

BRAZILIAN COFFEE EXPORTS

MARCH, 1934

In bags of 132 lbs.

Ports	To Exterior	To Brazilian Coast	Total
Santos	862,732	7,434	870,166
Rio de Janeiro	177,784	3,085	180,869
Vitória	87,041	4,275	91,316
Paranaçuá	19,475	788	20,263
Baía	36,185	2,533	38,718
Angra dos Reis	10,432	10,432	20,864
Recife	14,553	3,345	17,878
Total	1,208,182	21,460	1,229,642

Compiled by the National Department of Coffee, Rio de Janeiro.

heavy taxes imposed on coffee everywhere, the United States being practically the only exception. We see in a French report that coffee which sells in Santos at 97¼ francs, costs 498 francs laid down in Havre wholesale. There seems to be no remedy for this except reciprocal dealings by Brazil with foreign countries, and then what would become of Brazil's creditors?

As to production, all we know is that subsequent to the large crop of 1906-07 there was not another bumper crop for almost twenty years, principally due to repeated periods of drouth and cold weather, and in the natural cycle of things another series of crop reverses is bound to come. We may assume that Brazil has passed the peak of her production, but we also think that it will be some time before she will be able to dispense with the elimination of surplus production. This goal, however, will have to be reached sooner or later. It is a regrettable fact that the export premium collected by Brazil to finance destruction constitutes an advantage offered to her competitors. The above is a true picture of the whole situation with which our Brazilian friends will have to cope in the near future.

COFFEE YET ON PLANTATION

Justifying their estimate of a surplus of 2,000,000 bags on plantations which the Nortz firm uses in reaching the figure of probable carryover on July 1, 1934, their report says:

"The crop movement was stopped on April 1. The question arises therefore how much coffee of the present crop is left in the interior? The fact that the sacrifice quota had to be delivered on the basis of 30 milreís a bag, while such coffee was bringing considerably higher prices in the open market, and that no sacrifice coffee will be exacted from July on, makes it almost certain that a good proportion of the present crop will have been retained on plantations. Brazilian advices are noticeably silent on this question, but a fair estimate appears to be about 3,000,000 bags of old crop coffee still on plantations, which would amount to about 10 per cent of the present crop."

BRAZIL PRESIDENTIAL ELECTION

Reports from our Rio de Janeiro correspondent have been to the effect that the election of President of Brazil would be on May 3. Despatches, however, subsequent to that date report an indefinite delay, due, it is said, to the necessity first of considering several hundred amendments to the proposed constitution of the country. A tentative date for the election is that of May 18.

RIO DE JANEIRO NEWS NOTES

A Digest of the More Important Happenings in the Brazilian Coffee Trade and Industry During the Past Month

Staff Correspondence

RIO DE JANEIRO, April 20, 1934.

THE coffee market has been weak and general business has been stagnant. With heavy stocks, the diminution of receipts has been without influence. Exporters, buying lightly, immediately cover. The option market has been voluminous, the interior coffee merchants being the principal operators.

The National Department of Coffee (NDC) is now busied with the details of regulating the transportation of the new crop. This formerly concerned the coffee institutes. They have sent their representatives for an exchange of ideas with the Department. Some disagreement having arisen, a conference was held with Dr. Oswaldo Aranha, Minister of Finance. It would seem now that the activity of the Institutes is now a thing of the past. The Minas Geraes Institute was one of those declaring acceptance of the new order of things.

Several exporters are seeking revocation of the rule against exportation of low grade coffees. They claim that some European markets cater to a large consumption of such coffees which are being supplied by other countries. As an instance, they refer to Spain where purchases from Brazil are not important. Hamburg, too, has always been interested in low grade coffees, having a special type named "Minimal," the delivery of which has from time to time caused embarrassment to shippers, due to the small portion of broken beans allowed. Le Havre was also a steady buyer of 7's and 8's, but, due to the stringent control of the Department, exporters are avoiding sales of coffees grading 8's.

It is reported that Botelho, Martins & Cia., Ltd., one of the most important coffee exporters, have decided to transfer their activity to Santos. This house specializes in soft and very soft coffees for which the Rio market is becoming daily more and more strict. Incidentally, Santos is paying more for Sul de Minas coffees than Rio is.

By July 1 coffees collected for the 40 per cent quota will have been all destroyed, according to calculations of the NDC. During the next crop year this quota will disappear—as no reason exists for continuing the collection of any sacrifice quota.

Regarding the future, there is a consensus of opinion in favor of the policies of the NDC—this based upon what has been done thus far. The coming crop will be about 60 per cent of that of last year, according to the opinion of planters. The weather has been favorable for ripening—and picking and handling are receiving greater attention than in the past, ensuring better coffees for the market. In some parts of the State of Rio de Janeiro picking has already commenced. Sales, however, are held in abeyance, due to doubts on new crop prices. The State of Minas Geraes is already beginning coffee picking. São Paulo will commence in June. Regarding prices, it is expected that interior hard coffees will bring from 50\$000 to 60\$000 per bag. Soft and strictly soft coffees will bring 70\$000 and upwards. These estimates are fair to both buyer and seller.—D. K.