

Ag and Food NEWSLETTER

Cominco Comes South

INDICATIONS ARE THAT CONSOLIDATED MINING & SMELTING is ready to select one of four possible sites in Washington and Oregon to build its first production venture south of the border. Unconfirmed but reliable reports are that Cominco plans to put \$20 to \$25 million in facilities to produce 200 to 250 tons of anhydrous ammonia daily and 100 to 150 tons of urea. Ammonia-concerned people are wondering what effect Cominco's decision will have on Columbia River Chemicals' recently announced intention to build an ammonia and urea plant at Pasco, Wash. (AG AND FOOD, May 26, page 538). Columbia River and others have been thinking in terms of residual oil as hydrogen source for ammonia production in the Northwest, or at any rate until natural gas becomes available. But Cominco is thought to be working out arrangements for a power tie-in from Canada with the Bonneville power grid so that it can take advantage of low-cost Canadian power and get hydrogen from electrolysis of water, as it does at Trail, B. C.

And Another

ANOTHER COMPANY PLANS AN AMMONIA PLANT on the Canadian side of the border. New British Dominion Oil Co., Ltd., of Calgary, announces that it formed a new company, Northwest Nitrochemicals, Ltd., which will build an \$18 million plant in southern Alberta to produce 100 tons a day of anhydrous ammonia, ammonia solutions, and ammonium nitrate and phosphate. Other participants in the project are officials of West Coast Transmission Co., Pacific Petroleum Co., and Ford, Bacon & Davis (New York engineering firm). Raw materials are to come from the New British natural gas reserve at Etzikon field in Alberta. Financial arrangements are not complete and the exact plant site has not been announced.

Nitrogen Division Doubles

ALLIED CHEMICAL & DYE's Nitrogen Division has announced plans to double nitrogen capacity at its just-completed Omaha, Neb., plant. Capacity there is now 61,000 tons of nitrogen a year. Facilities for manufacture of various ammonia and urea fertilizer solutions are also to be installed. Construction is to start as soon as necessary natural gas supplies are assured. Expansion is the order of the day for the Nitrogen Division, which is upping capacities also at its Hopewell, Va., and South Point, Ohio, plants.

Japanese Ammonium Sulfate

DOMESTIC AMMONIUM SULFATE PRODUCERS, already up to their ears in problems of overproduction, foreign imports, and pricing, are not happy about recent reports that Japanese production of ammonium sulfate is increasing. They fear that Japanese ammonium sulfate will undersell European products in Far East and that European producers will send the displaced ammonium sulfate to U. S. Japanese have advantage in lower freight rates in that part of the world and can also sell ammonium sulfate cheaper at the plant. Increased Japanese production is said to be produced synthetically and from coke-oven gases.

Drought Problems

DROUGHT, widespread this year, is causing disaster predictions, some of which may be somewhat exaggerated. In corn, for example, there is damage, and many farmers will be hurt, but the general picture is not one of major setback productwise, because of stored surplus. Worst drought in Iowa and Illinois, it appears, is south of major corn areas. Soybeans, more drought resistant, are more prominent than corn in the drought areas. Recent rains along Texas Gulf Coast helped, but some feel they were too late. Rice has been hurt, particularly where farmers didn't have their own water resources.

Emergency Called

ILLINOIS AGRICULTURAL ASSOCIATION concurs with Gov. Stratton's recommendation that 41 southern counties of that state be declared drought emergency area. This means more liberal handling of Farmers Home Administration loans. There is no request, as yet, for direct relief funds. As of July 24, three counties in Illinois have estimated over-all agricultural damage of 50 to 75% while a number have 25 to 35%. Good rains during first 2 days of August have cheered farmers considerably. Effect on agricultural chemicals sales, not seen as substantial, will be most noticeable in areas suffering second or third successive dry year, where farmers' cash or credit position may not be too good.

Coffee Battle

HARSH WORDS are being passed between the New York Coffee and Sugar Exchange and the Federal Trade Commission over the latter's report that the coffee price spiral of 1953-54 "cannot be explained in terms of supply and demand." According to FTC, more than the July 1953 frost in Brazil entered the picture: There were "market imperfections and restraints and trading irregularities." Among those listed: inadequate crop reporting, speculation on the Exchange by both Brazilians and Americans, the "restrictive contract" used in future trading. The Exchange denies categorically the charges, claims many statements scurrilous, says it was not questioned on these matters, and suggests a smear intended to further government control.