37	1.56	1.79
Italy	5.69	5.89	5.93	5.82
Latvia	4.76	3.46	3.06	2.35
Lithuania	3.78	4.11	3.68	3.83
Luxembourg	29.76	31.66	29.79	27.40
Malta	4.27	2.35	3.35	2.07
Netherlands	7.79	8.36	4.80	3.25
Poland	3.07	2.41	1.87	1.53
Portugal	3.80	4.04	3.89	4.04
Romania	2.33	2.30	2.27	2.19
Slovakia	3.13	3.96	3.79	2.36
Slovenia	5.26	5.82	5.78	5.89
Spain	4.15	4.36	4.70	4.48
Sweden	8.66	8.15	8.29	7.35
United Kingdom	3.03	2.78	3.01	3.14
Japan	3.42	3.43	3.33	3.36
Korea, Republic of	1.81	1.78	2.07	1.93
New Zealand	3.70	3.66	3.65	3.46
Norway	9.25	9.81	8.99	8.92
Russian Federation	1.37	1.71	1.58	1.33
Serbia	3.71	3.75	4.15	3.59
Switzerland	7.48	7.90	9.14	7.65
Tunisia	1.21	1.51	1.87	1.69
Ukraine	1.25	1.37	2.26	1.92
USA	4.06	4.09	4.17	4.09

In kilogrammes

Table 8: Retail prices of roasted coffee in selected importing countries (September 2008 – 2010)

	September			% change
	2008	2009	2010	2010-2009
European Union				
Austria 1/	475.76	711.97		
Belgium	542.23	548.83	527.57	**-3.9**
Bulgaria	396.23	401.56		
Cyprus	602.84	610.92	548.32	**-10.2**
Denmark	544.58	555.11	552.97	**-0.4**
Finland	368.87	385.70	381.75	**-1.0**
France	380.60	396.27	355.67	**-10.2**
Germany	495.30	492.69		
Italy	778.80	803.76	722.59	**-10.1**
Latvia	606.83	650.67	621.51	**-4.5**
Luxembourg	750.78	760.84	704.23	**-7.4**
Malta 2/	1 306.05	1 359.87	1 304.12	**-4.1**
Netherlands	492.70	491.37		
Poland	453.27	391.49	353.09	**-9.8**
Portugal	570.90	555.43	493.19	**-11.2**
Slovakia	513.14	528.36	468.30	**-11.4**
Slovenia	471.84	501.28	427.98	**-14.6**
Spain	424.92	430.61	384.12	**-10.8**
Sweden	377.08	395.29		
United Kingdom 2/	1 663.08	1 608.34	1 560.96	**-2.9**
Japan 1/	899.14	629.63		
Norway	417.82	417.69	474.78	**13.7**
USA			417.40	

In US cents per lb
1/ Change in type of coffee product
2/ Soluble coffee

In conclusion, it should be noted that the current supply/demand structure has reinforced the continued firmness in prices throughout 2010. Current developments in market fundamentals suggest that prices will remain firm during 2011. In addition to the tight supply situation, buoyant consumption and low stock levels are factors likely to continue to support prices.