

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version

Raw material markets: Different tendencies of coffee prices

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1967) : Raw material markets: Different tendencies of coffee prices, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 02, Iss. 6/7, pp. 192-, <https://doi.org/10.1007/BF02929858>

This Version is available at:

<https://hdl.handle.net/10419/137771>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Index Numbers of World Market Prices of Foodstuffs and Industrial Raw Materials

Index and commodity group	1966			1967			
	May	Aug.	Nov.	Feb.	May	June 2	June 16
HWHA-Index 1 (1952-1956 = 100)	96.9	93.5	92.4	92.6	92.6	93.2	92.1
Foodstuffs	85.3	85.1	83.8	85.0	87.8	89.2	86.7
Raw materials other than foodstuffs ...	102.5	97.6	96.5	96.3	94.9	95.1	94.7
Fuels	95.5	95.4	95.6	95.2	95.0	95.1	95.1
Raw materials for consumer goods ..	96.3	95.2	91.2	92.6	91.7	91.7	91.9
Raw materials for capital goods	113.8	101.8	101.5	99.9	96.9	97.5	96.1
Reuter's Index (18. 9. 1931 = 100)	463.3	443.0	425.3	432.5	438.6	446.7	443.0
Moody's Index (31. 12. 1931 = 100)	397.4	394.3	369.0	369.1	372.7	377.8	372.9

¹ Index compiled by the Hamburg Institute for International Economics.

this development. At unchanged prices of import goods the international exchange of goods in real terms has noticeably deteriorated to the disadvantage of the developing countries.

The sluggish business prospects in industrial countries do not permit us to anticipate already this year an accelerated expansion of world trade worth mentioning. Imports of most industrial countries will rather increase but slowly—the

most important exceptions being Italy and Japan—although contractive influences—caused by the changed arrangements for carrying stocks—will abate in part. Under these circumstances the raw material producing countries will hardly be able to avoid a deterioration of their balances of payments unless their import increase would again be checked persistently or the industrial countries would be prepared for increased capital aid.

season will amount to 63 million bags (1965/66: 81 million bags), of which 47 million bags will be exportable (last season 66 million bags), so that the foreseeable demand of 48 million bags cannot be met completely. The production decline results from a very much lower crop in Brazil (20 million bags exportable compared with 37 million bags 1965/66). Also the 1967/68 crops in Brazil will hardly be higher, as the measures to reduce coffee cultivation in favour of different agricultural products will probably show their effects.

Raw Material Markets

Different Tendencies of Coffee Prices

World market prices of the different sorts of coffee during the last months showed differing tendencies. While the prices of Brazil coffee remained relatively stable—after a slight fall they now reached the level of the beginning of the year—mild sorts (mainly of Columbian and Central American origin) showed a strong price decline, so that for these sorts several cuts of export quotas had to be introduced. In contrast to this the export quota for the Robusta sorts was raised by 2.5 %, i.e. 400,000 bags, because prices exceeded the fixed limit. It is, however, very doubtful, whether the African producers are able to supply this additional quantity, as damages done by the weather have

had considerable impacts on plantations.

This development mainly reflects the demand situation in the United States, the biggest coffee consumer. There, a shift in demand to the cheaper Robusta coffee can be noticed, as the consumption of soluble coffee, for the production of which Robusta coffee is most suitable, is steadily rising. Of late, also US imports of coffee are generally rising remarkably. This must be traced back to small US stocks and the expectation that world production 1966/67 and also 1967/68 will decrease.

According to estimates of the US-Department of Agriculture world production of the current

After this season there will be a slight fall of world stocks, which had grown to 87 million bags at the end of 1965/66. These are, however, still large enough to prevent a fundamental change of tendencies of price development. For, although the International Coffee Organisation fixes the annual export quotas and thus world supply, considerable additional quantities are channelled by long circuits into the consumer countries ("tourist-coffee"). So for instance the assembly of the executive committee of the ICO discussed sanctions against countries exporting above their quotas. Also the admission of Singapore to the Coffee Organisation was under discussion. Its membership would put an end to the frequent trade of "tourist-coffee" via this port.

INTERECONOMICS • Monthly Review of International Trade and Development

Edited by The Hamburg Institute for International Economics (Hamburgisches Welt-Wirtschafts-Archiv), Director: Prof. Dr. Heinz-Dietrich Ortlieb, and The German Overseas Institute (Deutsches Übersee-Institut), President: Prof. Dr. Dr. h. c. Andreas Predöhl. Managing Editor: Dietrich Keschull, Editor: Hubert Höping; Karl-Muck-Platz 1, Hamburg 36, published by Verlag Weltarchiv GmbH., Eppendorfer Landstraße 106, 2 Hamburg 20. Advertising Representative: Dr. Hans Klemen. Printed by Otto Schwitzke, 2 Hamburg 70. Annual rate of subscription DM 48,— (US-\$ 12,—). Copyright by Verlag Weltarchiv GmbH.