Manila Hemp

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AT the beginning of September, consuming markets were firm, mainly as a result of lower production of hemp throughout the Philippines. Davao machine cleaned hemp was offered in New York at:

I	—	17¢
J1	—	15-7/8¢
S2	—	16-1/2¢
G	—	15-3/8¢

During the first half of the month, prices in London and Japan increased steadily, though United States manufacturers were not inclined to follow any advance. In Europe the firmness in hemp was partly offset by a decided weakness in sisal.

By mid-September, prices in New York had advanced 1/2¢ to 3/4¢, after which the market started to decline when heavy selling of loose fiber in Davao was reported.

Prices in Europe followed the trend in the United States, and by the end of the month, the market in London was stagnant; there was, however, a fairly steady demand for streaky grades. In New York, prices had declined to lower than those prevailing at the start of the month, though certain grades, mainly F, S2, and I, were scarce and so maintained their price levels.

The Philippines-Japan Trade Agreement was again extended until January 31, 1955. The Japanese financial situation has still not permitted M.I.T.I. to return to the "Automatic Approval" system of licensing imports, and importers' allocations for the period July-September have only just been released. Before the news of the further extension of the Trade Agreement, considerable business was done on the basis of DA/J1 $43, G $40, c.i.f. Japan, though by the end of September prices had declined in sympathy with those of other consuming markets.

We detail below the usual statistics.

	Balings—January/August Inclusive				
	1954	*1953*	*1952*	*1951*	*1950*
Davao	314,841	341,238	358,788	339,211	238,643
Albay-Camarines-Sorsogon	82,109	130,966	111,835	184,960	115,300
Leyte-Samar	83,837	70,597	84,828	120,176	77,022
All others	57,124	64,506	55,994	70,696	50,974
Total	537,911	607,307	611,445	715,043	481,939

	Exports—January/August Inclusive				
United States and Canada	123,297	223,619	224,783	429,963	240,564
Continent of Europe	119,627	124,615	107,392	112,653	80,390
United Kingdom	78,683	74,829	61,698	126,091	54,009
Japan	131,929	156,426	104,984	87,108	55,630
South Africa	5,800	6,510	6,750	13,115	4,125
China	2,960	1,495	5,143	3,930	9,258
India	4,791	5,930	3,300	4,632	4,030
Korea	17,693	1,580	—	—	3,100
Australia and New Zealand	6,264	2,200	1,150	1,300	1,631
Others	5,417	570	160	—	—
Total	496,461	597,774	515,360	778,792	452,737

Tobacco

By Ricardo Padilla Satrustegui
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NATIVE TOBACCO. There is little tobacco left in the hands of farmers as the demand is heavy for the short crop. Prices continued to be attractive during September and slightly higher than during the previous months. Some provincial dealers prefer not to sell as yet, hoping to get still better prices in the coming months. Leaf-tobacco buyers in Manila were offering ₱110 per bale to L-3 agents in the Cagayan Valley as a buyer's offer, but no sales were recorded, showing that there was still a strong sellers' market.

Greatest interest of the Cagayan Valley was in the extensive plans for the next-crop seedbeds. In order to avoid last year's destruction of seedbeds, first by a typhoon and later by a flood, farmers were making plans to prepare seedbeds every 10 days in order to be able to transplant at the right moment and, also, to sell seedlings to other small growers. Many precautionary measures were being taken to prepare seedbeds in different areas so as to avoid destruction of the higher-situated seedbeds by strong winds, or of the lower ones by floods. According to a rough estimate, we could say that due to the very attractive prices paid this year to leaf-tobacco growers and, also, due to the big demand of the export trade, the increase in tobacco acreage willl be some 30% higher than last year. However, the crop, of course, will depend more on the weather than on the acreage planted.

Several tobacco plantations in Isabela province were again using fertilizer, trusting to obtain an ideally fruitful composition after considerable experiment and study of soil formation. Last year's experiments proved a higher yield per hectare, with the same quality characteristics of Isabela's fine tobaccos.

Hardly any tobacco is left on the Luzon west coast (La Union, Pangasinan, and Ilocos) in the hands of dealers, most of the tobacco being already in Manila.

In the Ilocos, La Union, and Pangasinan regions it was difficult as yet to make an estimate of the increase in acreage. It is believed that in La Union, 1/4 of the acreage planted will be given over to the local variety and 3/4 to native Virginia, while in the province of Pangasinan, 1/4 will be for Virginia and 3/4, for the local variety.

The Visayan region follows the developments in Luzon very closely. Prices were more or less the same as last month, and little tobacco was left for speculation. Tobacco acreage is undoubtedly going to be increased since prices were attractive to farmers and some of the Visayan tobacco was of surprisingly good quality.

Virginia Tobacco (locally grown). The acreage of Virginia plantings will increase considerably because of the great demand for this type of tobacco, but Virginia cigarette factories claim that not all kinds of locally-grown Virginia are acceptable to the public and that only the higher grades will be in demand.

In the Ilocos provinces, there is a tendency toward increasing the acreage for native-grown Virginia, and about 20 flue-curing barns have been constructed in different localities. A well-known foreign concern is experimenting with new types of Virginia seed.

Cigar and Cigarrette Factories. Contradictory statements are made as to the stocks of Virginia tobacco in the Philippines. Many factories claim they will have to close down if no more Virginia is imported from the United States, while some government sources state there still are enough stocks of Virginia to last until 1955.

A raid was made on the Sta. Ana Cigar & Cigarette Factory at Hagonoy, Bulacan, where counterfeit internal revenue stamps and several imitation brands of cigarettes were being manufactured. It is a high hope that this good work against tax-evaders and counterfeiters will be relentlessly continued.

Rice

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AS supply in production sectors dwindled rapidly at the beginning of the month, all old-crop varieties registered increases over a wide range, from 25¢ to ₱1.20 per sack (56 kilos). Wagwag, from the South, remained relatively unchanged. Palay prices, in producing areas, increased: Nueva Ecija ordinario, from ₱9.70 to ₱10.60; raminad, ₱10.00 to ₱11.60; wagwag, ₱11.70 to ₱13.00. Distribution of NARIC rice (selling at 85¢ and 60¢ per ganta for macan no. 2 and imported), had some effect upon *volume* in the wholesale market but did not check the upward trend in *prices*.

The second week of September was marked by steadiness in the market, except for wagwag which increased 25¢ (per 56 kilos). The greatly expanded distribution of NARIC rice in the provinces was generally believed responsible for this steadiness. However, raminad second class and Thai second class, disappeared from the market and macan, both classes, was difficult to secure (as had been the case since the middle of August), not reappearing in any quantity on the general market until the end of the month. This clearly indicated the rapidly dwindling supply in producing centers in Luzon.

The third week of September was marked by a growing weakness in the sellers' market, due to increasing arrivals from the South and the expanded distribution of NARIC rice. All varieties suffered losses over a wide range, from 25¢ to ₱2.00, per sack (56 kilos). As harvest was beginning in Mindoro and the Bicol, the heaviest demand remained in the Manila metropolitan area, where prices per ganta had as yet not been reduced to the corresponding level of the wholesale market. Palay prices followed the general trend and fell off by 50¢ to 80¢ per sack for most available varieties. The higher-class varieties continued their upward trend in the retail market.

The fourth week of September continued to be marked by the weakness of the preceding week. Cotabato and Davao shipments were heavy, NARIC rice was reduced to 55¢ per ganta, newly-harvested Bicol varieties appeared on the market, so that all varieties in the wholesale market dropped over a range from 25¢ to ₱1.00 per sack. Macan