

## COPRA AND ITS PRODUCTS

by  
KENNETH B. DAY AND LEO SCHNURMACHER



KENNETH B. DAY

The month of July was a comparatively quiet one. Markets were fairly weak at the beginning of the month, but firmed considerably toward the middle of the month, only to fall back gradually at the month's end, when prices were identical with those of the first of the month.

**COPRA**—Copra receipts in Manila and Cebu were extremely heavy in July and both ports registered increases of over 50% as contrasted with June. As contrasted with July, 1937, Manila receipts were up over 50% and Cebu receipts over 25%. Total Manila and Cebu receipts for the



LEO SCHNURMACHER

Statistics for the month follow:

Arrivals ..... Manila, 563,849 Sacks  
Cebu, 493,308 "

Shipments .....

Pacific Coast,	15,750	Metric Tons
Gulf Ports,	3,887	" "
Europe,	8,991	" "
China and Japan	249	" "
Other Countries,	226	" "

29,103 Metric Tons

	<i>Beginning of Month</i>	<i>End of Month</i>
Stocks on hand in Manila,	34,615 Tons	35,631 Tons
Cebu,	26,416 "	39,865 "

**COCONUT OIL**—The month opened with buyers' ideas 3-½ cents c.i.f. New York

and with comparatively little buying interest. Later in the month, however, buyers became more interested and prices ranged up to 3-½ cents c.i.f. New York with the preference on late shipments. Thereafter the market eased off gradually until at the end of the month buyers were again willing to pay 3-½ cents with sellers holding for ¼¢ higher.

The same thing happened to the Pacific Coast. The market opened at 2-½ cents f.o.b. for tank cars and gradually increased to 3-½ cents, after which it declined again to 2-½ cents at the end of the month. Particular on the Coast, the prompt demand was from small refiners and futures commanded ¼¢ better than spot deliveries. In the East large coopers were not particularly interested except in shipments for the last quarter of 1938.

Statistics for the month follow:

Shipments .....	Pacific Coast,	1,537	Metric Tons
	Atlantic Coast,	9,939	" "
	Gulf Ports,	4,381	" "
	China and Japan,	15	" "
	Other Countries	11	" "

15,883 Metric Tons

	<i>Beginning of Month</i>	<i>End of Month</i>
Stocks on hand in Manila and Cebu,	14,686 Tons	20,245 Tons

**COPRA CAKE AND MEAL**—There was not much doing in the cake market. Hamburg base prices ranged up to \$32.00, possibly \$32.50 c.i.f., the local equivalent ranging from \$41.00 to \$43.00 f.o.b. Not much business was transacted as sellers were

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period January to July, 1938, show an increase of slightly over 40% as contrasted with the corresponding period last year, which leads to the belief that with normal receipts from now on the 1938 crop should show an increase of at least 10% over that of 1937. Of course, in making the above statements we are not considering direct exports from provincial points, but inasmuch as these exports are far heavier than they were in 1937, the ratio will probably hold true.

The month opened rather weak with sellers' ideas \$6.00 in Manila for resacada and buyers rather reluctant to pay it. As the month wore on, in view of strengthened outside markets and in spite of heavy arrivals, copra prices gradually increased to a point where considerable business was done at \$6.75 about the middle of the month. After that the market declined irregularly until at the end of the month sellers were again offering at \$6.00 with buyers' ideas \$5.75. The flexibility of the market was affected considerably by outstanding contracts made earlier in the year for July-August delivery.

In Cebu prices ranged about the same as Manila, but the copra export market affected Cebu more than Manila and kept prices steadier throughout the month. It may be noted that Cebu exports of copra for the first half year were slightly over half of the total exports from the Islands.

The European market fluctuated over narrow margins throughout the month, reaching a high of £10/10/0 for sundried and a low of £9/17/6 for F.M., with an average spread between the two grades varying from 5/- to 10/-.

On the Pacific Coast copra increased in price to a high of 2.05¢, but declined gradually to a low of 1.85¢ at the end of the month.

Provincial prices in the Manila district were constantly higher than base prices in Manila, but in Cebu provincial prices following dealers quotations very closely.

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## RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA

Traffic Manager, Manila Railroad Company



The volume of commodities received in Manila during the month of JULY 1938, via the Manila Railroad Company are as follows:

Rice, cavañones	188,769
Sugar, piculs	122,999
Copra, piculs	170,693
Desiccated Coconuts, cases	34,523
Tobacco, bales	4,979
Lumber, board feet	973,982
Timber, kilos	2,437,000

The freight revenue car loading statistics for four weeks ending June 18, 1938, as compared with the same period of 1937 are given (right):

## FREIGHT REVENUE CAR LOADING

COMMODITIES	NUMBER OF FREIGHT CARS		FREIGHT TONNAGE		Increase or Decrease	
	1937	1937	1938	1937	Cars	Tonnage
Rice	876	1,233	12,557	15,890	(457)	(3,333)
Palay	106	145	1,270	1,831	(339)	(661)
Sugar	372	644	11,149	20,242	(272)	(8,793)
Sugar Cane	—	—	—	—	—	—
Copra	906	596	7,205	4,963	310	2,242
Coconuts	83	89	863	993	(6)	(30)
Molasses	46	11	1,615	305	35	1,310
Hemp	—	3	—	17	(3)	(17)
Tobacco	39	76	292	699	(37)	(407)
Livestock	68	12	456	93	56	288
Mineral Products	514	298	4,476	3,629	216	847
Lumber and Timber	213	155	4,847	3,845	58	1,002
Other Forest Products	1	3	8	28	(2)	(20)
Manufactures	314	367	4,573	5,528	(53)	(955)
All Others including L.C.L.	2,294	3,501	21,477	21,132	(267)	345
<b>TOTAL</b>	<b>6,772</b>	<b>7,133</b>	<b>71,188</b>	<b>78,171</b>	<b>(361)</b>	<b>(6,983)</b>

## SUMMARY

Week ending June 25,	1,373	1,409	15,346	14,550	(86)	796
" " July 2,	1,306	1,352	13,700	12,884	(47)	816
" " " 9,	1,294	1,270	15,945	13,251	124	2,694
" " " 16,	1,338	1,539	13,991	18,294	(201)	(4,393)
" " " 23,	1,361	1,662	13,398	19,112	(201)	(5,714)
	6,772	7,133	71,188	78,171	(361)	(6,983)

NOTE—Figures in parenthesis indicate decrease.

## Copra and . . .

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generally well covered and buyers were holding off, expecting lower prices.

The Pacific Coast meal market was spotty with practically no demand. Whatever business was done commanded a price of from \$26.00 to \$27.00 c.i.f. Pacific Coast.

Statistics for the month follow:

Shipments . . . . .

Pacific Coast,	2,425	Metric Tons
Europe,	7,924	" "

10,349 Metric Tons

Beginning	End of
of Month	Month

Stocks on hand

in Manila

and Cebu,

6,071 Tons

8,501 Tons

**DESICCATED COCONUT**—The desiccated market was not quite as good in July as it had been in June. Trading was a little slower but there were no changes in base prices in the New York market.

Local factories maintained approximately the same production schedule as in June with some of the larger factories operating on part time and some of the smaller ones on full time. Nuts were plentiful and reasonable in price. It is reported that June nuts were particularly heavy in weight per nut, and July nuts, while not as good, were still very satisfactory and better than the average.

Exports for the month totalled 3,315 metric tons, which is only slightly less than June shipments.

**GENERAL**—At the first of August the copra and oil situation was a very peculiar one. Everything points to an extremely heavy copra crop for the balance of the year, which under ordinary circumstances would mean lower prices. At the same time, there is a certain undercurrent of optimism both in the United States and in Europe, indicating the possibility of good business for the next few months. Under these conditions, the best guess would seem

to reflect a comparatively stable market for August and September, with minor fluctuations controlling prices.

Buyers were expecting to be able to purchase their commitments easily, but in view of the relatively low copra prices, were doubtful as to whether the market would drop appreciably. At the same time, world conditions are so mixed up that anything can happen, and most traders were maintaining an even balance rather than taking much of a position one way or the other.

Freight rates were confusing. Several charters to Europe were made during the month at a price advantage of approximately \$5.00 per ton under the Conference rate. The Atlantic freight rate on coconut oil was reduced effective August 2nd, from \$13.00 to \$12.00 and it was expected that freight rates on copra and oil to the Pacific Coast might be modified sometime during the next month.

All in all, at the beginning of August, future markets were anybody's guess.

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