

# The National Soybean Processors Association and the Development of the Soybean Industry<sup>1</sup>

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IT'S a real privilege and a pleasure to address the 27th annual Fall Meeting of your distinguished society. Through the years our Association has worked closely with the American Oil Chemists' Society. We have incorporated into our oil trading rules the applicable official A.O.C.S. methods. In addition, we have relied upon your society to certify chemists for recognition as official chemists for our Association.

In fact, we have been fortunate enough to list among our Technical Committee members seven of your presidents, and another of your chief executives is serving in an advisory capacity to that important committee. This list is headed by your present president, Procter Thomson, and includes past presidents H. S. Mitchell, S. O. Sorensen, Lamar Kishlar, R. T. Milner, R. R. King, E. M. James, and V. C. Mehlenbacher. These men have played an important role in bringing both associations to their present respected positions.

Others in your membership, including Howard C. Black, chairman of our Soybean Research Council, and Warren H. Goss, a past chairman of this important research group, have made important contributions toward the development of our Association and the soybean industry.

It is readily apparent that our Association and the soybean industry have drawn heavily on the talent represented by your membership. The A.O.C.S. has played an important role in the development of the soybean industry and will continue to provide important technical and personnel assistance in the future development of this most important supplier of vegetable oils and protein oil meals.

Although the first processing of domestic soybeans occurred in Elizabeth City, N. C., in 1915, it was not until the middle '20's that soybean processing as anything more than an experimental sideline was established. The roaring '20's witnessed the real birth of the domestic soybean processing industry, and the stock market crash of 1929-30 ushered in the National Soybean Processors Association.

THE boom year 1929 set many industry records. It was used as a bench-mark for comparing the levels to which industry generally fell during the depression years that followed. In that glorious year of inflated values and high incomes the total soybean production of the U.S.A. was approximately 9½ million bushels. Soybean processors produced almost 41,000 tons of soybean oil meal and about 11 million pounds of soybean oil from that year's bountiful crop.

For comparison, this year's crop, reduced by the drought to about 260 million bushels, probably will produce more than 5.1 million tons of soybean oil meal and approximately 2.5 billion pounds of soybean oil. Furthermore, the oil fraction, which in 1929 was relegated almost entirely to industrial uses, will find its primary outlet in edible products, namely,

shortening, margarine, and salad oils. The meal produced, which went mostly into fertilizer in 1929, will be consumed almost entirely in feed for livestock and poultry products and food for human consumption.

This phenomenal industrial expansion and development was not, as many have reported, a result of World War II. True, the industry developed greatly during that period and played a substantial part in providing the food that helped to win it. Far from being a war baby however, it has demonstrated its greatest growth in the postwar years.

The present soybean industry is a result of the cooperative efforts of many groups and individuals. This address will concern itself with only one of those important organizations that was established while the 1929 soybean crop was being processed.

In the spring of 1930 a small group of far-sighted executives meeting in Chicago organized the National Soybean Processors Association. At this founders' meeting the large majority of the infant industry's processing capacity was represented. Through the years membership in the National Soybean Processors Association has kept pace with the industry expansion. For example, association members crushed approximately 83% of the domestic soybeans processed in the country last year.

Regular membership in the Association is limited to firms actually engaged in the processing of soybeans. Recently provision was made for associate membership. Firms which are actual consumers of soybean oil and soybean oil meal are eligible. Most of the refiners of soybean oil are now associate members, and several mixed feed manufacturers are also participants in that category.

The National Soybean Processors Association serves as a clearing house for industry problems. It provides a democratic organization with which to study and determine equitable solutions to those problems. Through its publication of a daily market report, regular Washington office releases, and various committee reports, its members are kept abreast of all developments of interest to the industry.

Many of the Association activities are carried on through its 14 active committees. Because of time limitations, only the highlights of a few of the committee functions and activities will be discussed. The annual yearbook of the Association however contains a description of each committee's functions.

The Oil and Meal Trading Rules Committees, with assistance of the Technical Committee, have through the years developed equitable rules for the orderly marketing of the main products of soybean processing. Today the industry provides the largest supply of domestically produced protein meals and vegetable oils. It is a tribute to these committees that almost the entire production of these important products are traded under the N.S.P.A. trading rules.

Since the early days of the Association the Soybean Research Council has made a significant contribution to the development of the soybean industry. These leading scientists through the dissemination of fac-

<sup>1</sup>Presented at the 27th annual Fall Meeting, American Oil Chemists' Society, Chicago, Ill., Nov. 2-4, 1953.

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*(Shakespeare: Othello)*



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tual information and encouragement of research on our products played an important role in the establishment and expansion of soybean products in highly competitive markets. Many members of your society have participated in the nine annual soybean oil symposia sponsored by this group. These conferences have provided a meeting place for researchers working on flavor stability problems. I am confident that they have speeded the day when this problem will be completely disposed of.

Another important group has been our Soybean Crop Improvement Council. This committee's activities were considered so important to the industry that a full-time director was employed in March of 1948 to expand the efforts and functions of this arm of the Association. Since that time an Advisory Board, composed of leading agronomists in the 14 most important soybean producing states, has been established to counsel with our committee on soybean production problems. A color film, "Soybeans—The Feature Story," has been produced and shown to thousands of students, agronomists, and farmers. Some 175,000 copies of the 43-page text, "Soybean Farming," have been distributed. In addition, a quarterly publication, Soybean News, is being distributed to a mailing list of some 22,000 selected readers. Factual information is thus being made available to agronomists, soybean growers, and prospective growers. This effort has gone a long way toward establishing the U. S. soybean crop on a firm basis.

All of our committees have been active and have played their part in the unprecedented growth of the domestic soybean industry.

THE National Soybean Processors Association is governed by an 18-man directorate. This board, through its officers and with the legal guidance of our general and Washington counsels, has charted the Association and the industry through periods of depression, prosperity, and wartime economy. Through its direction and with the cooperation of the individual members and the active committee members, the N.S.P.A. has reached its present stature.

In conclusion, I should like to remind you again of the tremendous growth of the soybean industry: from a 9½ million-bushel crop in 1929 to near 300 million-bushel crops of the present; from meal production of 41,000 tons to production of 5 to 6 million tons in the same period of time; from oil production of 11 million pounds to present production of 2½ billion pounds. That is the story of the soybean industry to date. Needless to say, it took plenty of planning, research activity on processing methods and products, and selling to expand the markets for the relatively unknown soybean products in the highly competitive fields of fats and oils and protein meals. I feel that our Association through the cooperative efforts of its members, and with assistance from other groups, such as the A.O.C.S., has played a very important role in writing the soybean success story. I am confident that the future of our industry will be even brighter.

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## Fatty Acids Drop

The Association of the American Soap and Glycerine Producers Inc. reports that production of fatty acids in November 1953 totalled 34.1 million pounds, 3.4% below the October level. It was 6.2% higher than production in November 1952. Total disposition was 33 million pounds, 2 million below the October figure, but approximately 0.5 million above the November 1952 level. Stocks, including work in process, rose to a level of 44 million pounds.