

# Ag and Food NEWSLETTER

## Farmers Hit 20 Year Low

NET FARM INCOME as a proportion of gross income hit a 20 year low for the nation's farmers last year, according to figures released recently by the Federal Reserve Bank of Cleveland. Not since 1934 have farmers retained a smaller percentage of their gross income. Technical improvements, mechanization, fertilizer, and weed control have brought about a 35 percent increase in output per man over the past 10 years. Farmers' production expenses have outstripped rise in output attributed to technological advances.

## Ammonia Goes North

SYNTHETIC AMMONIA PRODUCTION is gradually moving northward in the midwest. New 300-ton-per-day plant to be built jointly by Standard Oil (Ind.) and Sinclair will be first in Chicago area. Nearest plant now under construction is National Petrochemical in central Ill. Ammonia plants have tended to cluster in area northward from Gulf Coast through Kansas, Missouri, and Southern Illinois and along the Ohio River. Standard-Sinclair plant and Allied's unit near Omaha, Neb. will constitute the "Northern Frontier" of ammonia in the midwest.

## Excess Ammonia?

NITROGEN EXPANSION got some comment from a government spokesman two weeks ago. Wesley Koster, of Commerce Department's BDSA told the American Coke and Coal Chemicals Institute that on the basis of existing figures it is clear that one of the following alternatives will occur by 1957: (1) consumption will increase by as much as one million tons over 1953-54, (2) national output will drop below expected capacity in order to avoid surpluses, or (3) some of the planned construction will not be completed as soon as visualized. USDA estimated increase in agricultural consumption between 1954 and 1957: 117,000 tons a year. Koster's suggestion to ammonia makers—direct application forms for fertilizer look good as market developers.

## Fertilizer Situation 1954-55

FOR 1954-55 USDA PREDICTS a 5% increase in supply of plant nutrients over '53-54. Estimates: nitrogen up 8.9%; potash up 7.6% and phosphate steady. Anhydrous ammonia for direct application accounted for 17% of total N last year. It is expected to rise to 18%. Solutions for direct application are expected to rise from 2%, '53-54, to 3% in the year ahead. Continuing trend toward concentrated superphosphate is predicted.

## Politics and Compliance

"ON-AGAIN, OFF-AGAIN" ACREAGE CONTROL and cross compliance program is not being dictated by political considerations, says Agriculture Secretary Benson. The severe program of limiting wheat acreage, coupled with restrictions on the use of diverted acres, was softened considerably by Benson on Sept. 15. Now many farmers can plant whatever they choose this fall, with the exception of wheat, and still be eligible for price supports. Some spring crops still remain on the cross compliance list but they may be removed before planting time. Chief reason for easing compliance provisions was the "spreading drought," according to Benson. Other observers believe protests by farmers and election year considerations had something to do with the decision.

## Chemicals and Health

EFFECTS OF CHEMICALS in human health would be the objective of a research center proposed by William Foster, president of the Manufacturing Chemists Association. Speaking before the Seventh Industrial Health Conference, Foster said a committee of leading executives and scientists is being organized by the MCA to study the proposal. Objective envisioned by Foster: an independent research center not controlled by the Government or a segment of the chemical industry, but endowed by industry funds.

## Packaging Films From Cornstarch

COMMERCIAL PREPARATION OF A PLASTIC FILM from corn starch fractions may be approaching. Several years ago it was demonstrated that amylose, the linear fraction in cornstarch, could be made into a film potentially suitable for food packaging. Now a new corn hybrid has been developed at the USDA Northern Regional Research Laboratory. It contains 55 to 60% amylose, ordinary corn contains about 25% amylose. Economic starch fractionation has been big drawback to starch films and although new hybrid is still short of commercially practical amylose level it may mark a significant intermediate step toward higher amylose corn. Major advantage of amylose film would be fact that it is digestible; many other films such as cellophane are not.