

## Food Products

By E. A. L. Best

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**S**INCE our last report, foodstuff inventories have continued on the heavy side. Some commodities liquidated themselves satisfactorily, but in general, movement has been sluggish. Free cash is definitely tight. This feature is particularly obvious from low provincial returns and seriously causes many indentors to feel the depression seriously. The writer cannot foresee any improvement in this respect until: first, new rice crops are harvested; second, copra shipments in larger volume are resumed; third, better hemp prices abroad are obtained, and, fourth, exporting industries such as ramie, tobacco, rattan furniture, embroideries, etc., are rehabilitated.

It is an unfortunate fact that most Philippine indentors do not have, or follow, a definite buying policy. They are inclined to hoard, and to gamble with their orders placed, en route, and or in stock, rather than to merchandise on a replacement-cost basis. This principle confuses distributors, dealers, and consumers. It should not be long before speculators will realize this market automatically has resolved itself to such a close margin of profits that quick turnover and reinvestment will be the only means by which dividends can be declared.

Momentarily, old established brands of flour are being resold with a small margin of profit. United States manufactured, per 50-lb. bag:

First quality .....	P10 00
Second " .....	9 50
Third " .....	9 00

Unknown brands are offered at losses representing from P2 to P3 per bag, with few buyers. Anticipate lower prices and plenty of flour in the Philippines for at least 6 months hence, or until Mr. Molotov appears to discuss matters.

The milk situation is steady from the United States supplier viewpoint, but vacillating from the Philippine indentors' cost ideas. On July 24, leading American manufacturers increased their prices. Top United States brands are quoted at this writing:

*C. i. f. Manila*—Tall and small sizes — \$7.75 per case (add 5% sales tax to this, plus other expenses and see what your landed cost would be).

Local wholesale Manila prices range from P15.80 to P17.20 per case. Inferior brands are in a lower bracket. June tinned-milk importations were:

	Evaporated	Condensed
1947/1948 monthly average.....	145,133 cases 95,660 "	6,420 cases 21,765 "

Tinned fish appears to be most unstable. Manila holders are reputed to be overstocked, but they should not be alarmed concerning their holdings, for two reasons:

- Opening price announcements in the United States are very high;
- Early Philippine typhoon season will decrease local catch of fish and consequently higher prices will prevail for the imported canned article.

American Chum Salmon in tall tins opened last week, f.o.b. Seattle, at \$21 per case of 48 cans. There will be few Philippine buyers at this price.

Fresh fruits and vegetables from Pacific ports and sources are beginning to be offered in season. There is an inconsistency of offers by sellers and acceptances by buyers. Some buyers are willing to pay \$3 premium more per chest of 32# for grapes (which only cost \$5 in the States) in order to get (possibly immature) product in Manila on the first boat.

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