

The International Situation in Oilseed Crushing

*Summarizing Reports from Worldwide Sources to
The International Conference of Oilseed Crushers*

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THE International Association of Seed Crushers recently held at Hamburg, Germany, their Annual Convention which was attended by seed crushers, brokers and shippers from all the important seed producing and crushing countries of the world, with the exception of the United States. The Congress was presided over by Mr. John W. Pearson, of the British Oil and Cake Mills, and Mr. F. Phillippart, Vice President of the Grandes Huileries de Bordelaise. Resolutions were passed advocating changes in the existing contracts between shippers and buyers, and considerable time was given to the discussion of elimination of competition between the crushers. At the present time, the Margarine Union, with its numerous crushing plants in various countries, wields an important influence in the matter of price, although there still exist a large number of smaller crushers whom the Union desires to have come into line. The delegates of the countries represented submitted reports as to the conditions of the oilseeds trade in their respective countries. While every European country, with the exception of Great Britain and Switzerland, showed a considerable increase in crushing operations during the year 1929, as compared with 1928, crushers felt that their profits were not proportionate to the volume of business transacted. At the present time, the low price of oilcake is a disturbing factor and nothing can be hoped for in this respect, until the price of grain is on a better footing. The increase in production of oilseeds was given as the reason for the low price of the raw materials.

Extracts from the reports of the delegates of the countries represented were as follows:

Report from Belgium

THE imports of seeds show a slight increase on those of the previous year. Whereas in 1928 we have imported 213,821

tons,* the total for 1929 is 220,774 T., an increase of roughly 7,000 T.

To this should be added roughly 25,000 tons of home-grown linseed.

The imports of oils exceed the exports by about 30,000 tons. In 1928 the difference was about 20,000 tons. Our imports of cake have exceeded our exports by 108,000 tons, as against an excess of 109,000 tons in 1928.

The census of cattle shows that the number has dropped from 1,750,541 in 1928 to 1,738,348 on December 31, 1929, a decrease of 12,193 heads of cattle. The national Index Figure has risen from 852 to 897. Workmen's wages have been increased proportionately.

Crushing costs show an increase over the 1928 figures. We give below the average of those which have been communicated:

(a) Milk Costs	18.30
(b) Office & Administrative	6.75
(c) Depreciation	3.05

Belgian Frs. 28.10 per 100 Kilos.

Transmission taxes and costs of sale have not been included in above.

Report from Denmark

ACCORDING to the official Danish statistics the foreign trade of Denmark in 1929 and 1928 shows the following comparative figures:

	Export			Import Surplus Mill Kr.
	Import Mill Kr.	Home Prods. Mill Kr.	For. Prods. Mill Kr.	
1929	1,792	1,610	97	85
1928	1,734	1,541	112	81

As will be seen from these figures, an increase can be registered in both the import and export trade of the country. As regards oilseeds the total import in 1929 was 390,123 tons, as against 366,043 tons in 1928.

During the first three months of the year transactions in our line of business were seriously hampered by the then prevailing ice situation, and towards the end of the year

* (N.B. All quantities expressed in T. of 1,000 Kg.).

* U. S. Foreign Trade Commissioner at London. Widely-known Authority on World Trade in Oils and Oilseeds.

the worldwide depreciation in the grain and foodstuffs market made itself felt. However, the year under review can as a whole be classified as fairly satisfactory from the point of view of the oilmillers. There has been no labor conflict of any importance in 1929 in Denmark.

Report from Egypt

THE quantity of cottonseed crushed during 1929 was 232,000 tons, as against 194,600 tons during 1928. The Oil produced was 39,400 tons, of which 11,950 tons were exported. The Cake produced was 190,200 tons, of which 182,700 tons were exported, and about 8,000 tons consumed in the country.

The cottonseed exported amounted to 370,500 tons, as follows: United Kingdom 331,600 tons, Continent 39,900 tons.

The "Crushing Margins" were maintained although being on the small side, while the quantity crushed in Egypt has greatly increased from 80,000 tons during 1913, to 232,000 tons during 1929, being a record year. Egypt is expected to increase its crushing owing to the New Tariff, which will slightly reduce the cost of crushing. The past year was marked by a continuous and smooth working, without any trouble whatsoever.

The Cotton Crop was abundant last year, the acreage having increased, owing to the Irrigation Scheme being extended and improved. The total yield of cotton was about eight and a half million cantars. The past winter was notable for the great difficulty experienced by all crushers in disposing of their cakes. The prices sagged away much below pre-war level, and stocks were accumulated in every mill all over the world. Consequently, the prices for cottonseed went down from £12 per ton in September to £7 during the winter. Cottoncake prices, which were over £7. 5. Od. in September, went down as low as £4. 10. Od. in order to find a sale.

The great financial crisis which started in America during the autumn soon spread over Europe, and finally reached Egypt. The Government attempted to rescue the situation by the purchase of large quantities of cotton on the open market, which contributed towards the stabilization of prices.

The Egyptian Government formerly charged 8½ per cent. Ad Valorem on all imported goods. On February 16, 1930, however, they adopted a more modern scheme, under which all articles are classified, and pay scheduled tariffs. As regards vegetable oils, the old duty of 8½ per cent. would represent about £3 per ton, while at the new rate it is a fixed duty of £6 per ton. The local soap industry

will greatly benefit from the duty, and is expected to increase its production to the detriment of imported soaps. There are no statistics available giving the actual tonnage of soap manufactured in Egypt, but as near as can be estimated, it is somewhere about 20,000 tons per annum at present. The imports of soap during 1929 were 8,746 tons.

The Government has brought relief to all the industries of the country by reducing the duties on materials such as coal, presscloth, barrels, tins, sacks, machinery, etc. The "Trade Balance" for 1929 represents a total import of goods valued at £56,089,512, against £51,751,994 exported. The cotton exports represent about 80 per cent.

We hope and believe that Egypt is about to witness the dawn of a new era of progress, under which, by means of increased opportunities for both capital and labor, a greater wealth and prosperity will accrue not to the industrial world alone but to the whole community.

Report from France

THE year 1929, from the point of view of the French oil industry, must be considered as marked by two principal influences. The first has continued for several years, and consists of the increase of peanut oil which is tending to become in a large measure the type of the French oil industry, of which it represents a growing proportion which at the moment is about 60 per cent. The other influence is unfortunately a new factor which is not confined to France. It is the difficulty of selling the cakes at a normal price with, as a consequence, a growing pressure on the prices of fats imported or of other articles, the prices of which are not governed so directly by the prices of cakes. The causes are the same everywhere: a series of good crops, fall in the prices of cereals, feedingstuffs, etc. The prices of olive oil, tallow, palm oil, etc. have caused a difficulty for the oil crushing industry during the second half of 1929, necessitating a slowing down of the mills and the disappearance of margins of profit. Unfortunately, it seems almost certain that this state of things will continue into 1930.

During the year 1929 France imported a total quantity of 1,194,653 tons of oilseeds. This tonnage considerably exceeded that of 1928—1,116,601, and it is superior to that of 1913—1,090,000.

The import of peanuts in shell, although superior to that of 1928, does not reach the tonnage of preceding years; but, on the other hand, the increase in the import of decorticated

peanuts is considerable. With regard to all the other kinds of seeds, we note a slight extra value, which confirms the positions taken in 1928.

In short, the imports of oils and fats were 122,894 tons in 1929, against 133,443 tons in 1928; whilst the exports amounted to 107,683 tons in 1928, against 109,104 tons in 1929. The difference between the imports and the exports, therefore, amounted to 13,790 tons in 1929, and 25,760 tons in 1928.

The Index figure for the cost of living changed in 1929 from 547 during the first three months to 565 during the last three months, whilst the average in 1928 was 519.

Wages were for the oil industry, as for the most part of production, based exactly on the modifications in the cost of living as indicated by the Commission Prefectorale, that is to say, they varied considerably in different districts. It is the same thing in the case of the cost of other items of production, such as machinery, transport of raw material, etc., which vary considerably according to the district in which the mill is situated. One can say that the price of manufacture varies from 25 to 30 francs per 100 Kilos of seed, according to the nature of the latter, and, as we have just said, according to the district.

Report from Germany

DURING the year 1929 the crushing of oilseeds and nuts in Germany rose from 2,460,000 tons to 2,585,800 tons, that is 5.13 per cent. The production of vegetable oils and fats rose from 796,568 tons in 1928 to 824,489 tons in 1929, i.e. by 27,921 tons, or 3.51 per cent. The production of oils and fats and oil cakes from the inland crop is not included, as it is unimportant. For the year 1929 the inland crop of rapeseed and rubsen is estimated to be about 12,000 tons.

The import of oils and fats rose by 6,615 tons, the export by 49,350 tons, whilst the consumption in the country decreased by 14,815 tons. For 1929 the import amounted to 106,588 tons, the export to 236,675 tons and the consumption about 694,400 tons against 99,973 tons, respectively 187,324 tons, respectively 709,217 tons in 1928. The figure for export includes those oils and fats manufactured in Germany for account of people in other countries.

The production of oilcakes rose to 1,680,000 tons, against 1,583,790 tons in 1928. The imports increased from 546,622 tons to 554,651 tons, i.e. by 8,029 tons or 1.47 per cent.; the exports from 441,221 tons to 467,148 tons;

i.e. by 25,927 tons, or 5.88 per cent. The quantity available for inland consumption rose from 1,689,193 tons to 1,767,525 tons; i.e. by 78,332 tons, or 4.64 per cent.

The oilcakes available for the demand in Germany are apportioned among the various kinds as follows:

	1929	1928
Soya meal	680,500 T	560,000 T
Peanut Cakes	368,400	398,000
Linseed Cakes	243,300	282,000
Copra Cakes	153,000 }	266,000
Palm Kernel Cakes	160,900 }	
Cottonseed Cakes	68,600	83,000
Sunflower Cakes	43,200	40,000
Others	49,000	61,000
	1,767,500	1,690,000

Report from Sweden

ECONOMIC and industrial conditions in Sweden during 1929 may be characterized as very favorable. The development in most industries has been favorable. With regard to foreign trade, all previous records have been broken.

Agriculture in Sweden, as well as in most other countries, has had a discouraging year owing to the falling prices in connection with the agricultural world-crises. After the various labor conflicts had been settled in 1928 peace has (with one exception of relatively small importance) been preserved throughout the year 1929, and until the time of writing. As this is written, however, strike has been declared in the wood pulp and paper industries, affecting about 14,000 workers.

With regard to labor, unemployment last year showed a record of low figures. Owing to the climatic conditions a seasonal variation is always to be reckoned with. The number of applications for work to 100 vacancies at the official labor exchanges was for January 1929, 241, and fell to a minimum in September of 127, to rise again in December to 203. The corresponding figures for 1927 (1928 is useless for comparison on account of the labor conflicts in that year) were 293, 143 and 243.

The official index for the cost of living has moved in the following way:

January 1, 1929.....	170
January 1, 1930.....	157
April 1, 1930.....	155

With regard to crushing costs they are estimated to have moved round 25/- per ton. There was no increase in wages during 1929. An increase of about 4 per cent. has, however, been operative from January 1, 1930. As in previous years Swedish crushers had to reckon with a very severe competition.

(To be Continued)