

## COPRA AND ITS PRODUCTS

By KENNETH B. DAY  
AND LEO SCHNURMACHER



KENNETH B. DAY

The March markets were notable in that for the first time in some months market fluctuations were not very wide. As far as copra was concerned, the market was a sellers' market because copra production was light as it always is in March. From the standpoint of the oil buyer, however, it was a buyers' market because with large offerings of competing oils the buyer could take his choice and buy what and when he liked.

**COPRA**—Copra arrivals were a little better than those of February, both in Manila and Cebu. Manila arrivals were doubtless stimulated by some 97,000 sacks of copra brought to Manila from Cebu and other provincial shipping points which would normally have gone

to export had space been available. Both Manila and Cebu, however, fell short of March, 1936, arrivals, Manila being off 14% and Cebu nearly 25%. Thus, our prediction that arrivals would be comparatively light for the first part of 1937 is certainly coming true.

The February market closed stagnant with copra buyers offering P19.50 reseada Manila and sellers with small stocks only in hand again looking for higher prices later in the month and not interested in buyers' ideas sellers' ideas being approximately P21.00 for large lots. The scarcity of copra on the Pacific Coast led to a brisk export demand during the first half month, particularly for April/May shipment and this demand pushed prices up locally to a point where by the middle of the month buyers were paying as high as P21.00, which just about matched export prices. Export prices were so high, however, that copra from Java and Celebes again underbid Philippine copra in the Pacific Coast markets with the result that Philippine copra began to drop and for the full balance of the month there was a sluggish downward movement to a point where by the end of the month buyers were bidding P18.50 and paying P19.00 with sellers disposing of small lots at these figures but not interested in making large sales. The very last day of the month



LEO SCHNURMACHER

showed a slightly firmer tendency, but everything pointed to a further decline in April in spite of the fact that particularly in Manila the prospects for good arrivals in April was distinctly poor.

As mentioned above, the Pacific Coast market was strong for the first half month, particularly for prompt arrivals, with sales made as high as 5.40 cents. The joker in this market was the fact that space was all but unobtainable, and under these conditions buyers' quotations were largely nominal, although they served the purpose of reinforcing copra sellers' ideas that the market was stronger than it really turned out to be. By the end of the month, Pacific Coast buyers were much less interested and the price sagged to a nominal quotation of 5 cents with a little business done here and there at prices ranging up to 5.10 and 5.15 cents. For the second month in succession, there were no exports of copra to the Pacific Coast in March and the only copra shipped out of the Islands in March was a lot of 2400 tons routed out for New Orleans by Procter & Gamble from Cebu.

The European market was subject to minor fluctuations, ranging from a low of £19/7/6 for Cebu sundried to a high of £20/10/- . This market was of but academic interest to Philippine sellers, for it was some P3.00 under local

and Coast quotations.

At the end of the month while there was an easier tendency in the copra market, yet this tendency was caused by lack of demand for coconut oil at commensurate prices from the United States, and not from any abundance of copra locally. Stocks all over the Islands were fairly low for this time of year, and with practically no copra having moved to the Pacific Coast for several months. Pacific Coast stocks must also have been inadequate. Statistics for the month follow:

Arrivals—	Sacks	
Manila .....	253,744	
(includes 39,195 sacks shipped from Cebu)		
Cebu .....	250,161	
Shipments—	Tons	
Gulf Ports .....	2,437	
	Beginning	End of
	of Month	Month
Stocks on hand—	Tons	Tons
Manila .....	23,593	19,917
Cebu .....	23,109	27,131

**COCONUT OIL**—It should be definitely understood that coconut oil sells in the United States these days at two prices. The first is the base price, which is for forward shipments 90 days or more away, and the second for spot deliveries. These spot deliveries command anywhere from 1/8 cent above the market to sometimes as much as 1/2 cent, depending on the position, and mostly are spot sales for small quantities of stray tank cars.

The month opened with buyers of oil in New York at 8 cents a pound c.i.f., but with a rather weak tendency which brought buyers' ideas down early in the month to 7-3/4 cents. Owing to the shortage of copra, however, the oil situation improved and by the middle of the month it was possible to sell oil anywhere from 8 cents for far forward to 8-1/4 cents for nearby, both c.i.f. New York. During the first half of the month Pacific Coast buyers were not so much interested, but about the middle of the month they in turn came into the market and fixed their price at around 7-3/4 cents f.o.b., for spread shipments over the balance of the year with nearby oil selling at up to 1/4 cent premium. It

(Please turn to page 44)

# Compliments

## Copra

(Continued from page 41)

is fortunate that this demand came into the market because New York prices slipped during the second half of the month owing to large offerings of Palm Kernel Oil for future shipments, said offerings amounting to as much as perhaps 50,000 tons. Large soapers covered themselves liberally with Palm Kernel at prices lower than they would have had to pay for coconut oil, which spells more trouble for Philippine coconut oil in the second half year with the market fairly well covered in advance. It is reported that Palm Oil has already been sold into 1938.

Statistics for the month follow:

Shipments—	Met. Tons
Pacific Coast.....	1,958
Atlantic Coast.....	7,493
Gulf Ports.....	508
China and Japan.....	15
<b>Total.....</b>	<b>9,974</b>

Beginning of Month	End of Month
Met. Tons 9,139	Met. Tons 11,506

Stocks on hand in	Met. Tons	Met. Tons
Manila and Cebu.....	9,139	11,506

**COPRA CAKE AND MEAL**—Copra cake took a good spurt in March. This was rather unanticipated, for usually March-April-May are the bad months for selling copra cake. This year, however, in spite of the fact that the freight rate on copra cake will advance 3 shillings on May 1st, prices have been on the upgrade and the l.o.b. equivalent advanced in March from P40.00 l.o.b. to very nearly P50.00 for shipments up to and including August. Hamburg prices advanced to \$34.00 c.i.f.

Copra meal to the United States was also in fair demand, but space was very short and buyers could not get any adequate space cover prior to the second half of May. Meal sold up to \$29.50 per short ton c.i.f. for spread shipments

to July. It is likely that May shipments of copra meal to the West Coast will be very heavy, which may depress prices at that time.

Statistics for the month follow:

Shipments—	Met. Tons
Pacific Coast.....	2,943
Atlantic Coast.....	686
Europe.....	3,301
<b>Total.....</b>	<b>7,663</b>

Beginning of Month	End of Month
Met. Tons 7,814	Met. Tons 7,960

Stock on hand in Manila and Cebu..... 7,814 7,960

**DESICCATED COCONUT**—Shipments of desiccated for March were high, totalling 3,938 metric tons. Prices in New York ruled unchanged at 8-3/4 cents, but it is expected that these prices will be advanced the first of April to 10 cents April-June shipments. Ceylon desiccated is being offered in New York markets at the equivalent of around 10 cents or a little more after paying duty, thus reflecting the weak position of Ceylon copra in the world market. Local mills are finding less difficulty in obtaining nuts but are still short and local production is handicapped accordingly. With prices in the United States tending to increase, and with the copra prices in the Philippines likely to decrease in a month or two, the position of desiccated copra looks better.

**VEGETABLE LARD**—While it is impossible to obtain statistics regarding the production and distribution of Vegetable Lard in the Philippines, yet there is no doubt that this business has been on the upgrade for the past two years. During the period of high copra prices, however, the cost of this lard has increased to such an extent that retail prices have been out of the reach of the small consumer, and sales volume has declined radically since the first of the year. It is evident that Vegetable Lard, while a substantial business when prices are reasonable, is very much subject to price fluctuation and consequent increase and decrease in demand.

**GENERAL**—Predictions for the future of copra and oil prices are dangerous. We still hold to our belief that supplies will be short for Manila until the middle of the year, but will be considerably better in Cebu. For the second half year we believe supplies will be adequate in both places, although Manila may be shorter than last year. The very weak tendency of the fats and oils in Europe is having its effect on local prices and we anticipate weak markets from now on to the middle of the year with occasional little flurries of no particular importance. For the second half year, we anticipate low prices all around.

Philippine copra producers and oil mills are watching with interest negotiations in Washington between the Commonwealth Government and the Government of the United States looking toward the stabilization of trade relations between the two countries over the next ten years. Coconuts should play an important part in these discussions and the four million people in the Islands interested directly in the coconut industry have the right to have their problems seriously considered and solved in a manner which will allow them to continue to earn a livelihood.

## THE RICE INDUSTRY

By PERCY A. HILL

of Manila, Nueva Ecija

Director, Rice Producer's Association



Rices for both rice and palay have stiffened as predicted in last report. The offerings for luxury grades from P5.30 to P5.75 per sack of 56.5 kilos, with palay of that grade from P2.40 to P2.60 per cavan of 44 kilos. Macans bring from P5.20 to P5.60 with palay of that grade from P2.35 to P2.40. It may be that the increase is premature

as the crop is pretty well disposed of by sales and deposits.

There have been reports of the NARIC reducing price offerings of palay mainly with the idea of disposing of such Saigon stocks as remain unsold. This taken with the buying of palay in distant regions of low production and high transportation charges, all go to show that the Corporation faces the same identical problems as those faced by all business concerns engaged in the industry.

One of the main problems to be solved by the NARIC is in the nature of the quantity x. This is what recovery can be expected for the purchased cereal. This knowledge varies with the region of production, the variety of rice and the growing season and harvest—all inescapable factors—and which this year are entirely favorable. Upon the accuracy of the knowledge depends profit or loss. Five thousand cavans of, say—Inapostol—produced in Tarlac will not yield the same recovery as an equal

D  
R  
Y  
S  
E  
A  
L  
S

**Superior Quality  
Dependable Service**

**RING UP 2-18-01**

the next time you need a Rubber Stamp  
or Dry Seal and our Salesman will call

**McGILLOUGH**  
PRINTING COMPANY

Sales Office: 2nd Floor

101 Escolfa

R  
U  
B  
B  
E  
R  
S  
T  
A  
M  
P  
S