

NEW YORK COFFEE AND SUGAR EXCHANGE FUTURES

Volume of Sales (Bags)

Period	"A" No. 7	"D" Santos No. 4	"H" Colom- bian	Total
Oct., 1934.....	125,500	259,250	.....	384,750
Oct., 1933.....	100,500	175,000	2,250	277,750
Oct., 1932.....	58,000	276,000	.....	334,000
Oct., 1931.....	121,000	230,750	.....	351,750
Oct., 1930.....	559,000	907,250	.....	1,470,500
10 mos. 1934.....	1,558,250	3,944,250	10,500	5,513,000
10 mos. 1933.....	1,283,000	2,839,250	58,000	4,180,250
10 mos. 1932.....	1,123,750	2,475,000	.....	3,599,750
10 mos. 1931.....	3,507,000	5,590,500	.....	9,118,750
10 mos. 1930.....	4,687,500	6,697,250	.....	11,411,250
Year 1933.....	1,501,000	3,560,750	62,500	5,124,750
Year 1932.....	1,238,000	2,983,250	9,250	4,231,500*
Year 1931.....	3,933,250	6,295,500	.....	10,252,000*
Year 1930.....	5,225,500	7,736,250	.....	12,989,750*

* Includes sales "F". (1932—1,000) (1931—21,250)
(1930—22,250).

"Coffee prices have slowly receded about 15 points during the last three weeks, due principally to stagnant demand and to heaviness in the mild market.

"It is generally reported now that Colombia will yield a bumper crop next season—perhaps 4 million bags. A large yield is also expected in Costa Rica. From the Belgian Congo we hear that coffee growing there (and coffee of poor quality at that), is going on at a rapid pace. It is thought that within a few years some five hundred thousand bags will be exported from there. On the other hand, Guatemala is supposed to yield about 100,000 quintals less than the previous season. As to the Haiti crop, many people believe that it may be 50% smaller than last year, i. e., not exceeding 220,000/225,000 bags. The next Nicaragua crop is likely to yield 400,000 quintals, compared to 300,000 this year. The increase in the supply of milds is rather an unwelcome factor, in that it will, to some extent, tend to hamper Brazil's plans and depress prices, even for "D" contract, in spite of the relative scarcity of strictly soft coffee during the present campaign.

THE NATIONAL COFFEE DEPARTMENT

"Some rather interesting information was received here from the DNC two or three weeks ago, stating most emphatically that it (the DNC) will not make any sales of coffee, either its own or coffee under its control, whether on the Exchange or on the Spot Market, in Brazil or abroad, either directly or through intermediary entities.

"Another cable was received on the 19th of October, giving the main points of a statement to the Press by the Minister of Finance of Brazil, i. e.,

"First—That all rumors regarding the liberating of exchange were unfounded as maintenance of present rates is necessary for the fulfillment of Brazil's financial arrangements.

"Second—That the price of 155 francs per bag would be maintained as the basis for export coffee bills.

"Third—That coffee market conditions are the best possible, (hm) with the equilibrium between

offer, demand and world's consumption to be maintained.

"Fourth—That temporary depressions are only the result of speculative manoeuvres.

"Fifth—That the Brazilian Federal Government would not waver in its defense of coffee prices.

"Sixth—That exporters, for the purpose of calculation, can depend upon the maintenance of present official exchange quotations up to the end of 1935.

"In regard to item three, we respectfully wish to point out to our Brazilian friends that there existed on October 1st—8,306,000 bags free world stocks, of which 850,000 bags have since been committed to the flames, therefore, the further trend of prices also largely depends on whether the owners of these stocks have or lack confidence in their ability to dispose of them at a profit. To qualify such normal activities of the market as manipulation, seems to denote a singular misunderstanding of the law of supply and demand which will of necessity assert itself at times.

"There is little doubt in anybody's mind as to the sincerity of Brazil, and her willingness to defend coffee prices through destruction of surpluses—in which she has been quite successful of late. The fact remains, nevertheless, that there are other factors over which Brazil has no control—for instance, mild crops, and the world situation, particularly in Europe. Germany seems to have bought all the coffee she needs for some time to come—a figure of 750,000 bags is now mentioned. Some of this coffee has been bought at prices materially above world's parity, in a kind of mad scramble, and it appears that this fact is now causing some disappointment. Italy, as well as other countries, are limiting their coffee imports to quotas—in fact, one country seems to be following in the footsteps of the other. The fact that Germany, one of the largest users of high grade washed mild coffees, will be practically out of the market for some time to come, has caused much concern to growers of such grades.

COMMERCIAL TREATIES

"Negotiations are now going on in Washington for the conclusion of commercial treaties with the various coffee growing countries over which the United States holds sway in view of the fact that this country is the largest buyer, and that so far she has not levied any import duty on coffee. Our Government wishes to help our export trade on a reciprocal basis. The time when our bankers were,

COFFEE DESTRUCTION IN BRAZIL

Figures compiled by the New York Coffee and Sugar Exchange

Points	(In bags of 132 lbs.)			
	June, 1931	Jan. 1, 1934	July 1, 1934	Total to Oct. 31, 1934
São Paulo ...	Dec. 31, 1933	June 30, 1934	Oct. 31, 1934	Oct. 31, 1934
Santos	Details	Details	Details	Details
Rio	Lacking	Lacking	Lacking	Lacking
Victoria				
Paranaguá ..				
Total*.....	25,842,000	3,299,000	3,640,000	*32,781,000

*Not including 479,000 destroyed prior to June, 1931, by São Paulo Coffee Institute.