

NEW YORK COFFEE AND SUGAR EXCHANGE FUTURES

Volume of Sales (Bags)

Period	"A" No. 7	"D" Santos No. 4	"H" Colom- bian	Total
Sept. 1935.....	91,500	277,000	.....	368,500
Sept. 1934.....	106,000	290,500	350	596,750
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. 1935.....	1,417,750	3,605,500	.....	5,023,250
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	.....	8,767,000
9 mos. 1930.....	4,128,500	5,790,000	.....	9,940,750
Year 1934.....	1,796,500	4,462,500	10,500	6,269,500
Year 1933.....	1,601,000	3,460,750	62,500	5,124,750
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).

where sizeable arrivals have taken place, partly attributable to the large forward buying which was done during the first half of the year. Incidentally, arrivals of milds during the first two months of the season are also considerably larger than those of the past two years. The forthcoming development of mild figures will be interesting to watch and no doubt will have some influence on the future trend of prices.

If statistics for the first two months of the campaign offer little matter for discussion, the market itself displayed considerable activity, which was mostly centered around the D contract. Coming back from its recent low at the beginning of August, the coffee market staged an impressive advance culminating in the prices reached on Thursday, September 12. For comparison's sake, we quote the minimum, and maximum prices of that period:

	Sept.	Dec.	March	May	July
August 2.....	7.15	7.29	7.34	7.40	7.45
September 12....	7.94	8.16	8.27	8.30	8.27 (bid)

The movement, which started when Brazilians realized that their Government was about to do something in connection with the slump in exchange, gained momentum when foreign buyers recently began to appear in larger numbers in the Santos markets. Even when purchases in the cost and freight market showed a tendency to recede, the advance continued, due to the sudden rise of

BRAZIL PORTS' COFFEE STOCKS

August 31, 1935

In bags of 60 kilos

Santos.....	2,043,638
Rio de Janeiro.....	731,913
Victoria.....	285,602
Bahia.....	42,435
Angra dos Reis.....	16,714
Paranaquá.....	55,875
Recife.....	23,421
Total.....	3,199,598

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

BRAZIL COFFEE EXPORTS

August, 1935

In bags of 60 kilos

Ports	Foreign	Coastwise	Total
Santos.....	924,931	210	925,141
Rio de Janeiro.....	263,908	12,664	276,572
Victoria.....	90,792	24,743	143,535
Bahia.....	11,162	7,305	18,467
Paranaquá.....	7,225	.....	7,225
Recife.....	1,662	1,494	3,156
Angra dos Reis.....	12,922	.....	12,922
Total, 1935.....	1,312,602	46,416	1,359,018

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

the milreis, probably the effect of the law recently enacted in Brazil compelling shippers there to cover their foreign exchange practically at the same time as they effectuate their sales.

SANTOS COFFEE PROSPECTS

Another reason for the increasing optimism in Brazil is the now well-established fact that the present São Paulo crop will scarcely exceed eleven million bags, which means that last year's drought, and the cold winds prevailing at the time of flowering have really done serious damage. We have heard nothing as yet concerning this year's flowering but we understand that in spite of drought in some producing districts, the weather generally has been rather favorable.

Negotiations on the reciprocal trade agreement with Italy are making good progress. It is stated that Brazil will "export large amounts of coffee" while in exchange Italy will build submarines for the Brazilian navy, unless they find better use for them at home in the meanwhile. *Quien sabe?*

The Fazenda Dumont, which has always been considered one of the grand old coffee plantations, is said to have converted more than one-half of its acreage into a cotton plantation, at the expense of coffee.

Finally, the Sociedade Rural, always on the alert, is strongly agitating for quick action concerning the purchase of the prescribed four million bags of coffee. They suggest that the DNC should pay much more than 70 milreis per bag, which was the figure previously mentioned, inasmuch as the crop has been smaller than expected, and recent demand very good.

The most striking feature of the situation is the absolute reversal of attitude by Brazilians. As the market improved, the old fighting spirit again became apparent, culminating in a cable received last Friday, stating that a severe storm had destroyed 500,000 bags of coffee in São Paulo, proving once more that the Lord is Brazilian, and that He is willing to cooperate to the fullest extent in carrying out Brazil's destruction program. It also shows that many months of low coffee prices and their disastrous effect on the economic life of that country have not been able to kill our friends' inexhaustible sense of humor.

We note that the advance was mostly confined to the Santos contract, while the Rio contract hardly followed. Consequently, the spread between our Futures contract increased considerably, and the difference between our two December positions, which amounted to only about 240 points at the be-