

# Trends in Fats and Oils Consumption, 1955-1959<sup>1</sup>

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(NOTE: Copies of the full National Cotton Council report, "Cottonseed Oil and Competing Materials," complete with tables, can be obtained on request from the Utilization Research Division, National Cotton Council of America, Post Office Box 9905, Memphis 12, Tenn.)

**T**HIS PAPER WILL analyze the competitive relationships among major fats and oils consumed in the United States. It will show trends in factory consumption of fats and oils by major end-uses during the 1955-1959 period, significant competitive shifts among fats and oils, and reasons for some of these shifts.

Quantity data for this presentation derive from reports published by the Bureau of Census and the Department of Agriculture. In some instances quantity data for 1959 are not strictly comparable with data for prior years because of "end-use" classification changes by the Census Bureau. However such changes will be explained in more detail as they relate to specific end-uses. All fats and oils quantity figures relate to factory consumption of primary materials as defined by the Bureau of Census. Quantity data for 1959 are preliminary estimates.

Total factory consumption of fats and oils in the United States climbed from 8.2 billion pounds in 1955 to 8.8 billion pounds in 1959, as indicated in Figure 1. Vegetable oil usage followed approximately the same trend as the total.

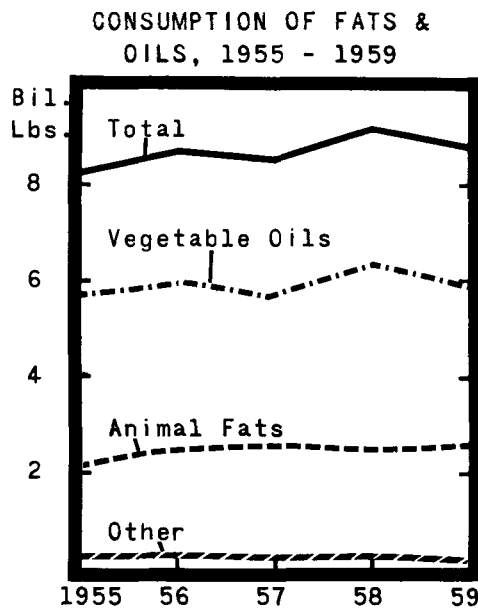


FIG. 1.

Consumption rose from 5.7 billion in 1955 to a high of 6.4 billion pounds in 1958, then dropped off to somewhat less than 6 billion pounds in 1959. At the beginning of the five-year period, vegetable oils accounted for about 70% of the total compared with 68% in 1959.

Animal fats consumption followed an upward trend also but were characterized by less fluctuation in animal usage than was evident in vegetable oils. About 2.2 billion pounds of animal fats, principally inedible tallow and grease, were consumed in 1955 compared with 2.5 billion pounds in 1959.

Other fats and oils such as fish, marine mammal, and vegetable oil foods were relatively stable during the period. Average consumption was about 294 million pounds annually.

<sup>1</sup> Presented before the American Oil Chemists' Society, Dallas, Tex., April 5, 1960.

**I**N 1955 cottonseed oil accounted for 18%, compared with 13% of total fats and oils consumption in 1959, as shown in Figure 2. Soybean oil rose, from 31% of the total to 37% during this period. "Other vegetable oils"

## FACTORY USAGE, PERCENTAGE SHARE BY MAJOR FATS & OILS

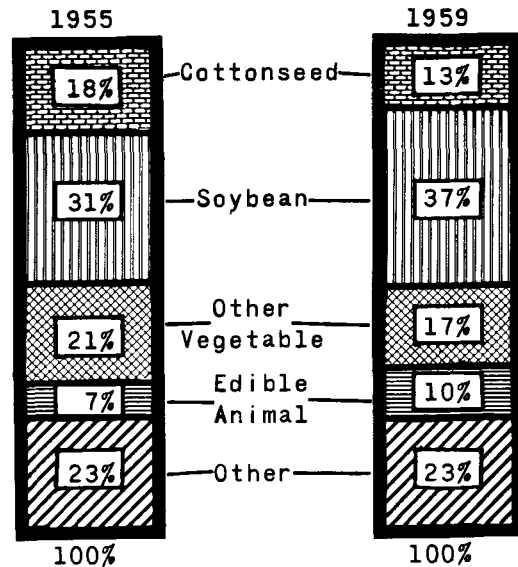


FIG. 2.

declined from 21% to 17%. Edible animal fats increased from 7% in 1955 to 10% in 1959. Other fats and oils, primarily inedible tallow and grease, accounted for 23% in both years.

This figure shows that, as a percentage of total factory consumption, soybean oil and edible animal fats experienced strong competitive gains at the expense of cottonseed and "other vegetable oils." Why did these changes occur?

The principal factors in competitive gains or losses are price, quality, or a combination of the two. During the past five years nearly 60% of the total factory usage of fats and oils has been consumed in edible products. Cottonseed oil, soybean oil, and edible animal fats accounted for more than 90% of the total fats and oils used in edible products.

Table I shows comparative prices for cottonseed oil (crude, tank cars, f.o.b., S.E. Mills), soybean oil (crude, tank cars, f.o.b., Decatur), and lard and edible tallow (loose, Chicago). Several points are readily apparent in

TABLE I  
Comparative Prices of Fats and Oils  
(Cents per pound)

	1955	1956	1957	1958	1959
Cottonseed.....	12.7	13.7	13.5	12.7	11.2
Soybean.....	11.6	13.2	12.2	10.5	9.0
Lard and edible tallow.....	9.8	10.7	12.2	11.2	7.9

this table: first, the general price trend of these three materials was downward during the 1955-1959 period; second, prices in 1959 were lower than any other year during the period; third, cottonseed oil was consistently higher than the other materials shown here.

In 1959 cottonseed oil was 2.2¢ per pound above soybean oil, and about 3.3¢ per pound above the 1959 average price