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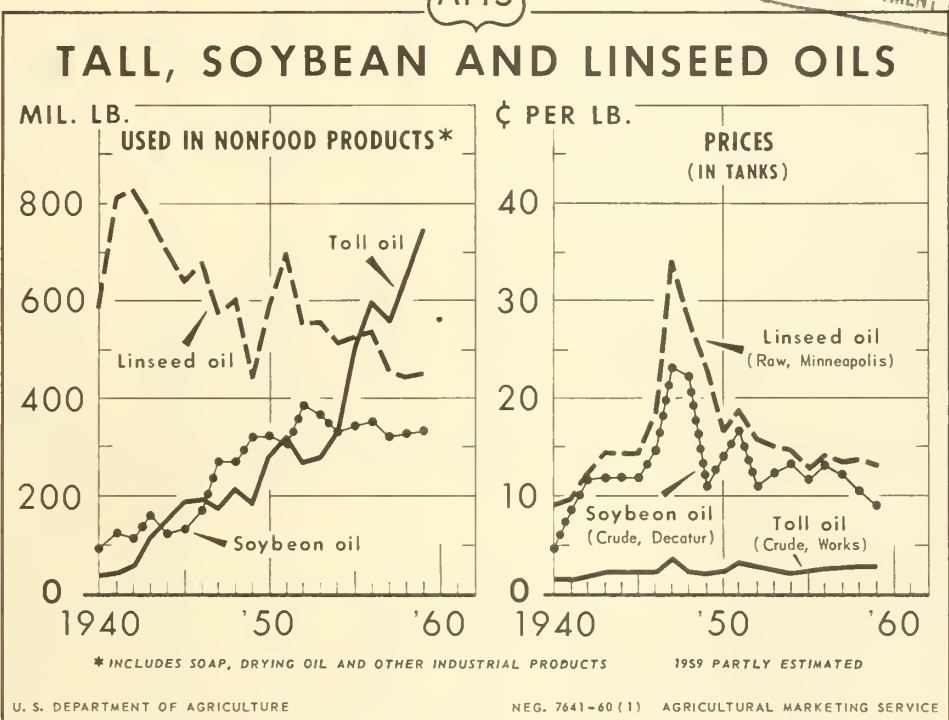
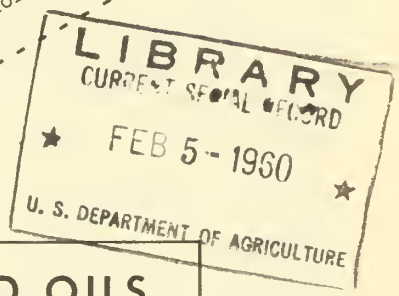
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# FATS and OILS SITUATION

FOS-200

In this issue:  
Tall Oil Output Expanding Rapidly  
Annual Price Series for Fats  
and Oils, 1955-59



Consumption of tall oil, a by-product of the sulphate paper manufacturing process, has shown a phenomenal increase in the past two decades while use of linseed oil has dropped sharply. Nonfood uses of soybean oil rose quite steadily through 1952 but have since been relatively stable at a slightly lower level. A major factor in the growth of tall oil,

other than improvement in quality, has been its low-stable price compared with the wide price fluctuations of higher-priced linseed and soybean oils. The outlook indicates that tall oil output will continue to rise over the next several years along with the concurrent growth of kraft paper production. (See page 20.)

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Table 1.--Wholesale and retail prices per pound for fats and oils

Item	December		1959		
	1957	1958	October	November	December
	Cents	Cents	Cents	Cents	Cents
<b>Wholesale prices:</b>					
Butter, creamery, Grade A, (92-score) bulk, New York .....	60.9	62.9	63.1	64.4	62.3
Butter, creamery, Grade B, (90-score) bulk, Chicago .....	59.6	61.4	61.8	63.4	59.1
Butter, creamery, Grade A, (92-score) bulk, San Francisco .....	67.8	69.3	70.8	70.8	72.5
Castor oil, dehydrated, tanks, New York .....	27.6	25.1	25.0	25.0	25.1
Castor oil, No. 1, tanks, f.o.b. New Jersey mills .....	22.5	20.0	19.6	20.0	20.0
Castor oil, No. 3, technical, drums, carlots, f.o.b. N. Y. ....	21.8	19.3	19.3	19.3	19.3
Coconut oil, crude, tank cars, Pacific Coast, f.o.b. mill 1/ ..	13.7	17.4	18.8	16.8	17.2
Coconut oil, crude, tanks, Atlantic ports 1/ .....	14.5	20.4	19.8	18.9	18.7
Coconut oil, refined, drums, l.c.l., New York 1/ .....	22.7	24.0	25.8	25.8	25.0
Cod oil, Newfoundland, drums, New York .....	11.2	9.4	8.1	8.2	8.2
Codliver oil, medicinal, U. S. P., barrels, New York .....	19.5	18.2	18.2	18.2	18.2
Corn oil, crude, tank cars, f.o.b. Midwest mills .....	15.3	12.0	11.3	11.2	11.6
Corn oil, refined, tanks, New York .....	6/21.0	15.7	15.0	15.0	15.3
Cottonseed oil, crude, tank cars, f.o.b. S.E. mills .....	14.8	11.1	9.7	9.3	9.1
Cottonseed oil, crude, tank cars, f.o.b., Valley .....	14.4	10.8	9.5	9.1	8.9
Cottonseed oil, crude, tank cars, f.o.b., Texas .....	14.1	10.6	9.4	9.1	9.0
Cottonseed oil, p.s.y., bleachable, tank cars, New York 2/ ....	16.7	13.0	11.8	11.3	11.2
Cottonseed-oil foots, raw (50 percent T.F.A.) delivered East ..	2.3	1.3	1.6	1.6	1.6
Cottonseed oil, refined, drums, New York .....	20.5	17.1	---	---	---
Cottonseed oil, refined, tanks, New York .....	---	14.2	12.8	12.3	12.2
Degras, common, barrels, New York .....	10.0	10.0	10.0	10.0	10.0
Degras, neutral, barrels, New York .....	21.0	21.0	21.0	21.0	21.0
Glycerin, soaplye, tanks, New York .....	15.0	17.5	18.5	18.5	18.5
Grease, A white, tank cars, f.o.b. Chicago .....	7.9	7.2	5.6	5.5	5.3
Grease, B white, Chicago .....	7.4	6.8	5.0	4.9	4.7
Grease, yellow, tank cars, f.o.b. Chicago .....	7.4	6.6	4.8	4.5	4.3
Grease oil, extra No. 1, drums, New York .....	15.8	15.8	14.8	14.8	14.8
Lard, loose, tank cars, Chicago .....	10.9	9.2	7.8	7.7	7.1
Lard, prime steam, tierces, Chicago .....	10.9	10.4	8.1	8.0	7.6
Lard, refined, 1-pound cartons, Chicago .....	15.8	14.3	12.7	12.8	11.6
Lard, refined, 1-pound cartons, New York .....	16.6	15.5	12.7	13.1	12.7
Linseed oil, raw, tank cars, Minneapolis .....	15.0	12.9	13.9	14.5	14.3
Linseed oil, raw, tanks, New York .....	16.5	14.4	15.4	16.0	15.3
Linseed oil, raw, drums, carlots, New York .....	18.6	16.4	17.4	18.0	17.8
Margarine, colored, delivered Eastern U. S. ....	27.5	26.2	25.3	23.8	23.8
Margarine, yellow quarters, f.o.b. Chicago .....	28.0	27.0	26.0	25.1	24.2
Margarine, white, domestic vegetable, Chicago .....	27.0	26.0	24.0	23.1	22.3
Menhaden oil, crude, tanks, f.o.b. Baltimore .....	8.8	7.3	7.3	7.3	7.2
Menhaden oil, light pressed, tanks, New York .....	11.5	10.5	9.9	10.0	10.0
Neat's-foot oil, 30°, drums, carlots, New York .....	28.0	28.0	28.0	28.0	28.0
Oiticica oil, drums, f.o.b. New York .....	19.0	19.0	22.0	22.0	22.0
Oiticica oil, tanks, New York .....	17.6	17.5	20.5	20.5	20.5
Oleo oil, extra, drums, Chicago .....	18.2	17.5	15.0	15.1	15.5
Oleo oil, extra, drums, New York .....	18.5	17.1	13.5	13.9	14.2
Oleostearine, barrels, New York .....	15.1	14.1	12.2	12.4	12.5
Olive oil, imported, edible, drums, New York .....	36.5	31.7	32.3	30.9	30.3
Palm oil, clarified, drums, f.o.b. New York 3/ .....	15.5	14.0	14.1	14.3	14.4
Palm Kernel oil, bulk, c.i.f. New York 4/ .....	---	---	15.5	17.8	17.8
Peanut oil, crude, tank cars, f.o.b. S.E. mills .....	16.5	13.8	12.1	13.5	12.9
Peanut oil, refined, drums, New York .....	22.5	22.5	15.2	16.7	16.1
Rapeseed oil, refined (denatured), tanks, New York .....	16.0	14.5	13.0	13.0	13.0
Safflower oil, nonbreak, tanks, f.o.b., West Coast .....	14.8	14.5	---	---	---
Safflower oil, nonbreak, tanks, East Coast .....	15.8	15.8	15.8	15.8	15.8
Safflower oil, drums, East Coast .....	17.8	17.8	17.8	17.8	17.8
Sesame oil, refined, drums, New York .....	38.0	38.0	38.0	38.0	38.0
Shortening, containing animal fat, 1-pound cartons, Chicago ..	30.1	28.2	26.2	26.1	26.0
Shortening, Cottonseed, hydrogenated, 10-drum lots, New York ..	22.2	20.0	18.5	18.5	17.7
Soybean oil, crude, tank cars, f.o.b., Decatur .....	11.4	9.5	8.6	8.0	7.8
Soybean oil, refined, tanks, New York .....	14.7	11.8	10.7	10.1	9.8
Soybean oil, refined, drums, New York .....	17.0	15.4	---	---	---
Soybean oil, clarified, tanks, New York .....	13.6	11.4	10.4	9.8	9.6
Sperm oil, natural, 45°, drums, New York .....	17.2	15.2	13.5	13.5	12.8
Sperm oil, bleached, winter, 38°, drums, New York .....	18.2	16.2	14.5	14.5	13.8
Tall oil, crude, tanks, works .....	2.6	2.8	2.8	2.8	2.8
Tall oil, refined, tanks, works .....	5.5	5.5	5.5	5.5	5.5
Tallow, edible, loose, Chicago .....	11.5	9.4	8.0	8.1	7.4
Tallow, inedible, packers' prime, tank cars, f.o.b. Chicago ..	7.9	7.2	6.1	5.9	5.6
Tallow, inedible, bleachable fancy, f.o.b. Chicago .....	7.8	7.4	6.0	5.8	5.5
Tallow, No. 1, inedible, Chicago .....	7.1	6.5	4.7	4.5	4.3
Tallow, special, inedible, tanks, delivered, New York .....	8.0	7.4	5.7	5.7	5.3
Tung oil, imported, drums, carlots, f.o.b. New York .....	24.9	22.9	25.4	24.0	23.8
Tung oil, tanks, New York .....	23.4	21.4	23.9	22.5	22.2
Tung oil, domestic, tanks, f.o.b. mills .....	21.8	21.1	22.6	22.0	21.6
<b>Retail prices 5/:</b>					
Butter .....	74.9	74.4	76.8	77.2	78.5
Margarine .....	29.7	29.1	27.8	27.9	27.6
Lard .....	22.5	22.6	18.9	18.7	18.6
Shortening .....	32.0	31.0	28.7	28.4	28.3
Salad Dressing .....	37.3	37.9	37.2	37.1	36.8
Peanut Butter .....	53.8	56.6	55.4	55.6	55.5

1/ Three-cent processing tax suspended during October 1957-June 1960. 2/Near-by futures. 3/ Tax excluded. Tax does not apply to palm oil used in the manufacture of iron or steel products, tin andterne plate. Since 1943 these are the major uses of palm oil.

4/ Three-cent processing tax suspended during July 1959-June 1960. 5/ Leading cities. 6/ Prior to April 1958, reported as drums.

Prices compiled from Oil, Paint, and Drug Reporter; The National Provisioner; The Journal of Commerce (New York); Wall Street Journal, Chicago edition; reports of Bureau of Labor Statistics, and reports of the Agricultural Marketing Service. Excise taxes and duties included where applicable.

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 T H E F A T S A N D O I L S S I T U A T I O N  
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Approved by the Outlook and Situation Board, January 25, 1960

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SUMMARY

Supplies of food fats and oils in the 1959-60 marketing year which began October 1, 1959 are placed at a record 14.3 billion pounds (oil equivalent of oilseeds), compared with 13.6 billion pounds available the previous year. Total disappearance is expected to rise more than 5 percent to a new high, with record exports accounting for most of the increase. Domestic use probably will rise with population growth. Carryover stocks of food fats next October 1 are likely to be slightly less than last year due to a reduction in the soybean inventory.

Present prospects indicate that exports of all food fats in 1959-60 (including the oil equivalent of soybeans) may total around 3.7 billion pounds compared with 3.3 billion pounds a year earlier. More soybeans, lard and possibly edible vegetable oils will go out. Exports of edible oils under P. L. 480 will be down considerably from last year, but a sharp rise in dollar shipments probably will boost the total to at least as much as the 1,334 million pounds exported in 1958-59. Smaller P. L. 480 exports this year mainly reflect a reduction in the quantity going to Spain, where output of olive oil is up a third from last year. Spain has been the major taker of edible oils under the program.

A heavy export movement of edible oils, lard and soybeans is being encouraged by low U. S. prices and smaller supplies from sources outside this country compared with last year. Recent advances in European peanut oil prices due to smaller supplies from Africa enhances the competitive position of U. S. edible oils and likely will step up our 1959-60 dollar exports. Typhoon damage has reduced the prospects for Philippine copra, so it is quite likely that exports of coconut oil to Europe in calendar 1960 may not increase from last year's relatively low level. The U. S. is the only major producer of edible oils with larger quantities available for export.

Soybean prices to farmers during the heavy harvesting months of October-December 1959 were relatively stable, averaging \$1.97 per bushel, 12 cents above the 1959 national average support rate, and 4 cents higher than a year earlier. Prospects are that soybean prices will continue firm this winter and spring as crusher and export demand continues strong.

Crushing of soybeans in 1959-60 are expected to total about 400 million bushels and exports probably will set a new record of about 125 million bushels. These estimates indicate a carryover of around 40 million bushels on October 1, 1960, down about a third from starting stocks the previous year.

Cottonseed production in 1959-60 is placed at 6,100,000 tons, 27 percent more than the previous crop. The 1959 season average price received by farmers is estimated at \$38.90 per ton compared with \$43.80 last year. Cottonseed oil output is expected to total around 1,900 million pounds, about 400 million pounds above last year. At least half of the increase will be absorbed by strong foreign demand but domestic use will also be higher. Cotton oil prices probably bottomed out in December as the seasonal peak in output has passed. Some rise in price is expected this winter and spring because of the excellent demand for this oil. Cotton oil will continue to command a price premium over soybean oil and the spread probably will widen.

Lard output in 1959-60 is now forecast at 2,850 million pounds, about 5 percent more than last year. Prices during October-December 1959 averaged sharply below the previous year, reflecting the big increase in hog slaughter. Lard prices hit a seasonal low in December-January and probably will rise slightly over the rest of the marketing year. Production will decline seasonally and disappearance is expected to continue high. Domestic disappearance of lard in 1959-60 is expected to increase slightly with the gain going into the manufacture of shortening. Exports probably will rise about 25 percent above 1958-59 with a big part of the increase going to the United Kingdom. Carryover stocks of lard next October 1 probably will be about the same as the year earlier.

Flaxseed supplies during the 1959-60 marketing year will continue tight, as output in 1959 was down sharply and stocks are low. Production of 1959 crop flaxseed is placed at 22.7 million bushels, more than a third below last year and the smallest crop since 1946. The 1959 season average farm price is estimated at \$3.04 per bushel compared with \$2.69 the previous year and the 1959 support price of \$2.38 per bushel. Linseed oil prices generally have moved upward since the beginning of the crop year and are likely to continue well above a year earlier the rest of this season.

The total supply of peanuts in the 1959-60 marketing year is placed at about 2,100 million pounds, 4 percent below a year earlier. The supply is substantially greater than food and farm requirements and CCC is likely to acquire most of the 240 million pounds that were under price support loan at the end of December 1959. The 1959-60 season average price received by farmers is estimated at 9.5 cents per pound compared with 10.6 cents the year before. Lower prices this year reflect the lower 1959 support price and production again in excess of domestic edible requirements.

The 1959 tung nut crop is estimated at 134,000 tons compared with the record 147,000 a year ago. The crop probably will yield around 40 million pounds of tung oil, about 5 million below the previous year. Carryover stocks of tung oil on November 1, 1959 were 38 million pounds, 28 million of which were in the hands of CCC. Domestic supplies of tung oil during 1959-60 (including 26 million pounds likely to be imported under the quota) are placed at about 105 million pounds, about the same as last year and again large enough to satisfy domestic use for more than two years. The season average price received by farmers for 1959 crop tung nuts is \$52.80 per ton, about the same as last year and again at support.

#### REVIEW AND OUTLOOK

##### Soybean Prices Stay Above Support During Harvest; Prices Expected to Continue Firm

Prices to farmers for 1959 crop soybeans during the heavy harvesting months of October-December were relatively stable, averaging \$1.97 per bushel, 12 cents above the support rate and 4 cents higher than a year earlier. Prospects are that soybean prices will continue firm this winter and spring as crusher and export demand probably will continue strong.

"Free" supplies of soybeans were relatively tight early in the season. Of the 62 million bushels carried over on October 1, 1959, CCC owned 42 million bushels and 14 million bushels were resealed in farm storage. Wet weather delayed harvesting and marketing of the new crop. CCC soybean sales have been heavy so far this marketing year, amounting to about 33 million bushels through mid-January. This left less than 10 million bushels in the Corporation's inventory. Through March 1960 CCC beans are being offered at not less than 20 cents over the 1959 loan rate at point of storage. On a national average basis this is \$2.05 per bushel.

Through December farmers placed about 33 million bushels of 1959 crop soybeans under support compared with 98 million the same period a year earlier. Farmers may take out loans and purchase agreements through January. The maturity date of the program is May 31. Current prospects indicate that many producers probably will redeem loans and the CCC takeover likely will be much smaller than the quantity currently under support.

##### Soybean Crushing and Export Demand Strong; Bean Carryover to Drop Sharply

Supplies of soybeans for the 1959-60 marketing year are placed at 600 million bushels, about the same as last year's record. The 1959 soybean crop was 7 percent below the previous year but carryover stocks on October 1, 1959 were up sharply.

Table 2.--Food fats and oils: Supply and disposition, 1953-59

Item	Year beginning October						
	1953	1954	1955	1956	1957	1958	Forecast * 1959
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
<u>Stocks, October 1</u>							
Soybeans--oil equivalent <u>1/</u>	109	14	108	41	109	231	686
Butter	323	489	295	90	145	146	93
Lard	42	50	75	123	69	48	93
Cottonseed oil	1,016	896	361	254	146	154	203
Soybean oil	174	127	179	227	286	281	298
Others <u>2/</u>	33	45	51	66	49	57	60
Total	1,589	1,608	962	760	694	3/686	746
<u>Imports</u>	61	91	57	49	68	70	70
<u>Production</u>							
Butter	1,648	1,536	1,571	1,542	1,524	1,439	1,425
Lard	2,248	2,564	2,851	2,624	2,434	2,703	2,850
Cottonseed oil <u>4/</u>	2,106	1,723	1,893	1,629	1,420	1,589	1,900
Soybean oil	2,350	2,711	3,143	3,431	3,800	4,251	4,350
Other <u>2/ 4/</u>	669	572	667	709	662	740	750
Total fats and oils	9,021	9,105	10,125	9,935	9,840	10,722	11,275
Soybean exports--oil equiv.	436	666	741	937	939	1,209	1,400
Total	9,457	9,771	10,866	10,872	10,779	11,931	12,675
<u>Total supply</u>	11,107	11,470	11,885	11,681	11,540	12,687	13,490
<u>Exports <u>5/</u></u>							
Butter	45	190	240	18	36	19	25
Lard	456	587	719	590	461	608	750
Cottonseed oil <u>4/</u>	402	716	617	427	250	406]	1,350
Soybean oil	71	50	556	807	804	930]	
Other <u>2/ 4/</u>	119	33	50	62	19	34	50
Adjustment <u>6/</u>	117	124	52	61	85	117	125
Total fats and oils	1,209	1,699	2,234	1,965	1,655	2,114	2,300
Soybeans--oil equivalent	436	666	741	937	939	1,209	1,400
Total exports	1,645	2,365	2,975	2,903	2,593	3,323	3,700
<u>Domestic use</u>							
Butter	1,438	1,540	1,536	1,470	1,488	1,473	1,450
Lard <u>7/</u>	1,773	1,959	2,066	2,049	2,005	2,051	2,100
Cottonseed oil	1,824	1,543	1,384	1,310	1,195	1,134 ]	4,550
Soybean oil	2,326	2,609	2,539	2,565	3,051	3,304 ]	
Others <u>2/</u>	598	622	659	713	703	773	775
Adjustment <u>6/</u>	-117	-124	-52	-61	-85	-117	-125
Total <u>7/</u>	7,843	8,149	8,132	8,046	8,357	8,618	8,750
<u>Total use for food <u>8/</u></u>	7,541	7,836	7,883	7,899	8,165	8,454	8,600
<u>Per capita, civilian and military</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>	<u>Lb.</u>
Butter (fat content)	7.2	7.5	7.4	6.9	6.9	6.7	6.5
Other	37.7	38.3	37.8	37.7	38.5	39.6	39.8
Total (fat content)	44.9	45.8	45.2	44.6	45.4	46.3	46.3

1/ Not included in total stocks. 2/ Includes beef fats, peanut, corn, olive and sesame oils. 3/ Adjusted to new Census basis which includes hydrogenated oils and stearin. 4/ Includes oil equivalent of oilseeds exported for crushing. 5/ Includes shipments. Butter, cottonseed oil and adjustments include quantities from CCC stocks that are not reported in Census data. 6/ Includes exports of processed food oils not classified by kind, shortening and other secondary fats. 7/ Adjusted for estimated changes in stocks on farm. 8/ Excludes food fats used for nonfood purposes but includes nonfood oils (mostly coconut babassu and palm-kernel) used in food.

\*Except for stocks on October 1, 1959.

†Totals computed from unrounded numbers.



Crushings in October-December 1959 totaled 105 million bushels, 4 million above the year before (table 3). Demand for protein feeds and edible vegetable oils is expected to continue strong through the remainder of the current marketing year. The crush probably will total around 400 million bushels for the entire 1959-60 marketing year. The trade places soybean crushing capacity in 1959-60 at about 500 million bushels compared with 450 million the past year. A 400 million bushel grind would produce about 9.5 million tons of soybean meal and about 4,350 million pounds of crude soybean oil, around 100 million more than in 1958-59 because of the higher oil outturn per bushel. It would require a monthly average crush of nearly 33 million bushels in January-September 1960 compared with 33.3 million last year.

Oil outturn per bushel of soybeans crushed so far this marketing year has averaged 11.0 pounds compared with 10.5 pounds during October-December 1958. It is interesting to note that while the oil content of soybeans crushed this marketing year is apparently higher than last, soybean inspection data show that only 68 percent of the beans graded so far this year are No. 1 and 2 compared with 70 percent a year earlier.

Soybean exports in 1959-60 are likely to set another new record of about 125 million bushels compared with 110 million the year before. Based in part on inspection data, exports from October 1, 1959 through mid-January 1960 totaled about 61 million bushels, 16 million above the same period of the 1958-59 season. Most of the increase is going to Western Europe and Japan. Northwestern Europe is relying more on the U. S. as a supplier of oilseeds and oilseed products this year because of reduced availabilities of oilseeds from other exporting countries. Japan may take more U. S. soybeans this year because the consumption of soybeans in Japan is expanding along with the growth in population. The U. S. is the only major supplier of oilseeds that has larger quantities available for export.

Based on the above estimates for crushing and exports, the carryover of 1959 crop soybeans on October 1, 1960 will be around 40 million bushels, down sharply from the record carryover of 62 million bushels last year.

Demand For Soybean Oil And  
Meal To Continue Strong;  
Oil Prices Average Lower

Crushings of soybeans through the rest of the crop year will be maintained near last year's record level by a continued strong domestic demand for food fats and oils and protein feeds as well as a good export movement of edible oils.

Domestic use of soybean oil in 1959-60 is expected to continue at record levels in spite of larger supplies of competitive cottonseed oil and lard. However, a substantial part of the increased output of cottonseed oil and lard this year will move into export channels because of preferences for these fats in some dollar importing countries. Assuming that the use of food fats per person remains at the 1958-59 level, domestic use of soybean oil in 1959-60 probably will increase slightly from the record level of 3.3 billion pounds last year. Consumption of soybean oil in nonfood products also may show a

Table 3.--Soybeans: Supply and disposition, crop years, 1952-59

Item	Year beginning October							
	1952	1953	1954	1955	1956	1957	1958	1959 <sup>1/</sup>
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
<b>Supply</b>								
Stocks, October 1	3.6	10.1	1.3	9.9	3.7	9.9	21.1	62.4
Production	298.8	269.2	341.1	373.5	449.4	483.7	579.7	537.9
Total supply	302.4	279.3	342.4	383.5	453.2	493.6	600.8	600.3
<b>Disposition</b>								
Seed, feed and residual	26.0	25.1	22.9	29.2	42.0	33.2	27.1	35
October-December:								
Crushings	65.9	62.3	65.1	74.7	81.5	85.7	101.4	105
Exports	13.9	23.6	27.5	34.7	36.6	39.2	38.0	55
January 1, supply remaining	196.6	168.3	226.9	244.9	293.1	335.5	434.3	405
January-September:								
Crushings	168.5	150.8	183.9	208.5	234.4	268.1	299.8	295
Exports	18.0	16.0	33.1	32.8	48.7	46.3	72.0	70
<b>Season totals</b>								
Crushings	234.4	213.2	249.0	283.1	315.9	353.8	401.2	400
Exports	31.9	39.7	60.6	67.5	85.4	85.5	110.1	125
Ending stocks	10.1	1.3	9.9	3.7	9.9	21.1	62.4	40
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
<b>Price per bushel</b>								
Support	2.56	2.56	2.22	2.04	2.15	2.09	2.09	1.85
Received by farmers	2.72	2.72	2.46	2.22	2.18	2.07	2.00	<u>2/</u> 2.02

<sup>1/</sup> October-December is partly estimated. Disposition through the rest of the crop year is forecast.  
<sup>2/</sup> Preliminary.

Table 4.--Cottonseed: Supply and disposition, crop years, 1953-59

Item	Year beginning August							
	1953	1954	1955	1956	1957	1958	1959 <sup>1/</sup>	
	tons	tons	tons	tons	tons	tons	tons	
<b>Supply</b>								
Stocks, August 1	155	229	209	177	164	175	100	
Production	6,748	5,709	6,043	5,407	4,609	4,798	6,100	
Total supply	6,903	5,938	6,252	5,584	4,773	4,973	6,200	
<b>Disposition</b>								
Seed, feed and residual	403	459	471	450	345	430	460	
August-December:								
Crushings	2,968	2,734	2,868	2,681	2,294	2,303	2,849	
Exports	2	1	2	<sup>2/</sup>	<sup>2/</sup>	1	1	
January 1, supply remaining	3,530	2,744	2,911	2,453	2,134	2,239	2,890	
January-July:								
Crushings	3,288	2,515	2,720	2,278	1,953	2,136	2,751	
Exports	13	20	14	11	6	3	14	
<b>Season totals</b>								
Crushings	6,256	5,249	5,588	4,959	4,247	4,439	5,600	
Exports	15	21	16	11	6	4	15	
Ending stocks	229	209	177	164	175	100	125	
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	
<b>Price per ton</b>								
Support <sup>3/</sup>	50.50	50.00	42.00	44.00	42.00	41.00	34.00	
Received by farmers	52.70	60.30	44.60	53.40	51.10	43.80	<u>4/</u> 38.90	

<sup>1/</sup> August-December is partly estimated. Disposition through the rest of the year is forecast. <sup>2/</sup> Less than 500 tons. <sup>3/</sup> Purchase Price, Basis Grade. <sup>4/</sup> Preliminary.

slight increase because the short supply and higher prices of flaxseed and linseed oil this year make soybean oil prices more competitive in the drying oils market.

Soybean oil prices (crude, Decatur) declined from 8.6 cents per pound in October 1959 to 7.8 cents in December, averaging about 2.0 cents below October-December 1958. Prices for the entire 1959-60 marketing year will average well below the 9.5 cents per pound in 1958-59. Heavy supplies of vegetable oils and lard have exerted downward pressure on the general level of food fat prices. Furthermore, export prospects for soybean oil are not as favorable this year as in 1958-59 mainly because of a smaller P. L. 480 program.

Demand for soybean meal, an important determinant in the level of soybean crushings, is expected to continue high through the remainder of the current feeding year, due mainly to the large number of livestock and poultry and a heavy feeding rate per animal unit. Also, exports in 1959-60 are expected to rise well above the 512,000 tons in 1958-59. This would primarily reflect increased needs for imports into Western Europe caused by drought and the inability to get larger supplies from key areas other than the U. S.

Soybean meal prices (bulk, Decatur) in October-December 1959 averaged about \$58 per ton, about \$2.50 above the previous year. Prices in mid-January at \$63 per ton were about the same as January 1959. Soybean meal prices may again decline from the January level during the remainder of the current feeding year, but they probably will average at least as high as the \$56 per ton during January-September 1959.

Cottonseed Prices Less  
Than Last Year; Oil  
Prices Expected To Rise

The average price received by farmers for 1959 crop cottonseed is placed at \$38.90 per ton, slightly above the CCC purchase price of \$34 per ton, basis grade (100), but less than last season's average of \$43.80. Production of cottonseed in 1959 was up 27 percent from last year and prices for cottonseed oil were lower.

Total supplies of cottonseed in 1959-60 (carryover stocks on August 1 plus output) are estimated at 6,200,000 tons compared with 4,973,000 a season earlier (table 4). The crush may total 5,600,000 tons, about 1,150,000 more than in 1958-59. A crush this size will produce about 1,900 million pounds of crude cotton oil and 2,600,000 tons of cake and meal, compared with 1,518 million pounds of oil and 2,061,000 tons of meal last year. The remainder of the crop will be used on farms or exported.

Cottonseed oil prices (crude, Southeast mills) so far this season dropped sharply from 12.1 cents per pound in August 1959 to 9.1 cents in December, 2.0 cents below December 1958. Cotton oil output was seasonally high during this period and supplies were up sharply from last year. Furthermore, supplies of competitive food fats were much larger than in recent years.

Cotton oil prices bottomed out in December as the seasonal peak in cotton oil output has passed. Some rise in price is expected this winter and spring because of the excellent export and domestic demand for this oil. However, prices for the entire 1959-60 season probably will average below the 11.7 cents per pound last season.

Cottonseed oil prices are currently about 1.8 cents above soybean oil prices (crude, Decatur). As the season progresses, the price differential between the two oils will widen as cottonseed crushing mills shut down and cotton oil stocks are reduced. The average price spread for the entire 1959-60 marketing year may fall below the 2.1 cents per pound during October-September 1958-59.

Prices of cottonseed meal (bulk, Memphis) in August-December 1959 averaged \$57 per ton compared with \$58 last year. Cottonseed meal prices in mid-January 1960 were about \$10 below January 1959, the high month for the 1959-59 season. Cottonseed meal prices are expected to remain firm through the rest of the crop year but probably will not average as high as the \$61 per ton during January-August 1959. Demand in the Southwest probably will be strong since January 1 hay stocks in that area were down from a year earlier and more cattle are on feed. However, much will depend upon pasture conditions this spring and summer.

Edible Oil Export Prospects Good;

Dollar Exports Rise As  
P. L. 480 Sales Slump

Current estimates of foreign production indicate that exports from some exporting countries will decline, thereby encouraging the demand for U. S. edible oils. Increased dollar sales of cottonseed and soybean oils should offset expected declines in P. L. 480 sales. Recent increases in the price of peanut oil in northwestern Europe markets due to smaller supplies of African peanuts, has improved the competitive position of U. S. edible oils. The effects of late 1959 typhoon damage on Philippine copra production and exports will probably be delayed until late summer. However, it is not expected that imports of coconut oil into western Europe during calendar 1960 will increase from last year. Sunflower seed production in the USSR has probably been sharply reduced due to drouth but this was probably partly offset by increased cottonseed and animal fats production. Also, there is a good possibility that carryin stocks of sunflower seed may have been materially larger this year because of the large crop the previous year. However, actual stocks figures are not available. Also, it is not certain that the Soviet Union will be willing to reduce their carryin stocks. Rapeseed production in Canada also is substantially below 1958. Total production of oilseeds in China also is down, but growing conditions in Manchuria, the major source of soybeans for exports, were favorable. Current indications are that Argentina may again become an exporter of edible oils beginning late this spring because planted acreage probably increased and growing conditions have been favorable.

Current indications are that U. S. exports of soybean and cottonseed oils in 1959-60 will be about the same as the record 1,334 million pounds shipped abroad in 1958-59. Sales under P. L. 480 are expected to drop substantially. On the other hand, sales for dollars are expected to increase and offset expected declines in P. L. 480 exports this marketing year.

Cotton oil exports during 1959-60 are expected to rise about 50 percent over the 404 million a year ago. Most of the increase will go to northwestern Europe and other dollar markets. Exports of cotton oil during October-November 1959 totaled 111 million pounds, up 93 million from the previous year. Soybean oil exports in 1959-60 may drop about 20 to 25 percent from the 930 million shipped last season. The drop mainly reflects a big reduction in exports under P. L. 480 to the major program country of Spain. However, with current bean oil prices at the lowest level in nearly two decades, it is quite likely that some importing areas such as Western Europe may increase stocks which have not been particularly high during the past two years. Exports of bean oil during October-November 1959 totaled 84 million pounds, down 13 million from the previous year.

Lard Prices to Rise;  
Export Demand Brisk

Hog slaughter was unusually heavy in October-December 1959. Despite a large increase in total disappearance of lard, its price dropped somewhat. The price (tanks, loose, Chicago) declined from 7.8 cents per pound in mid-October to 7.0 cents in mid-December and have remained around that level.

Prices bottomed out in December-January and probably will rise slightly over the rest of the marketing year. Production will decline seasonally and total disappearance will continue high. Also, strong demand for edible oils will help lard prices.

Although lard output in January-September 1960 will be up from last year, the increase is expected to be only 2 percent compared with the rise of 16 percent in October-December 1959. This would reflect similar changes in slaughter. Total commercial slaughter for the 1959-60 marketing year is estimated to increase about 4 percent. The rise in October-December was nearly 17 percent.

Lard output (including farm) for the entire 1959-60 marketing year is forecast at 2,850 million pounds, up about 150 million pounds from a year earlier. Total supplies of lard in 1959-60 are up even more than output, because of bigger carryover stocks on October 1, 1959 than the same date in 1958.

Domestic use of lard in 1959-60 probably will increase 2-3 percent with the rise going into use in shortening. About 96 million pounds of lard were used in shortening in October-November 1959 compared with only 47 million a year earlier, mainly because of lower lard prices.

Table 5.--Commercial hog slaughter, lard yield and production 1946-59

Year beginning October	Hog slaughter		Yield of lard per		Lard production <u>1/</u> Million pounds
	Number	Average	Hog	100	
	Thousands	live weight	slaughtered	pounds	
1946	60,862	250	32.2	12.9	1,963
1947	60,514	245	31.2	12.7	1,887
1948	62,600	245	33.7	13.8	2,112
1949	68,876	239	33.4	14.0	2,301
1950	74,546	241	33.6	13.9	2,506
1951	78,027	237	33.8	14.2	2,634
1952	70,470	235	32.1	13.7	2,262
1953	63,420	238	32.0	13.4	2,028
1954	70,818	239	33.4	14.0	2,363
1955	80,510	233	32.7	14.1	2,632
1956	74,234	233	32.7	14.0	2,426
1957	71,183	234	31.6	13.5	2,246
1958 <u>2/</u>	78,142	237	32.2	13.6	2,514
1959 <u>3/</u>	81,500	237	32.5	13.7	2,650

1/ Excludes estimate for farm lard. 2/ Preliminary. 3/ Forecast.

Table 6.--Flaxseed: Supply and disposition, crop years, 1953-59

Item	Year beginning July						
	1953	1954	1955	1956	1957	1958	1959 <u>1/</u>
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
<b>Supply</b>							
Stocks, July 1	11.0	14.2	11.2	4.1	19.4	8.7	14.8
Production	37.7	41.3	41.2	48.0	25.9	38.6	22.7
Total supply	48.7	55.5	52.4	52.1	45.3	47.3	37.5
<b>Disposition</b>							
Seed and residual	4.3	3.8	2.9	4.0	.3	4.1	2.5
July-December:							
Crushings	14.1	19.5	18.4	14.5	16.6	12.4	14.4
Exports	<u>2/</u>	7.3	3.8	2.0	9.0	4.6	7.0
January 1, supply remaining	30.4	24.9	27.3	31.6	19.4	26.2	13.6
January-June:							
Crushings	13.8	12.8	16.6	11.7	10.7	10.0	8
Exports	2.4	.9	6.6	.5	<u>2/</u>	1.4	2
<b>Season totals</b>							
Crushings	27.8	32.3	34.9	26.2	27.3	22.4	22
Exports	2.4	8.2	10.4	2.5	9.0	6.0	9
Ending stocks	14.2	11.2	4.1	19.4	8.7	14.8	4
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
<b>Price per bushel</b>							
Support <u>3/</u>	3.79	3.14	2.91	3.09	2.92	2.78	2.38
Received by farmers	3.64	3.05	2.90	2.99	2.94	2.69	<u>4/3.04</u>

1/ July-December is partly estimated. Disposition through the rest of the year is forecast. 2/ Less than 50,000 bushels. 3/ Farm basis. 4/ Preliminary.

Exports and shipments of lard in 1959-60 are expected to reach 750 million pounds, up nearly 25 percent from last year and the most since the 1951 marketing year. Nearly all of the increase will go to the United Kingdom, and other countries probably will take about the same as in 1958-59. Exports and shipments of lard in October-November 1959 totaled 147 million pounds, 55 million more than a year earlier.

Flaxseed Prices Strong  
For Small Supplies

Domestic flaxseed supplies during the rest of the current marketing year probably will be in close balance with crusher demand. Output from the 1959 crop dropped sharply and stocks are low.

Production is placed at 22.7 million bushels, more than a third below last year and the smallest crop since 1946 and carryover stocks last July 1 were 14.8 million bushels. Total supplies for the 1959-60 marketing year are 37.5 million bushels, about 11 million less than in 1958-59. Crushings for oil and meal may total about 22 million bushels and another 3 million will be needed for seed. With exports of about 9 million bushels (7 of which have already moved out mostly from CCC stocks), carryover stocks on July 1, 1960 probably will be at the low level of about 4 million bushels (table 6).

CCC's holdings of 54 million pounds of linseed oil (about 2.7 million bushels flaxseed equivalent) constitutes the entire visible surplus above minimum domestic requirements. The Corporation is currently offering linseed oil for sale on a competitive bid basis but none had been sold as of mid-January.

Prices received by farmers have increased sharply since the beginning of the season -- from \$2.63 per bushel in July 1959 to a peak of \$3.44 per bushel in November. Prices then slipped to \$3.20 in December. The 1959 flaxseed support price is \$2.38 per bushel. Linseed oil prices have shown a similar price pattern, rising from 12.5 cents per pound (raw, tank cars, Minneapolis) in July to a peak of 14.5 cents per pound in November. Prices declined to 14.0 cents per pound in late December and have remained at this level. Prospects are that prices of flaxseed and linseed oil will remain firm and substantially above last year, at least until 1960 crop seed and oil become available from the early flax areas of California and Texas, where harvest usually starts in May.

Domestic disappearance of linseed oil during July-November 1959 totaled 205 million pounds, about the same as a year earlier. Consumption was probably adversely affected because of the lower level of industrial activity associated with the prolonged steel strike coupled with the sharp rise in linseed oil prices which tends to encourage user of drying oils to shift to lower priced substitutes.

Table 7.--Peanuts: Production and prices received by farmers, by areas, 1950-59

Crop year	Production				Price received by farmers, per pound			
	Va.-N. C. area	S. E. area	S. W. area	Total	Va.-N. C. area	S. E. area	S. W. area	National average
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Ct.	Ct.	Ct.	Ct.
1950	483	1,086	466	2,035	12.7	10.4	10.3	10.9
1951	563	853	243	1,659	12.2	9.6	9.2	10.4
1952	549	662	145	1,356	11.3	10.4	11.4	10.9
1953	490	782	301	1,574	12.0	10.6	11.0	11.1
1954	424	429	155	1,008	13.5	11.1	11.7	12.2
1955	388	812	376	1,548	13.1	11.2	11.5	11.7
1956	599	860	147	1,607	11.9	10.7	11.2	11.2
1957	527	660	249	1,436	10.7	10.1	10.4	10.4
1958	554	909	373	1,836	10.9	10.5	10.5	10.6
1959 <sup>1/</sup>	481	772	350	1,602	10.5	9.0	9.5	9.5

<sup>1/</sup> Preliminary.

Table 8.--Peanuts: Supply and disposition (farmers' stock basis), United States, 1950-59

Year begin- ning August	Total supply <sup>1/</sup>	Disposition					
		Exports and ship- ments	Crushed for oil	Seed, feed farm loss and shrinkage	Domestic food use		
					Military	Civilian	Civilian per capita
Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Lb.	
1950	2,238	69	629	212	14	967	6.4
1951	2,006	8	432	139	10	1,005	6.6
1952	1,768	3	195	142	10	998	6.4
1953	1,994	239	303	152	10	1,007	6.4
1954	1,471	9	107	132	7	1,012	6.3
1955	1,757	6	257	172	1	954	5.8
1956	1,980	102	260	162	3	1,026	6.1
1957	1,865	48	239	154	3	1,084	6.4
1958 <sup>2/</sup>	2,175	62	335	195	8	1,087	6.3
1959 <sup>3/</sup>	2,092			165		(1,125)	6.4

<sup>1/</sup> Includes imports which are negligible in every year except in 1954 when 180 million pounds were imported.

<sup>2/</sup> Preliminary.

<sup>3/</sup> Disposition is forecast.



Plenty of Peanuts Available  
for Edible Use At Lower Prices

The total supply of peanuts in the 1959-60 crop year is placed at about 2,100 million pounds, just 4 percent below a year ago. Carryover stocks on August 1, 1959 were 45 percent over a year earlier, almost enough to offset the 13 percent drop in the 1959 peanut crop.

The 1959 peanut crop is placed at 1,602 million pounds compared with 1,836 million pounds in 1958. Food uses are expected to inch up to 1,125 million pounds and farm uses to stay about the same as in recent years (table 8). This would leave about 300 million pounds or 18 percent of 1959 crop peanuts available for crushing, exports, and addition to stocks. This will be approximately one-third below last year. As most of the surplus peanuts will be acquired by CCC under the support program, the quantity crushed and exported will mainly depend on the Corporation's diversion policy.

As of the end of December, about 240 million pounds of 1959 crop peanuts were under loan, nearly 80 percent of which were in the Southeastern area.

The 1959-60 season average price received by farmers is estimated at 9.5 cents per pound compared with 10.6 cents the year before. Lower farm prices this year reflect the 10 percent cut in the 1959 support price and the large supplies of peanuts which held prices at about the CCC loan level. Loans on 1959 crop peanuts are available through January, and mature the end of May 1960 or earlier on demand by CCC.

1959 Tung Crop Down Slightly;  
Oil Supplies Are Heavy

The 1959 tung nut crop is estimated at 134,000 tons compared with the record 147,000 tons a year earlier (table 9). The crop probably will yield around 40 million pounds of tung oil, about 5 million less than the previous year. Tung orchards did not suffer significantly from early spring freezes in 1959 or last year, as in some recent years. Carryover stocks of tung oil on November 1, 1959 were 38 million pounds, 28 million of which were in the hands of CCC.

Imports of tung oil are restricted by Presidential proclamation to 26 million pounds during the 1959-60 marketing year. Most of our imports come from Argentina and Paraguay. This year the full quota likely will come in because of heavy supplies in these countries.

Total domestic supplies of tung oil in 1959-60 -- production from the 1959 crop, stocks and imports -- are expected to be around 105 million pounds, about the same as last year and again large enough to satisfy domestic requirements for more than two years (table 10).

Domestic use of tung oil in 1959-60 is expected to total 45 million pounds, about the same as the 1958-59 level and about average for recent years.

Table 9.--Tung nuts: Supply, disposition and price, 1939-59

Year beginning November	Supply			Disposition		Price per ton		Oil yield per ton crushed
	Production	Imports	Total	Crushings	Residual	Season average	Support	
	tons	tons	tons	tons	tons	Dol.	Dol.	Dol.
1939	1.2	---	1.2	(1.2)	---	42.20		
1940	11.0	---	11.0	(11.0)	---	60.00		
1941	8.7	---	8.7	(8.7)	---	88.30		
1942	16.4	---	16.4	16.4	---	91.80		316
1943	6.2	---	6.2	5.5	.7	99.00		341
1944	26.7	---	26.7	27.3	-.6	102.00	100.00	321
1945	37.1	---	37.1	27.5	9.6	98.90	101.25	332
1946	57.4	---	57.4	45.1	12.3	96.90	---	319
1947	53.2	---	53.2	50.6	2.6	64.90	72.00	316
1948	58.5	2.7	61.2	50.3	10.9	49.10	---	339
1949	87.9	.3	88.2	83.1	5.1	63.70	60.00	322
1950	36.5	---	36.5	35.8	.7	111.00	63.00	343
1951	49.1	.1	49.2	48.5	.7	106.00	67.20	303
1952	132.1	.5	132.6	129.5	3.1	79.80	67.20	335
1953	120.0	---	120.0	112.6	7.4	66.80	63.38	352
1954	51.0	---	51.0	46.6	4.4	59.40	54.96	325
1955	6.2	.5	6.7	1/	---	64.00	51.06	---
1956	103.5	---	103.5	100.2	3.3	53.40	53.76	319
1957	82.6	---	82.6	80.7	1.9	52.30	52.13	315
1958	146.7	---	146.7	143.4	3.3	53.20	53.89	312
1959 2/	133.6	---	133.6	130		52.80	53.50	

1/ Negligible. 2/ Preliminary. Crushing is forecast.

Table 10.--Tung oil: Supply, disposition and price, 1935-59 1/

Year beginning November	Supply				Disposition		Price per pound			Oil acquired by CCC
	Beginning stocks	Production	Imports	Total	Exports 2/	Domestic disappearance	Drums, N.Y. (imported)	Tanks, f.o.b. mills 3/	Support	
Average	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Ct.	Ct.	Ct.	Mil.lb.
1935-39	37.9	.6	123.2	161.7	5.7	118.1	18.2			
1942	31.4	5.2	4/	36.7	1.8	5/11.5	39.0			
1943	28.7	1.9	1.8	32.3	.7	5/10.5	39.0			
1944	22.8	8.8	.3	31.9	2.5	21.7	39.2			---
1945	7.7	9.1	24.5	41.3	.9	33.2	39.2		6/36.0	---
1946	7.2	14.4	103.4	125.0	6.0	87.1	32.4			---
1947	31.9	16.0	140.4	188.4	10.4	130.4	25.2		25.0	7.8
1948	47.6	17.0	72.4	137.0	10.9	107.7	23.4		---	---
1949	18.5	26.8	105.9	151.1	8.2	112.5	26.5	25.1	24.1	1.6
1950	30.5	12.3	48.2	91.0	6.4	5/72.4	38.2	36.7	25.1	---
1951	16.0	14.7	30.4	61.2	1.3	51.2	40.8	39.1	26.5	---
1952	8.7	43.4	13.0	65.1	.3	49.6	31.3	28.6	26.5	5.8
1953	15.1	39.6	41.5	96.3	.3	49.3	24.3	23.8	23.9	32.8
1954	46.7	15.2	25.2	87.1	3.6	51.2	25.1	23.3	21.2	4/
1955	32.4	2.2	31.4	66.0	1.4	51.6	26.2	24.4	20.0	---
1956	13.0	32.0	31.5	76.5	1.3	50.4	24.7	22.7	21.0	15.0
1957	24.8	25.5	24.7	75.0	.4	5/38.1	23.2	21.4	20.5	11.1
1958 7/	36.9	44.8	25.0	106.6	8/20.7	47.4	24.1	21.9	21.0	25
1959 9/	38.5	40	26	105		45			20.9	

1/ Data by crop year not available until 1942-43. 1935-39 calendar year average. 2/ Includes reexports. 3/ Not available before April 1949. 4/ Less than 50,000 pounds. 5/ Factory consumption figures used for years in which reported factory consumption exceeds domestic disappearance. 6/ Processor had to agree to buy back oil at 37 cents a pound or else CCC would purchase oil only at 30 cents a pound. 7/ Preliminary. 8/ CCC export sales. 9/ Forecast except beginning stocks.

Prospects are that tung oil prices (Southern mills) to producers in the 1959-60 marketing year will average near the support level of 20.9 cents per pound, which is virtually the same support price as last year. Large carryover stocks, along with imports and another big crop will keep prices from rising much above support during most of the 1959-60 marketing year.

The season average price received by farmers for 1959 crop tung nuts is \$52.80 per ton, about the same as last year and again at support. Tung nuts are being supported at \$53.50 per ton (65 percent of parity), basis 18.5 percent oil content. The equivalent price for tung oil is 20.9 cents per pound. Purchase agreements and loans on tung oil are available through June 30, 1960. Loans mature October 31, 1960, or earlier on demand by CCC.

Tallow Output Up;  
Price Lower

Under the pressure of heavy output, prices of inedible tallow and greases have declined about a cent per pound since the beginning of the 1959-60 marketing year. Total disappearance kept pace with increased production during October-November 1959 so there has been no further buildup in stocks. Domestic disappearance was slightly less than last year while exports rose to a new high. Compared with a year earlier, stocks of inedible tallow and greases on December 1, 1959, at 327 million pounds, were up about 75 million pounds. (See table 18, page 30).

Output of inedible tallow and greases for the entire 1959-60 marketing year is expected to total 3,400 million pounds, about 6 percent more than the 3,198 million last year and the previous peak of 3,215 million in 1955-56 (table 11). Domestic use may total about 1.8 billion pounds, about the same as in recent years. Lower prices and availability of record supplies during the current marketing year improves our competitive position in the world tallow market and exports are expected to climb to a record 1.6 billion pounds. The previous export peak of 1.5 billion pounds was reached in 1955-56. If it were not for the expectation of record exports, tallow prices would be under even more pressure, as little change is in prospect for domestic consumption. The U. S. produces about half of the world's tallow and greases and accounts for about two-thirds of world trade.

Coconut Oil Prices Rising  
Again as Typhoon Damage  
Reduces Philippine Crop

Coconut oil prices (crude, tanks, Pacific Coast) rose sharply from 11.2 cents per pound (excluding 3 cents processing tax) in the summer of 1957 to a peak of 20.4 cents in May 1959. This reflected the cumulative effects of drought conditions in the Far East since 1957. Prices since May fluctuated widely but have remained well below that peak month.

Table 11.--Nonfood fats and oils: Supply and disposition, 1953-60

Item	Year beginning October							
	1953	1954	1955	1956	1957	1958	Forecast	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	1959	1960
<b>Stocks, October 1</b>								
Tallow inedible and grease	363	268	260	306	239	230	328	330
Coconut oil	56	59	96	75	57	60	44	35
Palm oil	18	23	21	22	19	15	15	10
Linseed oil	587	253	94	101	102	90	122	120
Tung oil	20	50	35	11	25	40	42	43
Castor oil	46	29	43	38	22	24	30	30
Other lauric acid oils 1/	9	9	9	4	1	6	12	12
Cod and fish liver oil	6	6	2	2	2	1	---	---
Fish and marine oils	85	62	93	113	80	153	136	115
Tall oil	84	59	59	96	106	116	145	120
All others 2/	25	27	38	33	32	31	---	---
Total	1,299	844	749	801	685	768	872	815
<b>Imports</b>								
Tallow inedible and grease	3	4	2	3	3/	2	2	
Coconut oil 4/	576	582	596	601	656	623	625 *	
Other lauric acid oils 1/	34	57	40	47	51	60	55	
Palm oil	56	55	30	18	42	33	35	
Tung oil	41	25	25	37	26	24	26	
Castor oil 4/	112	140	119	127	103	99	110	
Cod and fish liver oil	33	29	24	21	19	18	20	
Fish and marine oils	29	58	40	50	51	53	50	
All others 5/	38	35	34	31	27	19	30	
Total	923	986	910	937	976	931	950	
<b>Production</b>								
Tallow inedible and grease 6/	2,661	2,874	3,215	3,143	2,900	3,198	3,400	
Linseed oil 7/	752	721	821	822	523	638	525	
Tung oil	40	15	2	32	25	45	40	
Castor oil	8	4	1	3	9	16	15	
Cod and fish liver oil	2	2	2	2	1	3/	180	
Fish and marine oil	161	180	204	160	180	182		
Tall oil	332	524	672	623	679	769	800	
All others 2/	24	39	31	42	64	---	---	
Total	3,981	4,360	4,948	4,827	4,380	4,849	4,960	
<b>Total supply</b>	6,202	6,189	6,607	6,564	6,042	6,548	6,780	
<b>Exports and shipments</b>								
Tallow, inedible and grease	1,186	1,265	1,494	1,427	1,107	1,311	1,600	
Coconut oil	11	10	9	9	9	8	10	
Linseed oil	430	220	112	132	29	9		
Flaxseed (oil equivalent)	122	133	196	186	70	141	80	
Fish and marine oils	158	127	156	136	61	152	150	
Tall oil	58	58	39	50	39	27	25	
Tung oil	3/	3	1	1	3/	20	20	
All others 2/	11	12	22	33	14	19	20	
Total	1,976	1,827	2,029	1,974	1,328	1,686	1,915	
<b>Domestic disappearance</b>								
Tallow inedible and grease	1,574	1,620	1,677	1,786	1,802	1,793	1,800	
Coconut oil 8/	563	536	607	611	644	632	625	
Other lauric acid oils 1/	34	57	46	50	47	54	55	
Palm oil 8/	52	57	28	21	46	33	40	
Linseed oil	535	527	505	503	437	457	450	
Tung oil	50	52	50	53	36	47	45	
Castor oil 8/	136	128	123	141	110	108	125	
Cod and fish liver oil	34	35	25	22	19	18		
Fish and marine oils 8/	56	81	68	107	96	100	100	
Tall oil	299	467	595	564	630	713	800	
All others 2/	51	60	49	39	77	12	10	
Total	3,384	3,622	3,775	3,897	3,944	3,966	4,050	
<b>Total non-food uses 9/</b>	3,570	3,849	3,954	4,058	4,050	4,083	4,150	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	
<b>Per capita</b>								
Soap	7.7	6.8	6.6	6.0	5.5	5.2	5.0	
Drying oil products	6.4	6.7	6.7	6.4	5.4	4.8	4.7	
Other industrial products	7.7	9.9	10.3	11.4	12.5	13.1	13.3	
Total	21.8	23.4	23.6	23.8	23.4	23.2	23.0	

1/ Mainly palm kernel oil. 2/ Includes inedible olive oil, olive oil foots, neat's foot oil, and other vegetable oils not shown separately. 3/ Less than 500,000 pounds. 4/ Imports of oil plus production from imported material. 5/ Includes oiticica oil, rapeseed oil, wool grease, cashew nut shell oil, and other vegetable oils not shown separately. 6/ Apparent production computed from factory consumption, foreign trade and change in stocks. 7/ Includes oil equivalent of flaxseed exported for crushing abroad. 8/ Includes government stockpiling. 9/ Adjusted for foreign trade and changes in stocks of oleic acid, stearic acid, other fatty acids, foots and soap stocks and other inedible secondary oils; Government stockpiling; and food oils used in nonfood products and nonfood oils used in food products.

\* Includes 75 million pounds estimated to be available from U. S. stockpile December through September.

The Philippine copra crop was severely damaged by 3 typhoons during November-December 1959. This mainly accounts for the advance in coconut oil prices from 16 cents in late November to 18 cents in mid-January, even though the typhoon damage will not affect production and exports until late in the summer. Typhoon damage coupled with the drought in the first half of 1959 means that world supplies of copra and coconut oil in 1960 probably will be about the same as the reduced quantity that was available in 1959. This short supply situation means that prices of copra and coconut oil will continue strong and relatively high in relation to other fats and oils.

The Philippines is virtually the only supplier of copra and coconut oil to the U. S., because they are exempt from the 2 cents processing tax.

Domestic Use of Coconut Oil In 1959  
Remains at Year Earlier Level  
Despite Abnormally High Prices

Domestic disappearance of coconut oil in 1959 is placed at 635 million pounds, about the same as the 628 million the year before, even though prices (crude, tanks, Pacific Coast) rose sharply from an average of 14.6 cents per pound in 1958 to 18.3 cents in 1959. This reflects the inelastic demand for coconut oil in the United States because of its inherent qualities and the limited availability of satisfactory substitute oils.

About two-thirds of the coconut oil consumed in 1959 was in inedible products and one-third in the edibles. Use of coconut oil in the "other" food category (mainly bakery and confectionery goods) fell off somewhat but the "other" nonfood category was up sharply. Consumption of coconut oil in fatty acids in 1959 is placed at about 90 million pounds (December estimated). This is the first year that the Census data show a separate category for fatty acids. In earlier years, such use was included in the "other" non-food category. Use of coconut oil in soap slipped a little last year.

General Services Administration is offering 10-14 million pounds of crude coconut oil for sale from the national stockpile on a competitive bid basis every 6 weeks beginning late December 1959. GSA in early January sold about 14 million pounds of crude coconut oil at prices varying from 17.48 cents per pound to 18.27 cents in store at various midwestern and eastern points. The wide variation in price reflects the extreme difference in quality, which ranged in free fatty acid content from 3 to 9 percent. These prices were about in line with the market price at that time.

If coconut oil sales from the stockpile continue at the maximum rate of 14 million pounds every 6 weeks, it will take GSA about 2 years to liquidate the remaining 251 million pounds of the original 265 million pound stockpile. Domestic requirements for coconut oil average about 75 million pounds every 6 weeks; therefore, the quantity becoming available from the stockpile represents only about a fifth of our total domestic needs.

The modest disposition rate of U. S. stockpile oil is having little effect on the domestic market, on world prices, or on available supplies.

## TALL OIL OUTPUT EXPANDING RAPIDLY

By George W. Kromer

Tall oil, which is a byproduct of the sulphate paper manufacturing process, is a growing source of fatty acid and rosin. Its domestic production and uses have increased steadily since its commercial introduction in 1930. Since 1954, however, output has more than doubled reaching a record 800 million pounds (December estimated) for 1959 (table 12).

Production of paper by the sulphate process results in two byproducts that are classified as naval stores -- sulphate turpentine and tall oil. The name Tall Oil was derived from the Swedish "Tallolja" which means oil of pine.

In the pulping process, the pulpwood is debarked, chipped, and cooked in a weak sulphuric acid solution. Turpentine vaporizes and is condensed while the resins from which tall oil is made are skimmed off after the cooking is completed. For many years the naval stores byproducts of the sulphate industry were used at plants as fuel or were dumped. Refining processes were developed and the sulphate wood industry is now regarded as a major source of naval stores for the future.

Tall oil is a natural mixture containing about equal amounts (45 percent each) of rosin acids (abietic acids) and of fatty acids (oleic acids) which are associated with drying oils. The remaining 10 percent is composed of unsaponifiable matter. The rosin acids in tall oil are related to the acidic components of rosin. The fatty acids, present as such in the growing pine tree, are closely related to the components of both vegetable and animal fats, especially soybean oil.

The production and use of tall oil in the U. S. during 1930-41 averaged less than 50 million pounds annually. During World War II tall oil was in great demand as a substitute for scarce fats and rosin in soap making and for the production of synthetic drying oils for use in paints, varnishes and linoleum. The quality of tall oil underwent gradual improvement and much progress was made in its use in drying oils and alkyd resins. This resulted in a growing demand for tall oil in the postwar era which was met because of the concurrent growth in sulphate paper production and wider recovery of tall oil from the increased quantities of byproduct liquors. Domestic use of tall oil, after increasing gradually from about 200 million pounds at the end of World War II to 330 million in 1954, increased sharply to over 500 million pounds in 1955 and in 1959 totaled a record 750 million pounds.

Tall oil is used in a wide range of products for which little data are available. In general, however, the main uses are as a raw material in surfactants such as soaps, asphalt additives, lubricants, flotation chemical, fat chemicals, etc., and as a drying oil in the manufacture of paints, varnishes, printing inks, core oils, linoleum, oil cloth, floor tile, driers, etc.

Exports of tall oil in recent years have generally declined, dropping from 61 million pounds in 1954 to 22 million in 1959. The U. S. is the world's leading producer of tall oil by a wide margin followed by Sweden and Finland.

Table 12.--Tall oil: Supply and disposition, 1947-59

Year	Supply			Disposition		Price per pound	
	Production	Stocks Jan. 1	Total	Exports	Domestic dis- appearance	Crude, tanks, works	Refined, tanks, works
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.	Ct.
1947	200	---	200	23	177	3.63	6.92
1948	249	41	290	28	214	2.09	5.75
1949	230	48	278	33	186	2.00	5.36
1950	310	59	369	36	287	2.10	5.10
1951	398	46	444	44	323	3.12	5.75
1952	313	77	389	35	270	2.82	5.19
1953	318	85	403	42	280	2.25	5.00
1954	357	81	438	61	331	2.03	5.00
1955	584	46	630	48	508	2.44	5.19
1956	665	74	739	44	599	2.50	5.25
1957	625	95	720	52	560	2.60	5.47
1958	701	108	810	37	651	2.75	5.50
1959 <sup>1/</sup>	800	122	922	22	750	2.75	5.50

<sup>1/</sup> Preliminary and partly estimated.

Totals computed from unrounded numbers.

Table 13.--Tall oil: Utilization, 1947-59

Year	Nonfood products									
	Soap	Paint and varnish	Linoleum and oilcloth	Resins and plastics	Other drying oils	Lubricants and similar oils	Fatty acids	Other <sup>1/</sup>	Foots and loss	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	16	13	19	---	---	---	---	113	16	177
1948	18	22	14	---	---	---	---	127	33	214
1949	14	18	16	6	12	---	---	92	27	186
1950	13	20	16	8	26	---	---	172	32	287
1951	22	34	15	11	24	---	---	191	26	323
1952	15	32	13	15	27	---	---	160	8	270
1953	14	34	17	11	31	---	---	165	7	280
1954	12	40	29	20	27	---	---	189	13	331
1955	14	40	31	13	38	---	---	344	27	508
1956	17	48	31	28	39	---	---	356	80	599
1957	12	44	31	23	31	---	---	353	66	560
1958	12	37	27	24	23	---	---	443	86	651
1959 <sup>2/</sup>	19	20	14	14	---	11	<sup>3/</sup> 563	109	---	750

<sup>1/</sup> Includes unreported domestic disappearance.

<sup>2/</sup> Preliminary and partly estimated.

<sup>3/</sup> Prior to 1959 included in "other" category.

Totals computed from unrounded numbers.

### Sulphate Paper Mills Produce Tall Oil

In the production of paper by the sulphate process, pine wood chips are digested under pressure with a solution of sodium hydroxide and sodium sulphate. This solution does not affect the cellulose in the wood but extracts the other components. In this way the cellulose is separated from the other constituents of wood.

The black residue (black liquor soap) consists of lignin, oils, and natural rosin. It is from this crude raw material that the crude and subsequently refined tall oils are produced. All the saponifiable products present in the black liquor are converted into a soda soap and the liquor is then evaporated. The soaps become insoluble during the evaporation process, rise to the surface and are then separated. The soap when acidified yields about 50 percent crude tall oil. From each ton of pulp paper produced about 80 to 200 pounds of black soap or 40 to 100 pounds of crude tall oil can be obtained from the recovery liquors. Conversion of the crude soap to tall oil is done by treatment with sulfuric acid. The most successful methods for purification and separation of tall oil into its component parts are simple distillation and fractional distillation.

### Trend Toward Fractional Distillation Of Tall Oil

While tall oil, as a mixture containing about equal amounts of rosin and fatty acids, was finding numerous uses, it was early recognized that the individual components, if separated, would have much broader utility.

Early refining processes usually consisted of purification of the oil by simple distillation or treatment with sulphuric acid to remove color bodies. However, the original ratio of rosin to fatty acids in such oils remains practically unchanged by these methods. Modern refineries now separate the rosin from the fatty acid by fractional distillation, thus producing a variety of rosin - fatty acid mixtures. Distilled tall oils containing 20-50 percent rosin acids are often utilized as is by industry. Fatty acid fractions from tall oil are being produced that contain less than 1 percent of rosin acids and, conversely, tall oil rosins with less than 1 percent fatty acid contents.

It is estimated that the capacity of tall oil fractionation plants to convert crude tall oil into fatty and rosin acid mixtures at the end of 1959 was nearly 750 million pounds and further plant additions were planned at that time. The rapid growth in fractionation plants has occurred since 1954 and follows the sharp increase in tall oil output and use beginning in 1955.

### Consumption Of Tall Oil Keeps Pace With Rise In Production

The consumption of tall oil by industry has kept pace with the rapid rise in production in recent years, mainly because it is a principal source of vegetable fatty acids for industrial purposes. Domestic disappearance of tall oil increased from 270 million pounds in 1952 to a record 750 million in 1959.



Table 14.--Tall oil: Supply, disposition and price, by months, calendar years, 1950-59

Year	Production												Total or average
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
1950	20	16	18	20	22	22	27	32	31	34	34	33	310
1951	36	33	41	37	39	36	31	28	26	32	32	27	398
1952	28	29	28	26	26	25	22	26	25	28	26	25	313
1953	26	27	28	29	31	25	22	29	25	26	25	25	318
1954	25	25	29	30	31	33	28	27	28	33	36	33	357
1955	42	43	49	48	53	49	43	49	48	54	55	51	584
1956	58	56	65	58	61	59	50	55	47	57	48	49	665
1957	58	54	59	54	55	48	45	51	45	51	56	48	625
1958	60	57	64	62	59	52	52	60	56	66	60	52	701
1959 1/	63	64	69	73	71	66	58	65	62	70	70		
	Stocks, first of month												
1950	59	61	60	59	61	58	52	49	43	42	43	45	
1951	46	51	50	52	56	60	65	70	71	69	74	75	
1952	77	78	83	84	86	86	85	85	83	83	86	85	
1953	85	86	84	83	82	85	83	81	83	84	86	86	
1954	81	83	82	81	81	77	68	69	64	59	56	54	
1955	46	50	52	56	57	58	58	62	64	59	63	70	
1956	74	87	89	97	92	89	99	100	97	96	93	91	
1957	95	100	106	113	109	119	116	113	112	106	104	109	
1958	108	111	117	119	120	128	124	123	123	116	120	130	
1959 1/	122	132	142	142	149	143	150	147	142	145	141	146	
	Exports												
1950	1	2/	1	1	2/	2	5	10	4	2	5	6	36
1951	3	3	4	2	5	4	2	2	4	4	9	1	44
1952	6	2	3	2	2	4	3	4	2	2	4	1	35
1953	4	3	1	3	7	4	1	1	5	3	2	8	42
1954	1	1	5	5	8	14	4	6	1	5	5	5	61
1955	8	2	5	10	3	4	1	1	7	1	1	4	48
1956	1	5	3	4	8	2	4	4	1	8	1	2	44
1957	2	6	2	6	5	8	4	2	3	1	3	9	52
1958	4	4	5	2	1	3	1	1	3	4	1	6	37
1959 1/	1	1	2	2	2	1	2	2	2	1	3		
	Domestic disappearance												
1950	17	16	19	16	24	26	24	28	28	31	28	26	287
1951	28	30	34	32	29	27	24	26	24	24	22	24	323
1952	21	22	24	22	23	22	19	23	23	23	24	25	270
1953	21	25	28	27	21	24	23	26	19	21	24	22	280
1954	21	25	25	26	27	28	23	27	31	31	32	36	331
1955	29	39	39	37	49	45	39	45	46	50	47	43	508
1956	44	49	53	60	56	47	46	54	46	52	48	43	599
1957	52	42	50	52	40	44	44	49	48	52	47	40	560
1958	53	47	58	59	50	53	51	60	59	57	49	53	651
1959 1/	51	54	67	64	75	59	58	68	57	72	62		
	Price per pound, crude, tanks, works												
1950	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.65	2.10
1951	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12
1952	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.40	2.25	2.25	2.82
1953	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
1954	2.25	2.12	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.03
1955	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.44
1956	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
1957	3.00	2.88	2.70	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.56	2.60
1958	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
1959	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75

1/ Preliminary.

2/ Less than 500,000 pounds.

Totals computed from unrounded numbers.

While the use of tall oil has been expanding, consumption of competitive vegetable oils has been slipping. Use of linseed oil has shown a sharp downward trend in the last decade, dropping from a postwar peak of about 700 million pounds in calendar 1951 to around 450 million pounds in 1959. The nonfood uses of soybean oil rose quite steadily to a peak of 388 million pounds in 1952, but since has been relatively stable at about 330 million pounds. The decline in consumption of linseed and soybean oil is due mainly to reduced utilization by the drying oils industries. Paint output has been on the upward trend but the use of fats and oils in their manufacture has not shared in the increase because of the continuing shift to low fat and nonfat content materials.

#### Low-Stable Price Unique Advantage Of Tall Oil

Tall oil is not an oil in the accepted sense of a glyceride of fatty acids. It cannot be compared directly with edible vegetable oils that are glycerides. Segregation of either the fatty acid or resin-acid constituent or conversion to an oil-like form by esterification is necessary to exploit fully the advantage of tall oil. In many cases, tall oil fatty acids can be substituted directly for soybean fatty acids in industrial formulation.

The sharp increase in the utilization of tall oil mainly reflects its low price compared to the drying oils, the upgrading by continuing research, availability during periods of vegetable oil scarcity, adaptability to new applications, and price stability.

Tall oil prices have been relatively stable in the postwar years compared with the wide fluctuations in prices of linseed and soybean oils. (See cover chart.) Manufacturers of fat chemicals require fairly steady prices if they are to compete effectively with nonfat chemicals such as petroleum and natural gas. Tall oil has met this prerequisite.

The price of most fats and oils increased sharply after the wartime price controls were removed. Linseed oil prices (raw, tankcars, Minneapolis) shot up from 14.3 cents during the war to 34.0 cents per pound in 1947 and soybean oil prices (crude, Decatur) rose from 11.8 cents to 23.1 cents. Tall oil prices (crude, tankcars, works) increased to 3.6 cents per pound in 1947 compared with 2.1 cents in World War II.

Annual average prices of tall oil during the past decade varied 1.1 cents per pound, from 2.0 to 3.1 cents. Linseed oil prices varied 6 cents per pound, from 12.9 cents to 18.9 cents whereas soybean oil fluctuated nearly 8 cents per pound, between 9.0 cents and 16.8 cents. It is interesting to note, however, that the price of tall oil has moved up each year from 2.0 cents per pound in 1954 to 2.8 cents in 1959 while the price of linseed oil during the same period generally declined from 14.6 cents per pound to 13.1 cents and soybean oil dropped from 13.3 cents per pound to 9.0 cents. The increase in tall oil prices since 1954 probably reflects the growing demand for tall oil rosin along with rising rosin prices.

### Shift To Tall Oil Rosin Sources Expected To Accelerate

Not much change in rosin production (possibly a 2 percent increase) is expected in the 1959-60 crop year which began April 1, 1959. However, lower rosin production is anticipated in 1960. During the current crop year, increased production of tall oil rosin is expected to more than offset the decreased output of gum and steam distilled wood rosin (table 15).

Rosin production in the next few years probably will be somewhat lower. However, output is likely to shift away from steam distilled from wood to rosins recovered as a byproduct of the Kraft paper industry. Moreover, as crude pine gum prices edge higher in response to increased rosin demand and prices, it is likely that the long-term downtrend in production of gum naval stores will be reversed. During the 1959-60 crop year, rosin production probably will divide percentagewise about 19-62-19 among gum, steamed distilled and sulphate sources. Future percentages should be lower for steam distilled sources and higher for sulphate and gum sources.

Rosin production in the 1960 crop year is expected to be the lowest since 1953 because of an estimated 8 percent decrease in the steam distilled output from 1959 levels. This decrease is not likely to be fully offset by increased output of other types. Further substantial declines in output of steam distilled rosin are anticipated in subsequent years. By 1965, judging from reports of available first growth pine stumpwood, production may be about half of current output. The major steam distilled producers have invested in alternate sources of naval stores and are planning further investments.

Tall oil rosin is unlikely to fill the supply vacuum resulting from the expected decline in the production of steam distilled wood rosin during the next several years. Among the limiting factors are supplies of softwood sulfate pulp, tall oil fractionating capacity, and the tendency of increased tall oil rosin supplies and expanded paper size requirements to go hand in hand.

### Outlook

Future prospects of the tall oil industry are quite obviously tied to the sulphate paper industry. As the demand for paper and newsprint increases, the sulphate industry will continue to expand, making possible increased production of tall oil from the increased amounts of byproducts liquors.

Output of softwood sulfate pulp is expected to increase an average of about 6 to 7 percent annually over the next several years.<sup>1/</sup> Meanwhile, planned expansion in tall oil fractionating capacity should increase the potential for

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<sup>1/</sup> Based on projections of pulp and paper supplies by the Business and Defense Services Administration, U. S. Department of Commerce, House Report No. 671, July 15, 1959.

Table 15.--Rosin: Supply, requirements and price, by types, crop years 1953-59  
(520 lb. drum)

Crop year beginning Apr. 1	Commodity and type	Supply				Requirements			Carry-out stocks 1/	Average price per 100# net 2/
		Carry-in stocks 1/	Production	Imports	Total supply	Domestic	Export	Total		
		Drums	Drums	Drums	Drums	Drums	Drums	Drums	Drums	Dollars
1953	Gum	681,760	531,620	1,410	1,214,790	348,050	132,100	480,150	734,640	7.72
	S.D. wood	178,330	1,213,340	0	1,391,670	913,880	384,350	1,298,230	93,440	---
	Tall oil (est.)	6,000	35,000	0	41,000	37,000	3/	37,000	4,000	---
	Total	866,090	1,779,960	1,410	2,647,460	1,298,930	516,450	1,815,380	832,080	---
1954	Gum	734,640	527,700	390	1,262,730	345,220	208,840	554,060	708,670	7.91
	S.D. wood	93,440	1,342,370	0	1,435,810	887,420	458,470	1,345,890	89,920	---
	Tall oil (est.)	4,000	50,000	0	54,000	49,000	3/	49,000	5,000	---
	Total	832,080	1,920,070	390	2,752,540	1,281,640	667,310	1,948,950	803,590	---
1955	Gum	708,670	452,970	650	1,162,290	406,689	151,091	557,780	604,510	8.45
	S.D. wood	89,920	1,369,440	0	1,459,360	945,892	400,598	1,346,490	112,870	---
	Tall oil (est.)	5,000	125,000	0	130,000	115,000	3/	115,000	15,000	---
	Total	803,590	1,947,410	650	2,751,650	1,467,581	551,689	2,019,270	732,380	---
1956	Gum	604,510	444,590	650	1,049,750	347,450	136,050	483,500	566,250	8.37
	S.D. wood	112,870	1,324,220	0	1,437,090	875,260	467,960	1,343,220	93,870	---
	Tall oil (est.)	15,000	225,000	0	240,000	210,000	3/	210,000	30,000	---
	Total	732,380	1,993,810	650	2,726,840	1,432,710	604,010	2,036,720	690,120	---
1957	Gum	566,250	399,910	400	966,560	283,640	123,470	407,110	559,450	7.90
	S.D. wood	93,870	1,195,990	0	1,289,860	798,230	420,890	1,219,120	70,740	---
	Tall oil (est.)	30,000	269,270	0	299,270	260,610	3/	260,610	38,660	---
	Total	690,120	1,865,170	400	2,555,690	1,342,480	544,360	1,886,840	668,850	---
1958	Gum	559,450	369,350	600	929,400	278,430	101,630	380,060	549,340	8.33
	S.D. wood	70,740	1,182,620	0	1,253,360	846,310	342,870	1,189,180	64,180	---
	Tall oil (est.)	38,660	305,060	0	343,720	252,220	64,450	316,670	27,050	---
	Total	668,850	1,857,030	600	2,526,480	1,376,960	508,950	1,885,910	640,570	---
1959	Gum	550,000	350,000	4/1,000	901,000	510,000	240,000	750,000	151,000	9.65
	S.D. wood	64,000	1,180,000	0	1,244,000	834,000	350,000	1,184,000	60,000	---
	Tall oil (est.)	27,000	370,000	0	397,000	299,000	70,000	369,000	28,000	---
	Total	641,000	1,900,000	4/1,000	2,542,000	1,643,000	660,000	2,303,000	239,000	---

1/ Includes CCC loan stocks. These are gross stocks and include rosin sold and awaiting shipment. 2/ In drums f.o.b. production points. 3/ Prior to 1958, exports of tall oil rosin were combined with steam distilled wood rosin to the extent of such tall oil rosin exports. 4/ Includes all types of rosin.

Reports of Agricultural Marketing Service, USDA, and Bureau of the Census, Department of Commerce, records of Commodity Stabilization Service, USDA. 1959 estimates revised in January 1960 by C.S.S.

Table 16.--Production of rosin and tall oil, crop years 1940-59

Crop year beginning Apr. 1	Rosin			Tall oil (resin content) 2/	Crop year beginning Apr. 1	Rosin			Tall oil (resin content) 2/
	Total 1/	Gum	Wood			Total 1/	Gum	Wood	
	drums	drums	drums	drums		drums	drums	drums	drums
	1,000	1,000	1,000	1,000		1,000	1,000	1,000	1,000
	3/ 4/	3/ 4/	3/ 4/	3/ 4/		3/ 4/	3/ 4/	3/ 4/	3/ 4/
1940	1,717	939	779	32	1951	2,049	716	1,333	324
1941	1,708	792	917	46	1952	1,721	638	1,083	267
1942	1,656	869	787	68	1953	1,745	532	1,213	274
1943	1,463	784	679	122	1954	1,870	528	1,342	347
1944	1,318	692	626	139					
1945	1,452	694	5/758	163	1955	1,822	453	1,369	508
1946	1,720	752	968	194	1956	1,769	445	1,324	507
1947	1,991	828	1,163	204	1957	1,596	400	1,196	470
1948	2,076	921	1,155	215	1958	1,552	369	1,183	569
1949	2,024	925	1,099	191	1959	1,530	350	1,180	692
1950	2,137	798	1,339	316					

1/ Totals computed from unrounded numbers. 2/ Converted from reported production of crude tall oil to equivalent drums of rosin on the basis of 45 percent resin acids. 3/ Reported in barrels prior to 1944. Converted to drums on basis of 1 barrel = 0.8 drums. 4/ Drums of 520 pounds net. 5/ Beginning with 1945 total primary production of F.F. wood rosin.

tall oil rosin output about 10 percent annually over the next 2 years. Such annual increases will fall far short of meeting the expected decreases in steam distilled rosin production of about 100,000 drums annually for the next few years. Moreover, a large part of the added potential output of crude oil generated by greater utilization of softwood pulp is offset in its effect on the rosin market by the accompanying increase in rosin requirements for water-proofing (sizing).

In summary it appears that the outlook for tall oil is bright as it likely will become an increasingly important source mainly for rosin but also for fatty acid. Supplies of tall oil will continue to rise along with increased utilization of this versatile material, as research efforts likely will continue to find new uses and new tall oil products.

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:       The next issue of The Fats and       :  
:       Oils Situation is scheduled for       :  
:                   release March 31.       :  
:

Table 17.- Food fats and oils: Supply and disposition, 1954-59

Year begin- ning October	Total 1/										
	Production			Stocks		Domestic disappearance			Exports		
	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.	Oct. 1	Dec. 1	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1954	1,828	7,663	9,490	1,607	1,556	1,350	6,423	7,772	530	1,836	2,365
1955	2,075	8,475	10,550	960	1,093	1,420	6,356	7,776	522	2,453	2,975
1956	2,054	8,523	10,578	760	810	1,476	6,272	7,747	530	2,372	2,902
1957	2,072	8,461	10,532	694	856	1,403	6,631	8,034	506	2,089	2,595
1958	2,194	9,505	11,699	680	756	1,503	6,768	8,261	532	2,792	3,324
1959	2,431			748	1,007	1,431			735		
	Butter (actual weight), except farm										
1954	177	1,189	1,366	489	423	229	1,142	1,371	14	176	190
1955	187	1,230	1,418	295	202	250	1,133	1,383	30	210	240
1956	185	1,217	1,403	90	40	232	1,099	1,331	5	13	17
1957	195	1,205	1,399	145	109	229	1,134	1,363	1	35	36
1958	183	1,145	1,327	146	93	232	1,129	1,361	3	17	19
1959	183			93	47	220			9		
	Lard, except farm										
1954	424	1,939	2,363	50	75	291	1,461	1,751	109	479	587
1955	479	2,153	2,632	75	98	325	1,539	1,864	131	589	719
1956	474	1,952	2,426	123	103	389	1,502	1,891	105	485	590
1957	424	1,822	2,246	69	79	321	1,487	1,808	93	368	461
1958	418	2,096	2,514	48	68	304	1,557	1,861	92	516	608
1959	475			93	92	329			147		
	Beef fats 2/										
1954	47	233	280	10	12	39	203	242	6	27	33
1955	49	263	312	15	17	41	233	274	7	37	44
1956	53	267	321	10	15	47	256	303	3	11	14
1957	54	270	324	17	16	51	256	308	3	11	14
1958	63	274	338	25	23	60	263	323	1	16	18
1959	51			22	19	48			5		
	Total edible vegetable oils 3/ 4/										
1954	1,179	4,302	5,481	1,059	1,046	828	3,705	4,532	365	1,068	1,432
1955	1,360	4,828	6,188	575	776	814	3,493	4,306	345	1,575	1,920
1956	1,342	5,088	6,429	536	652	815	3,468	4,283	411	1,809	2,220
1957	1,399	5,164	6,563	463	652	814	3,826	4,639	396	1,602	1,998
1958	1,530	5,990	7,520	461	572	922	3,921	4,832	421	2,140	2,561
1959	1,722			540	850	852			555		

Continued -

Table 17.--Food fats and oils: Supply and disposition, 1954-59 -- Con.

Year beginning October	Production			Stocks		Domestic disappearance			Exports		
	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.	Oct. 1	Dec. 1	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Cottonseed oil <sup>4/</sup>											
1954	436	1,287	1,723	896	857	327	1,216	1,543	148	568	716
1955	500	1,393	1,893	361	528	272	1,111	1,384	60	552	612
1956	471	1,157	1,629	254	401	263	1,047	1,310	62	365	427
1957	428	992	1,420	146	242	267	928	1,195	65	185	250
1958	441	1,148	1,589	154	294	250	884	1,134	18	387	406
1959	509			203	389	213			111		
Soybean oil <sup>4/</sup>											
1954	683	2,694	3,377	127	157	437	2,172	2,609	217	499	716
1955	799	3,084	3,884	179	217	476	2,063	2,539	285	1,012	1,297
1956	814	3,554	4,369	227	209	483	2,082	2,565	349	1,396	1,745
1957	900	3,838	4,738	286	374	481	2,570	3,051	331	1,412	1,743
1958	1,009	4,450	5,460	281	236	602	2,702	3,304	402	1,737	2,139
1959	1,141			298	420	579			441		
Corn oil											
1954	45	224	270	15	17	43	222	265	---	---	---
1955	45	224	270	19	22	43	224	267	---	---	---
1956	48	227	275	23	23	48	234	282	---	---	---
1957	47	235	282	16	18	44	229	273	---	---	---
1958	49	256	305	25	30	44	262	306	---	---	---
1959	53			24	30	47			---		
Peanut oil <sup>4/</sup>											
1954	5	46	50	13	9	8	44	52	<sup>5/</sup>	1	1
1955	7	84	91	10	5	12	56	68	<sup>5/</sup>	6	6
1956	4	103	107	27	15	15	60	74	<sup>5/</sup>	47	48
1957	16	52	68	12	14	14	55	68	1	4	5
1958	20	90	111	8	12	15	73	88	<sup>5/</sup>	15	15
1959	13			15	11	14			3		

<sup>1/</sup> Includes butter, except farm; lard, except farm; beef fats; and edible vegetable oils. Production and exports include the oil equivalent of exported oilseeds. Domestic disappearance and exports have been adjusted for exports of processed food oils not classified by kind, shortening, margarine, and other secondary fats. Exports also include shipments and quantities from CCC stocks that were not reported in Census data.

<sup>2/</sup> Includes edible tallow, oleo stock, oleo oil and oleostearine.

<sup>3/</sup> Includes cottonseed, soybean, corn, peanut, and edible olive oils. Production includes imports of olive oil.

<sup>4/</sup> Production and exports include oil equivalent of oilseeds exported for crushing.

<sup>5/</sup> Less than 500,000 pounds.

Totals computed from unrounded numbers.

Table 18.--Selected nonfood fats and oils: Supply and disposition, 1954-59

Year	Production			Stocks		Domestic disappearance			Exports		
	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.	Oct. 1	Dec. 1	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.	Oct.- Nov.	Dec.- Sept.	Oct.- Sept.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
<u>Inedible tallow and grease</u>											
1954	458	2,417	2,875	268	248	272	1,349	1,620	207	1,059	1,265
1955	519	2,696	3,215	260	277	280	1,397	1,677	223	1,271	1,494
1956	515	2,628	3,143	306	347	291	1,495	1,786	183	1,244	1,427
1957	515	2,385	2,900	239	258	317	1,485	1,802	179	928	1,107
1958	531	2,667	3,198	230	251	309	1,484	1,793	202	1,109	1,311
1959	571			327	327	291			280		
<u>Coconut oil 1/</u>											
1954	111	472	582	59	74	93	443	536	2	8	10
1955	103	493	596	96	90	107	500	607	2	7	9
1956	117	484	601	75	75	115	496	611	2	7	9
1957	113	543	656	57	51	118	526	644	1	8	9
1958	104	519	623	60	60	104	528	632	1	6	8
1959	126			44	67	102			1		
<u>Fish and marine oil 1/</u>											
1954	27	211	239	62	61	6	75	81	21	105	127
1955	39	205	244	93	103	---	73	68	33	123	156
1956	38	171	209	113	114	20	87	107	17	119	136
1957	39	192	230	80	87	26	70	96	5	55	61
1958	40	195	235	153	146	5	95	100	42	109	152
1959	26			136	122	19			21		
<u>Tall oil</u>											
1954	68	456	524	59	54	63	404	467	11	47	58
1955	110	562	672	59	70	96	499	595	2	37	39
1956	105	518	623	96	91	100	464	564	10	40	50
1957	108	572	679	106	109	99	531	630	5	34	39
1958	126	643	769	116	130	107	607	713	5	22	27
1959	140			145	146	134			4		
<u>Linseed oil</u>											
1954	327	306	632	345	248	218	303	521	206	111	318
1955	302	392	695	139	136	250	302	552	55	85	140
1956	233	299	532	142	143	226	271	497	6	72	78
1957	287	247	535	99	110	204	231	435	72	15	87
1958	206	243	448	112	115	202	253	455	1	7	8
1959	252			97	143	205			2		

1/ Production includes imports of oil.

2/ Less than 500,000 pounds.

Totals computed from unrounded numbers.



Table 19.--Fats, oils, including their products: Production from domestic and imported materials, and factory and warehouse stocks at end of month

Item	Production <sup>1/</sup>						Stocks			
	October-November		1958		1959		1958	1959*		
	1958	1959	Nov.	Sept.	Oct.	Nov.	Nov. 30	Sept. 30	Oct. 31	Nov. 30
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
<b>PRIMARY FATS AND OILS</b>										
<b>Food fats and oils</b>										
Butter <sup>2/</sup> .....	182.5	183.3	90.0	82.6	92.1	91.2	93.3	93.0	67.3	46.7
Lard and rendered pork fat <sup>3/</sup> ..	418.0	475.0	201.0	208.0	239.0	236.0	67.9	93.0	80.1	92.1
Beef fats .....	63.3	50.9	30.3	23.1	23.3	27.6	22.9	21.5	19.2	19.2
Total edible animal fats ...	663.8	709.2	321.3	313.7	354.4	354.8	184.1	207.5	166.9	158.0
Corn oil .....	48.1	51.1	22.3	25.8	27.3	23.8	30.0	23.6	31.0	29.8
Cottonseed oil .....	441.0	509.3	202.3	163.4	263.0	246.3	293.9	203.4	311.6	309.4
Peanut oil .....	16.9	13.0	8.0	6.0	5.9	7.1	11.9	14.7	10.4	10.7
Soybean oil .....	703.8	783.8	351.2	296.9	391.2	389.9	235.7	298.3	321.4	419.7
Total edible vegetable oils <sup>1</sup> ..	1,209.8	1,357.2	583.8	492.1	687.4	667.1	571.5	540.0	674.4	849.6
<b>Soap fats and oils</b>										
Tallow, inedible, and greases : excluding wool grease <sup>4/</sup> .....	531.0	570.6	236.3	288.0	308.2	262.5	250.8	327.0	333.1	326.6
Palm oil .....	---	---	---	---	---	---	12.3	14.5	13.4	10.8
Fish oil .....	18.5	25.6	9.0	22.3	16.8	8.9	77.1	79.7	79.3	74.8
Marine mammal oil .....	.7	.2	---	.3	.2	---	68.9	56.5	51.6	47.5
Coconut oil .....	67.9	88.2	30.5	38.1	43.9	44.3	59.6	43.7	51.1	67.0
Total soap fats .....	618.1	684.6	275.8	348.7	369.1	315.7	468.7	521.4	528.5	526.7
<b>Drying oils</b>										
Castor oil .....	4.0	---	2.0	---	---	---	23.5	29.7	30.5	30.6
Linseed oil .....	97.8	95.0	45.5	59.0	60.2	34.8	114.8	121.6	134.7	142.8
Tall oil .....	125.9	139.6	60.3	62.3	69.6	70.0	129.9	144.8	141.4	145.9
Tung oil .....	5.2	2.3	5.2	---	---	2.3	38.8	41.8	38.5	36.8
Total drying oils .....	232.9	236.9	113.0	121.3	129.8	107.1	307.0	337.9	345.1	356.1
Grand total <sup>5/ 6/</sup> .....	2,724.6	2,987.9	1,294.0	1,275.8	1,540.7	1,444.6	1,531.3	1,606.8	1,714.9	1,890.4
From domestic materials .....	2,652.7	2,899.7	1,261.5	1,237.7	1,496.8	1,400.3				
From imported materials .....	71.9	88.2	32.5	38.1	43.9	44.3				
<b>FAT-AND-OIL PRODUCTS</b>										
Cooking and salad oils .....	---	244.7	---	128.8	120.3	124.4	---	40.9	41.7	47.0
Baking and frying fats (shortening) .....	383.6	401.9	176.6	186.9	200.0	201.9	125.2	106.1	111.0	110.9
Margarine .....	272.6	289.6	129.0	130.9	146.1	143.5	32.2	30.2	32.0	30.4
Fatty acids .....	92.0	118.4	44.0	61.1	59.4	59.0	54.3	74.9	76.4	80.3

<sup>1/</sup> Factory production except as otherwise noted.

<sup>2/</sup> Creamery butter and cold-storage stocks, United States Department of Agriculture.

<sup>3/</sup> Total commercial. Excludes farm production. Federally inspected in October-November 1958 totaled 306.4 million pounds; October-November 1959 totaled 418.6 million pounds.

<sup>4/</sup> Total apparent production.

<sup>5/</sup> Computed from unrounded numbers.

<sup>6/</sup> Excludes estimated output of farm butter and farm lard, 82 million pounds in October-November 1958; 61 million pounds in October-November 1959.

\* 1959 stocks of some primary fats and oils not comparable with earlier years because of changes in Census reporting procedures.

Table 20.--Imports and exports of fats, oils, oil-bearing materials and fat-and-oil products in terms of oil

Item	Imports for consumption					Exports <sup>1/</sup>				
	Oct.-Nov.		1959			Oct.-Nov.		1959		
	1958	1959	Sept.	Oct.	Nov.	1958	1959	Sept.	Oct.	Nov.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
<b>Food fats and oils</b>										
Butter .....	.1	.1	.1	2/	2/	1.9	9.1	5.5	5.8	3.3
Lard .....	---	---	---	---	---	79.7	138.6	57.3	67.8	70.7
Beef fats .....	.3	.1	---	.1	---	1.5	4.8	3.4	2.1	2.7
Total, edible animal fats .....	.4	.2	.1	.1	2/	83.1	152.5	69.2	75.7	76.7
Cottonseed oil .....	---	---	---	---	---	18.3	110.8	16.7	64.4	46.4
Cottonseed (17 percent) .....	---	---	---	---	---	.1	.2	2/	.1	.1
Olive oil, edible .....	9.8	6.0	3.9	3.7	2.3	---	---	---	---	---
Peanut oil .....	3.6	---	---	---	---	.1	2.9	1.5	2.6	.3
Peanuts, shelled (43 percent) .....	---	---	---	---	---	.1	3.0	.3	.2	2.8
Soybean oil .....	---	---	---	---	---	96.8	83.8	135.4	31.9	51.8
Soybeans (18.3 percent) .....	2/	2/	2/	---	2/	305.7	356.9	73.7	132.7	224.2
Other vegetable oils .....	2.1	2.7	1.7	1.5	1.2	1.1	9.4	1.2	.5	8.9
Total, edible vegetable oils .....	15.5	8.7	5.6	5.2	3.5	422.2	567.0	228.8	232.4	334.5
<b>Soap fats and oils</b>										
Tallow, inedible .....	---	.2	.1	---	.2	189.1	259.3	119.3	137.4	121.9
Greases .....	.1	---	2/	---	---	12.9	20.9	11.4	11.4	9.5
Fish and fish liver oils non-medicinal .....	2/	.2	.1	.2	.1	42.2	20.4	8.5	14.3	6.1
Marine mammal oils .....	20.7	2/	9.3	---	2/	.2	.4	2/	.4	2/
Foots and soap stock, incl. olive oil <sup>3/</sup> .....	.1	2/	---	2/	---	---	---	---	---	---
Palm oil .....	4.7	3.0	2.7	2.1	.9	---	---	---	---	---
Total, slow-lathering oils .....	25.6	3.4	12.2	2.3	1.2	244.4	301.0	139.2	163.5	137.5
Coconut oil .....	36.3	38.2	17.1	17.7	20.6	1.2	1.5	.8	.5	1.0
Copra (63 percent) .....	52.9	97.1	38.8	41.3	55.8	---	---	---	---	---
Palm kernel oil .....	9.5	11.9	4.7	7.3	4.7	---	---	---	---	---
Total, lauric-acid oils .....	98.7	147.2	60.6	66.3	81.1	1.2	1.5	.8	.5	1.0
<b>Drying oils</b>										
Flaxseed (35.7 percent) .....	---	---	---	---	---	28.3	51.1	26.9	27.7	23.5
Linseed oil .....	---	2/	2/	2/	---	.6	.6	.4	.3	.3
Oiticica oil .....	1.4	.7	.6	.7	---	---	---	---	---	---
Tall oil .....	---	---	---	---	---	5.3	4.2	2.3	1.0	3.2
Tung oil .....	2.3	3.5	1.2	.7	2.8	.1	2.2	2.0	.5	1.7
Total .....	3.7	4.2	1.8	1.4	2.8	34.3	58.1	31.6	29.5	28.7
<b>Other industrial oils and fats</b>										
Cashew nut shell liquid (oil) .....	2/	.4	.4	.1	.3	---	---	---	---	---
Castor oil .....	14.2	18.1	13.4	9.4	8.7	.6	.2	.1	2/	.1
Castor beans (45 percent) .....	2.9	2.5	1.1	1.5	1.0	---	---	---	---	---
Fish-liver oils, medicinal .....	3.0	3.1	1.5	1.1	2.0	.1	.2	.1	.1	.1
Rapeseed oil .....	.8	.1	.8	.1	---	---	---	---	---	---
Wool grease .....	1.0	.9	.5	.5	.4	---	---	---	---	---
Other vegetable oils and fats, inedible .....	2/	2/	---	2/	2/	9.0	.5	1.2	.1	.4
Total .....	21.9	25.1	17.7	12.7	12.4	9.7	.9	1.4	.2	.6
<b>Other products (fat content)</b>										
Margarine .....	---	---	---	---	---	.7	.6	.4	.3	.3
Shortening .....	---	---	---	---	---	3.1	3.9	.9	1.6	2.3
Cooking and salad oils .....	---	---	---	---	---	5.7	3.6	2.0	2.4	1.2
Salad products .....	---	---	---	---	---	.7	.6	.3	.3	.3
Soap .....	.2	.2	.1	.1	.1	3.1	2.0	1.0	1.2	.8
Fatty acids .....	.2	2/	.2	2/	2/	3.9	6.2	2.3	3.5	2.7
Total .....	.4	.2	.3	.1	.1	17.2	16.9	6.9	9.3	7.6
Grand total <sup>4/</sup> .....	166.1	189.0	98.1	88.0	101.1	811.9	1,097.7	477.7	511.1	586.5

<sup>1/</sup> Includes re-exports but not shipments. Shipments average about 90 million pounds per year of which approximately 60 million are lard.

<sup>2/</sup> Less than 50,000 pounds.

<sup>3/</sup> Exports of foots and soap stock included in fatty acids, beginning January 1958.

<sup>4/</sup> Computed from unrounded numbers.

Table 21.--Index numbers of wholesale prices of fats and oils, by years, 1955-59

Item	1947-49=100				
	1955	1956	1957	1958	1959
All fats and oils .....	68	72	73	71	66
All fats and oils, except butter .....	59	62	64	61	53
Grouped by origin:					
Animal fats .....	72	74	77	75	69
Vegetable oils, domestic .....	60	66	63	58	51
Vegetable oils, foreign .....	66	68	76	82	93
Grouped by use:					
Butter .....	84	87	88	87	88
Butter, seasonally adjusted .....	84	87	88	87	88
Lard .....	59	61	68	63	44
Food fats other than butter .....	61	66	67	62	50
Food fats other than butter and lard ..	62	69	66	61	53
All edible fats and oils .....	73	77	78	75	69
Soap fats .....	56	53	58	61	55
Drying oils .....	58	65	68	65	61
Other industrial .....	56	58	62	58	53
All industrial .....	57	57	61	62	57
Edible vegetable oils, grouped by degree of processing:					
Crude .....	62	68	66	60	53
Refined .....	71	73	70	68	58
End products .....	81	85	86	83	74

All indexes except "Butter, seasonally adjusted" and "Other industrial" from Bureau of Labor Statistics.

Table 22.--Prices received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, by years, 1955-59

Item	Unit	1955	1956	1957	1958	1959
		Dollars	Dollars	Dollars	Dollars	Dollars
Castor beans, Brazilian ports .....	Long ton	114.09	153.02	164.45	106.00	---
Copra, Philippines, c.i.f. Pacific Coast .....	Short ton	159.01	154.02	158.37	196.15	242.23
Cottonseed, United States average .....	Short ton	50.40	50.10	54.90	46.70	41.36
Flaxseed, No. 1, Minneapolis .....	Bushel	3.24	3.46	3.27	3.07	3.23
Flaxseed, United States average .....	Bushel	2.88	3.10	2.89	2.69	2.84
Peanuts, No. 1, shelled, Spanish, Southeastern shipping points 1/ .....	100 lb.	26.80	18.60	18.74	20.38	15.88
Peanuts, United States average .....	100 lb.	12.20	11.60	10.90	10.50	10.40
Soybeans, No. 1, Yellow, Chicago .....	Bushel	2.50	2.63	2.39	2.23	2.22
Soybeans, No. 1, Yellow, Illinois country shipping points .....	Bushel	2.43	2.54	2.29	2.16	2.12
Soybeans, United States average .....	Bushel	2.29	2.40	2.19	2.05	2.03
			<u>Oilseed Meals (Bulk)</u>			
Copra meal, 20 percent protein, Los Angeles ..	Short ton	69.15	65.95	59.95	65.00	77.90
Cottonseed meal, 41 percent protein, Memphis..	Short ton	56.90	51.80	50.85	58.55	60.10
Cottonseed meal, 41 percent protein, Chicago..	Short ton	66.90	62.20	62.05	68.70	71.85
Cottonseed meal, 41 percent protein, Atlanta..	Short ton	56.30	56.95	64.00	65.00	63.70
Linseed meal, 34 percent protein, Minneapolis .....	Short ton	59.35	52.50	49.80	53.85	69.30
Linseed meal, 34 percent protein, New York ...	Short ton	77.50	72.30	70.95	89.85	87.10
Peanut meal, 45 percent protein, f.o.b. Southeastern mills .....	Short ton	66.40	51.60	45.95	58.40	58.05
Soybean meal, 44 percent protein, Chicago .....	Short ton	63.10	57.90	54.00	62.55	60.69
Soybean meal, 44 percent protein, Decatur .....	Short ton	56.85	51.30	47.05	55.95	56.45
Soybean meal, 44 percent protein, Atlanta .....	Short ton	---	64.20	58.95	67.25	66.20
Soybean meal, 44 percent protein, Memphis .....	Short ton	---	53.45	49.35	59.10	60.20

1/ This price applies to peanuts for edible uses.

Compiled from Oil, Paint, and Drug Reporter, Daily Market Record (Minneapolis), Wall Street Journal, Chicago edition, and reports of the Agricultural Marketing Service.

Table 23.--Wholesale and retail prices per pound for fats and oils, by years, 1955-59

Item	1955	1956	1957	1958	1959
	Cents	Cents	Cents	Cents	Cents
<b>Wholesale prices:</b>					
Butter, creamery, Grade A, (92-score) bulk, New York	58.2	59.9	60.6	59.8	60.5
Butter, creamery, Grade B, (90-score) bulk, Chicago	56.4	58.2	58.8	58.1	58.9
Butter, creamery, Grade A, (92-score) bulk, San Francisco	59.8	62.1	66.6	67.6	69.4
Castor oil, dehydrated, tanks, New York	20.5	23.8	28.2	27.3	25.1
Castor oil, No. 1, tanks, f.o.b. New Jersey mills	15.9	19.2	23.1	21.0	20.0
Castor oil, No. 3, technical, drums, carlots, f.o.b. N. Y.	15.7	17.6	22.1	20.3	19.3
Coconut oil, crude, tank cars, Pacific Coast, f.o.b. mill 1/	14.5	14.2	14.2	14.6	18.3
Coconut oil, crude, tanks, Atlantic ports 1/	15.6	15.4	15.2	15.8	19.9
Coconut oil, refined, drums, l.c.l., New York 1/	---	---	22.0	23.4	25.7
Cod oil, Newfoundland, drums, New York	10.8	11.7	11.5	9.9	8.7
Codliver oil, medicinal, U. S. P., barrels, New York	19.5	18.9	19.1	18.8	18.2
Corn oil, crude, tank cars, f.o.b. Midwest mills	13.0	14.1	13.8	13.4	11.8
Corn oil, refined, tanks, New York	6/20.2	6/20.8	6/20.1	16.7	15.4
Cottonseed oil, crude, tank cars, f.o.b. S. E. mills	12.7	13.7	13.5	12.7	11.2
Cottonseed oil, crude, tank cars, f.o.b., Valley	12.4	13.6	13.3	12.5	11.0
Cottonseed oil, crude, tank cars, f.o.b., Texas	---	---	13.1	12.2	10.8
Cottonseed oil, p.s.y., bleachable, tank cars, New York 2/	14.6	15.8	15.7	14.5	12.9
Cottonseed-oil foots, raw (50 percent T.F.A.) delivered East	2.0	1.6	2.2	1.5	1.5
Cottonseed oil, refined, drums, New York	20.1	20.5	19.7	19.4	16.8
Cottonseed oil, refined, tanks, New York	---	---	---	14.9	14.5
Degras, common, barrels, New York	10.2	10.4	10.0	10.0	10.0
Degras, neutral, barrels, New York	22.5	21.1	21.0	21.0	21.0
Glycerin, soaplye, tanks, New York	20.6	16.7	15.2	16.0	18.4
Grease, A white, tank cars, f.o.b. Chicago	7.2	6.7	7.4	7.5	6.2
Grease, B white, Chicago	6.9	6.4	7.1	7.2	5.7
Grease, yellow, tank cars, f.o.b. Chicago	6.6	6.0	6.7	6.9	5.5
Grease oil, extra No. 1, drums, New York	14.4	15.2	15.7	15.8	15.3
Lard, loose, tank cars, Chicago	10.6	11.1	12.4	11.4	7.9
Lard, prime steam, tierces, Chicago	11.8	12.0	13.0	12.4	8.8
Lard, refined, 1-pound cartons, Chicago	15.2	15.9	16.8	16.2	12.9
Lard, refined, 1-pound cartons, New York	16.3	16.9	18.9	16.6	13.1
Linseed oil, raw, tank cars, Minneapolis	12.9	14.1	13.6	13.8	13.1
Linseed oil, raw, tanks, New York	14.1	15.4	15.0	15.3	14.5
Linseed oil, raw, drums, carlots, New York	15.7	17.3	17.1	17.3	16.6
Margarine, colored, delivered Eastern U. S.	27.3	28.0	28.0	26.9	25.2
Margarine, yellow quarters, f.o.b. Chicago	28.0	28.8	28.6	27.5	25.9
Margarine, white, domestic vegetable, Chicago	26.0	26.9	27.4	26.5	24.2
Menhaden oil, crude, tanks, f.o.b. Baltimore	8.2	8.8	8.9	8.0	7.4
Menhaden oil, light pressed, tanks, New York	10.5	11.5	11.6	10.9	9.9
Neat's-foot oil, 30°, drums, carlots, New York	30.0	28.5	28.0	28.0	28.0
Oiticica oil, drums, f.o.b. New York	15.0	16.4	18.6	18.2	21.4
Oiticica oil, tanks, New York	13.6	15.0	17.2	16.7	19.9
Oleo oil, extra, drums, Chicago	14.5	16.6	18.4	17.9	15.9
Oleo oil, extra, drums, New York	15.0	17.1	19.0	18.3	14.5
Oleostearine, barrels, New York	11.2	12.3	14.1	14.4	13.1
Olive oil, imported, edible, drums, New York	31.5	46.0	41.5	32.7	31.3
Palm oil, clarified, drums, f.o.b. New York 3/	13.0	15.0	15.2	14.4	14.6
Palm Kernel oil, bulk, c.i.f. New York 4/	---	---	---	---	16.4
Peanut oil, crude, tank cars, f.o.b. S. E. mills	17.6	15.9	15.1	16.3	12.6
Peanut oil, refined, drums, New York	24.6	22.4	21.7	22.5	22.3
Rapeseed oil, refined (denatured), tanks, New York	16.2	19.0	18.1	15.7	13.3
Safflower oil, nonbreak, tanks, f.o.b., West Coast	---	---	14.9	14.7	14.9
Safflower oil, nonbreak, tanks, East Coast	17.1	16.1	15.8	16.0	15.8
Safflower oil, drums, East Coast	18.6	17.8	17.8	18.0	17.8
Sesame oil, refined, drums, New York	36.0	37.3	38.0	38.0	38.0
Shortening, containing animal fat, 1-pound cartons, Chicago	26.9	28.9	30.5	30.1	26.1
Shortening, cottonseed, hydrogenated, 10-drum lots, New York	21.3	22.9	22.8	21.2	18.8
Soybean oil, crude, tank cars, f.o.b., Decatur	11.6	13.2	12.2	10.5	9.0
Soybean oil, refined, tanks, New York	14.4	16.1	15.0	13.2	11.2
Soybean oil, refined, drums, New York	18.4	18.9	18.1	16.2	14.6
Soybean oil, clarified, tanks, New York	---	---	14.4	12.6	10.8
Sperm oil, natural, 45°, drums, New York	15.8	16.1	17.0	16.2	13.6
Sperm oil, bleached, winter, 38°, drums, New York	16.8	17.1	18.0	17.2	14.6
Tall oil, crude, tanks, works	2.4	2.5	2.6	2.8	2.8
Tall oil, refined, tanks, works	5.2	5.2	5.5	5.5	5.5
Tallow, edible, loose, Chicago	9.0	10.3	11.9	11.0	7.9
Tallow, inedible, packers' prime, tank cars, f.o.b. Chicago	7.2	6.7	7.4	7.5	6.7
Tallow, inedible, bleachable fancy, f.o.b. Chicago	7.4	7.0	7.6	7.7	6.4
Tallow, No. 1, inedible, Chicago	6.6	6.1	6.8	6.9	5.4
Tallow, special, inedible, tanks, delivered, New York	7.4	7.0	7.7	7.8	6.4
Tung oil, imported, drums, carlots, f.o.b. New York	25.8	25.8	24.7	22.8	24.3
Tung oil, tanks, New York	24.3	24.3	23.2	21.3	22.8
Tung oil, domestic, tanks, f.o.b. mills	23.5	24.1	22.6	21.2	22.0
<b>Retail prices 5/:</b>					
Butter	70.9	72.1	74.3	74.2	75.3
Margarine	28.9	28.9	29.9	29.4	28.0
Lard	20.8	19.8	22.7	22.6	19.9
Shortening	29.8	31.8	32.7	31.5	29.4
Salad Dressing	35.3	35.3	37.2	37.8	37.6
Peanut Butter	54.4	53.6	53.6	55.4	55.7

1/ Three-cent processing tax suspended during October 1957-June 1960. 2/ Near-by futures. 3/ Tax excluded. Tax does not apply to palm oil used in the manufacture of iron or steel products, tin and terms plate. Since 1943 these are the major uses of palm oil. 4/ Three-cent processing tax suspended during July 1959-June 1960. 5/ Leading cities. 6/ Prior to April 1958, reported as drums.

Prices compiled from Oil, Paint, and Drug Reporter; The National Provisioner; The Journal of Commerce (New York); Wall Street Journal, Chicago edition; reports of Bureau of Labor Statistics, and reports of the Agricultural Marketing Service. Excise taxes and duties included where applicable.



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