Cebu, £27, 0 0; F. M. M., £27 0 0; Manila—resecada bodega, ₱13.00 to ₱13.50.

COCONUT OIL

Nearby offerings of this item still continue to depress the U. S. market and prices were further reduced from the 8-1/8 cent January level to 8-1/16 cents f.o.b. tank cars West Coast. All available statistics show an increase in the visible supply of coconut oil on December 31, 1928, as compared with December 31, 1927. Imports of copra and coconut oil into the United States during the month of January were very substantial, being more than sufficient to cover normal disappearance. With large consumers comfortably fixed and an ample supply of competing fats, there seems to be little prospect of higher prices for coconut oil during the coming month. Latest cables follow:

San Francisco, $.08-1/16 f.o.b. tank cars; New York, $.08-1/4 c.i.f. nominal; London, £39 10/0 nominal; Manila, ₱.36 to ₱.37 per kilo.

COPRA CAKE

Local stocks of Copra Cake are the lowest in years, and notwithstanding the apparent lack of interest on the Continent, very little business was put through during the month. During the past week inquiry from Hamburg has been somewhat more active. Reports advise that this is the result of intensely cold weather obtaining in Europe during the month. At this writing it is possible to do £8 12 6 for forward shipment. Latest advices follow:

San Francisco, no quotation; Hamburg, £8 12 6 any position; Manila, buyers, ₱60.00 to ₱61.00; sellers, ₱62.00 to ₱63.00.

Manila, March 3, 1928.

THE RICE INDUSTRY

By PERCY A. HILL

of Muñoz, Nueva Ecija,
Director, Rice Producers' Association.

Prices have sagged since the last report, owing to the lack of accurate data concerning the actual supply. Buyers have been loath to buy more than their daily needs, sellers reluctant to sell until more normal prices obtain. Superior has dropped to ₱7.75 per sack; first and second grades are lower, while the poorest grades can scarcely find a market at all, being milled from hard, colored and subnormal varieties.

Offers for palay at terminal provincial markets vary from ₱3.05 to ₱3.15 per cavan, with ₱2.80 as the ruling local price.

As a comment on the general stagnation in agricultural industries, it is worth noting that this year the net gain on capital invested in the rice industry is but slightly over 12 per cent, with a yield averaging over 52 cavans per hectare. Producers representing some 55% of the men engaged in the industry, whose average yield is under 30 cavans per hectare, are consequently producing at a loss.

The latest statistics from the agricultural bureau give the 1925–1926 crop as 47,780,000 cavans from 1,755,920 hectares, or approximately 27 cavans to the hectare. It is readily seen that the industry is suffering from too many low-yield growers, and that profits, except under rare circumstances, are negligible. As the tariff protection is 87 centavos per cavan of palay, and the net gain under the best circumstances this year is 85.9 centavos per cavan, removal of the tariff protection would wipe out any gain whatever. The estimated loss of the low-yield growers this season, 1927–1928, is not less than ₱1.00 per cavan.

With such losses, and such small margins under the best circumstances, it may also be seen that the great majority of the five million rice growers will have little to spend. To a very large extent this affects the commercial markets dealing in their necessities.

There is also another item which affects supply and demand in the rice industry, the increasing use of flour. This signifies a change in living standards due partly to higher wages than formerly prevailed. The following data are pertinent: During the past five years the value of imported rice was ₱49,877,300, and the total imports of flour during the same period were valued at ₱44,872,100; that it to say, rice and flour imports were in a ratio of 10 to 9, or rice imports yearly were valued at nearly ₱10,000,000 and flour imports at nearly ₱9,000,000.

Owing to its bulk and weight, rice is by far the heaviest item of freight in the islands. The average cost of transporting a sack of rice (or its equivalent in palay) from the producing regions to Manila dealers at present writing is ₱0.97, 1/7 of its selling price, a figure much too high. Cabanatuan, the principal provincial shipping point, has but a single line of railway—inadequate, with its feeder lines, to handle the crop at the peak of the season. Shipments have risen from 55,000 sacks per month in 1923 to a much higher level. There are over 100 firms in Cabanatuan who handle rice and palay, some as feeders to the big mills. Several of the latter complain that they cannot get enough cars to ship their rice, some of them having to store in Cabanatuan 2/3 of their daily run, which causes a financial loss to them and delays the filling of orders. Others have no difficulty, they say, in obtaining all the cars they want. This should be looked into by traffic managers, expanding business calling for an expanding service. There is a movement underway to ship by truck and trailer. The railway freight rate from Cabanatuan to Manila is ₱0.34 per sack or ₱5.90 per ton, approximately. Trucks would of course have to compete with this price. More and more palay is being diverted northward, to be milled for the Ilokano region, perennially short of the cereal because of the lowering production in total and per hectare.