

Expanding Markets For Philippine Vegetable Lard And Butter

RADICAL changes have taken place in our lard and butter trade during the last two decades. While Philippine exports of vegetable lard and butter have increased tremendously, our imports of animal lard, lard compounds and lard substitutes, oleomargarine, and frozen and canned butter are fast shrinking to insignificance. Locally produced lard and butter, with coconut oil as base raw material, have become not only very popular to Filipino homes thereby replacing to a considerable extent the imported ones, but also have gained favor and approval in the overseas markets.

When our coconut oil industry was still in its infancy and local production of lard and butter regarded as an experiment, Philippine imports of lard in 1921 reached as high as 3,143,997 kilos, lard compounds and lard substitutes, 107,022, oleomargarine, 64,386, and canned and frozen butter, 331,277 kilos. These imports constituted the highest on record and were valued at over two million pesos. But from that time on, Philippine imports of these items, with certain exceptions in the case of frozen and canned butter, have declined steadily in quantity and value. Last year, total imports of the same articles shranked to a little over 600,000 pesos, with lard amounting only to 14,937 kilos, lard compounds and lard substitutes, 47,358, oleomargarine, 10,780, frozen butter, 566,260, and canned butter, 64,204 kilos. Import figures for the first seven months of the current year are very much lower. Lard imports, for instance, have barely reached 7,259 kilos and lard compounds and lard substitutes, 21,541. Oleomargarine has dropped to 8,324 kilos and canned butter has lagged behind to 33,054 kilos. But frozen butter may be considered an exception. Imports of this item from January to July, 1941 have a slight edge over those for the whole period of 1940, the quantity 581,469 kilos, or 15,209 kilos more than those of last year. Owing to war conditions at present and the generally unsatisfactory shipping conditions throughout the world, imports of lard, butter, and oleomargarine will be very much lower this year and for the duration of the war. Table I of this article shows the declining importance of the Philippines as a market for imported lard, butter, and oleomargarine.

Prior to 1924, Philippine shipments of vegetable lard and butter were insignificant and for this reason these items were not separately classified in the list of Philippine exports. It was only in 1924 that exports of lard and butter in commercial quantities were made. In that year, 202,944 kilos of lard and 14,359 kilos of butter were recorded as exported to the United States and her territories, British East Indies, China, Hongkong, and Canada. These quantities exported gradually expanded and the list of

Philippine customers lengthened in the subsequent years.

Our annual exports of vegetable lard from 1924 to 1941 fluctuated from a low of 141,958 kilos in 1925 to a record high of 3,347,855 kilos in 1936. From 1924 to 1934, Philippine shipments were less than 500,000 kilos. But the shortage of various fats and oils felt the world over in 1935 pushed our lard exports to 1,349,806 kilos and these were almost trebled in 1936. Our exports for the last five years had been steady at about one and a half million kilos. The first seven months of the current year deserve special mention. Despite the shortage of ocean going bottoms, exports have already reached over 2-1/2 million kilos and there are indications that before the year is over, the peak made in 1936 would be duplicated, if not exceeded. The following Table II shows the quantities and value of our lard exports from 1924 to 1941, while Table III indicates the first three leading buyers of Philippine vegetable lard.

Vegetable butter exports of the Philippines were small previous to 1930. In 1924 only 14,359 kilos were shipped to the overseas markets, declining abruptly in 1925 to 3,159 kilos, and eventually scratched off the list of exports from 1926 to 1929. In subsequent years, however, shipments rose steadily. Starting in 1930 at 11,985 kilos which were absorbed wholly by the British East Indies and Hongkong, exports exceeded 3 million kilos in recent years. Vegetable butter exports from 1936 to 1940 varied from a high of 3,801,802 kilos in 1938 to a low of 1,887,422 kilos in 1936. Shipments from January to July of the current year are already over 1-1/2 million kilos. Table IV shows the growing exports of vegetable butter and Table V indicates the principal countries of destination in the order of importance.

Philippine shipments of vegetable lard and butter prior to and during the present war are shown in the Tables VI and VII.

It will be observed from the above tables that lard exports for the first seven months of the current year have exceeded the totals in 1939 and 1940. Shipments of vegetable butter have approached the levels made in 1940 and 1939.

The list of Philippine customers is lengthening at expanding volumes. Latin American countries are now included among our buyers of lard and butter. Costa Rica has to her credit for the current year 38,220 kilos of lard as against 22,588 kilos in 1940.

The Republic of Panama purchased last year 30,847 kilos of lard and for the current year 7,350 kilos. While so far no exports of butter have been
(Please turn to page 12)

EXPANDING MARKETS...

(Continued from page 8)

made to the Republic of Panama, it is gratifying to note that 30,491 kilos went to that sector last year and 10,324 in 1939.

Venezuela bought last year 6,259 kilos of lard, while Ecuador was contented with a trial shipment of 111 kilos of lard and 26 kilos of butter. Guatemala imported from the Philippines last year 1,828 kilos of lard, already increased this year to 2,940 kilos, representing an improvement of 60.83% over the previous year.

China, Hongkong, and Malaya are competing with each other for first honors in displacing the United States and her territories as our principal lard buyer. China is normally an exporter of animal lard, but war conditions in her country doomed to extinction her hog industry which consequently reduced lard for export. Thus, the necessity of increasing her fats and oils purchases from a next door neighbor—the Philippines. For the first seven months of the current year, China has become our leading buyer of lard, having imported during the said period 748,793 kilos, valued at ₱156,160.

Demand for lard from Hongkong has picked up rapidly. Her imports from the Philippines last year amounted to 444,188 kilos. This year the totals from January to July have reached 530,600 kilos, or 86,412 kilos more than those of last year.

Malaya is among our new list of buyers. Her first imports of Philippine vegetable lard and butter were made in 1939. Starting with 251,614 kilos of lard and 584,918 kilos of butter in 1939, these volumes expanded rapidly in the case of lard which totalled 434,174 kilos in 1940 and 420,536 kilos for the current year. Philippine exports of butter to Malaya last year were slightly lower than those made in 1939. Exports in 1940 amounted to 850,011

kilos as against 584,918 in 1939. Expectations this year, however, are bright, shipments to Malay for the first seven months of the current year having reached 440,203 kilos.

Of the larger countries which have turned to the Philippines since the outbreak of the present war, India merits special mention. Importing from the Philippines for the first time in 1940 which consisted of 95,758 kilos of lard and 39,819 kilos of butter, these quantities have attained new high marks for the current year. January to July shipments to India have reached 124,267 kilos of lard or about 30% more than those of last year, and 88,519 kilos of butter which represent more than a 100% gain over the 1940 figures.

It may be pointed out, therefore, that unless the shipping situation improves, our imports of lard, oleomargarine, and butter will decline to lower levels and eventually these imports may be reduced to a minimum quantity. Domestic consumption of Philippine vegetable lard and butter is increasing. We are now fast making up for lost time in patronizing made-in-the-Philippines products and the steadily growing popularity of our vegetable lard and butter in Philippine homes is a juicy example.

The new outlets for our vegetable lard and butter in the overseas markets may eventually find permanence in those sectors. The termination of the present war will create new demands from Europe. Our old customers will also likely remain in the list of buyers of vegetable lard and butter. In other words, the expanding markets for Philippine vegetable lard and butter may cushion, to a certain extent, the expected fall of the coconut industry when the curtain drops in 1946 terminating free trade relations with the United States.

PHILIPPINE VEGETABLE BUTTER EXPORTS
BEFORE AND DURING THE PRESENT WAR

Destination	1941(x)		1940		1939	
	Quantity (kilos)	Value (Pesos)	Quantity (kilos)	Value (Pesos)	Quantity (kilos)	Value (Pesos)
U. S. & Territories	546,558	189,839	1,598,618	497,616	1,467,810	434,726
Dutch East Indies	66,746	20,149	892,779	304,629	1,236,376	445,962
Malaya	440,203	127,829	580,011	179,586	584,918	172,828
British East Indies	19,687	6,200	209,055	47,106	296,684	83,137
Thailand	67,730	16,101	131,386	34,680	113,383	37,173
Hongkong	237,204	53,570	125,774	25,782	52,376	10,482
India	88,519	21,995	39,819	9,367	—	—
Panama, Republic of	—	—	30,491	8,075	10,324	2,396
Burma	—	—	8,457	1,937	—	—
British Africa	—	—	4,525	1,190	2,284	603
West Indies, Dutch	47,212	14,431	3,543	906	—	—
French East Indies	24,178	8,136	1,485	500	28,561	9,808
China	6,240	2,974	1,551	390	8,830	1,940
Great Britain	—	—	1,003	272	—	—
Ecuador	—	—	26	10	—	—
French Oceania	—	—	—	—	256	83
TOTALS	1,544,277	461,224	3,628,523	1,112,046	3,801,802	1,119,138

(x) January to July, 1941 only.

LEADING BUYERS OF PHILIPPINE VEGETABLE BUTTER

YEAR	FIRST	SECOND	THIRD
1924	United States and Territories	Canada	China
1925	Hongkong	Egypt	"
1926	No exports	No exports	No exports
1927	" "	" "	" "
1928	" "	" "	" "
1929	" "	" "	" "
1930	British East Indies	Hongkong	_____
1931	" " "	"	China
1932	" " "	"	"
1933	" " "	"	Dutch East Indies
1934	Dutch East Indies	British East Indies	Thailand
1935	" " "	" " "	"
1936	United States and Territories	Dutch East Indies	British East Indies
1937	" " " "	" " "	" " "
1938	Dutch East Indies	United States and Territories	" " "
1939	United States and Territories	Dutch East Indies	Malaya
1940	United States and Territories	Dutch East Indies	Malaya
1941(x)	United States and Territories	Malaya	Hongkong

PHILIPPINE IMPORTS OF LARD, OLEOMARGARINE, AND BUTTER

Year	Lard (Kilos)	Lard Compounds and		Frozen Butter (Kilos)	Canned Butter (Kilos)
		Lard Substitute (Kilos)	Oleomargarine (Kilos)		
1941(x)	7,259	21,541	8,324	581,469	33,054
1940	64,973	47,358	10,780	566,260	62,204
1939	99,862	44,909	32,537	505,346	107,587
1938	85,575	59,798	40,746	671,028	83,149
1937	159,793	41,988	48,617	502,919	97,905
1936	139,809	132,034	65,698	634,944	81,766
1935	131,969	100,731	50,865	634,819	77,179
1934	307,873	69,660	39,761	554,461	211,956
1933	853,482	40,250	65,969	522,024	93,098
1932	2,603,591	42,324	114,382	494,085	111,996
1931	2,680,313	71,544	396,436	654,187	143,303
1930	2,134,741	61,846	346,672	357,951	180,700
1929	2,657,773	85,472	503,392	425,101	181,955
1928	2,221,006	143,032	460,442	445,740	194,928
1927	2,370,215	179,048	363,696	314,256	171,939
1926	1,899,493	148,146	386,289	305,547	233,520
1925	1,735,359	138,456	296,829	(a)	449,438 (b)
1924	2,093,252	185,542	278,022		588,649 (b)
1923	2,034,251	104,723	177,400		387,028 (b)
1922	2,333,806	82,118	167,995		468,206 (b)
1921	3,143,997	107,022	64,386		331,277 (b)
1920	2,080,891	191,671	111,898		593,690 (b)
1919	2,342,675	93,655	35,956		522,298 (b)
1918	1,061,014	115,401	10,235		242,291 (b)
1917	477,064	299,063	34,747		239,034 (b)
1916	461,047	531,377	70,247		222,751 (b)
1915	1,107,665	854,709	69,638		268,406 (b)

(x) January to July, 1941 only.

(a) Not separately stated prior to Jan. 1, 1926

(b) Including Frozen Butter.

(Please turn to page 17)

EXPANDING MARKETS...

(Continued from page 13)

PHILIPPINE VEGETABLE LARD EXPORTS BEFORE AND DURING THE PRESENT WAR

Destination	1941 (x)		1940		1939	
	Quantity (Kilos)	Value (Pesos)	Quantity (Kilos)	Value (Pesos)	Quantity (Kilos)	Value (Pesos)
Malaya	420,536	86,686	434,174	89,760	251,614	53,139
Hongkong	530,600	117,206	444,188	86,110	291,481	59,714
U. S. & Territories	576,755	135,638	320,503	65,435	839,503	177,015
China	748,793	156,160	198,358	38,198	48,438	10,485
Dutch East Indies	4,067	974	115,668	33,821	136,622	38,479
British East Indies	5,821	1,237	132,947	29,853	36,607	6,637
India	124,267	27,083	95,758	26,253	—	—
Thailand (Siam)	30,205	4,658	63,276	12,515	53,895	12,069
Egypt	—	—	46,074	11,405	6,222	1,647
Panama, Republic of	7,350	1,671	30,847	8,208	14,700	4,200
West Indies, Dutch	11,759	3,268	22,588	5,362	—	—
Costa Rica	38,220	7,265	22,204	4,699	—	—
Venezuela	—	—	6,259	1,671	—	—
China, Portuguese	—	—	7,350	1,430	—	—
Burma	4,088	1,042	6,700	1,320	—	—
Guatemala	2,940	568	1,828	404	—	—
Japan	272	60	544	126	340	150
Ecuador	—	—	111	19	—	—
British Africa	—	—	—	—	47	15
France	—	—	—	—	4,934	1,200
French East Indies	2,932	720	—	—	3,532	683
Kwantung	1,466	315	—	—	—	—
TOTALS	2,510,071	544,553	1,949,377	416,589	1,687,935	365,433

(x) January to July, 1941 only.

LEADING BUYERS OF PHILIPPINE VEGETABLE LARD

YEAR	FIRST	SECOND	THIRD
1924	United States and Territories	British East Indies	Hongkong
1925	British East Indies	United States and Territories	China
1926	United States and Territories	British East Indies	Japan
1927	" " " "	" " "	Hongkong
1928	" " " "	" " "	"
1929	" " " "	" " "	Dutch East Indies
1930	British East Indies	Dutch East Indies	Hongkong
1931	Dutch East Indies	United States and Territories	"
1932	" " "	Hongkong	British East Indies
1933	" " "	United States and Territories	Hongkong
1934	United States and Territories	Dutch East Indies	"
1935	" " " "	" " "	"
1936	" " " "	" " "	"
1937	" " " "	Hongkong	Dutch East Indies
1938	" " " "	"	" " "
1939	" " " "	"	"
1940	Hongkong	Malaya	Malaya
1941(x)	China	United States and Territories	United States and Territories
			Hongkong

(x) January to July, 1941 only.