

Cottonseed Oil to Get Large Share of Margarine Market

Definite trend under way in 1954 — production controls and price supports controlling factors in shifting market

HOUSTON.—In 1953, margarine production reached a record 1292 million pounds, contributing about one sixth of the food fat calories and one half of the food fat vitamin A to the national diet, states S. F. Riepma, President of National Association of Margarine Manufacturers. Nearly 300 million pounds of crude cottonseed oil were utilized in margarine last year, the second largest consumer of that oil, Riepma reported at the annual meeting of the National Cottonseed Products Association meeting here May 10 and 11. Margarine manufacturers normally buy about 25 to 30% of cottonseed oil produced. However, cotton oil's share of all margarine fats and oils consumed declined in 1953 from previous years—275 million pounds were utilized, as compared with 453 million in 1948 and 1949.

There has now been a definite trend in the margarine industry for some months toward greater utilization of cottonseed oil. Some trade estimates believe this will be as high as a 100% increase over last year. Although Riepma thinks it is too early to forecast definitely, he predicts that oil from cottonseed will earn a considerably larger share of the margarine market than it has for some years. Such forecasts depend heavily on govern-

ment controls and supports. Market position of cottonseed and soybean oils is constantly changing. Developments are leading many manufacturers of margarine to provide for interchangeability between oil from cottonseed and soybeans to keep in step with prices. (AG AND FOOD, April 28, page 448).

Other factors may affect both the margarine and cottonseed oil industries. Adoption of a surplus butter sale plan would cut heavily into the cotton oil and margarine market. At this time, states Riepma, the Government has on hand some 365 million pounds of butter; 935 million pounds of cottonseed oil; and 400 million pounds of cheese, peanuts, and olive oil. Expressed as edible food fat (calorie energy) these stocks are equivalent to nearly a year and a half of margarine production. Cottonseed oil stocks alone would supply about 750 million pounds of margarine—nearly two thirds of last year's production record. If the Government disposed of butter stock in a single year, while continuing current purchase of an estimated 300 million pounds, it would be necessary to sell approximately 56 million pounds of butter a month in addition to "regular" commercial sales. Consideration of this problem confronting the Government is

important in any forecast of the margarine and cotton oil industry.

Is margarine growth approaching limits? Riepma believes not. He predicts consumption of margarine probably will be above that accompanying our 3% annual population increase. Last year's 7.9 pounds per person was a gain of 30% over 1950, while average butter and margarine consumption (combined) was only 16.7 pounds per person, almost a record low. Total use of the two vitamin A spreads was more than 400 million pounds below the 1940 level. A public feeling exists that fats themselves are in some way harmful. On the contrary, observes Riepma, they have an important place in proper nutrition, and margarine is one good economical source.

Price Supports. Concern was expressed by the industry over the current cottonseed price support program. T. H. Gregory, association vice-president, reported that in 1953 cottonseed oil consumption was up 35% over the previous year. His forecast for the coming season was not so favorable. The 1954 crop will be supported again at 75% of parity, while soybeans are at 80%. Considering that products from processing a ton of soybeans have a higher value than those from a ton of cottonseed, a possible 350 million bushel soybean crop could send the bulk of this year's cottonseed crop to government storage. Since early 1952, 1372 million pounds of cottonseed oil, over 1.8 million tons of cottonseed meal, and over 1.2 million bales of linters have been bought by Commodity Credit. Gregory says that as these quantities went into government storage, other fats and oils, protein feeds, wood pulp, rubber, and competing materials absorbed potential markets. He noted that when cottonseed parity was 15 points below soybeans, a substantial share of cottonseed products was still purchased by the Government.

A. L. Ward (left), National Cottonseed Products Association, points out highlights of NCPA's educational program to S. F. Riepma, president of National Association of Margarine Manufacturers

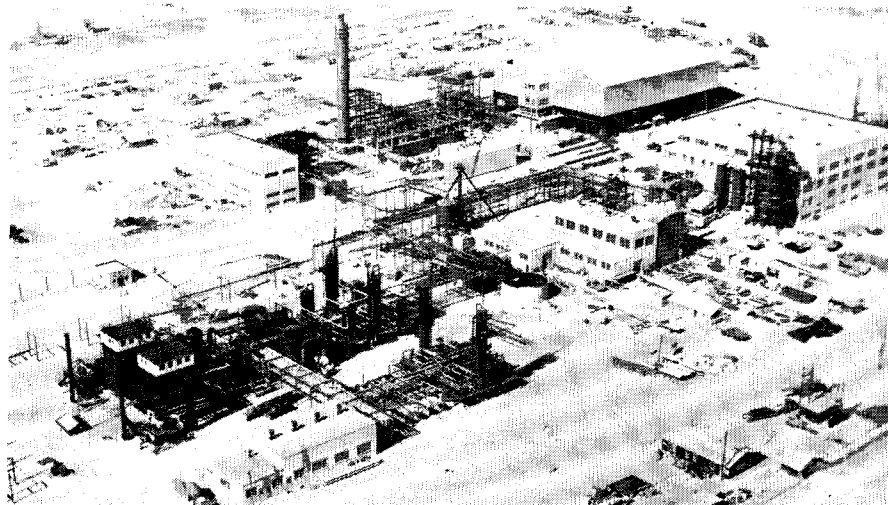


Industry

Nitrogen Division's Plant At Omaha in Partial Operation

Ammonia production facilities at Allied Chemical & Dye's new plant near Omaha have been completed and ammonia is now being shipped from the \$25 million plant. The plant will also make urea and those facilities are expected to be finished soon.

Hugo Reimer, president of Allied's Nitrogen Division, attended a luncheon of the Omaha Chamber of Commerce on May 18 to celebrate the plant opening and Chemical Progress Week. Mr. Reimer said the new plant was the first of its kind in the north central agricultural area and that "we like to think of



Aerial view of the new ammonia and urea plant of the Nitrogen Division, Allied Chemical & Dye. Gas reforming and carbon dioxide removal areas in the center, with ammonia production facilities beyond that. Installation at upper right is the urea synthesis section

it as only the beginning." Officials of Catalytic Construction Co. and the Girdler Corp., principal construction contractors at the plant, also attended the celebration.

Productive capacity of the plant is 61,700 tons of nitrogen annually, produced as 110,000 tons of urea and approximately 7500 tons of anhydrous ammonia. Some of the latter will be mixed with urea as urea-ammonia solution for use in making mixed fertilizers.

Location of the plant in Omaha is expected to supply midwestern growers with nitrogen fertilizer at much lower costs, including freight, than plant locations in Mississippi, Arkansas, Texas, and Louisiana.

I&MC Opens Fertilizer Mixing Plant at Clarksville, Tenn.

International Minerals & Chemical Corp. has opened its new fertilizer formulating plant in Clarksville, Tenn. The plant has a capacity for formulating 20,000 tons of dry mix fertilizer a year. Phosphate, potash, and nitrogen carriers are brought in from the outside. J. H. Whiteside has been transferred from Tupelo to Clarksville as plant superintendent. James H. Sibley will serve as sales manager for the plant.

Monsanto Opens Radioactive Tracer Lab for Animal Feed Work

Monsanto has installed a radioactive tracer laboratory in the research department of the organic chemicals division to study utilization of feeds by animals. The effect of feed supplements on growth and nutrition will be particularly concerned. The laboratory is also to be used in determining how organic

insecticides and herbicides kill insects and weeds. Chemical reactions involved in manufacturing Monsanto products will also be studied.

The new laboratory is part of the company's recently relocated animal nutrition laboratories.

Philipp Bros. to Handle Export of Udet Surfactants, Ag Chemicals

Universal Detergents, Inc. has appointed Philipp Bros. Chemicals, Inc. to handle export sales of its Udet F surfactants and agricultural chemicals. Philipp Bros. already handles sales and distribution of those products in the eastern U. S.

Research

NRC Issues Recommended Dietary Allowances

The 1953 revision of the Recommended Dietary Allowances has been issued by the National Research Council. The allowances are prepared by the Food and Nutrition Board of the NRC, and are generally accepted as dietary standards for the U. S.

The Food and Nutrition Board first accepted the responsibility for these standards in 1940. The first standards were published in 1941, with revisions appearing in 1945 and again in 1948.

The NRC emphasizes that the values presented are the recommended allowances and not to be considered as absolute standards. The allowances are intended to serve as guides for good nutrition of healthy persons in the U. S. The NRC standards differ in several respects from the dietary standards proposed by the Committee on Nutrition of the British Medical Association, and

those of the Canadian Council on Nutrition. The Canadian standards approach minimal requirements, the British standards are based on maintenance of good nutrition in the average person, while the NRC standards are those which should provide good nutrition for substantially all persons.

Copies of the 1953 revision of Recommended Dietary Allowances are available from the National Research Council, Washington, D.C., for 50 cents.

People

USDA Honors Employees

The Department of Agriculture has singled out nine of its employees for distinguished service awards, and 84 employees and 13 work units for superior service awards. The presentation was made by Secretary Benson at ceremonies in Washington on May 18, for which Vice President Nixon was the speaker. Among those receiving distinguished service awards were:

Esther L. Batchelder, assistant chief, human nutrition branch, Agricultural Research Service, for developing methods for improving and using dehydrated and home canned foods during World

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