

The Oil Mill Industry In Modern Germany

A Current Review of the Vegetable Oil Industry of the Republic, Including Comparison with Prewar Conditions

By COKE S. RICE*
Vice Consul at Hamburg

Part II

PEANUTS rank as second in importance of all oil-bearing materials imported. India supplies over two-thirds of the imports, with British West Africa, French West Africa, and China following. Imports from the United States are negligible, the high price of the American product excluding it from the German market. Imports have steadily increased, until in 1929 the total was nearly seven times the quantity imported in 1913.

Production of peanut oil has shown a decided increase, the 1929 figure being nearly seven times the quantity produced in 1913. The chief cause is the increase in local consumption. Peanut oil has a decided advantage over other vegetable oils in that when produced from clean nuts it need not be refined, for some edible purposes.

Imports are very small, with the Netherlands supplying the largest percentage. There is an import duty of 2.50 marks per 100 kilos (\$0.27 per 100 pounds) when imported in barrels and 20-22 percent when imported in other containers. Exports have shown a steady and consistent increase. In 1929 the total tonnage was over three times that of 1913 and nearly five times the total for 1926. The increased capacity of the mills has made it possible to supply the growing requirements of the home market and have a comfortable margin for export. In 1913 exports were equal to 42.2 percent of the total production and last year represented approximately 20 percent.

Domestic Consumption has increased. In 1929 the total consumed was nearly nine times that of 1923, owing to the increased consumption of margarine. Of the total production and imports 80 percent was used in the manufacture of margarine.

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There are no figures showing the import and export of peanut cake and meal for the years, 1926 to 1928 inclusive. However, the figures for 1929, show that Germany imported 143,545 metric tons, India, Italy, France, Argentina, and the Netherlands being the principal suppliers and exported 133,692 metric tons, Denmark and the Netherlands being the chief buyers. The greater part of the domestically produced peanut cake and meal is consumed locally. It is being used extensively in the cattle raising industry and should continue to show an increase in consumption.

The price of crude peanut oil in 1929 reached new low levels, by reason of the large harvest of peanuts and the low level reached by all oils and fats. It was said that the price for peanuts was disastrous for the growers, but 1930 has set new low levels, with no indication of a decided improvement. Present prices are the lowest in 20 years. In fact, of late, the market has suffered severe reverses, and buyers are purchasing only for actual requirements. This is another reflection of the effect of the present grain prices, and in addition peanut oil is suffering owing to the present price of whale oil.

Sesame Seed and Oil

China, Africa, and India are the principal sources of supply, with China supplying the largest percentage. Sesame seed imported before the war was far in excess of that imported recently, owing mainly to the repeal of a law requiring that margarine products contain 15 percent of sesame oil.

The Belgian Congo and Mozambique have recently entered the market as suppliers of sesame seed. Imports for 1927 decreased in quantity, mainly because of the high price of

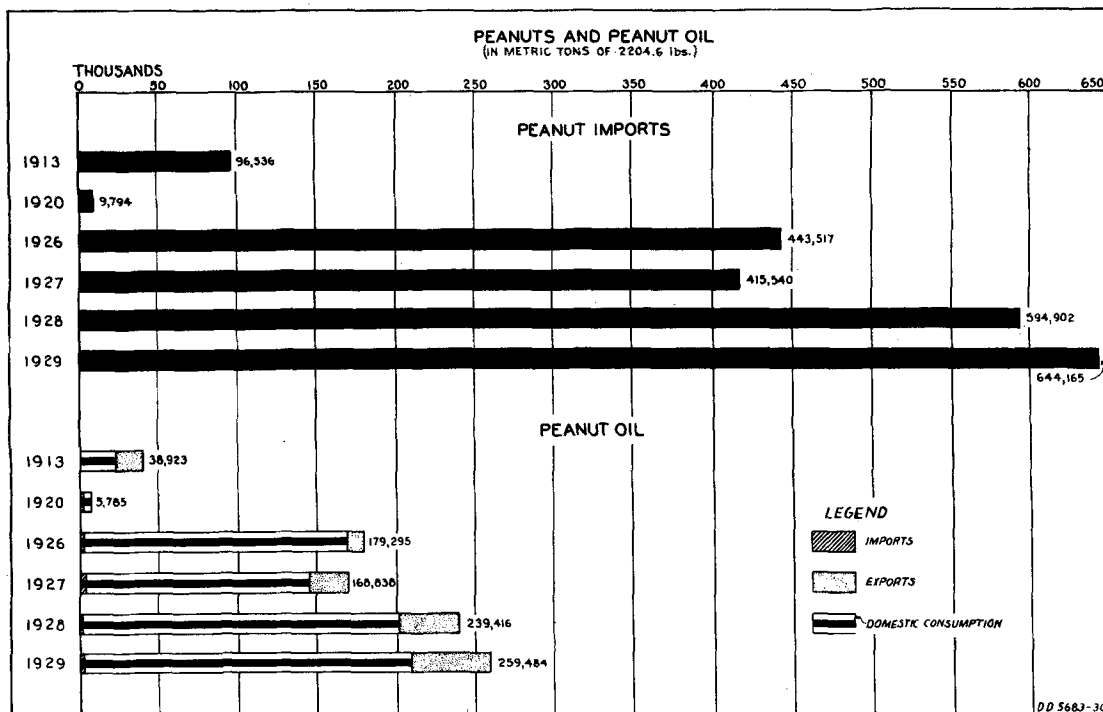


Chart showing German imports of peanuts, also imports, exports and domestic consumption of peanut oil, in selected years from 1913 to 1929

sesame seed, which was replaced by other oil-bearing seeds. Exports of this seed are negligible, as the imports are for domestic use in the production of sesame oil.

The production of sesame oil has decreased nearly 90 percent since 1913, as it is no longer required as an ingredient in margarine. Recent years show a fairly steady increase. Imports, although at no time considerable, also decreased to a point where they are negligible. The duty on sesame oil is 2.50 marks per 100 kilos (\$0.27 per 100 pounds) in barrels and in other containers, 22 percent. Exports, on the other hand, have shown a decided increase. The industry is in better position at present to supply foreign demands than for some years. The Netherlands is the chief purchaser. Judging from statistics for the first six months of 1930, exports for this year will be far in excess of 1929, as the total for these months is greater than the total for the whole year of 1929.

Soy Beans

IN KEEPING with its conquest of the other world markets, the soy bean has made rapid strides in Germany. Almost, one might say, a negligible factor in the vegetable oil industry in 1913, it has risen to a place of first importance, the total imports for 1929 being almost twice those of any of the other raw products

and almost 50 percent of the total imports of raw oleaginous products. Imports were of such minor importance in 1913 and 1920 as to be classified with other miscellaneous oil-bearing seeds and nuts.

The entire supply for Germany comes from Northern Manchuria, but as Russia has made extensive plans for growing soy beans, there is every reason to expect that that country will enter the market at some future date. The following table shows the quantities of soy beans imported into Germany for the years 1913, 1920, and 1926 to 1929, inclusive. From this it will be seen that imports in 1929 were almost ten times those of 1913. The export of this product is not of particular importance since nearly all of it is imported for domestic use for the production of oil and cake.

SOY BEAN IMPORTS FROM CHINA

	(metric tons)					
	1913	1920	1926	1927	1928	1929
	106,066	18,366	370,038	576,096	847,723	1,023,858

In Germany soy bean oil is used mainly in the manufacture of margarine, 71 per cent of the home consumption being used by margarine factories. Total production for 1929 was over seven times the production for 1913 and nearly three times the production for 1926. Imports have steadily decreased during the past four years and are of no particular impor-

tance. The import duty is 2.50 marks per 100 kilos, in barrels (\$0.27 per 100 pounds) and 20 to 22 percent in other containers.

The quantity exported as compared with the domestic production has increased from 5 percent in 1913 to 30 percent in 1929, practically every European nation participating in the purchases, with the Netherlands in the lead followed by Danzig and Austria. The United States, was not a purchaser during 1926 and 1927, but entered the market in 1928, with a considerable increase in 1929. However, the German producers depend mainly on the European market as an outlet. Great Britain, which in 1926 and 1927 did not purchase any oil from Germany, entered the market in 1928 and 1929. This is particularly interesting, in view of the fact that the first soy beans imported into Europe were shipped to England, about 20 years ago.

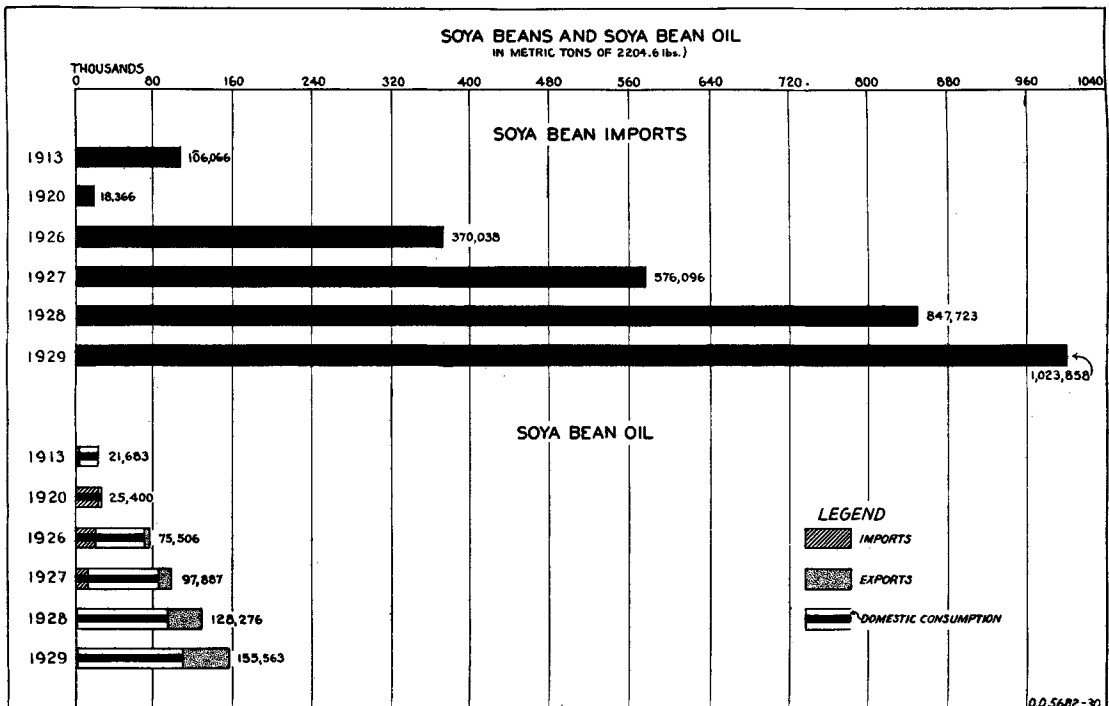
While the consumption of soy bean oil in Germany increased about 50 percent since 1926, the percentage as compared to production decreased. In 1913 local consumption was greater than local production. Domestic consumption for other years was: 1917, 34 percent; 1928, 74 percent. This is evidence of the ability of local mills to take care of local demand and at the same time provide exports.

There are no figures available showing the imports and exports of soy bean meal and cake, with the exception of 1929, when 26,715 metric tons were imported, mostly from Italy and China, as against 185,826 metric tons exported, with Denmark, the Netherlands, and Finland taking the principal share, followed by Sweden and the United States. The domestic consumption of soy bean cake and meal in Germany has increased steadily, and there is every reason to believe that it will increase more and more in the future. A continual propaganda is being carried on to induce the farmers to use more soy cake with other oil cakes as a cattle feed, while campaigns are being waged by the millers to popularize soy bean meal as a substitute for flour in the manufacture of bread.

Soy bean oil has followed the trend of other oils, prices for 1929 being uniformly low. With the present market condition there is very little prospect that there will be a favorable reaction in the near future.

Castor Oil

WHILE there is quite a large quantity of castor oil produced locally by plants in Hamburg, Bremen, Harburg, and Stettin, no production statistics are available. Imports re-



German trade in soya beans and soya bean oil in typical years selected between 1913 and 1929

mained steady, with little change from pre-war figures. Russia in 1929 entered the field as an exporter and may play an important part in the future. Imports come principally from Belgium and Great Britain. The import duty is from 4 to 8 marks for 100 kilos (approximately \$0.43 to \$0.84 per 100 pounds.) Exports are negligible, as the quantities produced and imported are mainly for local consumption. The use of castor oil as a lubricant for airplane motors has helped to keep the market on a fairly steady level, as well as returning fair prices.

Olive Oil

ALL olive oil is imported, there being no domestic production. The amount exported is small. The imported oil is almost exclusively for domestic use; for technical purposes in the manufacture of yarns and for table use as a salad oil. The import duty is 10 marks per 100 kilos, (\$1.08 approximately per 100 pounds), for edible, inedible is free.

France and Italy furnish equally most of the oil.

Palm Oil

ALL palm oil is imported mainly from the country of origin. Imported edible oil must be used under supervision of a government official and bears a duty of 1.75 marks per 100 kilos (\$0.19 per 100 pounds). There is

no duty on inedible oil. In Germany palm oil is used mainly in the manufacture of hard and soft soaps, its use for edible purposes being limited. Exports are of little importance, showing a steady decline during the years under consideration.

Fish, Seal and Whale Oils

IN Germany, whale oil is the most important of the three oils—fish, seal, and whale, comprising nearly 16 percent of the fats used in the margarine industry. Practically all whale oil imported is hardened in the plant at Brake. The other oils are of no particular importance. In 1913 imports of these oils comprised over 50 percent of the total imports of foreign oils, and increased to 67 percent last year. There is no duty on these oils not hardened. Czechoslovakia and the United States are the largest purchasers of the exports.

Summary of Imports

IMPORTS of oleaginous raw materials for 1929 were more than double those for 1913 and 74 percent greater than in 1926. Soy beans showed the greatest increase, followed by peanuts, these two items representing over two-thirds of the total. In contrast to the increase in the importations of all other products listed, the decrease in imports of cotton seed and sesame seed is noticeable.

IMPORTS OF OLEAGINOUS RAW MATERIALS

	1913 Tons	1920 Tons	1926 Tons	1927 Tons	1928 Tons	1929 Tons
Copra	193,492	95,362	198,715	187,470	200,759	24,547
Cottonseed	219,797	513	30,337	33,012	7,011	7,374
Palm:						
Kernels	232,194	26,803	238,595	273,716	297,367	304,475
Peanuts	96,536	9,794	443,517	415,450	594,902	644,165
Sesame seed	114,205	24,594	7,503	4,813	8,718	13,793
Soy beans	106,066	18,366	370,038	576,096	847,723	1,023,858
Total:	962,290	175,432	1,288,705	1,490,557	1,956,480	2,238,212
Imports from:						
British East Africa			21,328	19,595	18,840	12,230
British West Africa			224,881	243,346	246,555	268,718
British South Africa			2,193	897	—	1,574
French West Africa			93,930	75,643	53,083	53,577
Mozambique			1,740	9,406	5,406	5,272
Cameroon			4,515	4,865	1,468	2,683
Belgian Congo			59,986	71,348	84,966	82,529
Liberia			3,390	1,906	1,438	536
Togoland			2,710	1,988	728	93
Egypt			25,276	31,354	4,064	7,139
Ceylon			15,461	11,715	4,505	9,934
China			419,444	600,538	863,326	1,047,225
India			229,881	249,383	468,776	507,262
Netherland Indies			161,311	162,241	185,454	213,811
Philippines			648	—	—	—
Samoa			1,606	2,865	1,211	998
Straits Settlements			7,567	10,329	3,524	8,208
United States			5,423	803	2,511	259
Angola			3,813	881	5,104	2,630

(To be continued)