

### NEW YORK COFFEE AND SUGAR EXCHANGE FUTURES

Period	Volume of Sales (Bags)			
	"A" No. 7	"D" Santos No. 4	"H" Colom- bian	Total
Feb., 1935.....	303,500	684,500	.....	988,000
Feb., 1934.....	276,250	589,250	3,250	868,750
Feb., 1933.....	45,500	166,750	1,750	214,000
Feb., 1932.....	264,500	246,500	.....	512,000
Feb., 1931.....	350,000	536,750	.....	891,500
Feb., 1930.....	365,750	537,750	.....	907,250
2 mos. 1935....	440,750	1,103,500	.....	1,544,250
2 mos. 1934....	504,500	1,162,750	7,000	1,674,250
2 mos. 1933....	104,250	379,000	5,000	488,250
2 mos. 1932....	368,500	453,500	.....	823,000
2 mos. 1931....	578,500	1,009,500	.....	1,593,500
2 mos. 1930....	1,104,750	1,553,250	.....	2,648,000
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).

traders quickly responded and there is a general feeling that until an assured and definite policy is mapped out at Rio there is little hope of advance in coffee quotations. On February 18, following the report of the Supreme Court of the United States on gold payments, there was practically the first real rally of the month, from 12 to 19 points, continuing slightly in the following week. Otherwise, recession of quotations marked nearly every trading day of the period.

Reviewing the world coffee situation, Nortz & Co. makes the following report (February 21), containing a review of present conditions:

#### NORTZ & Co.

"Two important events have taken place during the past two weeks. One was the decision by the Brazilian Federal Government to free exchange, that is, to permit shippers to sell 65% of their export bills in the open market, delivering 35% to the Banco do Brazil, at the fixed rate—at present 118525 for the dollar. To better understand the merits of the case, we must remember that 85% of Brazil's exports consist of coffee, while the other 15% is made up of other produce. Exporters of this 15% had so far been free to sell their bills in their totality, in the open market, at the private rate of about 15\$000, the Government hoping, in this way, to stimulate the production of commodities other than coffee. The difference is that hereafter, those who export these other commodities will also have to deliver 35% of their bills to the Banco do Brazil. On the whole, it is figured that, other things being equal, the contemplated change would amount to a reduction of about 80¢ to 90¢ per 100 lbs. in the price of coffee.

#### THE FIFTEEN SHILLING TAX

"Last Thursday cables received from Rio stated that a proposal had been submitted to Congress by representatives of São Paulo to reduce the

### BRAZIL COFFEE EXPORTS

Ports	January, 1935 In bags of 132 pounds		
	Abroad	Coastal	Total
Santos.....	751,392	79	751,471
Rio de Janeiro.....	188,972	7,617	196,589
Victoria.....	102,227	17,984	120,211
Paranaguá.....	25,101	57	25,158
Bahia.....	10,931	8,553	19,484
Recife.....	3,440	1,710	5,150
Angra dos Reis.....	800	.....	800
Total.....	1,082,873	36,000	1,118,873

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

special export tax of 15 shillings per bag (about 45 milreiros) to 3 shillings—a decrease of about 80%. This news was not entirely unexpected—it has been in the air, so to speak, for quite some time past. It was corroborated by steady selling on the part of Brazil.

"Due to recent rulings concerning the sale of Exchange bills, there has now been a reduction of about 60¢ on these charges. When the Spot price for coffee in New York is 8¢, two-thirds is consumed by taxes, freight and other expenses. The 15 shilling tax for coffee defense purposes, alone amounted to about 3¢ per lb. Needless to say this would have created an almost unbearable situation for coffee planters had it not been for the fact that the buying power of the milreiros in Brazil is still about double what it is in international markets. However, this is bound to right itself as foreign countries are insisting more and more on a reciprocal share in Brazil's business.

"It is also reported that the D. N. C. is opposed to the contemplated change, probably in view of the fact that it owes about 1,200,000 contos or 90 million dollars to the Banco do Brazil—money used to pay for 34 million bags of coffee which have been destroyed. The total value of the coffee thus eliminated is estimated at about 8,700,000 contos or about \$400,000,000. Moreover, should the total tax be materially reduced, it would probably cause the downfall of the whole present Coffee Defense Scheme, based on the destruction of surpluses.

"However, new factors have recently come to the fore—one of them is that Brazilians realize more and more that they have to choose between two evils. Either they must continue to maintain prices above those asked by their competitors, thus paving the way for the latter who continue to increase their production and succeed in selling their entire crops regularly, which means that Brazil may be gradually maneuvering herself out of the supply picture; or they must try to undersell

### COFFEE DESTRUCTION IN BRAZIL

Figures compiled by the New York Coffee and Sugar Exchange

(In bags of 132 lbs.)				
June, 1931	Jan. 1, 1934	Jan. 1, 1935	Total to Feb. 28, 1935	
Dec. 31, 1933	Dec. 31, 1934	Feb. 28, 1935	Feb. 28, 1935	
Total*.....	25,842,000	8,266,000	738,000	*34,846,000

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