

## Aftermath of the Frost

(Continued from page 44)

back to the market the demand that was lost earlier this year. Certainly \$1.20-a-pound coffee has proven to be too high, \$1.00 coffee has yet to bear the test, but 87 cent coffee (the 1951-52 average) is known to be acceptable.

A more fundamental task, however, will be the reversal of the post-World War II decline in per capita green coffee consumption. Coffee drinkers are buying about 15 percent less, per capita, than in 1946.

### Brazilian Finance Policy

On the foreign scene, Brazilian financial policy will have much to do with the staying power of any given coffee price level. It is not unlikely that a repetition of the factors leading to the exchange shortage of this

summer may occur in the future, at which time Brazil would be forced once again to adjust its exchange schedule. If, for example, the present system of granting foreign exchange were to be altered so that 30 percent of dollar earnings could be sold at the free rate (assuming a free rate of 60 cruzeiros per dollar), the U. S. price could theoretically drop as low as 59 cents.

On balance it seems quite likely

that in the years ahead the big price break of 1954 will become a mere point of reference, whereas the lower price level now being established will be of greater long-term influence.

On the other hand, the two developments which will most probably exert a more far reaching influence will be the already demonstrated vulnerability of Brazil's dominance as a source of supply and, secondly, the adjustment of the industry to its position in the limelight with the resulting scrutiny and demands of the public and the Federal Government.

## Soluble Counterpart Needed

(Continued from page 38)

coffee trade service. This is roaster's convenience to match the convenience the consumer seeks. No capital out-

lay is involved; "learning headaches" are eliminated and there is no delay in getting started. The roaster has access to specialists of long experience devoted to the mutual interest of the roaster and trade processor . . . there are no strings attached and little or no complications of processor competition with their brand. Competition for the roaster's favor has become keen and he is now in as good position to select a complete packaged soluble as he is in selecting his green coffee. They can take what they want when they want it and pay as they go . . . an ideal position to be in.

Cup values are as important in solubles as they are in regular coffee. It takes good sweet coffees and conscientious know-how to produce good solubles. Mention "cup values" of soluble coffee to some coffee men even now and one may expect the same kind of cold stare under arched eyebrows that prevailed five years ago when soluble coffee first started up the ladder.

### Increase in Soluble Use

Nevertheless, there are solid differences and consumers have an uncanny way of determining their preference. It therefore becomes not just a matter of how cheaply can solubles be bought as it is to buy a good soluble at a price commensurate with its cup value and current market . . . all of which is merely in keeping with the classical methods our industry has always used in buying coffee.

The performance of solubles to date leaves no doubt as to the future and we may very well see a far more acute rise in use from this point forward due first to convenience,

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*Greetings to the coffee convention and  
our best wishes for a successful meeting*

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