

Brazil was the largest national source of green coffee for Europe, accounting for 35 percent of total volume in 1971. Other important supplying nations were Colombia (13.2 percent), Ivory Coast (6.0 percent), Portuguese Africa (4.6 percent), Uganda (4.3 percent) and El Salvador (3.8 percent).

Basis for Comparison

Mr. Le Chevalier contends that the amount of money spent on coffee in the per capita cost of food can be a significant basis for analysis. In France, he says, the per capita outlay for coffee during 1970 was about the same as for sugar. But on average, the French consumer spent twice as much for milk, three times as much for bread, four times as much for beer and ten times as much for meat.

Robin Reeves concludes:

"The collapse of the Agreement would not necessarily have the disastrous effect on coffee prices and earnings that everybody imagines. But nobody can be sure.

"For the producers to abandon the Agreement—even for a new one of their own—is a considerable gamble; and they know it."

Commission Throws Coffee a Curve

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This point was checked and verified by the N.C.A. staff by telephone. The N.C.A. staff has also ascertained that the new regulations apply to institutional roasters as well as those roasting for home consumption.

The Commission also imposed more stringent reporting requirements; large manufacturers now have to ask Price Commission approval before any increase in coffee prices might be put into effect. Many roasters were uncertain as to whether or not they were to be classified as "large."

Adjustments Required

Also causing some confusion was the added directive that after September 1st coffee prices that are above the freeze-period prices must be adjusted so that prices reflect only increases in the actual cost of raw coffee beans since November 13, 1971.

At the same time, the Coffee Promotion Committee for the U.S. and Canada revealed that the price paid by housewives for regular coffee in

the second quarter of 1972 was 2.9 percent lower than the similar period of 1971.

Through its own research conducted by the Market Research Corporation of America, the Committee found that the average price paid by housewives for regular coffee during the 90 day period immediately prior to the latest great frost in Parana, was 77.7 cents per pound compared to 80 cents per pound for the second quarter of 1971.

Due to a very strong upswing during June, the Coffee Promotion Committee continued, the amount of green coffee needed to satisfy purchases by U.S. households during the second quarter of this year increased slightly (+0.9 percent) compared with the same period last year.

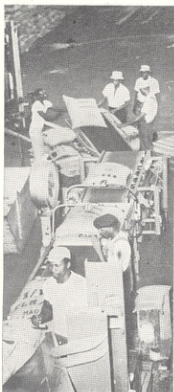
Seasonal Decreases

As expected, green coffee requirements during the second quarter were somewhat less than during the first quarter of this year due to normal seasonal decreases.

However, the second quarter figures were unable to overcome the weak first quarter showing; there-

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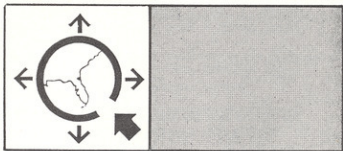


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