

Competition was "rough" in 1953 but industry is not discouraged as it plans the new season . . .

SEASON NOW TERMINATING for pesticides and other agricultural chemicals was not a profitable one for the manufacturers or formulators, but that is not going to prove a retardant as far as operations are concerned for the 1954 market. In the phraseology of one large manufacturer, "competition was rough," in 1953, even more so than in 1952, but the low prices and slim profits which resulted will not bring about curtailment.

During 1952 the industry manufactured 417,624,000 pounds of pesticides and other organic chemicals for the farm. Most factors in the trade doubt that business attained that volume in 1953; still, it was not reduced on the scale indicated by the production of the leading base materials.

During the first half of the year DDT

outputs of the industry amounted to 52,587,000 pounds, a 22% reduction from the 67,671,000 pounds turned out during the same period of 1952.

Benzene hexachloride production fell off more than 42%, the six months' total coming to 37,399,000 pounds, compared with 65,241,000 pounds during the same time last year.

It is hardly likely that sales of insecticides dropped anything like 22 or 42%, due to the fact that inventories of basic materials as well as of formulations held over from the previous season were drawn upon. It is reported that unsold stocks from the season just ended will also prove sizable.

Industry Accustomed to Sales Uncertainty

Two disappointing seasons for agricultural pesticides in a row have naturally led to much complaint and dissatisfaction, much of which is coming from those which are new in the business. The older established firms take such things in their stride and are accustomed to spasmodic buying and the uncertainties of insecticide infestation. There are no ambitious expansion plans in the insecticide business at this time, but facilities which have been built will remain in place and new product development has not been discouraged.

In this respect, to use the picturesque language of one of the veterans in the business, insecticides are something like a fire department. The facilities are not curtailed or dismantled because there are no fires, and you just cannot stay in business with empty bins. Manufacturers, especially those who have entered this activity in recent years, will have to get used to spot buying and to buying spurts of short duration.

Pesticide Volume Sizable Last Year

There is a tendency to overstate demand at times in the pesticide industry as well as to underestimate actual sales when conditions are not good. The final figures of the Tariff Commission for 1952 would indicate that from the standpoint of production and sales, some divisions fared quite well. The output of herbicides and hormones in that year came to 71,676,000 pounds, against about 50

million in 1951, indicating that the promotional efforts of the companies in this field were effective.

Insecticides in that same year, 1952, suffered, of course, from drouth conditions that were severe in degree and duration. Actual insecticide outputs totaled 253,762,000 pounds, for items in the cyclic and acyclic groups. This was a material drop from the 318,600,000 pounds turned out during the year before.

Final data on insecticide sales tell about the same story. They amounted to 201,476,000 pounds in contrast to the 246,735,000 pounds that were actually sold during 1951.

Thus we find that insecticide production was reduced almost 65 million pounds last year while sales dropped, on the basis of these figures, a little more than 45 million pounds.

More than one manufacturer is of the belief that prices for pesticides have about reached their low point, and that with the season at an end no advantage could be had from further price reductions.

As to the new season, price schedules will be prepared during October and it would be idle to speculate as to what these will contain. While they may recognize the competitive situation, there is little reason to believe that pesticide prices will be subjected to further drastic slashing.

Spencer's Sales, Profits Highest on Record

Spencer Chemical Co. reports the highest net income in its history for the fiscal year ended June 30. The total was \$4,661,177, compared with about \$4.2 million for the previous fiscal year. Net sales were also the highest in Spencer's record—\$30,837,455, compared with \$28,771,733 for the previous year.

Spencer is now pushing its expansion program, largest item of which is the anhydrous ammonia and ammoniating solutions plant at Vicksburg, Miss. This plant is expected to be completed this fall. Another large project is the expansion of the facilities at the Henderson and Jayhawk Works. Spencer is also constructing a polyethylene plant at Orange, Tex.

Research expenditures by the company last year were given as \$973,951, or about 3% of sales. Chemical research personnel increased by 20% during the year and plans are being pushed for a new central research laboratory at the Jayhawk Works.

ENGINEERING

— DESIGN —

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Triple Superphosphate

Nitric Acid Attack
of
Phosphate Rock

Ammonium Sulphate
from
Gypsum

Granulation

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