

# World fats and oils status

World fats and oils exports for 1978 are forecast about 17.2 million tons, or 790,000 tons above the 1977 volume, Alan Holz of the USDA Foreign Agricultural Service told persons attending the commodity oil markets symposium at the AOCS Annual Meeting in St. Louis during May.

The United States will retain the largest share of the export market with about 6.3 million tons, up 410,000 tons from 1977, Holz said.

In November 1977 Holz had estimated world exports at 17.4 million tons. The decrease in anticipated exports is related primarily to smaller than expected foreign production. In November, the U.S. share of exports was estimated at 5.9 million tons. The U.S. figure has been raised because of smaller foreign production and the bumper U.S. soybean crop.

Agricultural attaches in the U.S. embassies around the world filed annual reports on fats and oils shortly before that AOCS meeting in St. Louis. Among other items, the attaches noted:

- Brazil's 1978 soybean crop of approximately 9.7 million tons was the first crop in a decade that showed a decrease from the previous year;
- During 1977, Malaysia, for the first time, exported more processed palm oil than crude palm oil;
- India's imports of fats and oils will rise again in 1978 and could be more than one million metric tons.

Summaries from the country-by-country reports:

## Brazil

Brazil's 1978 crop of 9.7 million tons, compared to 1977's 12.2 million tons, represents a temporary setback because of poor weather, Edmond Missiaen, agricultural officer, reports. Holz estimated expanded acreage and better weather might produce a crop of more than 13 million tons in 1979.

Brazil may import 200,000 to 300,000 tons of American soybeans to provide supply for Brazil's crushing industry.

Meanwhile, Brazilian exports for 1978/79 are estimated by Missiaen at 680,000 metric tons of soybeans, 4.9 million tons of soybean meal, and 390,000 tons of soybean oil. Domestic consumption of soybean oil grew 12% during 1977/78 compared to the previous year and is expected to climb another 10% to 1.1 million tons during 1978/79, Missiaen forecast. Margarine production in Brazil rose to 170,000 tons in 1977, a 14% rise from the previous year. Production in 1978 may total 185,000 tons, depending on prices.

Brazil's peanut production is estimated at 345,000 tons for 1978, up 6.5% over 1977, with exports of peanuts and products expected to rise slightly. Cottonseed production for the 1977/78 crop year is estimated at 800,000 tons, down from 977,000 tons in 1976/77. Castor oil exports are forecast at 120,000 tons, a rise of 19,000 tons from the previous year.

Missiaen noted that in April a Brazilian soybean futures market opened in Sao Paulo, but does not include soybean meal or soybean oil. He also estimated that about 8,000 to 10,000 hectares (17,000 to 24,000 acres) have been planted to oil palms, with all oil being used domestically.

## Malaysia

Dry weather conditions during 1977 kept palm oil production about 44,000 tons below the government's goal of 1.64 million metric tons, but the 1.6 million ton crop represented a 15% increase over 1976, Agricultural Attache Robert Svec reported.

Total palm acreage at the end of 1977 was 1,875,000 acres, an increase of 8.7% over the previous year. Crude oil exports fell 20% to 701,000 metric tons, primarily because exports of processed oil rose by 59% to 726,000 metric tons.

Estimated total acreage for 1978 is 1,990,000 acres. Drought conditions that cut production the final half of 1977 were expected to curb production also during the first half of 1978. Peninsular production was down 21% for the first two months of 1978 compared to the same period a year ago. Svec estimates total 1978 production may be 1.8 million tons, with 750,000 tons of crude oil exported and 850,000 tons of processed oil exported. There were 24 refineries in Malaysia at the start of 1978, with another six scheduled to begin production during the year. Malaysia has enough capacity to refine more than one million tons of crude oil a year.

In October 1977, the Palm Oil Registration and Licensing Authority became operational. The authority is to try to improve palm oil marketing systems, to guide development of refining operations, and to maintain and improve the quality of palm oil. A palm oil check-off program may be instituted to pay for more research in processing and end uses.

Palm oil pollution control regulations took effect Nov. 4, 1977. "While numerous articles appear in the press on various pollution control systems, no major breakthrough or systems have been devised to eliminate the severe pollution problem," Svec said.

## India

India's oilseed production during 1977/78 is forecast at 11.9 million metric tons by Charles Clendenen, agricultural officer in Bombay. That compares with an estimated 11.2 million metric tons in 1976/77 and 13.3 million tons in 1975/76.

Production of fats and oils is estimated at 3.2 million metric tons for 1977/78, about the same as the previous year.

Exports of oilseeds and their products, small during calendar year 1977, are expected also to be slim during calendar year 1978. Export of top quality peanuts is banned, and as of mid-April, no export policy for peanut meals had been announced.

Imports of edible oils which totaled 980,000 metric tons are "likely to exceed a million tons," Clendenen said.

Peanut harvest for 1977/78 is estimated at 5.5 million metric tons in shell, about 4% larger than the government of India's report of a 5.3 million metric ton crop in 1976/77. A larger crop had been expected, but poor weather during maturing and harvesting prevented the crop from approaching the earlier forecasts of 6.8 million metric tons. Rapeseed and mustard crops are forecast at 1.6 to 1.8 million metric tons.

A government committee on trade in edible oils has recommended establishing a single agency to coordinate

government steps to regulate edible oil trade.

### Philippines

Increasing numbers of coconut trees will permit coconut production to rise 3% to 4% during 1978 despite low rainfall, Glenn Samson, agricultural attache in Manila, reports.

Forecasts of production for 1978 (with 1977 figures in parentheses): copra 2,400 metric tons (2,320); coconut oil, 1,188 metric tons (1,087); cakes and meal, 603 metric tons (552); and desiccated, 110 metric tons (99). Export data in 1978: copra, 450 metric tons (535); coconut oil, 900 metric tons (776); cake and meal, 500 metric tons (421); and desiccated, 110 metric tons (99).

Under a plan announced in 1973, the Philippines had been scheduled to completely ban copra exports in 1978. However, the government instead has raised export duties, Samson notes, adding the government fears that a complete ban would adversely affect local production and relations with overseas buyers. The government is encouraging establishment of ten more oil mills by the private sector which may be completed by 1980. Fifty-one mills presently are in operation.

### Mexico

Mexican total production of oilseeds is about 1.85 million tons for 1977/78, and the forecast for 1978/79 is for a decrease to 1.6 million tons, primarily because of a drop in soybean production, Lloyd Fleck, assistant agricultural attache, reports.

The drop is tied to lack of irrigation water in major producing areas, which have had no significant rainfall from fall 1977 until spring 1978, when Fleck's report was prepared.

Safflower production, which requires less water than soybeans or cottonseed, is expected to rise to 500,000 tons, up 22%, because of the need for more domestic oil and government policies favoring irrigation water supplies to that crop.

A crush of about one million tons of soybeans and 450,000 tons each of cottonseed and safflower are forecast, of which imports may comprise 37% compared to 28% in 1977/78.

### Peru

Peru's fish oil production may decline as much as 40% during 1978, Agricultural Attache Richard L. Barnes reports.

The Peruvian Ministry of Fishers announced April 17 it would authorize the catch of sardines, jurel, and needlefish, with forecasts of a 1978 catch totaling 1.5 to 1.8 million tons. This could produce 60,000 to 70,000 tons of oil and 300,000 to 350,000 tons of meal. Total output of fats and oils for 1978 is forecast at 97,200 metric tons, down 28% from 1977's 135,300 metric tons. The decline is almost entirely attributable to lower fish oil production.

A number of international projects are underway aimed at increasing domestic vegetable oil production, including rapeseed, lupine, soybeans, and others. Plans also are being made to build crushing plants, Barnes said.

The production drop, however, means Peru may im-

port up to 100,000 tons of soybean oil and 80,000 tons of soybeans during 1978, most of which would come from the U.S.

### Italy

Olive oil production, rebounding after a poor 1976 harvest, should jump more than 50%, Agricultural Attache Elmer Hallowell reports. Production for 1977/78 is forecast at 470,000 metric tons, compared to 295,700 metric tons in 1976/77.

Total olive crop is estimated at 2.8 million metric tons with 2.55 million tons used for crushing. "Italy's olive growers will face a strong challenge from EC policies in the future, both short term (proposed reduction of prices) and long term (accession of Spain and Greece)," Hallowell said.

Italy continues to rely heavily on imported oilseed and vegetable oils and oilseed meal supplies. Good livestock prospects for 1978 indicate that meal consumption may rise 5%.

Domestically produced oilseeds and oil-bearing materials supply about 9% of Italy's vegetable oil production, with sunflowerseed production rising steadily. During 1977, Italy's crushers processed 1.58 million tons of oilseeds and other material yielding 331,000 tons of oil. ●

### H.L.S. starting six plants

H.L.S. Limited of Israel currently is building or starting up six fats and oils plants in Greece, Israel, Iran, and Indonesia. In Greece, the firm is working on a 200 tons a day soybean extraction plant for Soya Hellas S.A. in Halkis; in Israel, a continuous solvent belt-basket extractor for Izhar, and a palm oil fractionating and processing plant for Dekel Oil Industry Ltd. in Eilat; in Iran, a bleaching and deodorization unit and a batch hydrogenation unit for Shiraz Vegetable Oil Co.; and, in Indonesia, a batch neutralizing, bleaching, and deodorization unit for Perusahaan, Makassar. In addition, H.L.S. expects to begin construction soon on a soybean extraction plant in Tandarei, Romania, and a continuous deacidification-deodorization plant in Rosiori, Romania. Another deacidification-deodorization unit will be built for Cia. Panamena de Aceites S.A. in Panama. ●

### Cotton production drop forecast

The U.S. Department of Agriculture forecast in May that world cotton production in 1978/79 may be below the 1977/78 totals, primarily because of reduced production in the United States.

U.S. production in 1977/78 is estimated at 14.4 million bushels. The 1978/79 crop is forecast at between 11 million and 13 million bushels, a reaction to lower prices. Depending on growing conditions, the world crop for 1978/79 could range between 59 to 65 million bushels, compared to production in 1977/78 of 63.9 million bushels. ●