

THE BRAZIL COFFEE MARKET

Holders Are Feeling Bullish on Crop Damage Reports and Are Refusing Offers in View of Expected Better Prices to Come

Staff Correspondence

SÃO PAULO, September 10, 1933.

THE coffee market is reported to be very flat, with holders refusing offers due to prices considered low, but tending to go still lower. Exports for the first nine days of the month have been discouraging, only 151,229 bags, which is about one-half the total entries, so that port stocks are again moving up, being now over 1,400,000 bags.

Carylhaes' Weekly Bulletin says that the Department intends to permit exports of coffees below Type 8, but that there is nothing to justify this move unless the Department itself is going to be the exporter of its low grade stocks. Strictly speaking, they say, no one in Santos holds any low grade coffees, as these are being used to meet the Sacrifice Quota, and have not arrived in shipments to Santos. The Institute, they say, is endeavoring to obtain the return to it of the control of preferential shipments, and will, if successful, permit under this heading only Type 2, and for flat bean, screens 18 and 19; for bourbons, up to screen 17.

The Institute takes the very reasonable view that the present ruling of the Department has been of little benefit, as the facilities given have resulted in excessive requests for preferential shipments, so that only 5 per cent of any application can be permitted per month; this because of the fixed quota of 100,000 bags for this class. Applications were made and accepted during August, for instance, for 859,830 bags of terrace coffees, which added to the balance from the previous month of 958,900 bags, give a total of 1,818,730. Of this, only 5 per cent, or 90,936 bags, will be authorized for this month, plus 15,308 bags of pulped coffee, making entries of 106,239 bags of preferential coffees for the month.

Madeiros Daily Edition states that one of the outstanding causes of market apathy is the uncertainty resulting from the manipulations of the Bank of Brazil in regard to the exchange rates. The recent valorization of the milreis imposed by the Bank of Brazil has the effect of lowering the price in the internal market, while increasing the price abroad. Thus at one stroke, agriculture is punished, while ground is lost in competition with other sources.

A Folha da Manhã says that all indications point to an unusually small crop for the next season, and that therefore producers should postpone as much as possible all shipments to Santos, in preparation for the better times coming. A very strong current of opinion, they say, is in formation throughout the country against the continuance of the 15 shilling tax, and it is not impossible that we shall be free from same earlier than expected. Should this happen, those who hasten to sell now will only have regrets.—PAULISTA.

Sussman, Wormser & Co., San Francisco, have begun a campaign over 14 radio stations, augmented by trade paper advertising. It is a musical and dramatic program.

COFFEE STATISTICS REVISION

The National Coffee Department Orders a Complete Audit of All Figures Covering Interior Coffee Stocks

Staff Correspondence

SÃO PAULO, September 2, 1933.

THE Department of Coffee has announced that in order to avoid certain foreign criticism as to reliability of coffee statistics, a revision is to be made of the figures for all stocks in the country by a committee composed of one representative of the Brazilian Institute of Accountancy, one from the English accounting firm McAuliffe, Davis, Bell & Co., one from the banking firm Schroeder & Co., trustees for the £20,000,000 loan, one from the Bank of Brazil, and others from the Statistical and Accounting Offices of the Department itself.

Today a further communication has been issued by the Department stating that *Lavoura Mineira*, has criticized this decision as "a tacit confession of incapacity for a function which to many appears rudimentary; the mere work of foremen, counting bags of coffee," and further, that such work should not be turned over to foreigners. But, says the Department, the truth is simply this: the revision of coffee stocks in Brazil is an imperious necessity as a basis for a perfect statistical organization, and the element of orientation for the action of the Department.

WHY OUTSIDE HELP IS USED

The Department directors are cognizant that this work might be carried out without the assistance of foreign persons or entities; inasmuch as there is no lack of Brazilian technicians, of perfect moral and professional probity; but they also are cognizant that Brazilian figures for coffee, thanks to a series of deficiencies and inaccuracies, no longer receive credit abroad, and it is not rare to see same the object of irony and disbelief.

Not long ago an American publication, the *Nortz Circular*, stated that the most famous sleight-of-hand performers in the world were outdone by the Brazilians, in whose statistics millions of bags of coffees suddenly disappear without explanation. As late as June last another well known publication, the *Circulaire sur le Café de Le Havre*, classed our informations as an "inextricable labyrinth," and stated the necessity of our showing "definitely and in a comprehensible manner" the statistical position of coffee.

As confidence is a factor of capital importance, the Department could not remain indifferent to this situation, and has felt it a duty to re-establish credibility abroad in our figures, by demonstrating the error of all those who state or believe that there are millions of bags of coffee not mentioned in statistics. This confidence is not only desirable, but also necessary, and cannot evidently be imposed but must be won. Thus it is not up to the Department to select the process most attractive to it, but to accept such as would give evidence of lack of fear in clearing up the matter and adequate to the end in view. Thus the Department has extended invitations to the two entities which comprise all the requisites of moral and technical pro-