

NEW YORK COFFEE AND SUGAR EXCHANGE FUTURES

Volume of Sales (Bags)

Period	"A" No. 7	"D" Santos No. 4	"H" Colom- bian	Total
Sept., 1934.....	106,000	290,500	250	396,750
Sept., 1933.....	53,000	164,750	5,500	223,250
Sept., 1932.....	163,750	636,000	.....	799,750
Sept., 1931.....	148,500	308,750	.....	458,000
Sept., 1930.....	451,750	720,000	.....	1,173,500
9 mos. 1934....	1,432,750	3,685,000	10,500	5,128,250
9 mos. 1933....	1,182,500	2,664,250	55,750	3,903,000
9 mos. 1932....	1,065,750	2,199,000	.....	3,265,750
9 mos. 1931....	3,386,000	5,359,750	.....	8,745,750
9 mos. 1930....	4,128,500	5,790,000	.....	9,940,750
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).

amounts to 2,778,000 bags. We are therefore not very far from the total destruction contemplated—four million bags.

"Brazilian port stock have decreased from 3,787,000 bags on August 25th to 3,177,000 bags at present.

"On the whole, all these figures, and measures controlling receipts have lost much of their significance, in view of the program of the Brazilian Government explained in our last market letter. The world is well informed about statistical conditions, and it therefore seems immaterial whether the coffee is at the ports or elsewhere—everybody knows that Brazil will be only too glad to sell all the coffee she can, and for which there is demand at a fair price.

"Export figures from Brazil during September were rather better than expected, considering the many complaints about lack of business activity. German imports have helped to improve things to some extent. There is now talk on all sides of regulations, reciprocal tariffs, and trade agreements between the United States and coffee producing countries, which may to some extent preclude the imposing of any taxes on coffee in this country for some time to come.

"Shipments from Brazil for three months were as follows, July/September: 1934-35, 3,331,000; 1933-34, 4,380,000; 1932-33, 1,930,200, and 1931-32, 3,644,700.

THE COFFEE FLOWERING

"Since our last report, information received from Brazil in regard to the flowering confirms our personal impressions set forth in previous reports, almost verbatim. It seems to have been very good in the newer districts—the Sorocabana and Noroeste, while in the Central part of São Paulo, the flowers in the upper branches of the trees, weakened by drought, seem to have mostly fallen off. Along the Paulista and Mogyana R. R. the flowering seems to have been spotty. Several cables received from our Mr. Paul Nortz who is still on the spot, reflect the paradoxical conditions now prevailing. After having informed us that in his opinion the outturn of the flowering

rather exceeded expectations, and that the next crop for the State of São Paulo might exceed 15 million bags—he felt prompted to qualify his statement in a subsequent cable, saying that owners in the interior continued to exert great resistance, being unwilling to sell on account of the abundance of money, and the easy credit obtainable, and that possibly they may carry their resistance too far and over-stay the market. Much will depend upon further developments in the coffee growing area of Brazil during the next two months. There is usually an October flowering and there may also be a November flowering, the outturn of which will depend entirely upon the rainfall during the coming weeks.

"The coffee market has declined about a half cent since the 7th of September. Aside from the feeling of unrest which we have already mentioned, contributory factors have been the reports regarding the flowering and the lower Brazilian exchange. While about 4 weeks ago, the milreis was still selling at 15\$000 to the dollar, and subsequently improved to 13\$100, during the last few days it has declined to 13\$500. Two weeks ago the Brazilian Government decided that instead of giving importers full coverage at the lower official rate, it would give only 60 per cent from now on, leaving importers free to buy 40 per cent at the higher rate, in the open market. Hereafter, drafts for coffee exports will have to be delivered to the Banco do Brazil at the rate of 155 Francs, that is about \$10.25 a bag, while drafts for other articles—cotton, fruit, etc., may be sold in the free market.

THE SPOT SITUATION

"Demand for spots which recently showed some improvement due to the threatened dock strike, has again fallen off, now that labor difficulties have been adjusted.

"Cost and freight offerings from Brazil have declined on an average of about 30 points, now ranging from 10.45 to 10.90 for Santos 4s. However, it is reported that some business has been done, especially for future shipment—January to December, 1935—at larger concessions, and that sales have been made as low as 10.10 to 10.15 for Santos 4s. The largest shippers obviously showed no inclination to sell at these prices. Mild coffees held rather steady as there is little pressure at this time from country of origin, receipts of new crop still being very limited. Offerings from Colombia were also down about ¼¢ per lb. on the Excelso grades, while there is a noticeable

COFFEE DESTRUCTION IN BRAZIL

Figures compiled by the New York Coffee and Sugar Exchange

(In bags of 132 lbs.)

Points	June, 1931		June 30, 1934		July 1, 1934		Total to Sept. 30, 1934
	Dec. 31, 1933	June 30, 1934	June 30, 1934	Sept. 30, 1934	Sept. 30, 1934		
São Paulo							
Santos	Details		Details				Details
Rio	Lacking		Lacking				Lacking
Victoria							
Paranaguá							
Total*	25,842,000	3,298,000	2,799,000	3,191,000			

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