

commission, and sales tax, the whole averaging around ₱44 per 1,000 board feet, to get at his net f.o.b. price at the mill.

On a production of a fair percentage of Red Lauan, Apitong, and White Lauan of say 40%, 25%, and 35% respectively, producers get about ₱110 net f.o.b. steamer at their mill, and their cost ranges between ₱120 to ₱140 per 1,000 board feet.

A few exporters may be able to improve on their overall average f.o.b. price, but the great majority of producers are practically entirely dependent on the local market and should not hope for any improvement until the rainy season is over.

Copra and Coconut Oil

June 16 to July 15

By MANUEL IGUAL

General Manager, El Dorado Trading Company, Inc.

AND KENNETH B. DAY

President, Philippine Refining Company

FROM the viewpoint of the Philippine copra producer and the average copra dealer, the period under review was a most dissipating one. Export prices declined steadily throughout the month, and registered an overall drop of approximately \$50 a ton. Large operators, however, both in the Philippines and in the United States, profited greatly by this trend, for they sold heavily for future shipments as the market went down, which they were in a position to cover in very profitably later on.

The weak spot was Europe, which had been expected to be a strong consumer of copra and to bolster the market at about the \$300 level. European buying, however, was largely controlled by the ECA (European Cooperative Administration), and European buyers were smart in taking on future shipments rather than spot, thus preventing the bulge which nearly everybody had expected to occur late June or early July.

On the Coast, where buyers were bidding \$310 c.i.f. on June 16, the price gradually drifted down without any reaction to a low of \$260 c.i.f. as the period ended. Some copra was sold on the decline, but the volume was not very great and buyers were continually backing away. Most of the business was for prompt shipment. Eventually sellers who had been hoping for better things, became reconciled to the essentially weak tone of the market, and as the period ended, were prepared to sell moderately, anticipating even further declines.

Meanwhile, coconut oil was in very light demand, with, however, occasionally small spot interest from edible consumers ranging from 25¢ down to 22¢. Large inedible consumers were not interested in these prices, but did take on a fair volume of future business for the last quarter of the year ranging from 20¢ down to 19¢ per lb. f.o.b. Coast, which discounted the copra market radically at the time of sale.

The encouraging factor, if any, in this whole picture was that by the drop in coconut oil, reflected in copra, the spread between tallow, which held fairly firm at 17 to 18¢, and coconut oil was greatly narrowed. It has long been felt that once coconut oil and tallow were nearly in balance, large consumers would renew their interest in coconut oil, and would be willing to buy larger quantities for further future positions, thus doing much to re-stabilize pre-war conditions. It appears that the developments during this period showed considerable promise in this direction.

Local prices both for copra and coconut oil followed closely the export trends. In Manila, copra sold down from ₱62 to ₱47 and in Cebu from ₱62 to ₱50,

PACIFIC MERCHANDISING CORPORATION

JOHN R. WAGNER, Pres.

209 Rosario

Manila

EXCLUSIVELY REPRESENTING

CORBIN LOCK COMPANY

AMERICAN RADIATOR & STANDARD
SANITARY CORPORATION

NATIONAL CARBON CO., INC.

"Eveready" flashlights & batteries

LINDE AIR PRODUCTS CO., INC.

"Union" Carbide

THE PARAFFINE COMPANIES, INC.

"Pabco" Products

AMES BALDWIN WYOMING COMPANY

BALL BROS. MASON JARS

WEST BEND ALUMINUM COMPANY

MALLEABLE IRON FITTINGS CO.

FAIRBURY WINDMILL CO.

CAPEWELL MANUFACTURING CO.

SLOAN VALVE COMPANY

BOMMER SPRING HINGE COMPANY

HUBBARD & COMPANY

COLUMBUS COATED PRODUCTS CO.

KEENEY MANUFACTURING COMPANY

BADGER METER MANUFACTURING CO.

DICK BROTHERS MANUFACTURING CO.

A. B. STRAUB CO.

LIGGETT SPRING & AXLE COMPANY

STEEL PRODUCTS

HOUSE FURNISHINGS

GENERAL HARDWARE

PLUMBING

Cebu interest being chiefly to cover export commitments. Coconut oil dropped from ₱1.13 to ₱.92 per kilo. Copra and oil exports for June were light, and the preliminary figures are as follows:

Pacific Coast ports.....	13,571
Atlantic Coast ports.....	2,876
Gulf ports.....	3,271
Europe.....	18,693
Total.....	<u>38,411</u> tons

There was very little interest in copra cake because of lack of dollars in Europe, but indicated quotations dropped from \$72 per ton f.o.b. to \$65. Generally speaking, the equivalent of copra meal on the Coast was better than these figures.

By July 15, we were entering the heavy copra producing season. Arrivals were somewhat better than have been anticipated, but it was the general feeling that there would be nothing spectacular about arrivals even in August, and that prices have fallen so far that they actually serve as a deterrent to production. The "\$64 question" was whether the market was overcommitted for July/August shipment. The general impression was that, while considerable quantities have been sold, some dealers were in a slightly long position, and that there was little in the picture to indicate a squeeze anywhere along the line. In fact, by mid-July, the steam was completely out of the market, and dealers were reconciling themselves to substantially lower prices in August and September.

All of this is discouraging from the viewpoint of revenue for Philippine producers and export balances for the Philippine Government, but from a long range point of view, this turn was to be expected eventually, although the velocity and extent of the current drop has exceeded all calculations.

Desiccated Coconut

By HOWARD R. HICK

President and General Manager

Peter Paul Philippine Corporation

THIS report covers the period from June 15 to July 15. Raw-material procurement has been easy, with an abundant supply of nuts available. This is due to the fact that this is the season of the year when nuts are large and most plentiful.

Because of the plentiful supply, the desiccated coconut manufacturers were able to purchase nuts at prices very close to copra equivalent values. However, during this period, copra prices have dropped so rapidly that daily delivery prices have generally been considerably above the daily copra market quotation, as most buying is done on a contract basis, contracts being made for a week to 10 days at a time.

Most of the factories are now running at full capacity and some have even worked a 7-day week in order to increase their capacity. One factory, the Red V Coconut Products, Ltd., has increased its production with additional machinery at the Dalahican factory in Quezon Province. The total amount of desiccated coconut shipped during the month of June was 9,629,960 lbs., with the July production figures promising to break the 10,000,000 lb. mark.

The following are the shipping statistics for the month of June:

Blue Bar Coconut Products Co.....	2,146,260 lbs.
Cooperative Coconut Products.....	None
Franklin Baker Co. of the Philippines.....	4,105,100 "
Isabelo S. Hilario.....	97,000 "
Luzon Desiccated Coconut Co.....	None
Peter Paul Philippine Corp.....	1,680,100 "

ATLANTIC GULF & PACIFIC COMPANY OF MANILA

EXECUTIVE & SALES OFFICE
222 REGINA BUILDING
TEL. 2-83-64

ENGINEERING DEPT. & SHOPS
PUNTA, SANTA ANA
TEL. 8-63-32

. . .

ENGINEERS—CONTRACTORS

. . .

DISTRIBUTORS FOR

FAIRBANKS MORSE & CO.
GARDNER DENVER CO.
CHAIN BELT CO.
ARMCO INTERNATIONAL CORP.
PIONEER ENGINEERING WORKS

YORK CORPORATION
LINCOLN ELECTRIC CO.
WALSH REFRACTORIES CORP.
MARION POWER SHOVEL CO.