

Manila Hemp

By T. W. JURIKA

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THE market was generally quiet overseas during the entire month of November. Manufacturers in both the United States and Europe seemed content to fall back on reserve stocks of fiber rather than meet prevailing prices asked by some exporters based on Davao producers' reluctance to sell cheaply the reduced available supply. The situation approached the proportions of a major stalemate when mills in Japan also curtailed their buying to a certain extent. Other exporters were reported to have supported the bearish view of consumers by continuing to sell short their November, December position in considerable volume at levels ₱2 to ₱3 per picul lower than they could cover at the time of sale. This was no doubt based on the rather universal misconception of a large amount of raw fiber actually available in provincial dealer's hands.

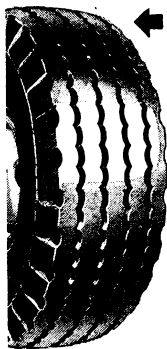
In several instances during early November, certain Davao presses suspended work completely for lack of fiber, while others continued operations at a greatly reduced tempo.

Toward the third week of the month it became increasingly apparent that dealers, resisting low prices, were being more successful in their holding-tactics than had been anticipated, and exporters became increasingly uneasy about being able to fill shipping commitments. Those exporters who found themselves oversold for prompt delivery proceeded to step into the market for whatever supplies they could buy at whatever price it was necessary to pay. Prices in Davao during the last 10 days of November rose from a level of ₱42 to ₱49 per picul for J1-S2, and were still rising at this writing.

No doubt this heavy buying on the part of short sellers has served to renew the holding-capacity of producers and dealers, who are now in a position to resume buying-in all available supplies of raw fiber as soon as it is stripped. It is conceivable that these will be very little "water over the dam" until possibly the second half of December or later. While the advent of the Holiday Season has always brought about a flurry of activity among producers, it remains to be seen whether or not this will result in enough production to permit a normal flow of fiber to market.

In non-Davao areas, Leyte and Samar continue in very low production. Figures for the year so far show 1952 as being only 45% of the 1951 production figure. In the Bicol there has been some improvement due to the artificial

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factor of typhoon-hemp being stripped and pressed. As soon as the typhoon-fiber has been stripped, a short supply is expected to prevail in the Bicol for the next year.

As this goes to press, we have reports that Davao City was the scene of a disastrous fire the night of December 1, wherein Smith, Bell & Company's press warehouse and fiber stocks were completely destroyed. In addition, about 5,000 piculs of raw fiber still in middlemen's hands in outside bodegas were also destroyed.

Exports for October indicate Japan easily maintaining its position as the No. 2 major consumer of Philippine fiber.

We list below baling and export figures for the period January/October inclusive:

BALINGS — JANUARY/OCTOBER INCLUSIVE

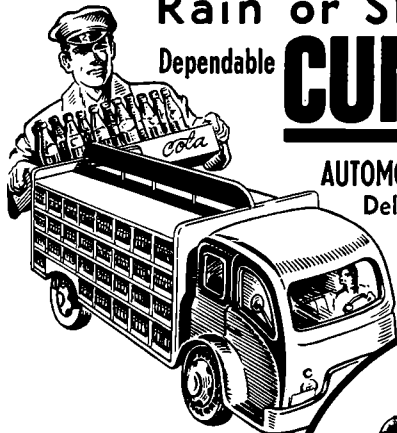
	1952	1951	1950	1949	1948
Davao	430,270	418,688	313,883	179,930	170,693
Albay, Camarines, and Sorsogon	123,015	212,975	147,638	98,243	147,881

Leyte and Samar.....	104,294	143,051	104,459	88,029	93,835
All other non-Davao.....	65,321	81,352	64,614	62,598	98,032
Totals	722,900	856,066	630,594	428,800	510,441

EXPORTS — JANUARY/OCTOBER INCLUSIVE

United States and Canada.....	263,213	501,375	323,319	164,510	230,381
Continental Europe.....	131,370	137,119	109,074	79,544	91,782
United Kingdom.....	76,891	149,826	70,124	31,485	54,870
Japan.....	143,297	112,206	58,245	87,993	115,301
South Africa.....	6,750	14,150	5,550	3,627	3,157
China.....	5,518	6,289	11,767	11,809	10,085
India.....	4,240	5,282	6,730	3,100	1,823
Korea.....	—	—	3,100	—	—
Australia and New Zealand.....	1,550	1,900	1,826	1,601	42
All other countries.....	230	—	747	80	2,853
Totals	632,059	928,147	590,482	383,749	510,294
plus	(x)	81,840	—	—	—
		713,899			

(x) Adjustment as made by the Fiber Inspection Service in its Export Report.



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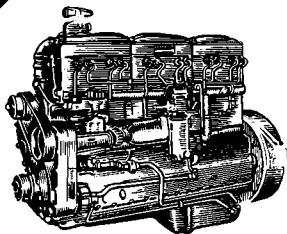
Mr. Jose Matias, Pepsi-Cola's distributor for Luzon, says: "For steady delivery schedules, we need power we can count on and low running costs—we get both with Cummins Diesels!"

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