

## Market Report on FATS, OILS AND GREASES

(As of July 1, 1930)

NEW YORK—Oil, fat and grease prices continued their downward movement during the period just concluded, breaking through previous lows and in many cases reaching new low levels for recent years. Almost every item on the list was affected by the decline, and in no case was any advance in quotations noted. The abnormally large crops of all oil-bearing products during the past two seasons have resulted in an accumulation of supplies in the hands of users, who stocked up heavily at the attractive prices offered. Now with quotations at their lowest level, stocks are so heavy that additional purchases can be made only in small volume, this in turn keeping quotations down. Until the surplus is used up, prices must necessarily remain low, and a third year of heavy production will seriously embarrass some of the oil and fat producers.

Tallow registered a sharp decline as demand failed to equal current offerings. Grease, lard and stearine were also considerably under the quotations of last month. Stearic acid and red oil, which have resisted the decline for the past few months, finally weakened and were reduced fractionally during the recent period. Coconut oil and copra declined again, although the report is current in some quarters that arrivals in Manila are not as large as they should be at this season of the year. Another decline was noted in crude corn oil. New low prices for cottonseed oil this season were set during the period, but partial recoveries were made toward the close. Other items on the list which were quoted lower are chinawood oil, lard oil, menhaden oil, neatsfoot oil, palm oil, soya bean oil and tallow oil.

### *Chinawood Oil*

This oil continued to decline, being quoted at 9c lb. in barrels at the close,  $\frac{3}{4}$ c lb. under the prices of a month ago. A new low record was set in silver during the period, this and the weakness in Chinese exchange being the important factors in the chinawood oil decline.

### *Coconut Oil*

Copra and coconut oil continued to decline in spite of slightly stronger sentiment in the Manila market. Manila tanks were quoted at  $6\frac{1}{4}$ c lb. in New York, the lowest figure which has been quoted in this market for many years. Buyers continued to hold off in the hope of still lower prices.

### *Corn Oil*

Another decline was noted in corn oil, mill tanks dropping from  $7\frac{3}{4}$ c to 7c lb., inside. There was little interest on the part of consumers even at the reduction. Reports from producers forecast a smaller crop this year in view of present low prices.

### *Cottonseed Oil*

New low prices were set in cottonseed oil during the recent period, followed by slightly firmer sentiment toward the close. The government Spring pig report showed a decline of 6% in the United States pig crop as compared with last year, and reports on the progress of the cotton crop were pessimistic. This information was responsible for the more bullish sentiment shown late in the period.

### *Grease*

Renewed competition among sellers, as a result of declines in tallow and other products, caused another drop in quotations on the greases, which declined to the lowest levels in recent years. House and yellow grease were offered at  $45\frac{1}{2}$ c lb., inside.

### *Lard*

With domestic and export trade quiet, and demand showing no improvement, lard quotations were reduced  $\frac{1}{2}$ c to 1c lb., in step with the rest of the market. City tierces were quoted at  $9\frac{1}{2}$ c lb., with compound at  $10\frac{1}{4}$ c. Middle Western tierces declined to  $9\frac{7}{8}$ c lb., with prime Western tierces dropping to 10c.

### *Tallow*

Additional offerings of tallow were made by producers at concessions all through the period, with the result that tallow dropped several times to reach 5c lb. for city extra and  $4\frac{3}{4}$ c for special. This set the pace for the rest of the market and led the decline.