effort, it would seem that, due to prohibitive freight rates, the American market will be lost if the Government does not take action to maintain the exportation of lumber to the United States. The potential of the lumber industry is so enormous that if properly developed, it would unquestionably play a large part in the stabilization of the nation's economy, he said. He was particularly critical of the present move of the shipping combine to increase the emergency rates by $3.

Manila Hemp

By Frank P. Hill
Vice-President and General Manager
Macleod and Company of Philippines

In last month's report it was stated that the total balings in the Philippines for 1954 were 774,982. Actually that figure does not include decorticated abaca, known in the trade as "deco". In 1954, 17,294 bales of decorticated abaca were produced, making a total of 792,276 bales for the year, as compared with 866,671 bales in 1953 (including "deco"). In the past "deco" balings and exports were not included in the statistics at the end of these articles. Production of "deco" fiber is increasing, and from now on we will give those figures each month. There are two new decorticating plants in the Davao area, making a total of three.

Prices for all grades of Davao and non-Davao fiber improved during the month in all consuming markets, but there was little demand in the United States. Ropemakers there covered their requirements with Central American abaca while Davao producers and merchants were keeping supplies off the market, which they did for several weeks prior to January 13. Whether or not the upward trend in prices will be sustained, depends chiefly upon demand in the United States.

Prices for British East African sisal increased about £6 per ton in the London market.

The Philippines-Japan trade agreement was again extended.

The usual statistics are given hereunder:

	Balings—January, December Inclusive				
	1954	*1953*	*1952*	*1951*	*1950*
Davao	453,396	500,279	507,469	502,412	389,151
Davao (Deco)	17,294	10,516	17,085	18,827	12,321
Albay/Camarines/ Sorsogon	120,782	157,886	178,192	229,795	167,560
Leyte/Samar	120,413	107,171	105,805	154,163	120,683
All others	80,391	90,819	78,768	92,396	75,539
Total	792,276	866,671	887,319	997,593	765,254

	Exports—January, December Inclusive				
	1954	*1953*	*1952*	*1951*	*1950*
United States and Canada	191,817	292,382	360,073	554,726	403,513
—do— (Deco)	6,605	9,392	18,729	17,709	6,000
Continent of Europe	176,577	179,612	157,736	163,373	121,894
—do— (Deco)	1,516	78	—	—	650
United Kingdom	106,077	107,249	96,502	170,028	84,662
—do— (Deco)	2,665	262	592	212	328
Japan	218,464	235,056	203,707	130,127	103,890
—do— (Deco)	2,474	978	1,204	1,992	8,090
South Africa	11,650	9,850	9,000	15,777	7,200
China	3,422	1,595	5,435	7,529	13,587
India	8,084	9,550	6,190	5,656	8,130
—do— (Deco)	50	—	—	—	—
Korea	17,842	1,580	600	—	3,100
Australia and New Zealand	6,264	3,500	2,215	4,450	1,826
Others	8,367	1,745	70	—	947
—do— (Deco)	25	—	—	—	—
Total	761,899	852,829	862,053	1,071,579	763,817

Copra and Coconut Oil

By William S. Rice, Jr.
Copra Buyer, Philippine Manufacturing Company

The market maintained a steady to firm tone in January, and the general price level continued a slow upward trend.

Prices failed to advance in accord with many predictions for a substantial rise in January. European speculators were generally credited with preventing this by depressing the market through considerable active selling which kept our export markets in a confused state. Many Philippine exporters and local dealers were anticipating a seasonal rise because of very low production the first half of the month, and they resisted selling at market prices until the last half of the month. The European sales continued however; and first-hand sellers were unable to hold off longer as production improved. On January 21, prices reached the low point of the month as a wave of first-hand selling hit the market. European consumer interest then appeared, causing sellers to react sharply, but buyers resisted the sellers' quickly inflated ideas, and new speculative sales caused the market to close cautiously easy at month-end.

Indonesian copra appeared as a factor several times, but it has become increasingly difficult to know what Indonesia is doing since it commenced trading with Communist China. Evidently, recent negotiations have been in progress with both Europe and Communist China, and at month-end a sale for February shipment to China was rumored closed. Therefore, Indonesia appears to have been removed as a potentially bearish factor in the free world's markets for the near future.

Copra and Coconut Oil Prices

Copra:	*High*	*Low*	*Close*
West Coast, c.i.f. per short ton nearby and afloat	$182.50	$170.00	$180.00
Europe, c.i.f. per long ton, 45-60 days	$212.00	$195.00	$202.50
Manila, fresh, resecada basis, per 100 kilos at bodegas 30 days	₱33.00	₱31.00	₱32.50
Coconut Oil:			
West Coast, c.i.f. per pound, bulk 45-60 days	13-1/8¢	12¢	12-3/4¢
East Coast, c.i.f. per pound, bulk nearby and afloat	14¢	13¢	13-1/2¢

Copra Cake and Meal Prices. The Pacific Coast market continued tight with a further price advance up to $76.00 c & f Los Angeles. This continued firmness seems to have been largely due to the fact that Pacific Coast buyers had earlier allowed Europe to buy good quantities of Philippine production, and by January the lack of arrivals from the Philippines was being felt most acutely.

European buying-interest continued active and competitive to mid-January, but then fell dormant, and there have since been few indication of possible additional interest. It is difficult to say whether this lack of interest will continue.

Copra Statistics

Philippine Copra and Coconut Oil Exports
(In long tons)

	Monthly Average	
Copra Exports	*1953*	*1954*
United States	25,957	24,376
Europe	17,526	30,828
Other countries	5,872	7,903
Total	49,355	63,107

Coconut Oil Exports

United States	4,728	5,292
Other countries	155	120
Total	4,833	5,412

Manila and Cebu Copra Arrivals
(In metric tons)

	Manila	*Cebu*	*Total*
Average—1954	8,741	11,537	20,278
November, 1954	16,199	18,502	34,701
December, 1954	13,529	18,443	31,982
January, 1953	8,448	12,662	21,130
January, 1954	13,038	15,490	28,528
January, 1955	9,856	15,458	25,314

Philippine and Indonesian Copra Exports
(In metric tons)

	*Philippine Copra Exports**			*Indonesian Copra Exports*		
	1954	*1953*	*1954/53*	*1954*	*1953*	*1954/53*
January	53,992	41,025	131.6%	20,653	14,230	145.1%
February	58,879	38,672	152.3%	25,368	18,884	134.3%
March	60,919	50,168	121.4%	23,209	19,559	118.7%
April	55,951	48,745	114.8%	20,546	17,258	119.1%
May	65,249	36,536	178.6%	36,146	5,854	617.5%
June	75,978	48,144	157.8%	21,465	17,266	124.3%
July	82,513	64,359	128.2%	22,244	29,586	75.2%
August	93,093	71,010	131.1%	34,209	26,140	130.9%
September	86,717	75,804	114.4%	24,085	21,445	112.3%
October	93,920	83,610	112.3%	21,552	29,409	73.3%
November	77,212	73,510	105.0%			
December	68,417	62,629	109.2%			
Total	872,840	694,212	125.7%	249,477	199,631	125.0%

*Includes coconut oil exports converted to copra.

Production and Future Prospects. Production continued low during the first half of January, largely due to heavy rains. Arrivals at Manila were extremely poor, and Cebu arrivals continued the pace set in December. This situation improved considerably during the last half of the month as arrivals rose generally to fairly good levels.

Various bullish factors coincide to indicate that prices should advance more definitely in February: (1) Philippine export commitments for February are estimated at 70,000 to 80,000 long tons of copra, which is unusually high for this short month of seasonally low production; (2) all shipments of crude coconut oil for February arrival on the Atlantic Coast are reported sold; (3) reported sales of Indonesian copra for February shipment to China remove Indonesia as a potential source of supply for February; (4) experienced observers of the European market feel that there are some consumer requirements yet to be covered in Europe; (5) the international situation surrounding Formosa tends to be a bullish psychological factor.

A possible moderating factor is current doubt regarding the position of speculators. If the heavy February commitments to Europe are still largely held by speculators as opposed to consumers, there is the possibility that continued speculator sales could prevent substantial price advances. Also, copra production in February this year will likely be larger than in previous years.

Desiccated Coconut

By Howard R. Hick
Peter Paul Philippine Corporation

THIS report covers the period from December 15, 1954, to January 15, 1955, during which time copra prices and raw nut prices were at a standstill, continuing the record-long price plateau of the post-war period.

Desiccated coconut factories followed the general pattern of no production during the Christmas holidays and the usual shutdown through early January. Therefore, December was a low-production month, as January, 1955, will also be.

In fact, the calendar year 1954 was about 18% down from the regular Philippine production-standard, due mostly to lower United States demand, in turn caused by consumers keeping coconut inventories at a low because prices were constant with no signs of increasing prices sufficient to cause such spurt-buying as usually follows rising and falling markets.

It is estimated that the consumer inventory is at its lowest since 1947, so that increased copra or nut prices would cause speculation and increased buying. However, indications still point to a steady market for another 30 days, continuing the long record-level.

The shipping statistics for December, 1954, are as follows:

Shippers	*Pounds*
Franklin Baker Company	2,342,900
Blue Bar Coconut Company	1,078,040
Peter Paul Philippine Corp.	1,117,300
Red V Coconut Products, Ltd.	2,499,300
Sun Ripe Coconut Products, Inc.	508,500
Cooperative Coconut Products, Inc.	67,000
Total	7,613,040

Sugar

By J. H. d'Authreau
Philippine Sugar Association

THIS report covers the period from January 1 to January 31, 1955.

New York Market. It has been a dull and disappointing month as regards sales. The quota combined with approaching Cuban production have produced serious semi-stagnation. Business opened and remained steady throughout at 5.90/95¢ except for a brief fling on January 24 and 25 when moderate sales were made to refiners, including Philippines, at 5.97¢ and 6.00¢ for February and March arrivals. The market reverted almost immediately, however, to the former position of buyers 5.90¢, sellers 5.95/6.00¢, and little doing. Refined prices remained unchanged throughout the period. The Porto Rican stevedores' strike is still unsettled and expected sales-pressure from this source, as soon as settlement is reached, is undoubtedly a bear-factor in the market. On January 5 the New York Longshoremen's Association ratified the 2-year agreement with the New York Shipping Association containing "no-strike" and "no lock-out" clauses. President Eisenhower is reported to be agreeable to prompt revision of the U. S. Sugar Act by Congress. Both United States beet and cane interests are seeking increased quotas.

Reported sales of actuals totalled approximately 192,160 long tons, of which 78,000 tons were Philippines. Exchange operations for the period approximated 148,750 short tons. Deliveries of refined for the period December 26 to January 22 were 545,477 short tons as compared with 656,471 for December, 1953, and with 483,270 for January, 1954. Total deliveries for the year to January 29 were 524,000 short tons as compared with 404,000 short tons on the same date in 1954. On January 29 refiners stocks were 153,907 long tons as against 113,658 on the same date last year.

Opening and closing quotations on the No. 6 Contract were as follows:

	March	*May*	*July*	*Sept.*	*Nov.*
January 3	5.42¢	5.49¢	5.58¢	5.63¢	5.61¢
January 31	5.47	5.53	5.63	5.68	5.67

Average spot price for January was 5.460476¢.

Local Market. (a) Domestic Sugar. Old crop sugar still hangs over the market. It is hoped, however, that February will see its disposal. New crop sugar is