

Brazil Frosts and Coffee Prices

(Continued from page 44)

sources rose 400,000 bags over the previous season.

Because the frost of 1902 and the following long drought may have injured the coffee trees, the outlook for production appeared especially dim to some spokesmen. The Secretary of Agriculture of Sao Paulo, for example stated that "as will probably be crushingly demonstrated by the crop of 1905, the diminution in the production of the Sao Paulo coffee trees will break the record for poor crops and prove a tremendous surprise considering the number of trees we are said to possess." Actually, the 1905-06 crop was larger than in either of the preceding two years and the 1906-07 crop proved to be 100 percent larger and a record high.

1918: War, Snow

In late June and July, 1918, Sao Paulo had a heavy snow and the worst frost in a generation. Reports of damage to the coffee crop were estimated at 40 to 80 percent. Speculation began at once and when the allied victories on the Western Front indicated that peace was not far off,

the market reacted wildly.

From 8.4 cents per pound in June, prices more than doubled by the end of the year but dropped a few cents during the first five months of 1919. On May 31, 1919, a weekly journal carried the comments of a former U. S. Food Administration official who had just returned from Brazil, and who predicted that the 1919-20 crop would be the smallest in 20 years.

U. S. Ignores 1942 Frost

Reports such as this together with overly optimistic hopes of a reopened European market caused prices to rise to a high of 23.0 cents in July, 1919; but that was all. Despite the reduced Brazilian crop, carryover stocks in Brazil (mainly the three million bags purchased as a price supporting measure by the State of Sao Paulo from the 1917-18 crop) and bountiful output in other countries were adequate to supply world requirements and prices slowly declined.

During the bumper crop years of the 1930's, a bitter cold wave might have been desirable as a factor in

reducing mountainous supplies. But none occurred until 1942. As World War II was raging and price controls were in effect in the United States little attention was paid to the frost. Furthermore, Brazil was known to have ample stocks from previous crops.

Early estimates of the 1942-43 Sao Paulo crop which ranged from 13 to 15 million bags were reduced to 7 to 8 million bags and the Parana crop from about 2 million to 250,000 to 500,000. Practically all of the young trees (1-3 year olds) were reported killed. These reports proved to be exaggerated and the 1943-44 crop was probably only 1.5 million bags under that of the previous year. Severe drought in late September, October and November, 1944 impeded a recovery by the trees and the 1944-45 yield proved to be the smallest in 50 years.

What Can Be Learned?

The action of the coffee market to each of these six frosts in the past 103 years has varied considerably. In no case can it be said with assurance that the after effects were solely due to the frost. Some observations however, may be drawn:

In two cases, 1886 and 1902, prices

JUAN E. MARTINEZ SUCRS. S DE R. L.

JALAPA (Ver.) MEXICO

Enquiries and orders for our

NEW CROP "LA TAZA" FANCY COFFEE

and

STANDARD-1 COATEPEC COFFEE

should be addressed to

EXPORTADORES DE CAFE DE JALAPA S. A.

Despachos 31 & 32—Edificio "Estela"

JALAPA (Veracruz) MEXICO

Cable: EXCAXA Phone 38-55

JUSTO F. FERNANDEZ

JALAPA, VER. (MEXICO)

My New Crop "Mana" & Standard Coatepec

now sold exclusively through

EXPORTADORES DE CAFE DE JALAPA S. A.

Edificio "Estela" Desps. 31 & 32

JALAPA, Ver. MEXICO

Cable: EXCAXA

Telephone 38-55

MANUEL PIÑERO

Coffee Exporter & Local Roaster

JALAPA (Veracruz) MEXICO

Announces that his entire output of

NEW CROP STANDARD-1 COATEPEC COFFEE

Will be sold exclusively by

EXPORTADORES DE CAFE DE JALAPA S. A.

Edificio "Estela" Desps. 31 & 32

JALAPA (Ver.) MEXICO

Cable: EXCAXA Phone 38-55

CARLOS J. PIÑERO

FINCA "LA MESA"

JALAPA (Veracruz) MEXICO

My production of New Crop

STANDARD-1 COATEPEC COFFEE

SOLD EXCLUSIVELY BY

EXPORTADORES DE CAFE DE JALAPA S. A.

Edificio "Estela" Desps. 31 & 32

JALAPA (Ver.) MEXICO

Cable: EXCAXA

Phone 38-55