

pounds of soy flour which can be used either as additive to other foods or as a beverage nutritionally equivalent to nonfat dry milk. Thus, the entire protein deficit of the diet-deficit areas, other than Communist Asia, is the equivalent of about 42 million bushels of soybeans.

This fact takes on even greater meaning in view of the difficulties that we would face if the present donations of nonfat dry milk were to be expanded in line with the world's needs. As a rough example, let us assume that, in line with the President's promise to expand our Food for Peace efforts with major concern for the malnourished, we attempt to double the present volume of dry milk donations, from 600 million pounds to 1,200 million. If this could be done, without having to pay more per pound, it would mean an additional CCC cost of about \$100 million and in addition there would be a very large surplus of butter and the attendant price-support costs.

Relative costs of nonfat dry milk and soy milk in the Food for Peace Program.—By way of contrast, what would it cost if, instead of doubling the volume of nonfat dry milk, the relief agencies were asked to distribute the additional 600 million pounds in the form of an equivalent volume of soy flour to be reconstituted as a beverage?

Does the soybean processing industry have the necessary capacity? What would a pound of soy flour cost compared with the current price the CCC pays, about 16 cents per pound in 100-pound bags, and about 18½ cents in 4-pound containers?

Representatives of the industry have recently indicated to the Food for Peace Program that the industry has a present capacity to convert about 10 million bushels of soybeans into flour or grits. This capacity could be doubled in about 6 months, to process about 20 million bushels of soybeans for flour and grits. Since a bushel of soybeans yields about 40 pounds of soy flour which may be considered as nutritionally equivalent to 40 pounds of nonfat dry milk, this capacity would be ample to provide 600 million pounds of soy flour which, if distributed for beverage purposes, could in effect double the present volume of milk in the relief programs.

What would this cost? Industry spokesmen indicated that, with present capacity, soy flour and soy grits would probably cost the CCC about 5 to 5.5 cents per pound, but if processed for beverage use in substantial quantity the cost per pound would be less than 10 cents. This suggests that the Food for Peace Program could reach as many more undernourished children as it is now doing, but that the additional number could be serviced at say \$50 million compared with the present cost of \$100 million for the same number.

Perhaps it should be added that there are in fact three possible ways of doubling the volume of the milk relief programs: (1) we might, regardless of difficulties with domestic consumers and butter surpluses, double the donations of dry skim milk; (2) we might keep milk distribution at the 600-million-pound figure and add as much more by 1966 in the form of soy flour; or (3) we might cut down dry milk to zero by 1966 and step up the donations of soy flour to 1.2 billion pounds by 1966. The first assumption would involve an accumulated cost of \$816 million, the second \$654 million, and the third, \$492 million.

Relative costs of wheat flour and soy flour additives in the Food for Peace Program.—There are other cost-saving opportunities afforded by the prospect of soybean crops of 700 million bushels or more and by the recent advances in soybean processing technology. As additives,