

By Julie Wernau

Coffee prices ended lower on Tuesday, reversing earlier gains, as even a weaker dollar couldn't lure roasters to buy more coffee.

Arabica coffee for September delivery ended down 1.5% at \$1.4125 a pound on the ICE Futures U.S. exchange.

"I am surprised because it looked to me like the market was ready to go higher. There isn't much in the way of demand," said Jack Scoville, vice president of Price Futures Group in Chicago.

The coffee market has had a number of fits and starts this year. Producers have been slow to sell because they are sitting comfortably on contracts hashed out last year when local currencies in producing countries weakened against the dollar, encouraging record exports and forward sales. As a result, inventories in producing countries are down and many roasters either have ample supplies or are getting offers for old coffee that they consider too high, according to physical coffee brokers.

Coffee sales out of Brazil, the world's largest growing region, were down 26.7% year-over-year in July, according to the Ministry of Industry, Trade and Services.

The bulls say that fundamentally production in Brazil and other growers of the mild arabica bean are down, with an estimated one million bags of coffee lost to freezing in Brazil. In other markets, raw sugar for October rose 1.3% to end at 19.05 cents a pound, cocoa for September dropped 1% to close at \$2,896 a ton, frozen concentrated orange juice for September dropped 5.5% to settle at \$1.7085 a pound, and December cotton slumped 0.5% to end at 73.98 cents a pound.

-Write to Julie Wernau at julie.wernau@wsj.com

(END) Dow Jones Newswires

08-02-16 1557ET

Copyright (c) 2016 Dow Jones & Company, Inc.

Chain Link: [CS20160802002206]

[Related Stories]