

THE RICE INDUSTRY
By PERCY A. HILL



Prices for palay, crop of 1926-27, at shipping points have sagged to P3.00 per cavan, with rice from P7.60 to P7.00 according to grade. These are the lowest prices offered since the year of deflation, 1920-1921 crop. As predicted, the lifting of the export ban afforded the market no chance of price enhancement, indeed the writer is in a

position to know that prices today would have been slightly higher had the status quo remained in force. Tons 125 of "luxury rice" of the superior grade were exported for the rich merchants of Amoy, with a like amount contracted for. Such export and its amounts have no effect whatsoever on the industry. The gain on this shipment was so slight as to preclude further activities.

However, the excess supply of last crop will be rapidly taken up by the short crop about to be harvested, but it is not expected that any appreciation of price will attach to old deposits. The early crop is reported to be about one third less than last year, which represents about 15% of the total crop. The milling recovery is also low. Due to adverse climatic conditions, and a species of rust, the rice crop has been affected in nearly every province. The estimates for the first ten producing provinces in point of magnitude, shows a loss of between six and seven million cavans from that of last year, which may be still more when all reports are in. With this lessening of supply prices should begin to rise as soon as old stocks are disposed of, and this rise should, by the law of averages, be equal to the prices paid for the 1925-1926 crop. However, conditions in Indo-Asia will in the final analysis govern the price, and if supply is ample for Indo-Asian export, values will rise slowly.

The losses from disease are apparently due to weather conditions. As a result the milling recovery will be much lower than last year in net weight, very possibly over a million cavans. Local prices for early rice are as a consequence higher than storage offerings. It may be of interest to know that quite a few of the great milling and storing firms have registered a substantial loss on rice operations this year, the spread between the palay and the milled product being much too low, taken over the entire ten-months period. In reference to the export ban being lifted for four months, it has done no damage at all to supply, and could be left permanently lifted for that matter.

COMMODITIES BY RAIL



The following commodities were received in Manila Oct. 26 to Nov. 25, 1927, both inclusive, via Manila Railroad:

| | 1927 | |
|---------------------------------|-----------|-----------|
| | Nov. | Oct. |
| Rice, cavans..... | 218,500 | 220,250 |
| Sugar, piculs..... | 77,952 | 1,344 |
| Tobacco, bales..... | 6,800 | 13,320 |
| Copra, piculs..... | 143,000 | 182,300 |
| Coconuts..... | 2,016,000 | 1,705,200 |
| Lumber, B. F..... | 240,300 | 167,400 |
| Desiccated Coconuts, cases..... | 20,664 | 20,254 |

NOVEMBER SUGAR REVIEW
By GEORGE H. FAIRCHILD



New York Market:
The weakness of the American sugar market reported in the latter part of the previous month continued during the first week of the month under review, and prices declined from 2-7 8 cents c. and f. (4.65 cents l.t.) to 2-13 16 cents c. and f. (4.59 cents l.t.). The American sugar market presented a more en-

couraging outlook during the second and third weeks when a fair quantity of Cubas were sold

at 2-7/8 cents c. and f. (4.65 cents l.t.) and 2-15/16 cents c. and f. (4.71 cents l.t.). During the last week of the month, however, the American sugar market became dull and uninteresting and prices lagged to 2-3/4 cents c. and f. (4.59 cents l.t.).

The poor demand for refined throughout the month under review was apparently the main reason for the general weakened tone of the market. Stocks at the Atlantic Coast during the first week were 196,000 tons considered sufficient to meet the refiners' requirements for from two to three weeks. Stocks in the statistical countries at the end of the last week of the month under review were 1,180,000 tons as compared with 1,281,000 tons at the same time in 1926 and 940,000 tons in 1925.

The report received about the 15th of the effect that Czechoslovakia, Poland and Germany would closely cooperate with Cuba in its sugar policies created considerable interest in local sugar circles, since it was hoped that it would have a favorable effect on prices instead of a

RAILROAD NOTICE
WEEK-END TRAIN SERVICE

The Baguio Night Express train, composed of Sleeping cars with buffet service, regular first and third class coaches and baggage and Express car will run on following schedule:

| <u>From Manila</u> | <u>From Bauang Sur and Damortis</u> |
|--------------------|-------------------------------------|
| December 2, 1927 | December 4, 1927 |
| December 9, 1927 | December 11, 1927 |
| December 16, 1927 | December 18, 1927 |
| December 23, 1927 | December 26, 1927 |
| December 29, 1927 | January 2, 1928 |

Hour of Departure from Manila 11:00 p. m.

Connection with BENGUET AUTO LINE at DAMORTIS to and from BAGUIO

On northbound trip passengers leave promptly after arrival of train at Damortis and reach Baguio before 8:00 a. m. and from Baguio first class busses and automobiles leave at 8:00 p. m. and third class at 7:30 p. m., arriving at Damortis in time to connect with the Baguio Night Express train.

After the trip of January 2, 1928, Baguio NIGHT SPECIAL SERVICE will be maintained and a schedule of days of departure will be issued.

Both single and round trip tickets to Baguio may be purchased at stations between Manila and San Fabian where Baguio Night Express train is scheduled to stop. All classes of tickets, one way and round trip, are good on these trains between points mentioned in the train schedule.

For northbound trip sleeping car reservations should be made and tickets purchased at Manila Station (Tutuban) or Manila Railroad City Office, 519 Dasmariñas, near Peoples' Bank, telephone 23183; for southbound at Benguet Auto Line station, Baguio or railroad stations at which this train stops. Baggage, Express parcels and C. O. D. shipments will be handled to or from Baguio and stations mentioned on train schedule.

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decline. It is, however, the consensus of opinion that the fact that the European beet sugar-producing countries have agreed in general terms to cooperate with Cuba will have a steady effect on the market in the future.

There were various rumors in regard to the steps to be taken by the Cuban Commission appointed by the President in connection with the date when the mills will start grinding. On the 7th instant a report was received to the effect that milling would commence on January 1st but exports would not be allowed until January 20th, while on the 9th instant it was stated that milling would not commence until January 15th. No definite confirmation of these reports have as yet been received. Recent advices are to the effect that while the factory owners are willing to postpone the beginning of operations until January 5th the colonos are not.

Philippine Sales.—Sales of Philippine centrifugals in the Atlantic Coast, afloats, near arrivals, and for future deliveries, for the month under review, aggregated 36,500 tons at prices ranging from 4.60 cents to 4.75 cents landed terms, duty paid. Of these, 3,000 were of the old crop of 1926-27 and 53,500 tons of the 1927-28 crop. Total sales of the new crop of Philippine centrifugals up to date amount to 64,000 tons.

Futures.—Quotations on the New York Exchange fluctuated as follows:

| | High | Low | Latest |
|----------------|------|------|--------|
| December..... | 2.90 | 2.72 | 2.72 |
| January..... | 2.93 | 2.76 | 2.76 |
| March..... | 2.89 | 2.77 | 2.79 |
| May..... | 2.98 | 2.85 | 2.87 |
| July..... | 3.06 | 2.92 | 2.95 |
| September..... | 3.14 | 3.00 | 3.03 |

Local Market: The local market for centrifugals was quiet during the month under review and no transaction was reported during the first half of the month while only small parcels exchanged hands during the latter part of the month at prices ranging from P10.90 to P11.25 per picul.

Owing to the delay in the arrival of the new crop because of the unfavorable weather, offers of muscovades were very negligible. The small sales reported at Iloilo were made on the basis of No. 1 at prices ranging from P7.00 to P7.12-1.2 per picul.

Crop Prospects.—All the Centrals in the Islands have already commenced grinding the 1927-28 crop, with the exception of the North Negros Sugar Co., which finished milling the 1926-27 crop on October 31, 1927, and will not start grinding for this season until after January, 1928. For the season just ended this Central had a final outturn of 26,738 metric tons of sugar, being the largest crop in its history.

Production results of the first few weeks of the 1927-28 milling season are satisfactory. Twelve of the largest Centrals report a total production of 31,344 metric tons of sugar as of November 20 in comparison with 30,649 metric tons at the same time in 1926. The quality ratio, the number of tons of cane required to produce a ton of sugar, is 8.79 which is slightly better than that of last year which was 8.99. To some, however, this satisfactory showing of the juices at this time of the year is not a favorable indication since the big crops of 1924-25 and 1926-27 started out with low quality ratios while the crop failure year of 1925-26 began with higher average purities.

Harvesting this year would be proceeding normally, were it not for the handicap of the planters in their recruiting of laborers due to the scarcity of vessels to transport laborers from the sources of supply to the Centrals, as a result of the Customs' ruling limiting the number of passengers a vessel may carry. Since the planters, particularly those of Negros, recruit most of their seasonal laborers for harvesting from the Islands of Cebu and Panay, the lack of transportation space may curtail their harvesting operations.

Because of the several typhoons which passed over Negros in the last three months, some districts may not realize within 90% of their estimates. Predictions are heard in many quarters that the 1927-1928 crop will not exceed that of the previous year. Planting for the 1928-1929 crop is proceeding rapidly and many districts report the young cane is further advanced at

this time than it was last year, due particularly to the favorable weather which has prevailed during the last three weeks.

Exports of Sugar.—Sugar exports of the Philippines from January 1, 1927, to November 30, 1927, amounted to 493,841 metric tons, details of which follow:

| | U. S. Atlantic | U. S. Pacific | China & Japan | Total |
|------------------|----------------|---------------|---------------|---------|
| Centrifugals.... | 400,193 | 47,867 | — | 448,060 |
| Muscovados.... | 43 | — | 44,153 | 44,196 |
| Refined..... | — | 1,585 | — | 1,585 |
| | 400,236 | 49,452 | 44,153 | 493,841 |

Java Market: On the whole the Java market was steady and firm at advancing prices. Latest

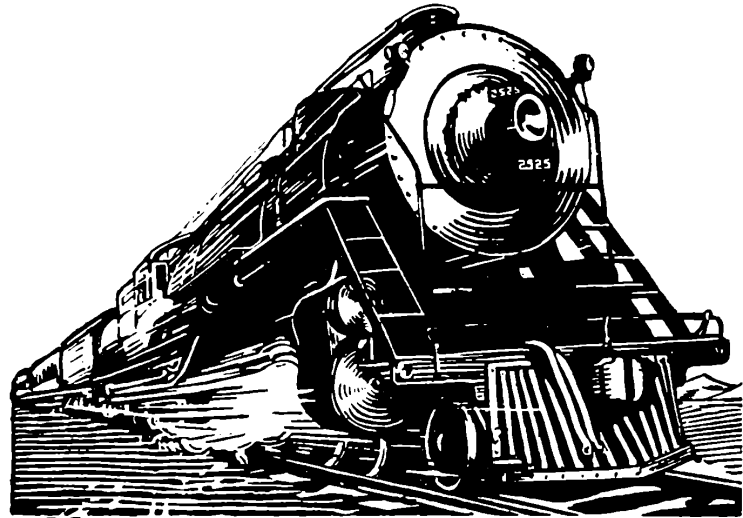
quotations are as follows:

Superiors:

| | | |
|------------------|-------------|-------|
| December..... | Gs. 15-3/8— | P8.14 |
| January..... | " 15-1/2— | 8.20 |
| February..... | " 15-5/8— | 8.27 |
| May-June..... | " 16-1/4— | 8.60 |
| July-Aug.-Sept.. | " 16 — | 8.47 |
| Head Sugar: | | |
| September..... | " 14-3/8— | 7.62 |

According to records received on November 15, 1927, 176 mills have already ceased grinding, leaving only 2 still in operation. A total of 2,129,128 tons of sugar has already been produced at the end of October, 1927.

(Continued on page 32)



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European Prospects: From the latest advices received from New York dated November 30, Licht had reduced his estimate of the European beet crop by 110,000 tons. His previous estimate was 8,206,000 tons so that the latest estimate of the European beet crop, according to Licht, is 8,096,000 tons.

REVIEW OF THE HEMP MARKET

November, 1927

L. L. Spellman, Macleod & Company



This report covers the markets for Manila Hemp for the month of November, 1927, with statistics up to and including November 28, 1927.

U. S. Grades: The U. S. market opened with shipping houses sellers basis F, 15-3 8 cents; I, 13-13 16 cents; J1, 11 cents. Prices fell away on the continued pressure to sell,

buyers remaining entirely out of the market. By mid November there were sellers in New York basis F, 14-1 2 cents; I, 13 cents; J1, 10-1 2 cents and even at these prices buyers were still shy of making any progress. Toward the end of the month consumers showed more desire to buy on the decline and a moderate amount of business was transacted basis F, 14-3/8 cents; I, 12-1 2 cents; J1, 10-1 8 cents. An unsettled market ruled for a short time with no further decline being registered. At the close of the month sellers firmed up and a fair amount of business was transacted up to a basis of F, 14-1/2 cents; I, 12-5/8 cents; J1, 10-3/8 cents at which prices offerings became sparing. At the close there were sellers at F, 14-3/8 cents; I, 12-3/4 cents; J1, 10-1/2 cents with, however, no business doing as buyers in the U. S. refused to follow any further advance.

The Manila market for U. S. grades opened dull basis F, P35.4; G, P20; H, P19.2; I, P31.4; J1, P25; S1, P34.4; S2, P30.4; S3, P25. The easier tone in New York was quickly reflected in Manila and by the second week in the month values here were down to a basis of F, P34.4; G, P19.4; H, P18.6; I, P30.4; J1, P23.4; S1, P33.4; S2, P29.4; S3, P23.4. Weakness developed in the market and by mid November prices were down to F, P33.6; G, P19; H, P18; I, P30; J1, P23; S1, P32.6; S2, P29; S3, P23.4, there being but little support to the market on the decline.

Prices continued to slump on the lack of demand, touching a nominal figure of E, P34; F, P32; G, P19; H, P18; I, P28; J1, P22; S1, P32; S2, P27; S3, P22.4; there, however, being no actual sellers down to these prices. On steadier news from New York sellers quickly firmed up and the market closed with buyers E, P34.4; F, P33; G, P19.4; H, P18; I, P29; J1, P23; S1, P32; S2, P28; S3, P23.4. High-grade hemp was scarce and single grades changed hands at P2 to P3 premium on the nominal prices ruling for similar grades in parcels.

U. K. Grades: London developed a quiet tone at the opening, but values were maintained, J2, £42.10; K, £39; L1, £38; L2, £37; M1, £37; M2, £34.10, shipment in various positions up to March, 1928. The market soon took on an easier tendency but a fair amount of business developed on the decline to J2, £41.10; K, £38.10; L1, £37.10; L2, £36.10; M1, £36; M2, £33.10; DL, £33 to 10/- per ton less. The improved demand steadied up the market somewhat for a day or two but buyers showing no inclination to pay last prices, the market again turned easier with business done down to J2, £39.15; L1, £36. Toward the end of November a brisker demand set in and a fair amount of business was transacted in London at J2, £42.10; K, £38; L1, £37; L2, £36; M1, £36; M2, £34; DL, £33; DM, £30.5. Sellers again firmed up in their ideas but buyers refused to follow and the market closed inactive at last prices.

The Manila market for U. K. grades opened on the dull side, J2, P19.4; K, P18.6; L1, P18; L2, P17.4; M1, P17.4; M2, P15.6; DL, P15.4; DM, P13. A downward tendency soon set in on the quiet news from Europe and prices by mid November were down to J2, P19; K, P17.6; L1, P17.2; L2, P16.6; M1, P16.6; M2, P15.4; DL, P15; DM, P13. The market continued nominal with a further slight reduction registered on grades below J2. At the close the tone was firmer with values basis J2, P19.4; K, P18.2; L1, P17.4; L2, P17; M1, P16.6; M2, P15.4; DL, P15; DM, P13. U. K. grades were by no means freely offered in Manila throughout the month; business therefore was very restricted, single grades here and there changing hands at a fair premium compared to prices offered for parcels.

The demand from Japan was still very limited and at low prices.

Freight Rates: Freight Rates to Europe reduced 2/6 per ton on November 9th for parties contracting with regular lines. Non-contracting parties paying the old rate basis 90/- per ton Liverpool.

Statistics: We give below figures for period extending from November 1st to November 28th, 1927:

| | 1927 | 1926 |
|-----------------------------------|-----------|-----------|
| Stocks on January 1st | 112,382 | 153,181 |
| Receipts to November 28 | 1,174,423 | 1,160,354 |
| Stocks on November 28 | 173,808 | 150,343 |

Shipments

| To the— | To Nov. 28, 1927 | To Nov. 29, 1926 |
|-------------------------------|------------------|------------------|
| | Bales | Bales |
| United Kingdom | 297,134 | 241,690 |
| Continent of Europe | 132,693 | 161,461 |
| Atlantic U. S. | 242,594 | 308,157 |
| U. S. via Pacific | 114,168 | 156,313 |
| Japan | 232,908 | 214,965 |
| Elsewhere and Local | 93,500 | 80,606 |

1,112,997 1,163,192

The JOURNAL welcomes Mr. Spellman's recent return to Manila, and is grateful to Mr. Smith of the same company for his excellent reviews of the hemp market during Mr. Spellman's trip abroad.—Ed.



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