

# Report on Fats and Oils

## The Cottonseed Support Program

THOSE OF YOU who recall last month's article may remember that it was on the subject of an expected donation program for vegetable oils. At the time it was written, it was generally believed that the U.S.D.A. would soon begin buying edible oils in the open market for the purpose of giving them away and thereby relieving the surplus. The U.S.D.A. officially maintained a conspicuous silence on the subject, but various officials within that department apparently had a lot to say about it, and we were all pretty well convinced that such a program would indeed materialize. We looked into past records to see what quantities were involved in oil give-away programs in earlier years and made much of it in our last article. Well, you can forget about it now. The whole scheme is apparently as dead as a door-nail (until someone mentions it again, at least).

In the meantime, as it turns out, things took a turn which made it unnecessary for the U.S.D.A. to buy oils. They're going to get some anyway. What brought all this about was a sudden drop in the price of cottonseed in some important parts of the cotton belt. As a matter of fact, it dropped about \$3 to \$4 per ton below the level where the U.S.D.A. was committed to support it. Not a minute too soon, the U.S.D.A. implemented their commitment with a pretty clever device whereby they would take cottonseed oil (on a competitive bid basis) from those mills which paid them the support price for their cottonseed. It was an extremely well-conceived plan that did not interrupt the flow of cottonseed from gin to mill and contained all the flexibility needed just to serve the purpose without becoming a burdensome fixture and without leaving the U.S.D.A. with annoying inventories of cottonseed, meal, hulls, or linters.

The mechanics of the program are deceptively simple. Cottonseed mills in Texas, Oklahoma, and New Mexico submitted bids to the C.C.C., naming the price at which they would be willing to deliver to the U.S.D.A. the cottonseed oil content of seed acquired from the U.S.D.A. Those whose bids were accepted became eligible to buy cottonseed from the U.S.D.A. at the support price. Actually there is no purchase of the seed by the U.S.D.A. and later resale to the mill. The eligible mills merely buy seed from the gins as they normally would, paying the support price. On each Monday they notify the U.S.D.A. how much seed they purchased from them and therefore how much oil they will deliver to them. The quantity of seed so declared is presumed to have been bought from the gin by the U.S.D.A. in its support operation and resold to the mill. If a mill operator, during any week, has the opportunity to sell oil in the free market at a better price than he can get through his arrangement with the U.S.D.A., he may, if he wishes, simply *not* declare any seed to the U.S.D.A. on the following Monday and his transactions that week become ordinary free-market operations. A strong free-market price, then, would tend to keep cottonseed out of the support program and diminish the amount of oil delivered to the U.S.D.A., and *vice versa*.

THE COTTONSEED SUPPORT program is an extremely important one simply because the U.S.D.A. could acquire quite a bit of oil under it. So far the U.S.D.A. has made arrangements with a number of mills covering up to 960 thousand tons of seed. The oil from that much seed would amount to about 325 million lbs. It doesn't seem likely that that much seed will be involved in the program, but there's no sense conjecturing about it since by the time you are reading this the cotton harvest will be almost over and the U.S.D.A. will probably have released some up-to-the-minute figures. After it is learned how much cottonseed oil goes into the U.S.D.A. inventory, it will be of great interest to know what they will do with it. We suspect that the inclination of the government will not be to hold on to the oil but rather to dispose of it one way or the

other. They might offer it for sale for domestic use at some fixed price; or they might give it away through a donation program; or they might sell it for export at a loss. The last time the U.S.D.A. owned cottonseed oil, they used all three of these methods to dispose of it.

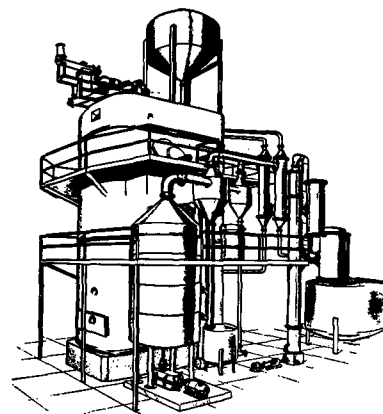
Heavy exports and light production left soybean oil stocks very low at the end of September. Production has picked up sharply since then, but the combination of a continued high rate of exports and very good domestic demand in October kept stocks from building up very much. In the November-December period, production will probably continue at a high level, but exports of soybean oil may fall off so that stocks may be increasing by the time you read this. We suspect that the good domestic demand which has existed since mid-August may have resulted in a build-up of pipeline inventories. In the past few years such a build-up has invariably been followed by inventory liquidation, at which time domestic demand became disappointing. Ordinarily we could expect the domestic demand for soybean oil at this time of the year to feel the rather severe competition of cottonseed oil, the production of which is near its seasonal peak. This year however this competition could be diminished significantly if the U.S.D.A. draws enough cottonseed oil off the free market through its cottonseed support operations.

We still don't have too clear a picture of P.L. 480 operations for this crop year. Spain received an authorization for about 35,000 metric tons of oils recently, but we understand that it was not to be considered part of the 1958-59 program. The major program with Spain for this year (variously estimated at 150 to 250,000 tons) is presumably being negotiated at the present time. Last year these negotiations went on for several months before all the difficulties were ironed out. Save us from that this year!

R. D. WILLEMIN SR.  
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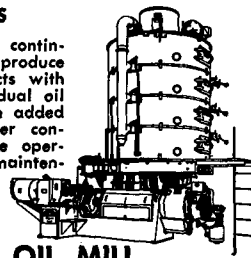


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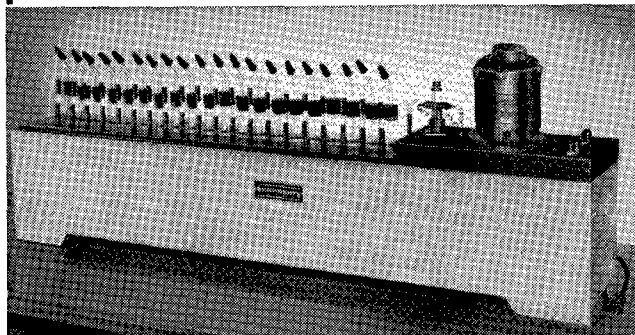
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High Operating Temperatures—95° to 115°C  
Air pre-heating prevents sample cooling**

Designed by E. H. Sargent & Co. for use in the determination of relative stability or keeping quality of lards, fats and oils, based on the formation of peroxides and aldehydes in the process of oxidative decomposition.

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The apparatus consists of a thermostatically controlled bath to maintain the samples at operating temperature, a pre-heating and distribution system to condition and regulate air passing through the sample, and twenty aeration tubes.



The mineral oil heating bath is contained in a sheet metal tank and is heated by three electrical immersion heaters supplying, respectively, auxiliary power for rapid attainment of operating temperature, constant power to supply in part that heat normally lost through conduction and radiation, and intermittent heat to an extent determined by the thermoregulator. Oil circulation to ensure uniformity of temperature is accomplished by a centrifugal immersion pump. Operating temperature may be adjusted over the range of 95° to 115° C with a regulation of  $\pm 0.1^\circ$  C.

The air distribution system consists of a glass manifold suspended from the cover and surrounded by the heating medium. Outlet tubulatures extend through the cover to each aeration position and are connected by segments of Neoprene rubber tubing through capillary orifices standardized at 2.33 milliliters of air per second. Inlet to the manifold is through a one-fourth inch diameter glass tube of which a forty inch section is immersed in the heating bath and which terminates in a tee connection at the cover.

Aeration tubes are 25x200 mm, Pyrex brand test tubes equipped with rubber stoppers carrying inlet and outlet tubes oriented for convenience in connection to the manifold and in organoleptic testing.

Length, 42 inches; width, 7½ inches; total height, 14¼"; maximum power consumption, 1100 watts.

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## Meeting Calendar...

- December 7-10, 1958—American Institute of Chemical Engineers, 51st annual meeting, Netherland Plaza hotel, Cincinnati, O.
- December 8-9, 1958—Organic Chemistry Subject Division of The Chemical Institute of Canada, symposium, department of chemistry, University of Ottawa, Ottawa, Ont.
- January 12-14, 1959—National Association of Corrosion Engineers, Canadian regional meeting (east), Montreal, Que.
- January 26-30, 1959—Gaillard Seminar on Standardization, New York City, N. Y.
- February 11-13, 1959—National Association of Corrosion Engineers, Canadian regional meeting (west), Calgary, Alta.
- March 2-6, 1959—Spectroscopy Society of Pittsburgh and the Analytical Chemistry Group, Pittsburgh Section, American Chemical Society, the 10th Pittsburgh conference on analytical chemistry and applied spectroscopy, Penn-Sheraton hotel, Pittsburgh, Pa.
- April 14-15, 1959—Conference on Industrial Instrumentation and Control, Illinois Tech campus, Chicago, Ill.
- May 18-20, 1959—Instrument Society of America, annual symposium, Shamrock-Hilton Hotel, Houston, Tex.

## Fatty Acids Show Sales Increase

PRODUCTION of fatty acids in September 1958 totalled 36.3 million pounds, of which 5.2 million pounds were tall oil fatty acids in the "less than 2% rosin category." Types split from animal and vegetable fats totalled 31.1 million pounds, compared to 30.6 million pounds in August 1958 and to 31.4 million pounds in September 1957.

Fatty acid disposition in September was 39.0 million pounds against 38.6 million pounds in August. September disposition of fatty acids from tall oil (as defined above) was 6.0 million pounds. Disposition of other types was 33.0 million pounds in September as compared to 32.1 million pounds in August and to 30.7 million pounds last year. This is the first sales increase over both the previous month and previous year since January 1958.

Finished goods inventories were 30.7 million pounds at the end of September as compared to 32.2 million pounds at the end of August.

## AOCS Commentary

(Continued from page 4)

supporting research at the Southwestern Research Institute, the sponsoring organization not only contracts for research at the lowest possible cost but is helping to build an institution whose sole objective is advancing the frontiers of science and its application for the betterment of mankind.

RAYMOND T. VAUGHN  
Southwestern Research Institute  
Memphis, Tenn.

## Received in the Journal Office

No. 97 and 98 of the Vocational and Professional Monographs issued by the Bellman Publishing Company, Cambridge, Mass., are entitled "Instrument and Control Engineering" and "The Scientific Instrument Industry," respectively. The former is written by Lloyd Slater, Foundation for Instrumentation Education Research Inc., New York, N. Y.; and the latter by James R. Irving, Scientific Apparatus Makers Association, Chicago, Ill.

No. 1, Vol. 1, August 1958, of Hindustan Antibiotics Bulletin carries articles on penicillin production, biochemical engineering, and recent trends in antibiotics production around the world. It is published at Pimpri, Poona District, India.

Mill Test Procedures, by Norbert Lloyd Enrick, Institute of Textile Technology, is published as a handbook by Modern Textiles Magazine and Rayon Publishing Corporation, 303 Fifth avenue, New York, N. Y.

# Bennett-Clark's Newly Developed

**B-C 300  
B-C 200**

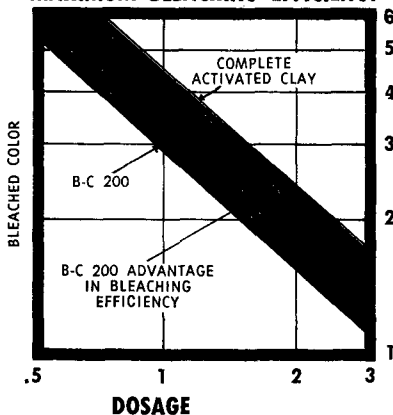
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