

BRAZIL COFFEE EXPORTS

SEPTEMBER, 1934

In bags of 132 pounds

Ports	Abroad	Coastwise	Total
Santos	1,056,720	90	1,056,810
Rio de Janeiro.....	218,776	6,728	225,504
Vitória	145,239	13,592	158,831
Paranaguá	17,948	1,153	19,101
Baía	22,835	6,595	29,430
Angra dos Reis.....	9,850
Recife	1,001	309	1,310
Total	1,472,369	28,467	1,500,836

so to speak, standing in line to place the savings of their nationals at the disposal of new countries to help them straighten out their trade balances, is no more, even though the said bankers do not know how to employ their cash balances. As time goes on in the spirit of "do ut des," that is, reciprocity in commercial dealings between nations, is taking a more drastic form. According to advices from Washington, American exporters are now insisting that Brazil modify her control of Exchange. In all fairness, it must be stated that the present Brazilian Administration is faced by a very difficult situation and is trying to do its best. It finds itself confronted by the necessity to compensate through imports from consuming countries, for Brazil's large exports of coffee, while at the same time, it has to comply with the terms of the agreement for the part payment of her foreign obligations in regard to her debt service. To achieve this, Brazil must necessarily keep a firm grip on Exchange, otherwise things may again get out of control.

"On the 18th inst. the DNC let it be known that its holdings on September 30th amounted to 13,964,000 bags, and that interior stocks were 4,361,000 bags. Taking these figures as a basis, we find that interior stocks in Brazil on October 1st amounted to 19,041,000 bags, as against 20,882,000 on July 1st—this after the destruction of 2,778,000 bags since the latter date. We also find that during the first three months of the crop 7,203,000 bags of coffee have come forward from plantations in the interior of Sao Paulo, Rio and Victoria combined. The inference is, therefore, that the total yield of the present crop will materially exceed the 14½ million bags estimated some time ago.

"To judge from a photo which we have just received, the September flowering in the Western

part of Sao Paulo has been large—some people there call it fantastic. In reply to an inquiry which we made by cable, we were informed that so far the crop is progressing normally, that there have been cold winters lately without doing any material damage, and that more rain will be welcome. No October flowering has taken place, so far.

"In view of the complexities of general conditions, and uncertainties surrounding production and consumption, it is difficult indeed to forecast the future. No doubt exists anywhere as to the willingness and the ability of the DNC to control the situation. Cotton growing in Brazil, on a large scale, is diverting a lot of labor from the coffee plantations, with the result that salaries have a tendency to go up, and production costs to increase. On the other hand, it is only fair to state that there are so many trees which have not reached the age of maturity, and are not even bearing as yet, that in spite of the decadency of a large number of the older trees, it is impossible at this time to gauge the real producing potentialities of Brazil for the next few years, unless nature steps in. On the whole, planters are satisfied while consumption is somewhat handicapped by prevailing conditions, and all sorts of restrictions.

"C. & F. offerings from Brazil have been more or less unchanged of late, ranging from 10.60 to 10.90 for Santos 4's, while Victoria 7/8's have sold at 8.55 and are quoted today at 8.65.

"On the other hand, Colombian prices continued to decline, at least as far as offerings for shipment are concerned. Medellin Excelso has been offered by several shippers as low as 13½ ex dock New York, Manizales Excelso at 12¾, Honda and Libano Excelsos at 12½ to 12¼. However, the cheaper qualities at the present time seem to be Girardot Excelso and Washed Bucaramanga, the former selling at from 12¼ to 12¾ and the latter from 12½ to 12¾, these grades are already selling near the basis of fine Santos grades and should prove attractive. They are likely to receive more attention by the trade, when an improvement in demand becomes noticeable.

"During the last few days there was a fair amount of spot business, mainly in Armenia and Manizales Excelso, and also Girardot. There was also demand for the lower qualities such as Colombia Pasilla, African and Washed Robusta coffees. The latter grade has been selling freely at slightly above 9 to 9½. Buyers who are interested in obtaining low priced qualities are shifting to these good drinking and clean qualities of Robusta coffee."

BRAZILIAN WARRANT COMPANY, INC.**NEW YORK**

91 Front St.

NEW ORLEANS

223 Magazine St.

*Agents for***BRAZILIAN WARRANT AGENCY & FINANCE CO., LTD.****London—Santos—Rio de Janeiro—Sao Paulo—Paranaguá****E. JOHNSTON & COMPANY, LTD.****London—Santos—Rio de Janeiro—Paranaguá***Established in Brazil as Coffee Exporters in 1842.*