

## COPRA AND ITS PRODUCTS

by  
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After the hectic month of September, October was a very quiet period indeed. Copra prices declined gently from the beginning of the month to the end, with oil prices also weakening slightly, and the demand for copra cake and meal virtually disappearing as the month ended.

**COPRA**—Copra arrivals in Manila were extremely heavy, being up practically 17% as contrasted with September, and 20% as contrasted with October, 1937.

A large share of this increase was due to the liquidation of speculative stocks accumulated in the provinces in September.

In Cebu, arrivals were down approximately 9% as contrasted with September, and 20% as contrasted with October, 1937. Cebu arrivals are expected to continue slack until the middle of November, after which it is thought copra will be plentiful until the end of the year.

The month opened with buyers in Manila offering P6 for resecada, delivered. The market gradually began to ease off, however, and as a result a considerable amount of business was done during the first half of the month both for spot and contract at prices ranging from P6.00 to P5.75. As the month wore on, prices continued to drop, with the result that at the end of the month buyers were not offering over P5.40 delivered. At this price dealers were reluctant to sell because provincial prices were in excess of Manila equivalents, thus creating a substantial risk, which dealers felt they could not afford to take in view of the extremely low prices offered. Most of the business done in October was for prompt delivery and the contracted position as of November 1st was not heavy.

In Cebu prices reacted in a similar manner as Manila, but Cebu's prices on the whole were a shade steadier because of export demand and because of the smaller available supply. Very few Cebu dealers wished to sell short in October.

The European market was very inactive, declining from a high of £9/10/0 for sundried to a low of £8/18/6 for F.M. Shipments to Europe were heavy, mostly by charters at cut rates. In view of present conditions, however, it is not thought much copra will move by charters in November. Even so, shipments of copra to Europe in 1938 are already more than five times as heavy as in 1937.

On the Pacific Coast copra declined from 1.85¢ at the beginning of the month to 1.65¢ at the close of the month. On the way down a fair amount of business was done with the exact price determined by whether the buyer or sellers furnished the space, there being about five points between the two.



LEO SCHNURMACHER

Shipments for the month totalled nearly 46,000 tons, of which over 17,000 went to Europe.

Statistics for the month follow:

Arrivals—	Sacks
Manila .....	620,786
Cebu .....	384,480
Shipments—	Metric Tons
Pacific Coast .....	22,189
Atlantic Coast .....	1,626
Gulf Ports .....	3,912
Europe .....	17,442
China and Japan .....	445
Other Countries .....	104
	45,718

Stocks on hand—	Beginning of Month	End of Month
	Tons	Tons
Manila .....	47,734	51,050
Cebu .....	46,023	41,158

**COCONUT OIL**—The month opened with coconut oil quoted at 2-3/4 cents f.o.b. Pacific Coast and 3 cents c.i.f. New York with business possible for futures at these prices and interest in spot oil lacking. The market remained in the doldrums throughout the month, tapering off in the last by 1/8 cent on each Coast, to 2-5/8 cents f.o.b. Pacific and 2-7/8 cents c.i.f. New York. A fair amount of business was done on the way down with some transactions up to the middle of next year and with very little spot oil sold. It was rumored that oil stocks on the Pacific Coast were fairly heavy at the end of October.

Statistics for the month follow:

Shipments—	Metric Tons	
Pacific Coast .....	1,017	
Atlantic Coast .....	9,379	
Gulf Ports .....	6,160	
China and Japan .....	4	
Other Countries .....	16	
	16,576	
Stocks on hand—	Beginning of Month	End of Month
	Tons	Tons
Manila and Cebu .....	21,085	20,689

**COPRA CAKE AND MEAL**—The copra cake and meal markets were very stagnant during October. At the beginning of the month European cake buyers were interested in this year's shipment at prices up to P34.50 f.o.b., or, say, \$28.25 c.i.f. Copenhagen. As the month wore on, in view of tremendous offerings of competing feedstuffs, buyers lost interest and by the close of the month were practically out of the market. Most local mills were well covered for fourth quarter shipments and were only willing to sell 1939 business, in which buyers were showing little or no interest. At the close of the month it was doubtful if cake could be sold at better than P31 f.o.b., with demand light.

The story of copra meal is the same. Only scattered business was possible with prices ranging from a high of \$25 ex-dock to a low of \$23 ex-dock. Prospects for additional meal business during the balance of the year were not very encouraging.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast .....	4,576
Europe .....	8,946
	13,522

Stocks on hand—	Beginning of Month	End of Month
	Tons	Tons
Manila and Cebu .....	10,895	8,216

**DESICCATED COCONUT**—The month was marked by a general seasonal improvement in business. Sales in the New York market picked up a little, and prices averaged out somewhat better than in September. Most local mills were operating at reasonably full capacity and trade was, in all respects, normal for this time of year. Shipments for the month totalled 3,791 gross tons.

**GENERAL**—At the end of October copra prospects for the balance of the year were not very reassuring. Although a seasonal decline in production is expected, this has been a good copra year and is expected to continue to be one. Offerings of fats all over the world are tremendous and inventories have been climbing. Under these conditions, copra and coconut oil are in a poor competitive position and no marked improvement can be expected, although it is anticipated that prices must react to a certain extent from present low levels.

Freight conditions, particularly for copra between the Philippines and Pacific Coast, remain very unsatisfactory, but some action is expected in November aimed to correct the present situation.

As so often occurs at this time of year, buying interest for coconut oil is far forward position, and the major part of the business for the balance of the year will doubtless be for shipment well into 1939.