

COPRA AND ITS PRODUCTS

By KENNETH B. DAY
AND LEO SCHNURMACHER

KENNETH B. DAY

1936 went out in a blaze of glory as far as copra and coconut oil markets were concerned. During December both copra and oil advanced about 20% over November levels and at the end of the year copra was more than double its early January price, and coconut oil practically double.

COPRA—Copra arrivals in December were slightly higher than those in November but fell approximately 30% short of December 1935 arrivals. In fact, they were short of the 10-year average.

When November ended, copra was fairly firm at P16.25 for roseada in Manila. During the month of December the price went up steadily and without a check to a high of P20.50

at the very end of the year. At all times there were more buyers than sellers, and with America asking for spot oil and willing to pay fancy prices for it, there was every incentive for buyers here to concede in the matter of price, thus falling into the hands of speculators with accumulated stocks. The accumulation of stocks, however, is now becoming a problem, for with copra at over P20.00 any volume of copra represents a large financial investment.

In the United States, Pacific Coast crushers increased their ideas during the month from 4.25 cents to 5.25 cents. Crushers were somewhat handicapped, however, by lack of space, the strike on the Pacific Coast beginning to make itself evident through shortage of space. There still was some tonnage available, however, and crushers did their best to fill up this tonnage in anticipation that it would be hard for them to ship in January and February.

The European market varied from a low of £18/17/6 to a high of £22/10/0, but at no time did this market seriously threaten to take much business away from the Pacific Coast and local crushers, whose prices were always at least £2 higher than European buyers were offering.

Copra exports were somewhat below expectation, but very little empty space available for copra left the Islands.

Statistics for the month follow:

Arrivals—	Bags
Manila	292,048
Cebu	296,214

Shipments—	Metric Tons
Pacific Coast	11,486
Atlantic Coast	508
Gulf Ports	5,578
Total	17,572

	Beginning of Month	End of Month
Stocks on hand—	Tons	Tons
Manila	24,041	22,363
Cebu	18,793	17,317

COCONUT OIL—The big feature in the coconut oil market for December was the premium available for spot oil. At the beginning of the month coconut oil was selling at 6-3/4 cents c.i.f. New York and 6-1/2 cents f.o.b. Pacific Coast. These prices gradually climbed to a point where by the end of the month oil could be sold at 8-3/8 cents on the Atlantic Coast and 8-1/4 cents on the Pacific Coast. These prices



LEO SCHNURMACHER

were too low in comparison with copra equivalents, but spot oil was commanding a premium anywhere from 1/8 of a cent to 1/2 cent over forward positions and it was these spot prices which determined the copra market in the Philippines. The demand for oil was, as recently, very spotty; but peculiarly enough there was some demand from soapers in a small way, with refiners who were fairly well supplied with stocks showing a temporarily lessened interest. It is anticipated that refiners will have to come in later on and may be forced to pay higher prices thereby.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast	1,400
Atlantic Coast	6,998
Gulf Ports	1,499
China and Japan	11
Other Countries	1

	Beginning of Month	End of Month
Stocks on hand in	Tons	Tons
Manila and Cebu	6,847	9,708

COPRA CAKE AND MEAL—In spite of the fact that large stocks of meal were lying afloat off Los Angeles and other Pacific ports, an unexpected demand for copra meal made its appearance along toward the middle of December and boosted the price from \$27.00 to \$30.50 per short ton c.i.f. This demand was for future shipments up to May and June and was fairly heavy in volume. The European copra cake also advanced from \$30.00 to around \$34.00—but these prices, which work out approximately P46.00 per metric ton f.o.b., were less attractive than those obtainable for meal, and sellers were sufficiently covered with forward business to make it unnecessary to unload stocks at what appeared to be comparatively unfavorable prices. It is anticipated, however, that some selling interest must develop in copra cake to Europe in the early part of 1937, when presumably meal will be less in demand owing to the proximity of Spring.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast	2,721
Atlantic Coast	1,029
Gulf Ports	2,790
Europe	4,351
Total	10,891

	Beginning of Month	End of Month
Stocks on hand in	Tons	Tons
Manila and Cebu	7,248	4,120

D D SICCAT D COCONUT—The increase in the value of copra has caused a corresponding increase in the price of coconuts for desiccated. While the sales price of desiccated in the United States has firmed considerably, it has not kept pace with the cost of nuts. Desiccated factories are finding it difficult to secure sufficient nuts even at increased prices. In addition, the marine strike in the United States has cut down available shipping and has forced a considerable quantity of desiccated to be routed through
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LUMBER REVIEW

By FLORENCIO TAMESIS
Director, Bureau of Forestry

Lumber and timber exports in October fell 36% below the September figure but was 65% greater than in October, 1935. Japan's consumption of logs continued comparatively heavy. Log exports to this market constituted 70% of the total lumber and timber exports during the month under review. For the first time, shipments of logs, amounting to 1,604,416 board feet, were made to Korea. An increase in Japan's already large consumption of logs is expected in the next few months as several licensees or concessionaires dealing with Japanese importers are putting up additional machineries in their concessions with the view to increasing production.

Demand in the United States in October registered a decline of 40% from the previous month and 15% below October last year. Shipments are being greatly affected by the maritime strike in the above country. Difficulties in finding bottoms for the Pacific Coast and even for the Atlantic Coast are being encountered by local exporters.

Shipments to China during the month under review consisted entirely of sawn lumber, amounting to 183,168 board feet. This is 402% greater than the October figure last year, but is considerably below the previous month, which amounted to 5,860,104 board feet. The total exports to China in September was, however, considered to be unusually large. Shipments to Australia in October consisted of 88% logs and 12% sawn lumber, totaling 179,352 board feet. Total exports to Europe during the month under review declined slightly from the October figure in 1935, but was 2-1/2 times greater than the previous month. The increase was chiefly due to larger shipments made to Great Britain and Ireland.

The local markets continued strong and prices are on the upward trend. Mill production in October registered a slight increase compared with the same month in 1935. Mill inventories increased about 3,000,000 board feet compared with October last year.

The following statements show the lumber and timber exports, by countries, and the mill production and lumber inventories for the month of October, 1936, as compared with the corresponding month of the previous year.

Lumber and Timber Exports for the month of October

Destination	1936	
	Board Feet	Customs-Declared Value
Japan	@13,297,064	¥240,512
United States	2,117,456	147,253
Korea	1,604,416	32,485
Great Britain	895,064	69,718
British Africa	392,624	25,550
China	183,168	9,207
Australia	179,352	5,891
Ireland	46,216	3,474
Hawaii	28,832	3,665
Portuguese Africa	25,440	1,274
Norway	13,144	1,036
Belgium	18,656	1,561

Singapore	2,968	900
Sweden	—	—
Hongkong	—	—
Total	18,804,400	¥542,515

Destination	1935	
	Board Feet	Customs-Declared Value
Japan	6,710,224	¥108,613
United States	2,510,504	182,892
Korea	—	—
Great Britain	930,680	71,275
British Africa	215,816	12,573
China	36,464	1,816
Australia	864,536	47,325
Ireland	81,832	7,189
Hawaii	848	80
Portuguese Africa	—	—
Norway	13,568	2,961
Belgium	—	—
Singapore	—	—
Sweden	7,208	963
Hongkong	424	45
Total	11,372,104	¥485,132

NOTE: This represents mostly solid log scale, that is, 424 board feet to a cubic meter.

For 50 Mills for the month of October

Month	Lumber Deliveries from Mills	
	1936	1935
Oct.	19,329,336	20,550,345

Month	Lumber Inventory	
	1936	1935
Oct.	43,071,260	40,732,316

Month	Mill Production	
	1936	1935
Oct.	21,556,244	21,266,517

NOTE: Board Feet should be used.

Copra . . .

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Canadian ports, which increases the expense of shipment. Shipments for the month totaled 2,594 metric tons.

All of these factors are cutting down production and apparently will further decrease production in the near future.

G N RAL—1936 was on the whole a larger copra year than 1935, arrivals being approximately 5% over those of 1935. This increase, however, was very unevenly distributed, the first half year showing an increase of 25% and the second half year a decrease of perhaps 8%. This factor upset trading conditions a good deal because in the first half of 1936 European buyers absorbed much of the Philippine production with American buyers laying back for the larger supplies expected the second half. When these larger supplies failed to materialize, and in fact proved short, this combined with the drought, the rising prices in all commodities the world over, and a desire to build up stocks, was responsible for the situation whereby copra and coconut oil advanced as they have not since 1920.

1936 should have been a good year for producers, and probably was. For mills it was an average year, for most mills could not afford to speculate on what appeared to be an unreasonable market.

Prospects for 1937 are dubious. It is probable that copra will be short, particularly in the North part of the Islands for the first half year. In the second half year there should be a good deal of copra, but it is then entirely possible that the present demand for spot oil will not continue, for by that time America's own supplies of oils and fats will be replenished.

It is a significant fact that although imports into the United States of oils and fats in the past two or three years have been increasing by leaps and bounds, the only important commodities not sharing in the increase have been coconut oil and copra. More and more, copra and coconut oil are feeling a competition of other more cheaply produced oils and fats, and the higher prices go the narrower becomes the use of coconut oil and copra. It is very necessary, therefore, to watch the situation closely, for there can be no assurance about prices in 1937, although for the first few months at least the prospects look favorable.

Annual Meeting

The annual meeting of the Chamber of Commerce for the election of three directors in the board of nine, and for other purposes, is set for 5 p. m. Friday, January 29. The secretary has mailed notices to all active members and inclosed proxies that should be executed and mailed back to him in the event a member will not be at the meeting.

Tell It to the Judge

Only occupied vehicles are allowed on the Escalita. No cruising taxicabs one way.

Cars and carromats, "ware one way streets unless going the right way.

Tuesdays and Saturdays are market days. There's plenty of traffic, and the fine for obstructing it—P2.50.

But speeding is an offense, too. The moral of *And Sudden Death* is enforced by the court words "P20.00".

Calesa ponies that are hurt or lame take their drivers to the Municipal Court of Judge Locsin at Bonifacio and Aduana, if the vehicle squad is nearby. Yet with only 10 men, the job is only begun.

Parking had better be done according to rule, because if not, it gets in the hair of the traffic squad.

They want to teach all drivers the new ways. Once the lesson is finished, know your stuff or else!

Average Metal. . .

(Continued from page 32)

(By United Press)

NEW YORK, Jan. 19.—The market for manganese and chrome continued firm today, prices remaining at the levels established last month. Closing quotations today:

MANGANESE:

22.4 per pound, C.I.F.
South African, 48-51 per cent, 30.
Brazilian, 46-48 per cent, 23.

CHROMITE:

Long ton, C.I.F.—
Indian, 45-47 per cent, \$16.75-17.00.
Russian, 48-50 per cent, \$19.00-19.50.