

COFFEE DESTRUCTION IN BRAZIL

Figures compiled by the New York Coffee and Sugar Exchange

(In bags of 132 lbs.)

	June, 1931	Jan. 1, 1934	Jan. 1, 1935	Total to Feb. 29, 1936
Totals	25,842,000	8,266,000	1,994,000	*36,102,000

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

The report of Nortz & Co. (February 20), giving views related to the present market, follows:

NORTZ & CO. REPORT

The market during the period under review has shown remarkable steadiness—prices for Santos contract having advanced from 10 to 15 points, while the Rio contract shows little change, the latter being under the influence of Surinam coffees. We understand that the committee appointed by the New York Coffee and Sugar Exchange to work out the necessary changes in our A contract, has decided on the exclusion of Surinam (Liberia) coffees, and the admission of practically all other undescribed grades, on the basis of a new schedule to be voted upon by the members of the Exchange. It is still hoped that these changes will go into effect from March 1, 1937, on. In any case, differences between the A and the D contract have widened to such an extent, that, except for a large advance of the market, they cannot be expected to increase any further.

On the whole, the market is at present going through a period of digesting the large quantities of spot coffees which have been absorbed during the advance. Even so, the steadiness in the presence of smaller demand is remarkable, and speaks favorably for underlying conditions.

From Brazil we hear that the buying of the four million bags of coffee to absorb the surplus resulting from the previous crop, will begin on the 20th inst. Coffee planters have succeeded in the end in obtaining an increase of from 8 to 10 milreis a bag over the previous basic buying price which means about 50 points as expressed in the price here. Friends point out that this is still below the regular market. Needless to say, as this buying goes on, it must have a steadying effect on the market for months to come.

BRAZIL COFFEE EXPORTS

January, 1936

In bags of 60 kilos

Ports	Foreign	Coastwise	Total
Santos	1,030,246	112	1,030,358
Rio de Janeiro	228,910	8,523	237,433
Victoria	118,818	19,678	138,496
Bahia	15,614	5,776	21,390
Paranaquá	26,559	35	26,594
Recife	10,330	675	11,005
Angra dos Reis	13,913	.....	13,913
Total	1,444,390	34,799	1,479,189

Compiled by the Departamento Nacional do Café, Rio de Janeiro.

NEW YORK COFFEE AND SUGAR EXCHANGE FUTURES

Volume of Sales (Bags)

Period	"A" No. 7	"D" Santos No. 4	"H" Colombian	Total
Feb., 1936	218,000	331,500	.....	549,500
Feb., 1935	303,500	684,500	.....	988,000
Feb., 1934	276,250	589,250	3,250	868,750
Feb., 1933	45,500	166,750	1,750	214,000
Feb., 1932	264,500	246,250	.....	510,750
Feb., 1931	350,000	536,750	.....	891,500
Feb., 1930	365,750	537,500	.....	907,250
2 mos. 1936	477,250	1,122,500	.....	1,599,750
2 mos. 1935	440,750	1,103,500	.....	1,544,250
2 mos. 1934	504,500	1,162,750	7,000	1,674,250
2 mos. 1933	104,250	379,000	5,000	488,250
2 mos. 1932	368,500	453,500	.....	823,000
2 mos. 1931	578,500	1,009,500	.....	1,593,500
2 mos. 1930	1,104,750	1,533,250	.....	2,648,000
Year 1935	1,870,500	4,384,250	.....	6,254,750
Year 1934	1,796,500	4,462,500	10,500	6,269,500
Year 1933	1,601,000	3,460,750	62,500	5,124,250
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).

In a recent speech by Dr. Antonio Luiz de Souza Mello, President of the DNC, he expresses the opinion that it will be by quality and not by quantity that Brazil will overcome the coffee crisis. He also states that in his opinion Brazil should sell her coffee at the highest price possible, up to the limit where it will not stimulate production in competitor countries. Finally, he concluded by saying that he was extremely optimistic in regard to the future of coffee, feeling that it would return to a normalized condition within two years, and that in consequence he was absolutely sure that Brazil would then enter into a phase of great prosperity.

It would appear that we are confronted by another case of "prosperity just around the corner" of Hoover memory. Seemingly, all that is needed is for some one to tell us just what is the highest price at which coffee can sell without stimulating an increase in production by Brazil's competitors. We agree with Mr. Mello that quality is far more important than quantity—at least when the market goes down—but when we see the extraordinary results which have been achieved during past years in some countries such as Africa, Haiti and

BRAZIL COFFEE PORT STOCKS

January 31, 1936

In bags of 60 kilos

Ports	Bags
Santos	2,046,983
Rio de Janeiro	711,399
Victoria	240,166
Bahia	49,707
Angra dos Reis	42,991
Paranaquá	110,007
Recife	27,737
Total	3,288,900

Compiled by the Departamento Nacional do Café, Rio de Janeiro.