Monsanto

FROM (NAME & LOCATION) C. Paton - G. O.

DATE December 8, 1972

SUBJECT NOVEMBER 1972 MONTHLY REPORT

REFERENCE

cc F. H. Langenfeld
P. G. Benignus
G. F. Fague/D. E. Roush
J. H. Davidson/R. E. Hatton

TO : T. L. Gossage

	November		YTD	
	Budget	Estimated	Budget	Estimated
Aviation*	$ 95M	$ 81M	$1030M	$1103M
Dielectrics	524	663	5835	6123
Industrial**	227	487	2007	3265
Process	298	330	3798	4335
PCB/PCT	-	-	1111	2803
	$1144M	$1561M	$13788M	$17629M

* Skydrol/Skylube/Santomelt only.

** Includes Coolanols but PCT Pydrauls included in PCB/PCT.

Financial Performance

November performance was 36% over budget. This was due to an extremely strong Coolanol month ($136M) partly due to catching up on backlog orders now that we've solved the Coolanol 20/40 problems.

Dielectrics were also a major contributor at 27% over budget. Excluding PCB/PCTs YTD sales are 17% over budget.

Problem Areas

1. Lagging biphenyl sales as customers play cat and mouse on price increase although Dow, Piedmont and Charlotte Chemical Labs have placed orders in November. On the plus side both Crown Zellerbach (800M lb.) and Michigan Chemical (1.5M lb.) signed contracts at schedule.

2. Kureha solvent threatens our Santosol 300 business at Nashua and modified solvents submitted for evaluation since we learned that Nashua lab test on Kureha solvent did not correlate with pilot plant trial thus throwing doubt on past rejections by Nashua of MICC research samples.

3. Westinghouse South Boston claim they have located Company X who will make a PCB/TCB blend for them to replace Inerteen 54201CM. Hooker's announced discontinuation of TTCB in mid-1973 and price increases on TCB has shaken South Boston a little coming as it did two days after we predicted these possible moves to Westinghouse. We ask the field to treat the Westinghouse moves as confidential as we feel the threat can be countered and are working on the problem. We ask the field to be alert to activities by X at other dielectric accounts. We seriously doubt X will be a factor at capacitor accounts as Westinghouse admit this as an offsetting factor.

Business Outlook

Although biphenyl will still log in December other business looks good and 10% over budget performance is expected.

Development and Growth

1. Work on emulsification of biphenyl by research should be complete by 12/31/72.

2. First order of low temperature Therminol 44 (MCS 1289) was received from G.E. Cleveland (2 drums). Initial sales will be confined to U.S.A. till we prove ourselves in service.

3. Jim Bryant will handle key OEMs, GE and Westinghouse, on Turbinol. Trial of Turbinol 1122 is underway at TCPL. This is our first turbine lube trial.

Product Areas

Aviation

1. We lost Delta Airlines to Hyjet on price and Boeing forced Chevron to exercise their extra years option on Hyjet.

2. We retained KLM and prospects look promising on retaining SAS, Sabena, Seaboard World, North Central regaining Qantas from Stauffer.

3. We gained 1500 gallons Skydrol LD in an off-shore rig at Western Gear. This was coupled with 8,000 gallons Pydraul 10E. Future potential is 30M gallons in 1973. In face of aggressive purchasing by Western Gear and

selling by Stauffer this reflects great credit on sales and product group sales efforts. It is the biggest ever single fluid order for Western Region ($50M).

4. New Skydrol schedules posted in U.S.A. and Europe.

Dielectrics

1. Series of presentations held in Canada to explain PCB degradation studies and Monsanto's sales policies to Federal government working party on PCBs, Ontario Hydro, Ontario Environment Agency and a meeting of MOCAN customers was well received.

2. Aerovox has been sold and will now operate as a Division of Belleville Industries.

3. Strong Aroclor 1016 to Latin America in November (131M lb.).

Industrial

1. Ford-Sheffield, Ala. ordered their first T/T of Santosafe W/G 20 after a trial of over 1 year in the diecasting plant. New business is 70,000 gal./year ($100MT/yr.) with potential for $200M/yr. if product continues to perform. Good job by Carl Clay in a tough selling situation.

2. Swindell-Dressler-Pittsburgh has specified Pydraul 312C for 17 induction melting furnaces to be shipped in 1973 and 1974 to Russia. Total business will be approximately 20,000 gal. initial fill.

3. U.S. Steel - Christy Park, Pa. will convert all FR fluid-using equipment to Pydraul 312C - former fluids were Fyrquel 220 and Dasco 300. Total business is $30M/yr.

4. Ford-Detroit has specified Santosafe W/G 20 for new diecast plant in Brazil. 50 drum initial fill.

5. Airco Vacuum Metals-Berkely, Calif. has converted back to Pydraul 50E from Fyrquel 220 - $10M per year regained.

6. Air-Draulics-Phoenix has received commitment from Phelps Dodge to convert their copper mine equipment to MCS 1330 FR mine fluid. 50 drum initial requirement - customer converting from Chevron FR-10.

7. U.S. Steel - Berwick ordered 5 drums Pydraul 312C as make-up to Dasco 300 system - if trial goes well, we will get all make-up on this system plus initial fill and make-up on 2500 gal. system in 2nd qtr., '73.

8. Laclede Steel has given Stauffer a six months contract for low cost fluid Fyrtek 290 to replace Pydraul 312C. Laclede purchasing says Stauffer quoted lower price - however we were not given a chance to bid - we are following up with both purchasing and plant people. Potential loss is $15,000 for 6 months period.

9. Our bid on Chrysler-Kokomo, Ind. water glycol business (125,000 gal./yr.) was unsuccessful because Chrysler Chemical is now selling W/G fluids. Chrysler is buying Wyandotte W/G package and will undoubtedly supply all Chrysler Motors W/G requirements for the foreseeable future.

Process

1. NCR phasing into Santosol 100 slower than anticipated and still buying MIPB (through December).

2. New Therminol business includes Plastic & Rubber (3200 gal. T. 55); Diamond Plastics (8000 gal. T.55), Pottstown Newcrete (2000 gal. T. 55) and Magnolia Marine (2000 gal. T.55).

3. Good relationships established with two new carbonless paper producers: Moore Business Forms and Allied Paper.

PCB/PCT

1. Best news of the year: Goodyear's Applegrove plant will place 120M gallon Therminol 66 order ($330M) for delivery beginning in mid-January, with Don Roush taking up temporary residence in suburban Point Pleasant for the conversion.

2. Dow's Cleveland plant forced to go to Therminol 66 after a year's problems on converting FR-1 to Dowtherm G. Red faces in Midland?

3. Paul Gann has "wrapped up" the Therminol FR Conversion Project and will now assist Bill Papageorge. Paul has done an outstanding job for us.

Cumming Paton

/pep