

### NEW YORK COFFEE AND SUGAR EXCHANGE FUTURES

Period	Volume of Sales (Bags)			
	"A" No. 7	"D" No. 4	"H" Colombian	Total
May, 1934.....	87,500	213,250	250	301,000
May, 1933.....	97,250	288,250	2,000	387,500
May, 1932.....	120,500	198,250	.....	318,750
May, 1931.....	374,000	424,000	.....	799,000
May, 1930.....	834,000	427,750	.....	703,250
5 mos. 1934.....	274,000	2,137,500	8,000	2,999,500
5 mos. 1933.....	339,750	1,211,250	22,000	1,573,000
5 mos. 1932.....	715,750	1,084,500	.....	1,801,250
5 mos. 1931.....	2,075,500	3,289,750	.....	5,377,500
5 mos. 1930.....	2,163,500	3,101,750	.....	5,278,500
Year 1933.....	1,501,000	3,560,750	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).

### THE MARKET OUTLOOK

For the second successive month, world deliveries of coffee have been lower than for the corresponding month last year, report Nortz & Co., in their review of June 8. The heaviest decrease was to the United States where consumption was only 736,000 bags, compared with 1,050,000 bags in May last year. The high delivery figures for the first nine months were surprising, as it was feared that the repeal of prohibition would curb the consumption of coffee. However, it now seems that any decrease due to the consumption of beer and other alcoholic beverages has been offset by heavy investment buying in expectation of severe inflation, and by the replenishing of invisible stocks which became greatly reduced last season.

Arrivals of Mids are still 362,000 bags behind last year, the principal decrease being in the United States, i. e., 660,000 bags less than during the same period last year when a record was reached. However, Europe has taken larger quantities than before—probably due to the tariff difficulties between France and Brazil. Unfortunately this coffee has not disappeared into consuming channels but is being held at the seaports where stocks of all kinds have increased by more than a million bags during the past 12 months. Importers are now forced to carry this merchandise, with little immediate prospect of bringing stocks down to former levels. The unsettled financial condition of several of the European countries which has forced the respective Governments to control foreign currency and limit funds for import, has made the outlook for an improved demand there unfavorable. We refer particularly to the further limitations by the German Government which may force many in that country to go back to the war time substitutes for coffee.

In spite of the unsatisfactory demand by roasters, our market has been very steady, influenced in part by firmer cables from Brazil, and by the fact that U. S. stocks are small—1,277,000 bags. Last year, stocks included 450,000 bags of the Farm Board Coffee, which have since been sold.

### NINE MONTHS' COFFEE SHIPMENTS

While shipments during the first nine months of the season were encouraging, running on an average of 1½ million per month, those of April were smaller, amounting to 842,000 bags, and 903,000 bags during May, bringing the total up to 14,868,

000 bags for the first 11 months. The hope that during this season the world will require at least 17,000,000 bags of Brazil coffee must be abandoned, although it is probable that June shipments will again exceed the million mark. The bonus on new contracts has been cancelled as of May 28, with the exception of contracts made for shipment prior to July 1, and friends in Brazil have cabled us that European importers are showing a keen interest in shipments before that date, in order to take advantage of the bonus.

At a luncheon given to the European visitors, invited by the National Coffee Department for the purpose of acquainting them with the coffee situation in Brazil, Dr. Armando Vidal, President of the National Coffee Department, stated that at the end of the present season there would be 1½ million bags of coffee to enter Santos in addition to the coffee which is still held as guaranty of the 20 million pound sterling loan, and the coffee required for the bonus service. If correct, this would certainly put Brazil in a very favorable position on the eve of a small crop, estimated at about 15 million bags, and would give her an opportunity to prepare for the handling of the 1935-36 crop which in all probability will be a large one. However, it is not quite clear to us how Brazil will be able to reduce her surplus to 1½ million bags by the end of this month.

### CARRYOVER

According to figures there will be a carryover of 7,500,000 bags. From this must be deducted shipments which will take place in June, and the coffee to be destroyed. On March 24, we were informed by Brazil that 5½ million bags would be eliminated before the beginning of the next crop. Deducting from this amount, coffee destroyed up to the end of May—3,900,000 bags will have to be disposed of during June if Brazil lives up to her prediction. The largest quantity destroyed during any one month was 1,908,000 bags, during August last year. It would seem that the easiest way to eliminate coffee would be to dump it into the sea—however, the following figures show that a comparatively small quantity has been disposed of in this manner. We presume it has been found that this method has its drawbacks. Figuring one million bags for shipment during June, but not taking into account the bonus coffee which is probably a small item, there is still a difference of 2½ million bags to be taken care of. The reported destruction figures for May—1,104,000 bags—were favorably received by the trade as they show that Brazil is going ahead with her program on a large scale

### COFFEE DESTRUCTION IN BRAZIL

Figures compiled by the New York Coffee and Sugar Exchange

Points	(In bags of 132 lbs.)				Total to May 31, 1934
	June, 1931	July 1, 1932	June 30, 1933	May 31, 1934	
São Paulo ..	3,254,000	1933	6,258,000		
Santos .....	3,767,000	2,445,000			Details
Rio .....	1,040,000	929,000			Lacking
Victoria .....	315,000	317,000			
Paranaguá ..	.....	.....			
Total .....	8,376,000	9,949,000	9,589,000	27,914,000	

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