

## • Fats and Oils Report

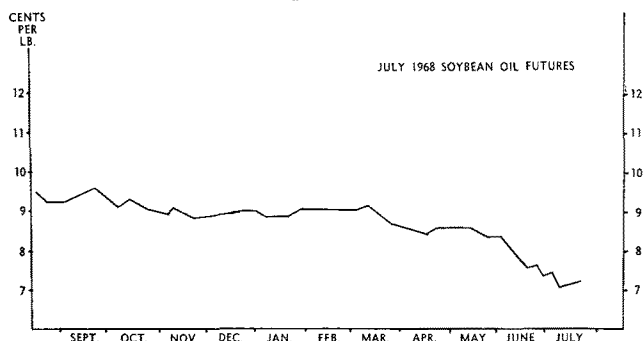


Fig. 3

For illustration of these diverse situations one can look at the 1966 and 1968 markets. In the fall of 1965, the cash market for soybean oil was very tight. Because of the restricted supply, the nearby futures were above distant months, and cash oil was at a very wide premium over futures. The July 1966 futures contract was trading at 9 cents, but worked steadily higher to 13 cents by the following summer. Figure 1 shows the futures action. Figure 2 shows how the cash vs. July futures relationship narrowed. Under these conditions, the oil user would be advised to buy futures well ahead of actual needs, and wait to contract the cash basis until near time of shipment. Then he would liquidate the long futures position with the net result that oil for July use would cost him around 9½ cents instead of 13 cents.

An entirely different situation existed two years later. In the fall of 1967, there were adequate supplies of soybean oil, the nearby futures months were under distant months, and cash oil was at a nominal premium to futures. The July 1968 futures declined from a September high of 9½ cents to a low of 7 cents. Figure 3 shows the

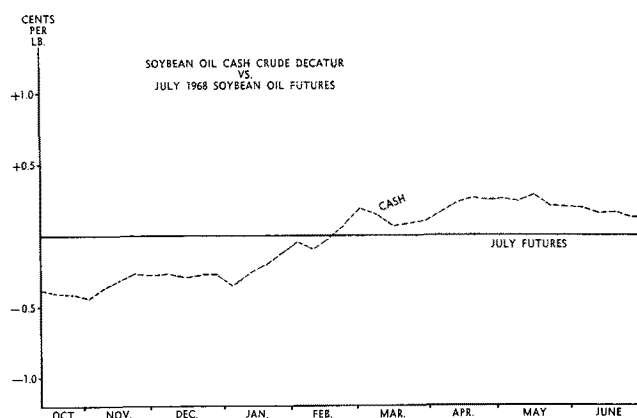


Fig. 4

futures action. Figure 4 shows how the cash vs. July futures relationship advanced from 40 points under to 15 points over. Under these conditions, the oil user would be advised to contract the cash basis as early as possible when considered to be reasonable, but refrain from buying futures until the cash oil is actually needed and then give up the futures to the supplier.

The futures market seeks to discern the price level of a commodity in accord with the broad spectrum of market influencing circumstances prevailing or anticipated. The cash market discriminates for conditions at a given location for a given quality. The two complement each other, for the total price is derived by a combination of general price level (futures) plus specific location and quality differentials (cash basis).

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## Call for Nominations for Seventh AOCS \$2,500 Award in Lipid Chemistry

### Sponsored by Applied Science Laboratories

In April 1964 the Governing Board of the American Oil Chemists' Society established an Award in Lipid Chemistry under the sponsorship of the Applied Science Laboratories Inc., State College, Pennsylvania. Previous awards were presented as follows: Erich Baer, August 1964; Ernest Klenk, October 1965; H. E. Carter, October 1966; Sune Bergstrom, October 1967; Daniel Swern, October 1968 and H. J. Dutton, October 1969.

The award consists of \$2,500 accompanied by an appropriate certificate. It is now planned that the seventh award will be presented at the AOCS Fall Meeting in Chicago, Illinois, Sept. 27-Oct. 1, 1970.

### Canvassing Committee Appointees

Policies and procedures governing the selection of award winners have been set forth by the AOCS Governing Board. An Award Nomination Canvassing Committee has been appointed. Its membership is L. N. Noreia, Chairman; J. G. Coniglio, Morris Kates, J. C. Hamilton and F. T. Lindgren. The function of this committee is to solicit nominations for the seventh award. Selection of the award winner will be made by the Award Committee whose membership will remain anonymous.

### Rules

The rules prescribe that nominees shall have been responsible for the accomplishment of original re-

search in lipid chemistry and must have presented the results thereof through publication of technical papers of high quality. Preference will be given to individuals who are actively associated with research in lipid chemistry and who have made fundamental discoveries that affect a large segment of the lipid field. For award purposes, the term "lipid chemistry" is considered to embrace all aspects of the chemistry and biochemistry of fatty acids, of naturally occurring and synthetic compounds and derivatives of fatty acids, and of compounds that are related to fatty acids metabolically, or occur naturally in close association with fatty acids or derivatives thereof. The award will be made without regard for national origin, race, color, creed or sex.

Letters of nomination together with supporting documents must be submitted in octuplicate to L. N. Noreia, Temple University, Health Science Center, School of Medicine, Philadelphia, Pennsylvania 19140, before the deadline date of April 15, 1970. The supporting documents shall consist of professional biographical data, including a summary of the nominee's research accomplishments, a list of his publications, the degrees he holds, together with the names of the granting institutions, and the positions held during his professional career. There is no requirement that either the nominator or the nominee be a member of the American Oil Chemists' Society.

Remember the DEADLINE, April 15, 1970