

per Almeda.

Rio de Janeiro, 20th May 1927.

Dear Mr Lobenhoffer.

My last letter was dated May 12th, and copies are enclosed, since your esteemed favor of April 27th reached me and contents had my best attention.

I was very glad to learn you were safe at home again and hope we shall have the pleasure of another visit of yours with Mrs Lobenhoffer in about two years, when things will be in full swing in the coffee trade and that we will be doing a good business.

Mario.

I showed Mario your letter and when he goes to S. Paulo he will call on Mr Ford of the Bank of London and wishes me to thank you for the arrangements.

Gomes.

They continue very sanguine for the future, but for the moment, there is no chance of doing business at the prices that European buyers will pay and I certainly would advise them to buy of the cheap Jacks, who offer about 2,000 and more below actual prices.

You can judge yourself if you will calculate the spot quotation and the exchange rate, and freight, you will see the wide difference and that we could afford to suffer such a big loss.

I enclose a slip with the calculation and you can see what the difference is, besides the coffee per Cordeba must be shipped on the 22nd latest date, and there is not the slightest chance of the market suffering such a drop within 5 or 6 days.

Besides buyers must remember that arrivals here are limited and there will be no rush of coffee here nor in Santos.

I have seen in the Centre some of the shippers who have sold short and have paid 34,500 and to day sellers want 35,000.

The price at which we can buy coffee in Minas is 27,000 now and expenses to bring it down is 8,000 per arroba, which brings it to 35,000 last month the price was 28,000 and 28,500 with 8,000 we have 36,500 and 36,500.

We expect in about 10 or 12 days receive our first coffees and when it begins to come down more or less regularly we will offer you, as stated as a rule 9 to 1/ below ruling prices, in this market. Some exporters tell me they have sold early this month at 34,000, new crop coffees.

Crops.

You will notice that my estimate of the Rio crop is about right and the Centro do Comercio do café is wrong by 3/4 or 1/2 million bags.

Some planters have written complaining of the severe cold in the interior and S. Paulo suffers also of very cold temperature in the city and in the interior.

Some think that if the September or October blossom is small that prices will not fall as expected, the more so if frost should set in up to July.