OIL & FAT INDUSTRIES

The Editor's Page

The Year's Trend

WITH the publication of the Census Bureau's Statement covering factory operations and warehouse stocks of fats and oils for the second quarter, those engaged in the industries are given an opportunity for pause to consider the trend of production and consumption as compared with the same items during the corresponding period of the previous year.

An examination of the Statement, which is published elsewhere in this issue, shows an appreciable decrease in second quarter production of all classes of oils and fats with the exception of cottonseed, peanut and soy bean oils, and tallow. The total production of vegetable oils during the second quarter of the current year was over sixty-one million pounds less than in the corresponding quarter of 1929. In animal fats produced the decline was nearly twenty-three million pounds, in fish oils two million pounds and in greases eight million pounds, making a gross reduction in production of oils and fats of about ninety-four million pounds. Considering individual fats and oils, the production of lard declined thirty-two and one-half million pounds, that of linseed oil forty-nine million pounds, coconut oil fourteen and a half million pounds, corn oil one and a half million, and greases eight million pounds. Factory and warehouse stocks show decreases, as against the same time during the previous year, in some cases much greater than the corresponding decrease in production. Stocks of lard, for example were fifty-three and a half million pounds less at the end of the second quarter this year than at the end of the same quarter of 1929, in the face of considerably reduced demand from European buyers. Cottonseed oil, with increased production and slightly decreased factory consumption, still showed lighter stocks at the quarter by forty million pounds, indicating that it is being utilized by consumers as a substitute for some of the other fats with lighter production.

It would be superfluous for us to attempt to interpret the meaning of these figures to our readers. We will be content with stating the comparison and let others undertake prophecies.

What Is the Cost?

ONE of our esteemed contemporaries in the meat packing field has reecived the following letter from a reader:

Editor The ——— :

Will you please give me information as to the cost per 100 lbs. for refining prime crude cottonseed oil with caustic soda solution, bleaching and deodorizing the oil for cooking purposes?

Our friend replied most wisely, in part as follows: "The cost of refining prime crude cottonseed oil is dependent very largely upon the amount of oil handled. The physical condition of the plant and the efficiency of operation are important factors also. The question of quality is an important one, because some operators are apparently satisfied with 'getting by' with antiquated equipment, such as atmospheric deodorizing tanks, while others use the latest type of high vacuum deodorizing equipment."

We commend this reply to all who operate manufacturing plants, be their respective factories cottonseed oil refineries, margarine plants, mayonnaise factories, soap works or steel mills. He who is satisfied with 'getting by' will not 'get by' for very long. In our progressive, inventive age every manufacturer who has even one competitor must be constantly on the alert to avoid becoming; first a marginal producer who, because of antiquated machinery and methods can prosper only in the piping times of unusual demand; then a has-been, who has seen all his business flee from him to competitors who have bested him in quality or price, or both. The first essential of avoiding such calamities, is, of course, to know your costs. Accounting practice has advanced sufficiently to enable any manufacturer to know definitely what his departmental unit costs amount to. Knowing his costs, and having obtained unbiased opinions from purchasers and others as to the quality of his products compared to that of competitors' offerings, any manufacturer can quickly determine whether his processes are more costly than they should be to enable him to compete profitably. The necessary steps for improvement are then easy of accomplishment.

Thus, by knowing costs, he will avoid the inevitable cost of 'just getting by.'

After three weeks of testimony at Montgomery, the Federal Trade Commission has discontinued its investigation into alleged price fixing in the cottonseed industry until September when hearings will be continued at Washington. More than a score of witnesses were heard during the hearing, including cotton ginners who charged that oil mills are in a combination to hold down the price of seed.

On the last day of the hearing Leo Espy, Gordon, Alabama, gin operator, testified he was forced last season to "speculate" to make a profit out of cottonseed. He said he was a party to the injunction obtained by a number of ginners stopping the oil mills of the state from operating under the so-called Memphis trade rule. He stated that all mills in the state paid the same price for seed last year except one in Troy, Alabama, which offered a dollar bonus on each ton.

The Brown Linseed Corporation, Richmond Borough, N. Y., has filed a certificate in the office of the secretary of State of New York, at Albany, changing its capital from 12,000 shares of no par value to 1,000 shares of preferred stock of $100 par value and 22,000 common shares of no par value.

Linseed oil freight rates from Chicago Heights, Ill., to Alabama, Tennessee, and Kentucky are attacked in a complaint filed with the Interstate Commerce Commission by the Bisbee Linseed Company, Chicago Heights, declaring that the rates are not properly adjusted to those from Milwaukee.

The Cook-Swan Oil Corporation, fish, vegetable and animal oils and greases, has removed from 66 Beaver Street, New York, to larger quarters at 401 Broadway, where the entire twenty-seventh floor has been leased. The new telephone number is Canal 2540.

Swift & Co., Chicago, are reported to be planning a building program which will involve the expenditure of approximately $2,000,000.

Cottonseed oil is said to be attacked by the active gas from a water vapor discharge tube. Fibrous substances are produced which are insoluble in ether and other organic solvents. Olive, linseed and castor oils are said to yield similar compounds. *J. Am. Chem. Soc.* 52,2454-5(1930).

Shortening and Oil Prices

Prices of shortening and salad and cooking oils on Thursday, Aug. 28, 1930, based on sales made by member companies of the Shortening and Oil Division of the National Cottonseed Products Association, were as follows:

Shortening

	Per lb.
North and Northeast:	
Carlots, 26,000 lbs.	@10½
3,500 lbs. and up	@10¾
Less than 3,500 lbs.	@11¼
Southeast:	
3,500 lbs.	@10¼
Less than 3,500 lbs.	@10¾
Southwest:	
Carlots, 26,000 lbs.	@10¼
10,000 lbs. and up	@10½
Less than 10,00 lbs.	@10¾
Pacific Coast:	@11½

Salad Oil

North and Northeast:	
Carlots, 26,000 lbs.	@10¾
5 bbls. and up	@10½
1 to 4 bbls.	@11¼
South:	
Carlots, 26,000 lbs.	@10
Less than carlots	@10¼
Pacific Coast:	@10¼

Cooking Oil—White

⅛c per lb. less than salad oil.

Cooking Oil—Yellow

¼cc per lb. less than salad oil.

Because the Lieberman - Storch - Morawski reaction for detecting the presence of rosin is subject to failures when small amounts of rosin are present, produces different colors when large amounts are present and is not specific for rosin, F. Michel has revised the method as follows: Rosin-containing material is dissolved in three cc. of chloroform, five cc. of sulfuric acid (65-67%) added and the mixture strongly shaken for a few seconds. Three milligrams or more of rosin will give the acid a strong yellow color. Fractions of a milligram of rosin will be detected when a further dropwise addition of acetic anhydride is very carefully made, the chloroform thereby assuming a violet color. Vigorous shaking gives the acid a purple-red to carmine-red color. The procedure is repeated until the chloroform is no longer colored by the acetic anhydride and the acid has assumed an unchangeable color. To detect rosin in admixture with mineral oils, fats, fatty acids, etc., it is best to use the residue from a 70% alcohol extraction of the material for the test. Soap and soap products are first acidified and the rosin extracted with dilute alcohol. — *Chem. Ztg.* 54, 182-3 (1930).