

Meetings

A.O.C.S. National Meetings

- 1962—Toronto, Royal York Hotel, October 1-4
- 1963—Atlanta, Atlanta Biltmore Hotel, April 22-24
Minneapolis, Radisson Hotel, September 30-October 2
- 1964—New Orleans, Roosevelt Hotel, April 19-22
Chicago, Pick-Congress Hotel, October 11-14
- 1965—Houston, Shamrock-Hilton Hotel, April 25-28
Cincinnati, October 11-13
- 1966—Los Angeles, Statler Hilton Hotel, April 24-27
Philadelphia, Bellevue-Stratford Hotel, October 4-6
- 1967—New Orleans, Roosevelt Hotel, May 7-10
Chicago

A.O.C.S. Section Meetings

- *Northeast—October 2, at Whyte's Restaurant, 141 Fulton Street, New York. December 4, same location
- *Southwest—September 13, Los Angeles

Other Organizations, 1962

- Aug. 27-31—Sixth Annual Infrared Spectroscopy Institute, Canisius College, Buffalo, New York
- *Aug. 30-31—The Chemical Institute of Canada, Organic Chemistry Division Conference, Hamilton, Ontario, Canada
- *Sept. 5-7—Canadian High Polymer Forum, The Chemical Institute of Canada, Windsor, Ont., Canada

- Sept. 8-16—Fifth International Food Congress and Exposition, New York Coliseum. For information write James Muckell, Secretary, 527 Madison Avenue, New York 22, N. Y.
- Sept. 17-29, 1962—International Course on Chromatographic Methods, Milan, Italy
- Sept. 18-21—First International Congress of Food Science and Technology, Imperial College of Science and Technology, London, England. Address: Francis J. Griffith, 14 Belgrave Square, London, S.W. 1, England
- Sept. 20-30, 1962—Seventeenth International Exhibition of Preserved Food and Packaging Materials, Parma, Italy
- Sept. 26-28—American Society for Testing and Materials general meeting on "The Practice of Gas Chromatography," at the Kellogg Center for Continuing Education, Michigan State University.
- Sept. 30-Oct. 5—Pacific Area Meeting of ASTM, Statler Hilton Hotel, Los Angeles, Calif.
- Oct. 3-5—Gas Chromatography comprehensive course, West Haven, Conn.
- Oct. 15-17—International Congress on Plastics and Problems of Choice, Amsterdam
- Oct. 15-17—Federation of Societies for Paint Technology Annual Meeting, Chase-Park-Plaza Hotel, St. Louis, Mo.
- *Oct. 15-18—VI Italian Congress on Fatty Materials, Societa Italiana Sostanze Grasse, Arezzo.
- Oct. 16-19—Annual Meeting of the American Council of Independent Laboratories, Edgewater Beach Hotel, Chicago, Ill.
- *Oct. 22-24—12th Canadian Chemical Engineering Conference, The Chemical Institute of Canada, Sarnia, Ontario, Canada
- *Jan. 1963—Biochemistry Division, The Chemical Institute of Canada, Saskatoon, Sask., Canada

* Additions to previous calendar.

Canada is Calling!

• Report on Fats and Oils

The Inflexible Yield

MANY INDUSTRIES can adjust, within limits, the output of end products to meet the shifting demands of the market. A severe winter might result in a big demand for heating oil and a poor demand for motor fuel, and to some extent a petroleum refiner can respond to such conditions. Not so the soybean industry. Crushing soybeans yields roughly 11 pounds of oil and roughly 47½ pounds of meal. This ratio is almost inflexible and therein lies a recurrent market problem. Both domestic and world demands for soy protein and soy oil change relatively to each other from season to season and from month to month.

Under ordinary conditions of competition one would expect that the result of this would be for oil to drop to somewhere near its equilibrium price when meal was the "hero" and for meal to do the same when oil was the "hero." This would allow stocks of the unwanted item to clear. Oil plus meal total compared to bean cost plus some margin would then determine whether or not the soybeans would be crushed. Unfortunately, this is not the way it has been working lately. There has been all sorts of institutional interferences in the interplay of soybean and product prices. Most obvious and probably the biggest source of headache has been an unjustifiably high bean loan. Under this circumstance, in order for the total package to return bean cost plus charges, meal prices had to be

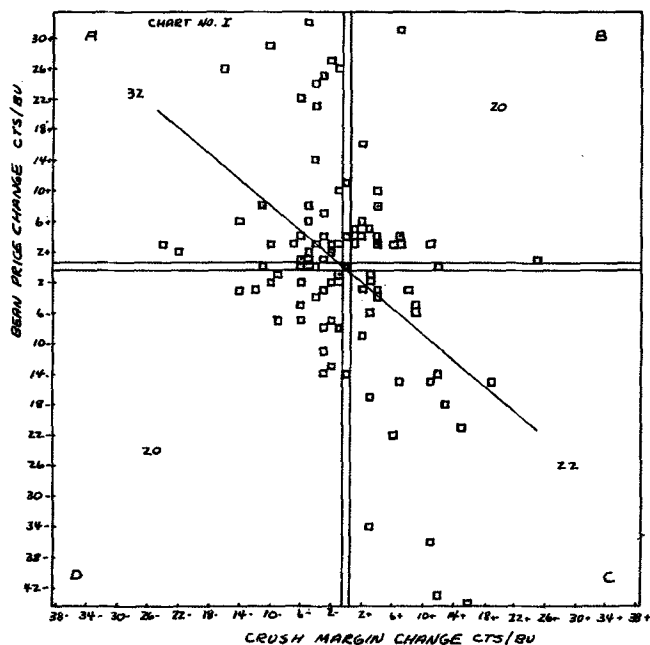


CHART I. Month to month increase/decrease census mill meal stocks versus U.S.D.A. version of Illinois crush margin September-October, 1957 to March-April, 1962. (Plots on zero line not counted.)

lated USA CSO is dumped on the world market—as will almost certainly happen—then the overseas CSO buyer will be the second beneficiary.

At any rate, there is some question whether oil support schemes are really effective in supporting crush margins although undoubtedly they encourage heavy crush volume. Return for a moment to our AOCSS article of October 1961. There we noted that high and/or improving oil prices did not appear necessarily associated with better crush margins. The influences that determine margins and consequently in part determine production of products are complex. There are nearly as many views on the subject as there are observers of it. Controversy as to causes is considerable and heated. (These charts present one view.)

In Chart I, bean price moves are plotted against margin changes and the majority of the plots lie in the hypothetical A and C quadrants (i.e. lower beans = better margin; higher beans = worse margin). In Chart II meal value moves are plotted against margin changes and the majority of plots lie in the hypothetical B and D quadrants (higher meal = better margin; lower meal = worse margin). However, in Chart III, Oil Moves Versus Margin Changes, the majority of plots do not lie in the hypothetical quadrants which again puts under question the effectiveness of oil price bolstering moves in helping crush margins. Carrying the figure manipulation one step further, I plotted meal stock changes against margins both for the same month and lagged one month. (Charts IV and V.) Particularly in the latter case, there was a tendency for the majority of plots to lie in the hypothetical A and C quadrants.

Therefore, I would conclude that if we get an oil buying program, it is more likely to help the oil flat price and the crush volume than the crush margin. This must be true particularly if the volume results in an increase of meal stocks due to a decrease in European demand for meal,

(Continued on page 38)

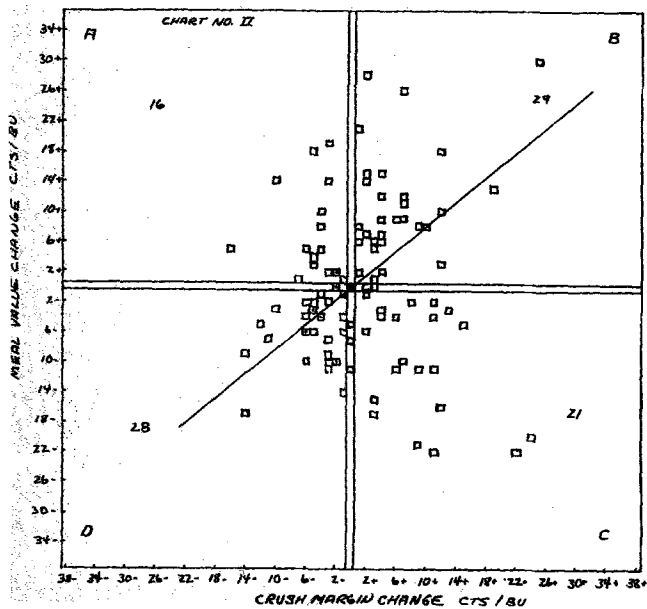


CHART II. Month to month increase/decrease census mill meal stocks versus U.S.D.A. version of Illinois crush margin September-October, 1957 to March-April, 1962. (Plots on zero line not counted.)

so high as to be politically unpalatable. This set off oil price prop efforts. While the trade and traders waited for these to be effective more unwanted oil piled up which created more oil bolstering attempts which created more crush which created more oil bolstering attempts and so on around again. Meanwhile, cheery notes of official optimism and semi-official bullish price forecasts not only did nothing to move oil out of storage but prevented it from sinking to equilibrium early enough to choke off the crush. Now there is talk of a bean oil buying program. The net effect of this would probably be to take enough oil off the market to enable the vicious circle to make another half-turn. Some observers lean toward big CCC buying of CSO as a "solution"! Whether accumulation of 750 million to a billion pounds of cotton oil over the next two harvest seasons is the "solution" to the bean oil problem is another issue entirely. Suffice it to say that in my opinion the major short term beneficiary of that would be the groundnut and sunflower producing countries. When any accumu-

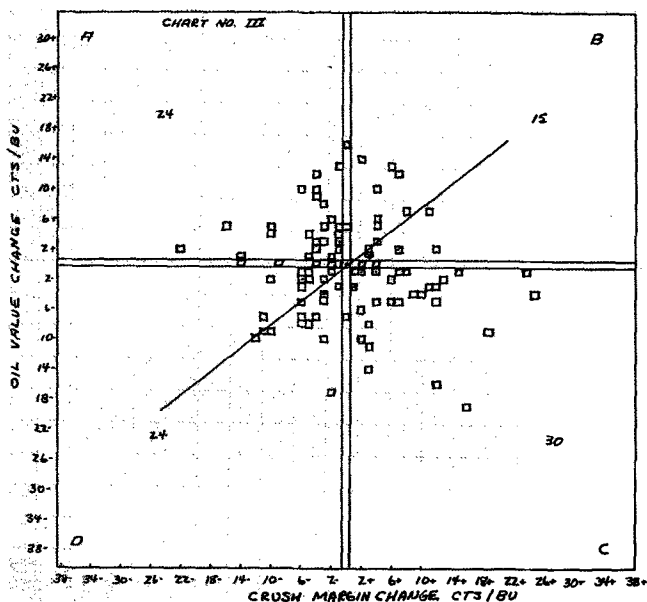


CHART III. Month to month increase/decrease census mill meal stocks versus U.S.D.A. version of Illinois crush margin September-October, 1957 to March-April, 1962. (Plots on zero line not counted.)

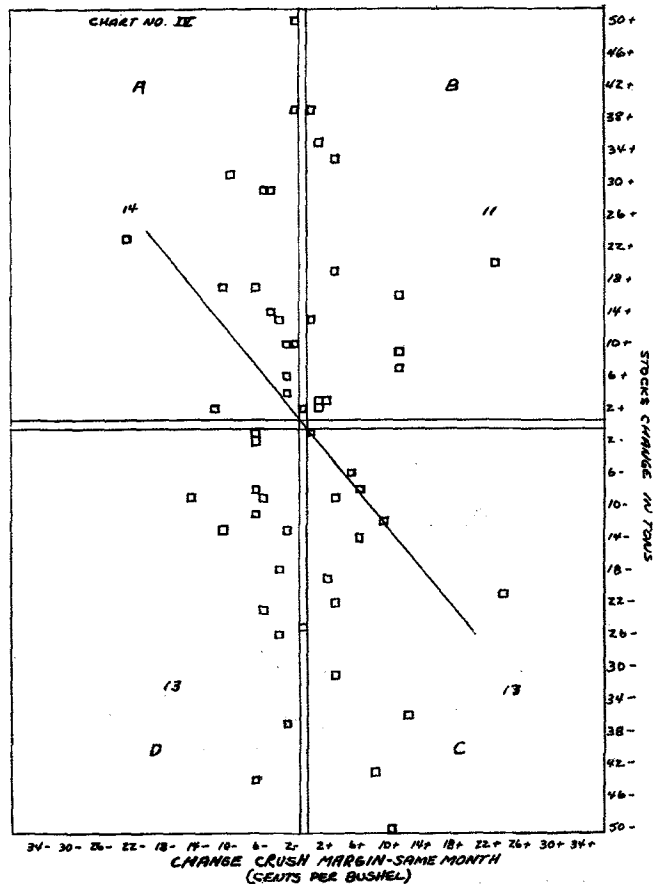


CHART IV. Month to month increase/decrease U.S.D.A. version of Illinois crush margin October, 1953 to April, 1962 as compared to changes of the value of oil—value of meal—price of beans same months. (Plots on zero line not counted.)

IASC President Reviews Economics, Politics

The Congress of the International Association of Seed Crushers was held in Cannes, France during June of 1962. In his address, Association President C. A. C. de Boinville reviewed many economic and political developments which have effected the industry in the past year. The following excerpts were taken from Mr. de Boinville's address:

"... The Common Market must obviously loom over all other considerations in the industry in Europe today. The seed-crushers, oil refiners, and margarine manufacturers have their committees within the E.E.C., for putting their viewpoint to the authorities concerned."

"... in 1961, out of a total world export of 9.4 million tons of oilseeds, 2.5 million tons of vegetable oil and 2.7 million tons of animal fats, fish oils, etc., 51% of vegetable oils, and 59% of animal fats, fish oils, etc., found their way into the E.E.C. countries and the U.K. It can be seen what an influence on our industry and all its associates, such as shippers, shipowners, and brokers, the Common Market proposals for oils and oilseeds will have."

"... although to us in Europe a carry-over at the season's end of some 100 million bushels which was at one time forecasted by the USDA for the 1961/1962 soyabean crop seems enormous, it is said to be less than 2 months' utilisation and a natural disaster to poor harvest, uncontrollable by man, could easily reduce such a surplus to normal requirements."

"The building up of big stocks of soya oil, coupled with the record Russian sunflower crop has made an impression on the market. Last year's falling price levels, which made crushing in Europe not very remunerative, look as though

by the end of 1962 they may be even some 8% to 9% lower than in 1961.

"Fish oils, due to high production in Peru and South Africa, have been highly competitive and in these days of technological advancement any number of alternative combinations of oils and fats are available to the margarine and cooking fat manufacturer.

"Lauric oils enjoyed a year without any marked price movements and it appears that many consumers of these oils who deserted them in 1958/1958 reverted to their use in 1961."

"During the past year, vegetable oils have become relatively cheaper than the seed or nuts from which they are produced. There have been instances too, of complaints by European crushers, especially from Denmark and Germany of so-called dumping of American soyabean meal in their countries. Evidence has been received from German crushers that in August/October, 1961, American soyabean meal was being sold c.i.f. Antwerp/Rotterdam at prices which were at least 5 dollars per ton lower than the established European market price for soyabean meal ex crush in European mills and in the case of Germany, the difference of 25 to 30 D.M. per ton of meal made their own crushing of U.S. beans, bought over the same period, quite uneconomic."

"... although it would be idle to pretend that rapeseed or sunflower will ever cover European crushing requirements, at least they both may help prolong the life of our crushing industry."

"The quality of raw materials are attempting to adhere to USDA grading. Inspectors are there to see that the maxima are not exceeded. The beans are efficiently sampled inside the elevator but, unfortunately, the subsequent journey down the chutes and into the folds of the vessels, often via mechanical trimmers results in a breakdown of the drier beans. Samples taken in the holds would almost certainly show a higher foreign material figure and this is understandable when we appreciate that foreign material does include fine particles of soya."

Mr. de Boinville closed his address with a detailed review of the work of the IASC sub-committees, and acknowledged those who helped gather the detailed information given in his review.

• Referee Applications

Second Notice. Mr. M. A. Rust of the Industrial Laboratories Company, 1720 Clay Street, Denver, Colorado, has applied for a Referee Certificate on tallow and grease. The Chairman of the Examination Board should be contacted by interested parties wishing to comment on this certification. Please write to Mr. N. W. Ziels, Chairman of the Examination Board, Lever Brothers Company, 1200 Calumet Avenue, Hammond, Indiana.

Second Notice. Mr. Charles V. Bacon, Bacon Laboratories, Inc., 90 West Street, New York 6, N.Y., has applied for a Referee Certificate on vegetable oils and tallow and grease. The Chairman of the Examination Board should be contacted by interested parties wishing to comment on this certification. Please write to N. W. Ziels, Chairman of the Examination Board, Lever Brothers Company, 1200 Calumet Avenue, Hammond, Indiana.

Second Notice. Mr. E. C. Brinkley of the Coastal Laboratories, Galena Park, Texas, has applied for a Referee Certificate on vegetable oils. The Chairman of the Examination Board should be contacted by interested parties wishing to comment on this certification. Please write to Mr. N. W. Ziels, Chairman of the Examination Board, Lever Brothers Company, 1200 Calumet Avenue, Hammond, Indiana.

IS YOUR PRODUCT ON THIS LIST?

Steinlite owners quickly determine the fat content of these products in 10 to 15 minutes.



- ★ Frankfurter emulsion
- ★ Corn chips
- ★ Luncheon meat
- ★ Bologna emulsions
- ★ Deviled ham
- ★ Pork sausage
- ★ Flax
- ★ Ground beef
- ★ Fried noodles
- ★ Copra
- ★ Potato chips
- ★ Ground pork
- ★ Soybeans
- ★ Trimmings
- ★ Peanuts
- ★ Corn meal

**MODEL 300-LOS
FAT AND OIL TESTER**

Steinlite

Write today for further information on the Steinlite Model 300-LOS, giving information on your product. Address your inquiry to the attention of the Fat and Oil Dept.,

FRED STEIN LABORATORIES, INC.
ATCHISON, KANSAS