

## Decline in Agricultural Exports Continuing

Chief factor in agricultural surpluses, declining exports follow downward trend in overseas aid

**E**XPORTS of American agricultural commodities last year were at the lowest level since the war. From returns on the first six months of this year, indications are that the decline is continuing.

During the 1952-53 crop year the value of agricultural exports was 30% below the preceding year and about 20% below the five-year average 1945-52. The sharp decline in exports has been blamed as one of the major factors contributing to the surplus problem.

The high levels of exports of agricultural products following the war were, in many cases, due to American aid funds. Thus the dollar values, although high, were actually paid for by the U. S. At the peak of ECA in 1948-49 about two thirds of the farm exports were being underwritten by American funds. However, in 1952, these funds accounted for only about a seventh of the total value of exports.

The decline over the past 12 months has not been restricted to any commodity category. Cotton has been perhaps the most sharply hit—from 6.1 to 3.1 million bales, a drop of almost 50% in one year. Wheat exports have fallen by 33%, while lard and tobacco have declined 37 and 16%, respectively.

The exports decline has become a widespread problem for the American economy. Total value of all exports is below expected levels for the first six months of this year. Farm commodities have been among the most severely hit. This reflects a trend which has been developing since the end of World War II, a steady decline in the value of agricultural commodities in comparison with other exported goods.

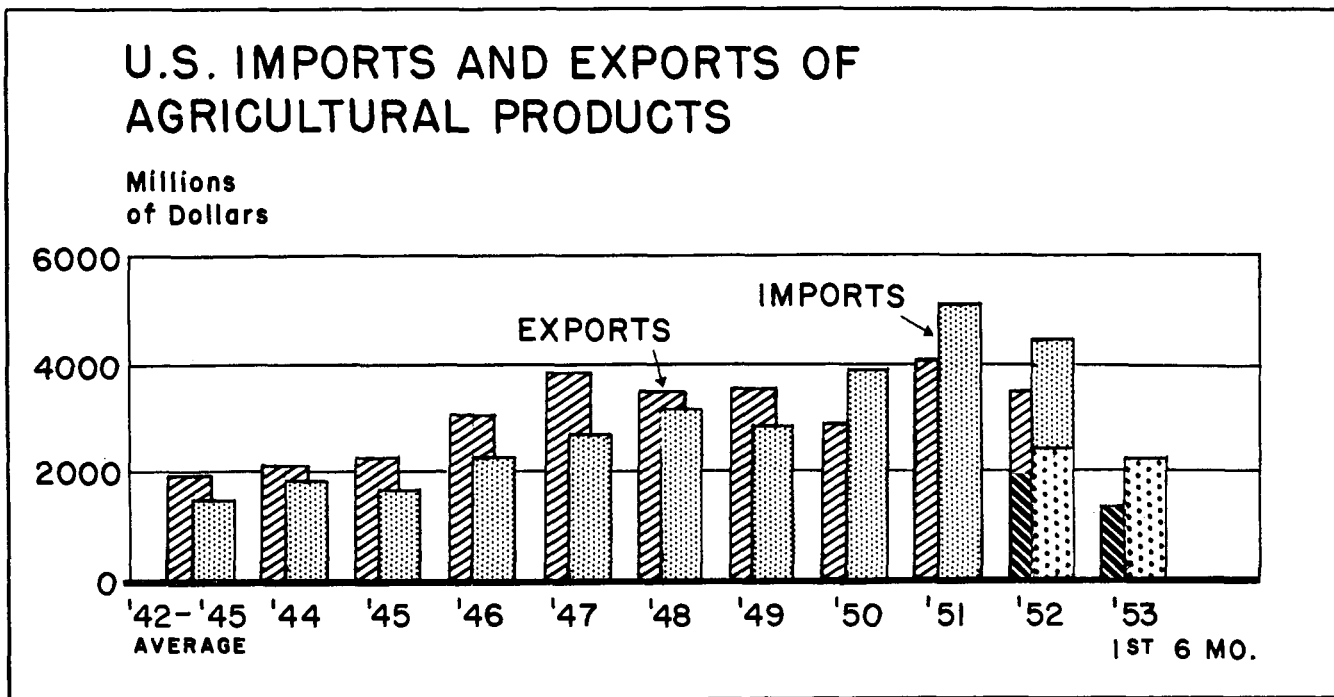
Although exports of farm commodities were 30% lower last year than in 1951, exports of nonagricultural products gained between 5 and 10% over the pre-

ceding year. Much of the increase in value of the latter exports can be explained by increased shipments of military goods sent overseas under the Mutual Security Program, which increased almost \$2 billion over 1951.

Western Europe remains the principal market for our agricultural commodities; however, it has shown a marked decline, not only in dollar value but in relation to other markets for these commodities. Before the war that area accounted for about 80% of the exports from American farms. Last year the figure was 40%.

On the other hand Asia and the Western Hemisphere have increased in their relative importance as export markets. The value of the eastern exports, however, includes shipments made under relief programs to famine-stricken areas. In the Western Hemisphere the situation is more encouraging. Canada has surprisingly become an increasingly important customer for American agricultural products.

The future for American export markets in general, including agricultural



commodities, is dependent upon the dollar reserves of overseas nations and the extent to which the peoples overseas increase their standards of living and create greater demands for food.

Many economists seem to be agreed that the dollar shortage is the limiting factor in the expansion or contraction of overseas markets for American products.

In the last analysis the only way for potential buyers overseas to obtain the means of purchasing our products is to acquire capital, dollars. They can only acquire dollars by selling to the U. S. Immediately following the war, overseas buyers were receiving a steady supply of dollars from the U. S. not by sale of goods and services but rather by gifts and loans from the American Government. Recently there has been a decline in the value of these dollar gifts to foreign nations. Increasingly they are being expected to get their own dollars through the channels of international trade.

There has been a steady increase in the buildup of dollar reserves obtained by

trade in foreign nations and in many cases these nations are in a position to buy American farm products. However, this increase in dollar reserves has in many cases coincided with increased agricultural output. From the postwar "seller's market" for food, international trade has moved to a situation where a "buyers' market" now exists. In most cases the prices on U. S. commodities are above the prices on the same commodities in other countries. In this situation many of our potential foreign customers have found cheaper sources for food imports, preferring to spend their dollar reserves for commodities which can only be obtained in the U. S.—for example, machinery. In some nations the import of American agricultural commodities is restricted by government control.

Faced with this problem the U. S. Government has established a bipartisan commission to study the general problem of foreign trade and export markets for American products. The incongruity of agricultural surpluses can only be solved by increasing overseas markets.



Cloud of dust which attends handling of mixed feeds is eliminated by proper incorporation of 1 to 3% animal fat, says E. E. Rice of Swift. Sample bottles show how color of ordinary poultry feed (left) is heightened by presence of fat

## Use of Fats in Animal Feeds Promises to Relieve Fat Surpluses

Studies indicate animal fats in feeds can increase feed efficiency by 10%

CHICAGO.—The meat packing and rendering industries appear well along the road toward solving one of their own biggest headaches. The problem: mounting surpluses of inedible fats, caused chiefly by heavy inroads of synthetic detergents in soap markets, traditionally major outlets for animal tallow. The possible solution: "recycling" the inedible fats by mixing them into animal feeds as partial replacement for feed grains or other nutrients.

Use of animal fats in animal feeds has risen rapidly during the past few years, and interest in the development led to the scheduling of an entire half-day session on the subject at the 27th fall meeting of the American Oil Chemists' Society held here Nov. 2 to 4. Stage for the discussion, devoted primarily to research and development aspects of the problem, was set by H. R. Kraybill of the American Meat Institute Foundation, who presided at the Tuesday afternoon session. About 2.5 million pounds of inedible tallow and greases will be produced in this country in 1953, Kraybill said; the efficient utilization of these fats is of importance to the entire national economy, since profit or loss on by-products in the mammoth meat packing industry strongly influences prices consumers pay for meat products, prices and production rates for

livestock producers, and profits—or losses—for the meat processing industry itself.

In 1952, said Kraybill, there was a surplus of about 777 million pounds of animal fats in this country. A recent study (AG AND FOOD, July 8, page 552) of production and utilization trends indicates that by 1957 there may be an annual surplus of 1.1 billion pounds, with the prospect that that level of surplus might be maintained for several years. If research can uncover new uses for these surplus fats, observed Kraybill, it would certainly provide a "much more effective and economical method of alleviating the price-depressing effect of surplus agricultural commodities than the method of purchase and storage by the Government." Actually, research results reported at the Chicago meeting indicate that by using fats in various animal feeds probably the entire surplus could be efficiently utilized by the meat-producing industry itself.

Current price trends of low-grade animal fats make them competitive with corn for poultry feed, for instance, when considered on a calorie-cost basis, according to M. L. Sunde of the University of Wisconsin. Previous work had indicated that up to 8% can be fed to hens without decreasing egg production,

or to broilers without adversely affecting growth rates, Sunde said. More recent experiments at Wisconsin have shown, he added, that feed efficiency actually can be improved about 10% in broiler mashes through the addition of animal fats, although no consistent improvement in growth rate was observed. With turkeys, addition of low-grade animal fats in starter mashes improves both efficiency of feed utilization and rate of growth. With an estimated 29 million tons of feed to be used by the poultry industry during the current feed year, Sunde observed, it is evident that incorporation of even a 2 to 5% portion of fats in the feed would account for a healthy share of the fat surplus.

In studies with poultry and dog rations initiated some four years ago, reported B. S. Schweigert of American Meat Institute Foundation, it was found that addition of 4% of stabilized animal fat to dog diets gave results comparable to or better than those with basal rations in terms of growth rate, food and caloric utilization, maintenance, reproduction, and lactation. Studies with chicks raised to broiler age (10 weeks) similarly showed that up to 8% added fat is efficiently utilized. While there is evidence that the presence of fat in the diet does affect the composition of deposited fats in the animal carcass, said Schweigert, there is no detectable change in flavor of the meat produced with fat-added diets.

Feeds for beef cattle offer one of the most promising and potentially the largest outlet for surplus fats, according to J. Matsushima of the University of Nebraska. Preliminary feeding tests, he said, have shown that beef tallow administered in the form of pellets