

The International Situation in Oilseed Crushing

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

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PART II

Report from Italy

THE total amount of all seeds and nuts imported into Italy during 1929 was 3,887,798 Quintali (1 Quintale equals Kilos 100), which, compared with 3,438,017 in 1928, shows an increase of Ql., 449,781.0, viz. about 13 per cent.

The production of seed oils subject to tax amounted to Ql. 1,157,563, against Ql. 950,648 in 1928, the said figures including all the edible seed oils.

The imports of vegetable oils were as follows:

| | 1929 | 1928 |
|-------------------|-------------|-------------|
| Peanut oil | Qli. 37,731 | Qli. 81,888 |
| Rape oil | 595 | 1,372 |
| Cotton oil | 1,626 | 1,482 |
| Linseed oil | 13,013 | 1,372 |
| Castor oil | 645 | 406 |
| Sesame oil | 87 | 275 |
| Soya oil | 37,055 | 142,782 |
| Others | 44,635 | 39,359 |

The approximate output of cakes, including meals of extracted seeds, amounted to Qli. 1,950,000. Of same, 1,377,373 were exported.

Last year has been an exceptionally bad one for the Italian trade of seed oils. The peculiar conditions of Italy concerning edible vegetable oils made the state of trade certainly worse than in any other seed crushing country. A survey of said conditions is an item of very great interest. Olive oil is one of the most important agricultural products of Italy; its amount is not sufficient, however, to cover the domestic consumption in edible oils, same being about 2,700,000 Quintali, and the average crop of olive oil amounting to 1,600,000 Qli. The balance, including the exports of olive oil, is covered by seed oils.

It is easily understood that when a huge olive crop is followed by another still more abundant, the olive oil prices must be necessarily depressed, and the unsold stocks become heavy in a very serious degree. A relief for this cannot be found in an increase of export of Italian olive oils, because the huge crops of other Mediterranean countries, especially of Spain, have much more depressed the international market. The result has been an alarming accumulation of stocks in olive oil, as well as in seed oil mills. An intervention of the Government has been requested from olive growers, with the result that after careful consideration of the matter, the Cabinet has thought that from the national point of view the Italian olive oil production deserved a further protection. The measures adopted by the Italian Government have been the following:

Prohibition of selling mixtures of seed and olive oils (the so-called "miscelati"), prohibition of every artificial coloration of seed oils, every edible seed oil must be added with 5 per cent. of sesame oil, giving the well-known characteristic chromatic reaction in order to make same readily identifiable. The import duties of seed oils have been increased as follows: Peanuts up to Goldlire 6.90: rapeseed, 5.46: gingellyseed, 6.90: soya beans 2.55, per 100 Kilos. A corresponding increase has been established on imported seed oils, viz: Peanut Goldlire, 29.50: Rapeseed oil, 29.50: Sesame oil, 29.50: Soya 39 per 100 Kilos. The fabrication tax on seed oils has been brought from Lire 15 up to Lire 65 per Quintale. It has been a heavy burden indeed for the seed oils trade: it is to be hoped that the olive oil market will improve to a degree sufficient to establish the normal margin between itself and the seed oils. Needless to say, the fiscal and custom conditions both for technical oils or seeds for their fabrications are unaltered.

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The Index numbers compiled by the Council for National Economy of Milan were 496.3 in January, 1929, 480.3 in June, 459.2 in December, expressed in Lires. Same expressed in Goldlire have been respectively: 134.7, 130.3, and 124.6. The base for both computations is 100 in 1913.

We are sorry not to be able to state particulars of crushing costs as desired. Approximately the crushing expenses for modern equipped mills can be expressed as follows:

| | |
|-----------------------------|----------------------|
| Mill expenses | Lire 18 per Quintale |
| Office Administration | 4 " " |
| Selling expenses | 2 " " |

Report from Norway

REGARDING the oil and fat industries in Norway the predominant factor is the whaling companies of Norway. During 1929 Norway has sent out more whaling expeditions than in any previous year. Expeditions have been sent out by large new companies, and the expeditions of the old companies have to a very great extent been modernized. The catch has been very large—the largest ever registered. During the year there has been built one new oil-mill in connection with De Nordiske Fabriker De-No-Fa A/S's works at Fredrikstad. This oil mill has as from the 1st of January, 1930, been taken over by A/S Lilleborg Fabriker, who previously have oil mills in Oslo and at Stavanger. The official price index is little by little declining. During the year there have been very little labor troubles.

The imports of vegetable oilseeds and oils have been the following:

| | 1928 | 1929 |
|---------------------|-------------|-------------|
| Copra | 20,863 tons | 23,782 tons |
| Linseed | 16,465 | 14,673 |
| Rapeseed | 863 | 1,616 |
| Coconut oil | 6,025 | 5,848 |
| Cotton oil | 1,269 | 1,201 |
| Peanut oil | 3,404 | 3,513 |
| Soya Bean oil | 5,147 | 6,392 |
| Linseed oil | 1,447 | 1,952 |

Report from Great Britain

THE total import of all oil seeds and nuts for 1929 was 1,546,099 tons, which, when compared with the total of 1,553,426 tons for 1928, shows a decrease of 7,327 tons.

Taking the cake equivalent of imported oil seeds and nuts, and adding the tonnage of imported cakes, after deducting the exports of cakes, the figures show the amount of cake available for consumption in the United Kingdom for the last three years, as follows:

| | |
|------------|----------------|
| 1927 | 1,337,461 tons |
| 1928 | 1,353,650 " |
| 1929 | 1,476,212 " |

The imports of cakes show an increase of 111,899 tons, and exports show a decrease of 27,002 tons, which are, to say the least, very discouraging figures.

The imports into, and exports from, the United Kingdom, of vegetable oils for the last two years were as under:

| | Imports in Tons | | Exports in Tons | |
|-----------------------|-----------------|---------|-----------------|---------|
| | 1928 | 1929 | 1928 | 1929 |
| Palm Oil | 52,212 | 59,688 | 3,881 | 3,445 |
| Palm Kernel Oil | 991 | 5,753 | 18,926 | 16,767 |
| Cottonseed Oil | 7,494 | 9,958 | 16,004 | 24,010 |
| Rapeseed Oil | 1,896 | 4,349 | 6,518 | 5,512 |
| Linseed Oil | 22,515 | 31,093 | 22,021 | 20,056 |
| Castor Oil | 3,349 | 3,696 | 7,869 | 7,917 |
| Soya Bean O.l. | 24,667 | 14,755 | 21,865 | 18,018 |
| Coconut Oil | 63,340 | 64,807 | 4,379 | 5,186 |
| Other Seed Oils | 43,055 | 57,034 | 21,803 | 22,842 |
| | 219,519 | 251,133 | 123,266 | 123,753 |

The imports, therefore, showed an increase of 31,614 tons, and exports an increase of 487 tons.

Briefly reviewing the past year the first six months were certainly an improvement on the same period of the preceding year, the crush throughout the country being increased, resulting in lower working expenses. The dry summer also increased the demand for manufactured feeding stuffs, and during the summer months large sales of cakes for forward delivery were made. There is no need to comment on the subsequent heavy fall in the prices of all raw materials, and as the prices of all grain followed in the same way, the British farmer, whose financial position has not improved, was compelled to use his own produce to a great extent in the place of cakes, the result being that a proportion of the straight cakes and a still greater proportion of the compound cakes sold for forward delivery, will never be taken up. It is on the compound cakes that the losses will be especially heavy, as they were again sold with the "Fall Clause" and manufacturers have had to reduce the prices as they have been delivered from time to time, and in some cases will, no doubt, be left with dear raw material on their hands owing to the very much reduced demand. This, of course, resulted in the crush being considerably reduced for the last six months of the year.

The crushing costs for the whole year have, however, been reduced a little, and a fair average might be taken as 30/10d. per ton, made up as follows:

| | Per Ton |
|--------------------------------|---------|
| A. Mill Expenses | s d |
| 1. Power | 3 5 |
| 2. Wages | 11 4 |
| 3. Repairs and Renewals | 3 3 |
| 4. General Charges | 3 10 |
| B. Office Administration | 6 3 |
| C. Selling Expenses | 1 6 |
| D. Depreciation | 1 3 |

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It is pleasing to report that the industry has again been free from labor troubles throughout the year, any matters that have arisen having been settled amicably by the Joint Industrial Council, composed of representatives of the Employers and Employees. For the first nine months of 1929 the rate of wages was, as previously, governed by the Sliding Scale, but during the course of the year there were only minor fluctuations. For January-March the wages rate remained unchanged, the average index figure for the previous quarter being exactly 67 per centage increase. The Average for January-March was 66, which occasioned no change, for April-June quarter, in wages. The average figure for cost of living for April-June fell to 61, which would have entailed a reduction of 1/- per week for the quarter July-September. At this stage, however, the Joint Industrial Council made a recommendation that the reduction should not be made operative in view of the prospect of intermittent employment. This recommendation was generally adopted. The Index figure for July-September gave an average of 62½, involving no change in rate. On September 25, 1929, the Joint Industrial Council, after careful consideration, decided to discontinue the existing method of fixing wages, and to stabilize the rates for a period of one year. It was thought that this would prove to be more satisfactory both to employers and employees. The Council recommended that stabilization should take place at an advance of 1/- per week on current rates, thereby placing the rate of wages 2/- above the actual sliding scale rate. At the end of the year the Index figure for October-December showed an average of 66⅓ per centage increase.

The Reports presented to the Conference in the past might be summed up in their order as follows:

Bad: not satisfactory; less satisfactory; slightly better; very unsatisfactory; bad as possible; not good but closing brighter; no worse and more hopeful for the future.

It is, therefore, to be regretted that this Report again closes on a very low note, as, while our imports of oilseeds and nuts during 1929, as shown at the beginning of this Report, show very little decrease on the previous year, the stocks at the end of the year must have been heavy owing to the reduced consumption of cakes and other feedingstuffs during the latter period of the year. One could continue this tale of woe into the current year, but it must be borne in mind that this is a Report for 1929, and, consequently, it must close as at December 31 in the hope that,

while the opening chapter of the Report to next year's Conference cannot be cheerful, the close will be brighter.

While prophecies often go astray, and while fully realizing that agriculture is, and is likely to continue, in adversity, it might, however, not be out of place to put on record, that not for many years have many of our raw materials been at so low a figure, which if maintained would enable manufacturers to offer to the farming community, cakes and meals, at a sufficiently attractive figure to at least increase their attention towards those commodities we make, in preference to those cereals which they have been compelled to consume themselves, in ever increasing quantities, to the detriment of the crushing industry.

Report from Switzerland

THE official Swiss import statistics show a total import of oil seed of 30,244 tons for 1929, as against 31,610 tons in 1928, which means a decrease of 4 per cent. The imports of the various oilseeds were as follows:

Copra 6,200 tons equals 4,000 tons of coconut oil
 Peanuts 19,600 " " 8,400 " " peanut "
 Linseed 4,400 " " 1,320 " " linseed "

The imports of oils and fats into Switzerland were as follows:

| | 1928 Tons | 1929 Tons |
|-----------------------------------|--------------|--------------|
| Edible fats | 13,246 | 13,615 |
| Edible oils (not olive oil) | 4,834 | 5,825 |
| Technical oils and fats | 18,156 | 18,680 |
| | 36,236 | 38,120 |
| Cakes | 34,040 | 31,530 |

The participation of home production in home consumption, therefore, shows a decrease of 3 per cent., compared with 1928. The occupation of the Swiss oil mills is still in a very unfavorable proportion to their capacity. The cost of living index for 1929 has decreased to 161 from 165 in 1928. This was, however, without effect on the wages. The Swiss manufacturers, owing to these conditions, are now trying to rationalize the production by concentration of the mills, closing down the less important plants.

It is said that the neutralization of excess alkali in boiled soaps with sulfuricinoleic acid produces soap of superior quality, without a tendency to turn rancid easily, of increased lathering power and not subject to change of color under storage conditions. The sulfuricinoleic acid can be easily mixed with the soap when boiling is completed, at a temperature above 60°C., the quantity of acid added being determined by assay of the amount of excess alkali in the batch.—*Bulletin des Matieres Grasses.*