

Copra and Coconut Oil

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December 16, 1949 to January 15, 1950.

THE decline in the copra market which featured the first half of December was checked by the 15th at a low of \$172.50 c.i.f., at which figure some business was done to the Coast. With the prospect of diminishing supplies after Christmas, sellers began to hold back and the market gradually hardened. Shortly before Christmas, rumors of early devaluation of the peso caused some apprehension. The tendency in some quarters thereafter was to stock copra until after the year-end, thus giving dealers a chance to profit by devaluation should it occur. This state of affairs was not, however, as widespread as reported and dealers as a whole, although certainly not oversold, were carrying very modest stocks at year-end.

After the Christmas holidays, the actual shortage of copra coupled with bad weather in the south continued to stimulate prices in early January, and buyers, who had staunchly resisted advancing prices, were forced to buy some copra to cover previous commitments and to meet spot demands. On this basis, copra changed hands up to as high as \$190 c.i.f. before mid-January, at which time, while the situation was easier, buyers were still bidding \$185 to \$187.50 and sellers were holding for \$5 more, with little business passing.

To make the picture a little more complicated, Japanese buyers were preparing to bid for some 5000 tons, and several parcels were sold to Europe and South America, on an equivalent f.o.b. basis. This business, however, was largely sporadic.

Coconut oil buyers contended right along that coconut oil was overpriced—as it was—and dropped their ideas to 13 cents f.o.b. Pacific Coast and less, and under 14 cents c.i.f. for bulk oil to New York. Legitimate sellers could not meet these prices and the result was a stalemate. There was some small speculative business, but Pacific mills as a whole held for 13-1/2 to 14 cents f.o.b. West Coast, and Philippine mills for 14-1/2 to 15 cents c.i.f. East Coast. Oil consumers held their requirements to a minimum, and as the period closed were buying from hand to mouth, and hoping for better days.

LOCAL markets followed the export trend, and copra in Manila advanced from P33-P35 to P37-P39 for resacada, chiefly on requirements for home consumption. Cebu was but little better off, but prices in all ports of entry were high, with little copra pressing on the market.

Copra meal was strong and advancing on the Coast, as it usually is in winter time. No funds were available in Europe to buy Philippine cake or meal and no business was done, Philippine mills selling their production easily on the Coast.

Copra exports for December amounted to 43,160 tons as against 50,991 tons in November and 53,808 tons in December, 1948. These shipments were distributed as follows:

United States	
Pacific Coast	28,395 tons
Atlantic Coast	1,000 "
Gulf Ports	2,465 "
Europe	8,300 "
Africa	2,500 "
Pacific Coast, Canada	500 "
Total	43,160 tons

Coconut oil shipments totalled 6,279 tons, as against 4,643 tons in November, and 5,670 tons in December, 1948. These shipments were distributed as follows:

U.S. Pacific Coast	259 tons
U.S. Atlantic Coast	6,020 "
Total	6,279 tons

PRELIMINARY figures indicate that copra exports for 1949 totalled 553,423 tons, as contrasted with 614,094 tons in 1948, and 925,614 tons in 1947. Coconut oil exports improved, however, and totalled 64,147 tons as against 43,015 in 1948, and 24,272 in 1947. It is estimated that desiccated requirements for nuts in 1949 exceeded those for 1948. Also, consumption of oil for local usage increased. Although accurate figures are impossible to achieve, we estimate that the total 1949 coconut crop, if reduced to terms of copra, was slightly higher than that of 1948, both years exceeding the equivalent of 800,000 tons of copra. While not bumper crops, these two years, considered on this basis, are not as abnormally low as copra exports would seem to indicate.

Owing to light rainfall in mid-1949, copra supplies in many parts of the Islands look very light for the first quarter of 1950 and perhaps for the first half-year. The groves are in good condition, however, and barring the unexpected, the copra crop for the second half-year should be very good indeed, and the total crop for 1950 may very conceivably exceed that of 1949.

What may happen to prices is another story. Copra and coconut oil are heavily overpriced, and consequently in very minimum usage in the United States. ECA funds for purchase of copra by Europe are likely to be very restricted. With adequate supplies, one would look for lower prices. But so many things can happen. We would not wish to predict anything with assurance except that, as in the past two years, the gyrations of the copra market are likely to be largely unpredictable. It should be an interesting year.

Desiccated Coconut

By HOWARD R. HICK
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THIS report covers the month ending January 15, 1949. During this period the copra market became more active and prices soared. Raw coconuts followed, and as the seasonal crop was small most desiccated coconut factories were operating below capacity.

Also because of the holiday season workers didn't want to work. But because of the import control and exchange control there was a fear among copra merchants that prompted them to buy copra in preference to maintaining large cash balances. Consequently many buyers in the province paid premium prices for copra, and this prevented desiccated coconut factories from securing all of the seasonal crop they normally would have had.

The labor front was quite active with Franklin Baker Co. and Peter Paul Philippine Corp. discussing contracts or demands; these discussions have not been completed at this writing.

The shipping statistics for the month of December are as follows:

Shippers	Pounds
Franklin Baker Co. of the Philippines	3,296,500
Blue Bar Coconut Company	1,232,500
Peter Paul Philippine Corp.	2,323,700
Red V Coconut Products, Ltd.	2,400,400
Sun-Ripe Coconut Products	—
Standard Coconut Corporation	72,400
Cooperative Coconut Products, Inc.	215,700
Tabacalera	519,900
Coconut Products (Phil.) Inc.	272,070
Luzon Desiccated Coconut Corp.	241,500
Universal Trading Co.	—
TOTAL	10,054,320

NOV:	
Peter Paul Production	1,812,800 lbs.
Standard Coconut Production	519,900
Total Peter Paul Shipments	2,332,700 lbs.

Sugar

By G. G. GORDON
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Philippine Sugar Association

THIS review covers the period from December 30 to January 30.

New York Market: The year closed with buyers and sellers adjusting their ideas of values in accordance with the 1950 quota of 7,500,000 tons. Business was done at 5.75¢ and 5.70¢ for sugar arriving in January but refiners showed no interest in buying for future delivery and a parcel of 2,000 tons Philippines, for March/April shipment, was offered at 5.65¢ without any interest being displayed.

On January 3 the spot price was reduced to 5.68¢, at which price there were sales of Cubas and Hawaiians for January delivery. On January 4 the Exchange spot quotation was reduced by 3 points to 5.15¢, which is equivalent to 5.65¢. Advices indicated that the trade generally felt that some decline in the price of refined could be expected. 2,000 tons Philippines due on February 5 were sold at 5.65¢.

During the first week of the month, refiners continued their cautious buying policy and confined their interest to sugars arriving in January and early February. Sales were reported of Cubas, Perus, Hawaiians, and Philippines, all for prompt arrival, at 5.68¢ and 5.65¢. After this sellers withdrew from the market and a steadier tone was manifested. The slight improvement in the market was attributed to several factors, in particular the strong world-quota market and the expectation that Cuba and Puerto Rico would be somewhat slow in starting their crop operations.

On January 10 sales of Cubas were reported on the basis of 5.74¢ and 5.75¢, but buyers were reluctant to follow the advance. On the same day Sucest Corporation, which had been selling refined at 7.93¢, advanced their price to 7.98¢. Cuban harvesting got under way in the first week of January and on January 11, 12 mills were reported to be in operation as compared with 17 at the close of business on the corresponding date last year. On January 12, the market was steady with buyers at 5.75¢ for sugar arriving in the middle of February. Philippines for March/April shipment were also taken at the same price by operators. Offerings continued to be on a modest scale with sellers advancing their ideas for early delivery to 5.80¢.

The following week, the market continued quiet with sellers' ideas about 5.80¢ but no interest being shown on the part of refiners for anything with an arrival date beyond the end of February. The market continued during the remainder of the month with a tug-of-war going on

between buyers and sellers of raw sugar. Refiners were not inclined to go over 5.75¢ for suitable positions, while sellers were asking 5.80¢. Refiners were reported not to be anxious buyers with the peak of raw-sugar production coming along soon, and the demand for refined sugar continued to be limited. However, sellers remained firm in their ideas and the month closed with the market reported as being firm, small sales at 5.80¢ being reported on January 24 for first half of February shipment. Buyers continued to show no interest in advanced positions.

We give below the quotations on the New York Sugar Exchange as of January 25 for Contracts Nos. 4, 5, and 6:

	Contract No. 4	Contract No. 5	Contract No. 6
March	4.76	5.29	5.22
May	4.73	5.32	5.24
July	4.69	5.34	5.27
September	4.65	5.36	5.29
November	—	—	5.30
January	4.50	—	—

Local Market: (a) Domestic Sugar. — At the end of December, the market quotations for centrifugal sugar, 97° polarization, were reported at P15.50 to P16. For washed, polarizing 99°, P18 to P18.50 per picul was quoted. These prices remained fairly constant throughout the month, and at the close of the month the market was at about the same level as at the close of December.

(b) Export Sugar. — During the period under review, the price of export sugar remained steady with an upward tendency in line with New York, and the month closed with prices of P13.90 to P14 being paid for export sugar, representing an advance of P0.20 to P0.30 over the prices a month ago.

The production of the current crop is now in full swing and results to date indicate that the estimate of the crop will have to be revised downwards, probably somewhat below 800,000 short tons.

Manila Hemp

By FRED GUETTINGER

Macleod and Company of Philippines

DURING the period under review, December 16 to January 15, the New York market ruled quiet with little business done. Prices registered a further decline and the market closed with buyers showing a tendency to hold off in anticipation of lower prices.

New York quotations:

	Per lb. c. i. f. New York		Change
	12-15-49	1-15-50	
Davao I.	27-3/4¢	27-5/8¢	Down 1/8¢
Davao JI.	27-1/2¢	27-1/4¢	Down 1/4¢
Davao G.	25-1/4¢	25-1/4¢	Unchanged
Non-Davao JI.	25-	25-1/2¢	Down 1/2¢
Non-Davao G.	20-3/4¢	20-1/2¢	Down 1/4¢
Non-Davao K.	16-1/4¢	16-1/4¢	Unchanged

The London market, after remaining steady for most of the period, began to develop signs of weakness in some medium grades, with a reduction in price of \$15 to \$10 per ton. Prices on coarse grades closed fairly steady. Business was small.

It is believed that considerable business was done with Japan, the volume being possibly close to 20,000 bales. The prices SCAP was willing to pay declined in sympathy with other markets.

In the Philippines prices remained about unchanged. Production for December was 50,506 bales—the second highest month in 1949, with March taking the lead by 3,353 bales. The increase over the corresponding month of 1948 is 13,622 bales; and over November, 1949, 16,092 bales. Davao pressings for December were 25,479 bales—up 6,151 bales from November and up 4,531 bales from December, 1948. December balings in Non-Davao areas