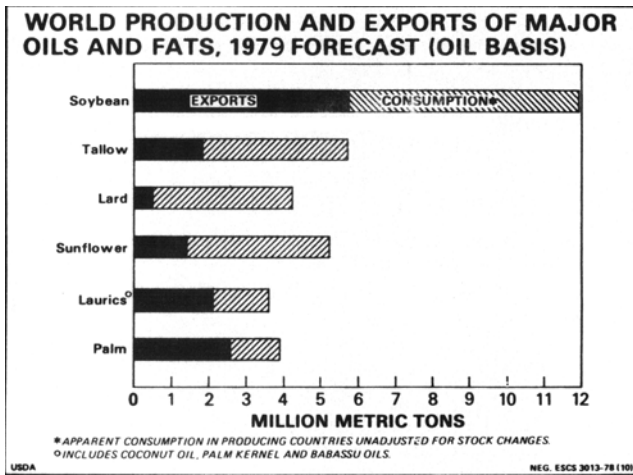
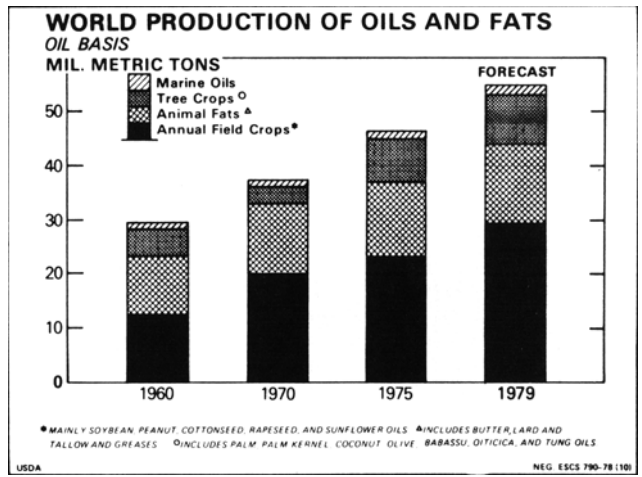


Outlook '79

Alan Holz: Things to Watch for in 1979:

- Weather effects on Brazilian and Argentinian soybean crops
- Value of U.S. dollar vs. foreign currencies
- USSR soybean purchases
- Soybean oil exports to India and the People's Republic of China
- Increased Malaysian palm oil output
- Lower Philippine exports of copra and coconut oil keeping those products expensive compared to other oils
- EEC developments as butter stocks rise; dried milk powder stocks lower, but still large
- Increased overseas crushing capacity, possibly skewing U.S. exports towards oilseeds rather than products
- More vegetable oil purchases by petroleum-exporting nations
- Stronger meal prices than oil prices if U.S. crushings outstrip usage
- Heavier U.S. exports in first half of crop year before South America harvests soybeans
- Possibly improvement in depressed Peruvian fishing industry
- Continued high meal prices relative to corn within U.S.



Acids in thousand pounds

Month Issued	FINISHED GOODS INVENTORIES (F)	PRODUCTION (A)	RECEIPTS (B)	DISPOSITION:	TOTAL DISPOSITION	FINISHED GOODS INVENTORIES (F)
October 1978				Carbide Consumption (C)	Domestic Shipments (D)	Shipments for Export (E)
December 7, 1978						
NUMBER OF MANUFACTURERS REPORTING 18	ON 9/30					ON 10/31

Saturated

SP - Single Pressed; DP - Double Pressed; TP - Triple Pressed

Category	SP	DP	TP	Other	Inventory	Production	Receipts	Disposition	Inventory
STEARIC ACID (40-50% Stearic Content) (1)	7,888	18,100	1,740	4,205	340	205	12,437	7,300	4,240
60 C maximum ester & minimum I.V. 5 (2a)	5,251	9,241	-	31	9,334	115	9,480	5,812	3,438
57 C minimum ester & maximum I.V. under 5 (2b)	5,857	8,886	2,800	5,919	8,493	2	14,414	3,738	
Minimum Stearic Content of 70% (2c)	2,333	2,323	-	1,102	1,802	82	2,786	1,870	
HIGH PALMITIC (Over 60% palmitic I.V. maximum 12) (3)	1,846	904	-	385	574	22	981	1,700	
HYDROGENATED FISH & MARINE MAMMAL fatty acids (4)	687	319	-	60	446	1	507	480	
LAURIC TYPE ACIDS (I.V. minimum 5-Season val. minimum 245- including coconut, palm kernel, tallow) (5)	5,719	8,377	-	3,430	5,348	24	8,808	5,280	
C12 or lower, including capric (6a)	946	1,549	1	103	1,504	100	1,707	700	
Lauric and/or myristic content of 55% or more (6b)	2,433	1,977	336	991	918	30	1,839	2,807	
TOTAL SATURATED FATTY ACIDS	32,760	44,476	4,895	16,232	36,246	581	53,098	29,872	

Unsaturated

ND - Not distilled; SD - Single distilled; MD - Multiple distilled

Category	ND	SD	MD	Other	Inventory	Production	Receipts	Disposition	Inventory
OLEIC ACID (7)	11,431	14,472	805	6,448	816	60	14,391	12,317	2,340
ANIMAL FATTY ACIDS other than oleic (I.V. 36 to 80) (8)	5,741	11,856	271	2,835	10,110	1,141	13,286	4,682	
VEGETABLE OR MARINE FATTY ACIDS (I.V. maximum 115) (9)	28	17	-	-	18	-	18	28	
UNSATURATED FATTY ACIDS (I.V. 116 to 130) (10)	2,886	4,294	50	494	3,480	442	4,386	2,953	
UNSATURATED FATTY ACIDS (I.V. over 130) (11)	1,872	1,588	-	88	1,855	127	2,080	1,490	
TOTAL UNSATURATED FATTY ACIDS	22,158	32,337	1,135	9,065	23,326	1,770	34,161	21,470	
TOTAL ALL FATTY ACIDS SATURATED & UNSATURATED	54,918	76,813	6,030	25,297	59,572	2,351	87,220	50,942	

Tall Oil Fatty Acids & Statistics

IN THOUSAND POUNDS	2% & OVER ROSIN CONTENT		LESS THAN 2% ROSIN CONTENT	
	OCTOBER	Percent change from SEPTEMBER 1978	OCTOBER	Percent change from SEPTEMBER 1978
Stock on Hand				
OCTOBER 1, 1978	12,636	+ 53.0	10,575	- 3.8
Production	15,988	- 28.8	13,981	- 8.1
Purchases & Receipts	0	-	0	-
Disposition				
Domestic	16,480	+ 18.2	14,801	+ 13.5
Export	836	- 46.3	482	- 72.5
Total Disposition*	17,316	+ 11.9	15,283	+ 3.3
Net Disposition*	17,345	+ 11.9	15,283	+ 4.8
Total Stock				
OCTOBER 31, 1978	11,180	- 11.4	8,792	- 16.8

* Net - Less purchases & receipts. Definition: Fatty acids fractionated from crude tall oil having a minimum of 90% fatty acids, not including rosin acids. Primary fractions containing less than 90% fatty acids are classified as distilled tall oils.

Oilseed outlook for 1979: Another record year for fats and oils

For the second consecutive year, world production of fats and oils in 1979 is expected to set a new record, approximately 55 million metric tons, compared to approximately 53 million tons in 1978 and 47.8 million tons in 1977.

Alan Holz, oilseeds specialist with the USDA's Foreign Agricultural Service, made the projections during the USDA's annual outlook meetings in Washington, DC, during November.

On the price side, USDA agricultural economist George Kromer estimated soybean prices will continue strong, in the region of the \$6.50 per bushel price at the time of the conference, at least through the first half of the crop year when more becomes known about the South American Crop. Soybean oil prices may average around 25 cents a pound, while soybean meal should average about \$180 a ton. Kromer said oil and meal prices should be less volatile than a year ago.

Their talks were delivered the second week in November and based on information available at that time. Both talks have been condensed; complete copies are available from the speakers.