Subject to the availability of convertible currency, or the use of other credit arrangements, the market for fats and oils in the low-per-capita consuming areas of North Africa, the Middle East, and Asia offer a large market for additional utilization of fats and oils.

Increasing competition from sunflower seed and sunflower oil from Russia and the southeastern European producing nations, at prices considerably under current soybean oil and soybean prices, has made a serious inroad in sales of U.S. soybean oil in the dollar markets of Europe and Iran.

Rapeseed production, which is subsidized in the Common Market, has been increased at a rapid rate and offers stiff competition to soybeans.

Fishmeal and fish oil from Peru, in expanding quantities, has also taken its place in the consumption patterns of Western Europe for protein and fats and oils.

IMPORT QUOTAS

The Soybean Council fears that an expansion of import quotas will eventually result in retaliatory action from present customers of the United States now buying our agricultural commodities. All segments of the U.S. soybean industry will suffer as a result of retaliatory action, if taken, since this action would reduce or limit the total volume of exports of U.S. agricultural commodities.

We have consistently favored moving in the direction of free trade so that commodities produced efficiently and economically will move into world markets on the basis of efficiency of production. We fully realize that actions taken to introduce goods into world trade on this basis will be time consuming and very difficult to obtain, but we believe that goal is worthwhile.

INCREASING EXPORTS

The Soybean Council of America receives its funds from the U.S. soybean industry and contracts with the Foreign Agricultural Service of the U.S. Department of Agriculture to provide additional foreign currencies for use overseas in market development projects. We believe that this program has been of great assistance and value in the expansion of foreign markets for soybeans and products.

Market development work is a must and the programs should be expanded and intensified if we are to meet the challenges of new competitors, such as the sunflower, rapeseed, and fish products which are currently offering heavy competition. The U.S. soybean industry is presently developing a program to acquire an additional source of dollar funds so that market development activities overseas may be further expanded.

It is necessary that prices for U.S. soybeans and products remain competitive in the world markets if we are to capture our share of the present markets and expand tonnage in the years ahead.

INTERNATIONAL AGREEMENT

Recently some foreign processors have indicated an interest in negotiating an international agreement on fats and oils. At a recent meeting of the Fats and Oils Committee of FAO, this subject was again brought up. The Soybean Council feels the United States should not