

COPRA AND ITS PRODUCTS

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With prices of all basic commodities, including competing oils and fats, on the upgrade, copra and coconut oil stood out in June as two of the very few exceptions to the rule and not only did these commodities fail to gain, but they registered a distinct loss in the prime markets of the world.

COPRA: Local copra prices during June followed American oil and copra markets and in doing so, declined perceptibly from the beginning of the month to very near the end of it. This decline covered a spread of from P5.70 maximum to P5.20 minimum with all indications at the end of the month pointing to a continued weakness due to the great press of local arrivals. Arrivals for the month were exceptionally high, totalling 412,000 sacks for Manila and 350,000 sacks for Cebu, the latter figure the second highest month in Cebu's history. Manila receipts were over twice as large as during June 1932 and Cebu receipts over 75% greater. This great press of copra caused buyers to be very wary and placed them in a position where they were forced to turn away copra for fear that they would be overstocked with stagnant outside markets.

The Pacific Coast copra market gradually declined throughout the month and starting with 1.70 cents on the 1st, was only worth 1.57-1.2 at the end of the month. Even at these figures there was considerable selling for July-August shipment and there probably would have been more had it not been for the European situation. Very suddenly and somewhat unexpectedly, the conference rate of freight on copra to Europe was dropped on June 27th from 63/- per ton 52/6. This, combined with the improvement in the London copra market and in £-Exchange made European copra business possible and approximately 5,000 tons of copra, chiefly from Cebu, were sold to Europe within a very few days. This did much to take the pressure off the market and the month ended with sellers in an easier position and buyers sufficiently supplied for the moment and, therefore, not anxious. Most of the European business was done at prices ranging from £11/- to £10/10/0d., the European market declining as additional offers were made.

Shipments for the month totalled the very high figure of 36,800 tons over 24,000 tons of which went to the Pacific Coast. The Gulf took 5800 tons, Europe 4200 and the Atlantic Coast only 1500. Approximately 60% of this total was shipped out of Cebu. In spite of this, stocks of copra in sellers' possession at the end of June were at an extremely high mark, particularly for this time of the year and there was nearly 41,000 tons on hand, with the heavy season coming on, contrasting with only about 1/4 this quantity a year ago.

COCONUT OIL: Coconut oil touched its high mark for the year of 3-3/8 cents. c. i. f. N. Y. the first few days of June. Then with sellers offering freely for prompt shipment, the expected happened and buyers began to back away until, at the end of the month, there were sellers at 3 cents with buyers only interested for the end of this year or early 1934. Throughout the month buyers were cautious and comparatively little real business was done. Shipments for the month totalled 8800 tons, a rather small amount, everything considered. Of this 6400 tons was destined for the Atlantic Coast, 1250 for the Pacific Coast and just over 1000 for the Gulf. With these small shipments, combined with fairly heavy production by all mills, coconut oil stocks at the end of June totalled over 20,000 tons or about three as much as a year ago.

COPRA CAKE: The copra cake market improved slightly in June. Hamburg prices, which are now quoted in dollars, advanced from \$18.50 to as high as \$19.50 per ton. This improvement was reflected to a lesser degree in local purchases which advanced from P17.75 per 1000 kilos ex-warehouse to as high as P19.00, most of the business passing at between P18.25 and P18.75. The Monopoly Tax on cake in Germany was reduced from 110 marks to 60 marks, which was still prohibitive. In addition, it was rumored that the Swedish Government is considering applying a duty of 20 Swedish Crowns per 1000 kilos on all foreign oil cakes. This, combined with generous stocks, induced local mills to sell very freely particularly for July-August shipment and, as a result, at the end of the month, most of the mills were sold out for any shipment prior to September, a healthy position for this time of the year. On June 30th the cake business was very dull, with sellers not interested and buyers making only occasional offers.

9900 tons of cake were shipped out during the month, all of it, with the exception of 735 tons of meal for the Coast, going to Scandinavian buyers. Stocks on hand still totalled nearly 7900 tons but this amount will all be moved within the next 45 days. Prospects for future business are very uncertain.

DESICATED COCONUT: Desiccated coconut is the only coconut product which actually improved in price in June. With demand steady and shipments moderate, desiccated prices on the New York market went up 1/4 cent per lb. to approximately 7-1/4 cents. Local mills were running fairly steadily and large stocks were reported on hand both in the Philippines and in the United States. Shipments during the month totalled only

slightly over 1000 tons, a decrease from May. With the price of nuts low, desiccated manufacturers were fairly well satisfied with the situation.

GENERAL: For the first six months of 1933 export figures showed the following:

	1933	M.T.	1932	M.T.
Copra	50,142	M.T.	118,165	M.T.
Coconut oil	58,664	M.T.	58,643	M.T.
Copra cake	36,404	M.T.	36,705	M.T.
Desiccated coconut	7,882	M.T.	6,932	M.T.

The interesting feature of the above is that while the oil mills just about held their own, exports of copra increased nearly 140%, this due, undoubtedly, to a combination of large production in the Philippines and a more favorable exchange rate in foreign countries and the United States, which made Philippine copra a cheaper buy than copra from other parts of the world.

At the end of the month copra buyers and oil mills were in a very difficult position. With reports rolling in indicating a bumper crop of copra in the Philippines on the one hand, with an inflated dollar pushing the prices up of almost all world commodities on the other, buyers were in a quandary as to what they should do or what could be expected. Ordinarily speaking, coconut oil should commence to move upward within a reasonably short period of time, but if stocks are over-plentiful, any such movement will be retarded and, so far at least, this condition has caused an actual recession in price. The proper balance between consumptive demand in inflated dollars and uncontrolled supply under favorable productive conditions will determine the future of the coconut market and buyers here face the problem of trying to foresee just where this balance will lie.

RAIL COMMODITY MOVEMENTS

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The volume of commodities received in Manila during the month of June, 1933, via the Manila Railroad are as follows:

Rice, cavans	170,596
Sugar, piculs	117,249
Copra, piculs	192,269
Desiccated coconuts, in cases	8,249
Tobacco, bales	4,617
Lumber and Timber, Bd. Ft.	348,300

The freight revenue car loading statistics for seven weeks ending June 17, 1933 as compared with the same period for the year 1932 are given below:

FREIGHT REVENUE CAR LOADING

COMMODITIES	NUMBER OF FREIGHT CARS		FREIGHT TONNAGE		INCREASE OR DECREASE	
	1933	1932	1933	1932	Cars	Tonnage
Rice	1,113	944	12,650	11,114	169	1,536
Palay	70	91	680	1,023	(21)	(343)
Sugar	1,399	1,075	43,462	29,523	324	13,939
Sugar Cane	3		23		3	23
Copra	1,958	664	14,696	4,724	1,294	9,972
Coconuts	179	287	2,401	3,517	(108)	(1,116)
Molasses	163	42	4,754	1,279	121	3,475
Tobacco	4	9	22	57	(5)	(35)
Hemp	73	122	801	1,108	49	(307)
Livestock	33	60	174	293	(27)	(119)
Mineral Products	459	482	5,763	5,708	(23)	55
Lumber and Timber	331	463	8,714	7,821	(132)	893
Other Forest Products	12	11	73	84	1	(11)
Manufactures	223	264	2,925	3,280	(41)	(355)
All others including LCL	4,994	4,801	33,585	32,157	193	1,428
TOTAL	11,014	9,315	130,723	101,688	1,699	29,035

SUMMARY

Week ending Saturday, May 6, 1933	1,365	1,101	16,852	10,018	264	6,834
Week ending Saturday, May 13, 1933	1,669	1,442	21,169	17,586	227	3,583
Week ending Saturday, May 20, 1933	1,719	1,340	23,013	13,924	379	9,089
Week ending Saturday, May 27, 1933	1,708	1,366	20,794	15,432	342	5,362
Week ending Saturday, June 3, 1933	1,514	1,372	16,716	15,097	142	1,619
Week ending Saturday, June 10, 1933	1,508	1,419	15,631	17,064	89	(1,433)
Week ending Saturday, June 17, 1933	1,531	1,275	16,548	12,567	256	3,981
TOTAL	11,014	9,315	130,723	101,688	1,699	29,035

NOTE:—Figures in parenthesis indicate decrease.