

Sowing the Wild Oats: An Oral History of the Southern Louisiana Grain Processing Industry

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GEAPS
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A Brief History of Rice in Louisiana

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Today the first major chunk of the history section has been finished. Visit the "History" page to read a brief history of the rice industry in New Orleans and Southwest Louisiana. This history dating back to roughly 1803 with the Louisiana Purchase explains why the grain elevators in the New Orleans area today do not process any of the state's rice crop. This history also introduces the first kernels of scandal and controversy in the industry that have flavored the greater history with a lot of spicy detail! It's quite a fascinating read.

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market value, the farmers would come, basically, cash in



Louisiana Grain History



@LAGrainHistory



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What makes the grain industry significant or unique to Louisiana?

“The **Mississippi River** connects us to the interior part of the country and provides an economical means of transporting the grain down to the export area which is basically south of Baton Rouge to the mouth of the river.”

“The fact that we export so much grain through South Louisiana makes us a rarity. United States is huge in exporting food, particularly grain. Virtually . . . and I don’t know the percentages . . . but all the exported grain from Canada and the United States . . . of all of it, a significant percentage of it passes through New Orleans. Or passed in New Orleans to one of these ten export elevators. We, in a true sense of the word, feed the world.”

“It’s because of the **port**. You can bring the grain down from the whole heartland down the **Mississippi River**.”

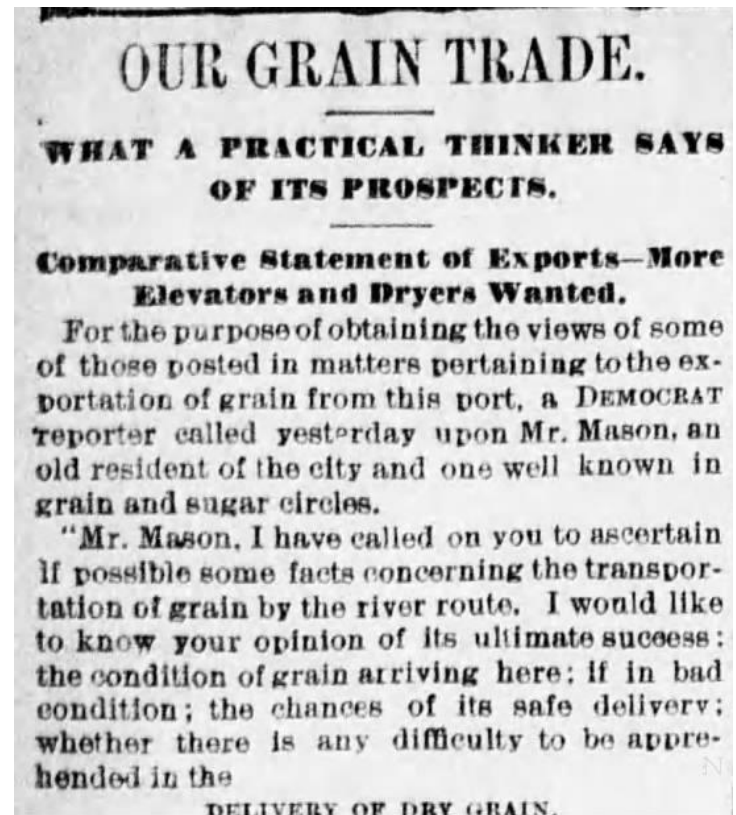
“The **Mississippi River** it makes it unique because it’s the primary exporting location of this country. And the barge traffic up and down the **Mississippi River** makes it easy to move the grain out of the country....This is the busiest **port** for grain in the entire world for exporting grain....The **largest grain elevators** and **the fastest** are here in this state.”

Port of New Orleans

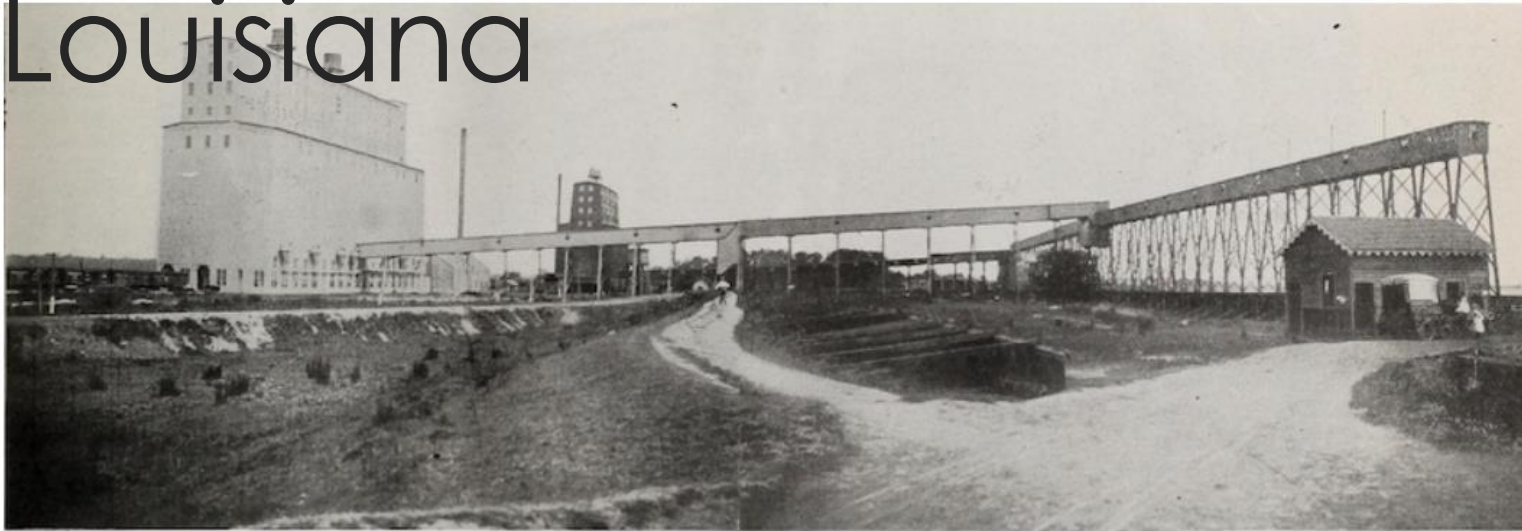
- 1928 – 3,028,708 bushels of grain were exported in October
- 1930 - \$1,050,020.36 to run grain elevator operating department; the increase in port business also called for the building of a unification of railroad terminals and a Mississippi river traffic bridge
- 1946 – over one million bushels unloaded by the Public Grain Elevator
- 1953 – The March of Time Series did an episode on the port
- 1954 – 45% of the grain received by the port came in by barge; shipments totaled 12,969,731 bushels; expansion of the port to include truck unloading facilities
- 1955 – Public Grain Elevator handles billionth bushel of grain

Industry History

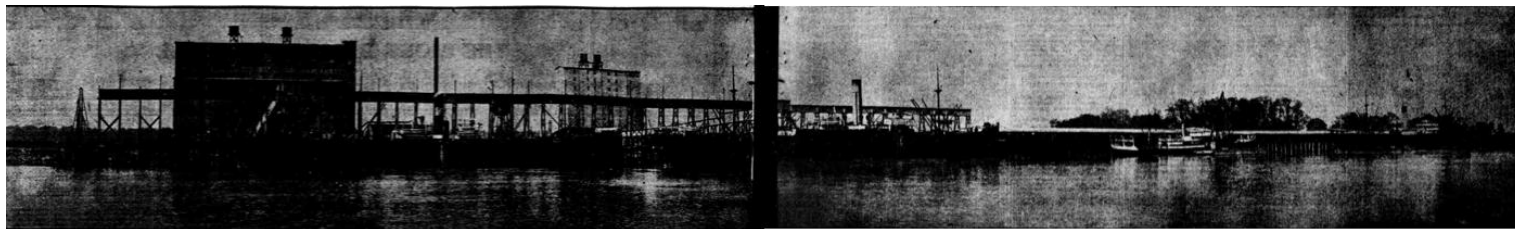
- Rice was introduced to Louisiana as early as 1718
- The first grain elevator in the United States was built in Buffalo, New York in 1842



Westwego, Louisiana

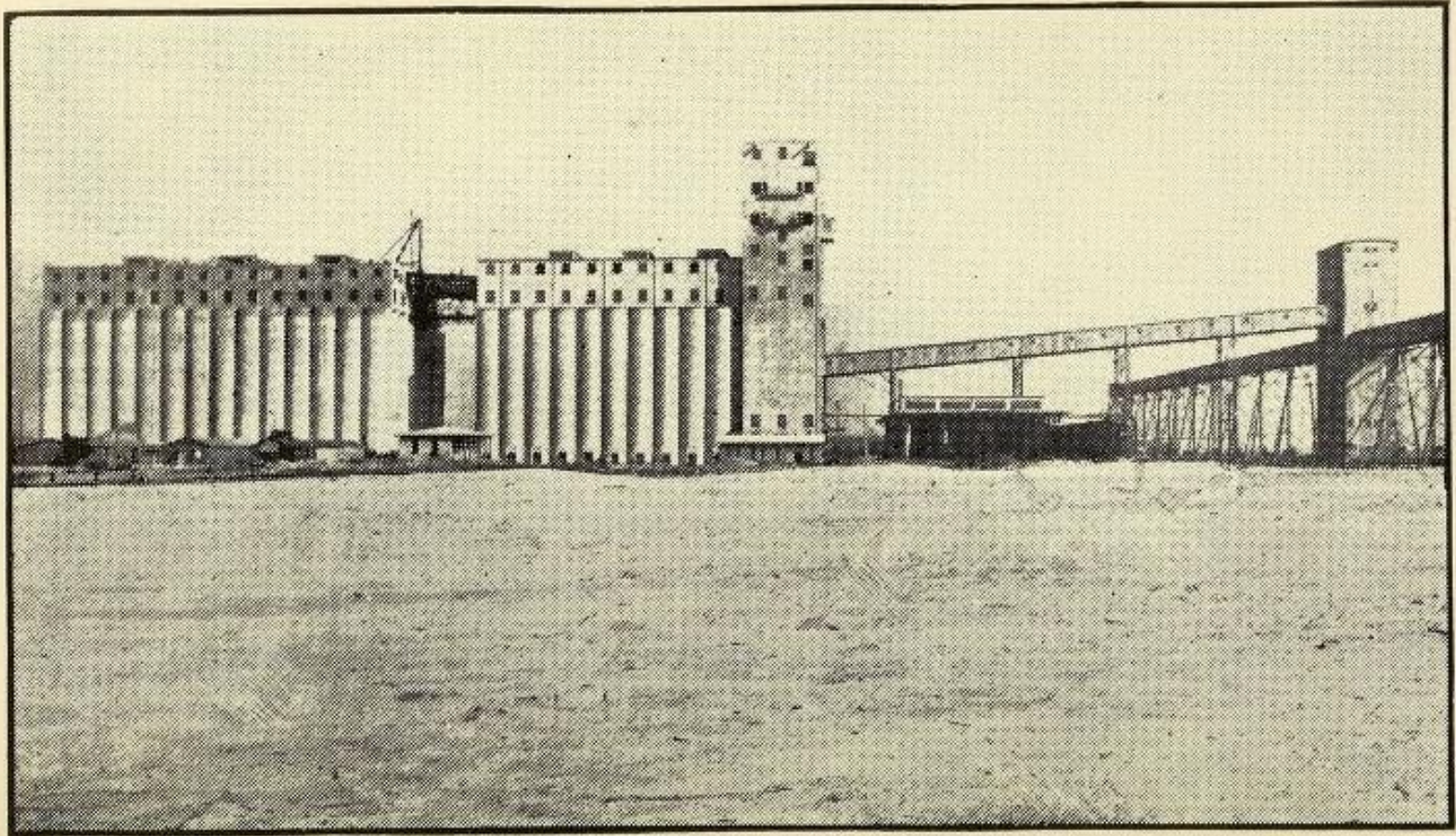


1904



1913

Public Grain Elevator



New Grain Elevator.

#SecretWheat

“So when I started working at Zen-Noh Grain in Convent, Louisiana, in 1982, we were loading Russian ships for several years. I can remember that, too, because they're usually the biggest ships and they always have that hammer and scythe insignia on the smokestack of the ships. So I always knew it was a Russian vessel. And so for several years we did load grain going to Russia. Then all of a sudden it just kind of quit. I don't know if this is one of the main reasons, but I had heard that, I think the United States was – and I'm not sure this is completely true but - subsidizing grain to Russia because the Russians would take the grain and their people were not doing so well and then somehow . . . If I remember right, there's some story about how the grain got to the ports of Russia and then it would just sit there and there was no infrastructure to get it inland to the people and the grain rotted on the docks. And so eventually America just quit doing it. There's probably more to that story, you know, politically, but who knows.”

-Bart Bauer, 2018

#SecretWheat

Soviet Union to Purchase U.S. Grain Over 3 Years

SAN CLEMENTE, Calif. (UPI)—The Western White House announced Saturday that the Soviet Union would purchase \$750 million in grain from the United States over the next three years.

Press Secretary Ronald Ziegler said the agreement, a follow-up to President Nixon's Moscow summit last May, was the largest commercial transaction of agricultural commodities ever consummated by the United States.

Under the agreement the Commercial Credit Corporation would extend a line of credit to the Soviet Union to finance the

purchase. Sale will be at world market prices, Ziegler said.

The Soviet Union purchased \$150 million in grain from the United States in 1971, but that was a cash transaction and the extension of such a large purchase loan to the Soviet Union was unprecedented.

Ziegler said the borrowers would be required to pay normal interest rates and total outstanding loans could not exceed \$500 million at any one time.

"Purchase and sale will be as negotiated between the Soviet Union and U.S. commercial exporters," Ziegler said.

Terms of the agreement require purchase of \$200 million in grain during the first year.

Ziegler said the President felt the agreement would have three major benefits. "It will provide grain farmers with a boost in income. It will also provide jobs for Americans involved in shipping the grain, including longshoremen, seamen, exporters railroad and barge line workers. It will reduce the cost to taxpayers of storage, handling and other charges associated with maintaining commodity stocks," he said.

Cereal Heist, 1975

50% of N.O.-Shipped Grain Said Misgraded

WASHINGTON (AP) — At least 50 per cent of the grain sent overseas through New Orleans, the nation's largest grain shipping port, in recent years has been improperly graded, a former grain inspector said Thursday.

Testifying before two Senate agriculture subcommittees, Clarence P. Baker Jr. said such misgrading occurred every week during the 13 years he was an inspector.

By misgrading the quality of grain, inspectors approve shipments with a lower quality rating than that for which a purchaser is paying.

Baker and another former inspector, David B. Frey, gave sworn testimony before the two panels probing the grain export industry, detailing what they and a federal prosecutor described as a pervasive system of corruption.

Meanwhile, the Senate passed by voice vote a bill to give the secretary of Agriculture emergency authority to deal with the grain inspection scandal. The one-year legislation would permit the secretary to revoke the designation of an inspection agency if he found it had a conflict-of-interest relationship with a grain elevator or merchandiser. The bill now goes to the House.

In the world grain picture, Soviet field workers were reported lagging behind last year's pace in harvesting grain in Russia before the onset of fall weather. The lag could mean new difficulties for Soviet agriculture. U.S. estimates predict a Soviet crop of 175 million metric tons this year,

about 40 million tons below the U.S. government's estimate. Thursday that the U.S. government propose next week that the U.S. serve of 30 million metric tons a hedge against future

The proposal, which at the International Wheat Convention, calls for individual up reserves, rather than a pool of grain.

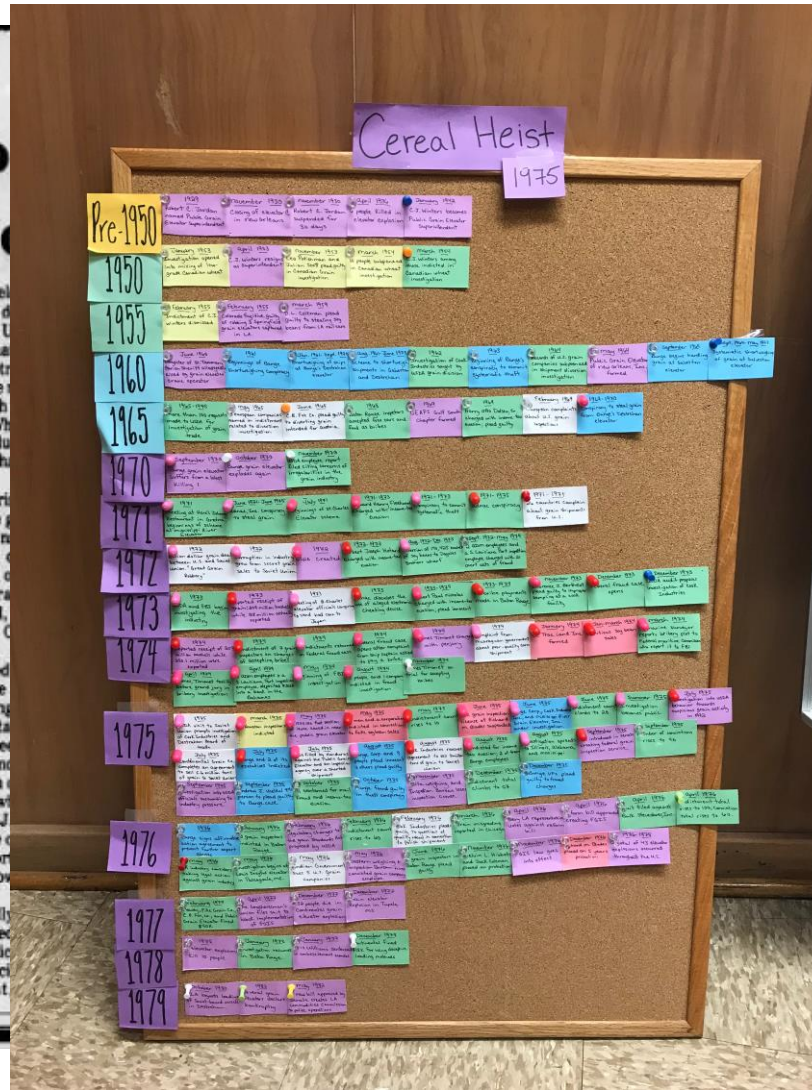
At the Senate hearing, that 80 per cent of the grain through New Orleans is more grain than any other port.

Over-all, Baker said, more than half of the New Orleans grain is misrepresented.

Baker was indicted in a federal probe of the grain industry, charged with accepting bribes and pleaded guilty. A total of 22 men have been indicted in the probe, and 18 have pleaded guilty or been convicted.

The U.S. attorney in New Orleans, Gerald J. C. Mire, said the subcommittees heard that grain being exported from New Orleans properly even though the probe began.

The grain, generally soybeans, is inspected under the Federal Grain Inspection Standards Act, which requires private or state agencies to inspect grain for the federal government.



22 Men Indicted in Orleans Grand Jury

Investigating complaints against grain export business in New Orleans, the world's largest grain port.

The single-count indictment alleged conspiracy to steal grain by falsifying inspection, grading and shortweighing. Defendants were Adnac Inc., which operates the St. Charles Grain Elevator at Destrehan, La., and top executives: the plant manager, the superintendent and four assistant superintendents.

Defendants are Robert W. Edgerly, Leo E. Pickell, John M. ... Sr., Freddie H. Germain, Manuel J. Freitas and ... W. Emerson.

The second single-count conspiracy indictment named three executives of the St. Charles Elevator — Cologero C. ... Sr., Joseph J. Palmieri and Robert P. Nicholas. These three men were separately indicted last Tuesday, charged of evading income tax \$50,000.

The third indictment, with 11 counts, named nine men involved in handling grain at the Mississippi River Export Grain Elevator in Myrtle Grove, La. The indictment said their thefts totaled \$817,612.

Named were Pivon L. Dupuy, Clark D. Smith, who now lives in Henderson, N.C., James Timonet, Edward H. Fleetwood, Louis H. Rachal, Lawrence H. Cochran Sr., Herbert J. Hotard, Adam A. Dufrene and George J. Rohrbacker Jr.

Five of the men — Dupuy, Fleetwood, Rachal, Hotard and Dufrene — also were indicted last Tuesday on charges of failing to pay income tax money from alleged sales of stolen grain.

The fourth indictment outlined alleged conspiracy in 1969 and 1970 to steal grain from an elevator at Destrehan owned by the Bunge Corp., amounting to at least \$220,600.

Indicted were Gerald C. Mire, John H. Gonor Sr., George H. Poprick and Alvin J. Morales Jr.

Cereal Heist, 1975

“Private inspection was pretty much entrenched in the export industry for a lot of years. And then they had some governmental changes that occurred in the late seventies that required the Federal Grain Inspection Service to supervise at the beginning. And then, typically, in a two or three-year period, they took over all exported grain in the country. So they had to be there and it kind of minimized the role of the inspection companies, private inspection companies.”

-Ricky Creed, 2018

Cereal Heist, 1975

THE SHREVEPORT TIMES Thursday, Sept. 11, 1975 7-A

6 Enter Guilty Pleas in N.O. Export Grain Scandal

NEW ORLEANS (AP) — Six men, including a tugboat captain and several federally licensed grain handlers, entered guilty pleas Wednesday to charges growing out of the export grain scandal.

Asst. U.S. Atty. Cornelius Heusel said he expected the men to testify in the trials of others charged in the

investigation, but declined to say that they had agreed to do so.

Most of those appearing in federal court here were allowed to plead guilty to only one or two of the charges against them, with the understanding that others would be dropped, officials said.

Sentencing was delayed

pending an investigation by probation officers.

At the arraignment hearing, FBI Special Agent Robert J. Isakson testified that each of the men had made statements that entire bargeloads of grain were stolen in what the government alleges is a conspiracy that operated

throughout the New Orleans riverfront.

Isakson said that in the summer of 1971, the men formulated a plan to steal grain destined for export from the Port of New Orleans, the world's largest grain export terminal.

Isakson testified that the conspirators stole at least

three bargeloads of grain and then falsified records to indicate that it had been properly unloaded.

The FBI agent said that in one case, the Pillsbury Co. made a payment of \$24,600, much of it for grain that had been stolen.

Heusel called the successful plea bargaining "a major

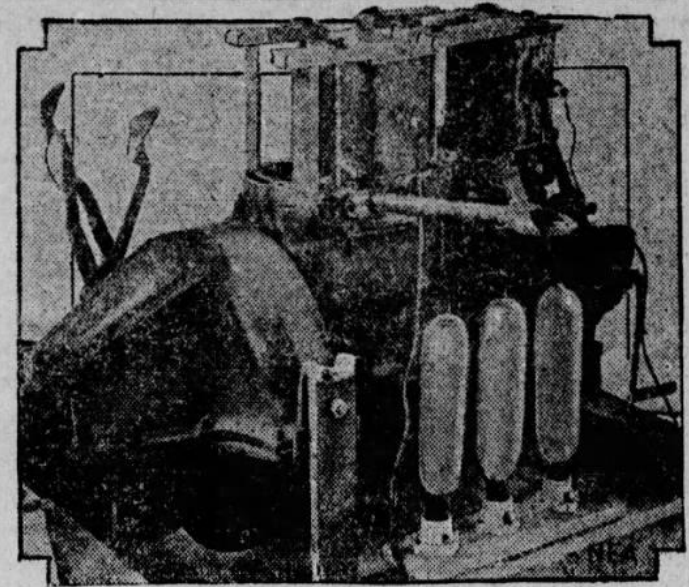
step" in the investigation, which so far has resulted in indictments against 48 men and four firms.

Fleeing guilty is one count of mail fraud and one count of tax evasion was Louis H. Ratchal, the assistant superintendent of the Mississippi River Grain Elevator Inc. at Myrtle Grove, La.

Legacies of Risk and Vice

The United States Bureau of Chemistry has designed new dust-handling equipment for grain elevators which will lessen the danger of dust explosions.

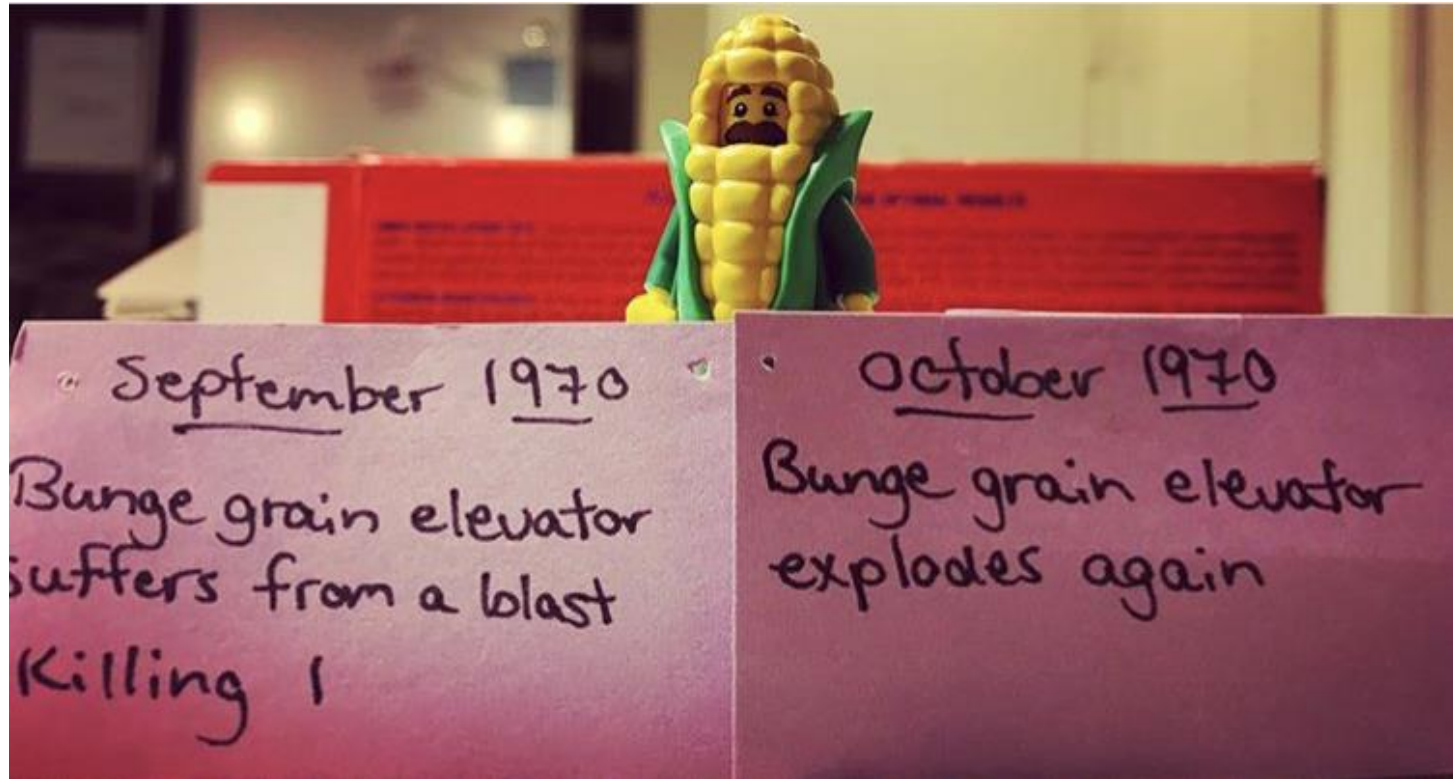
DUST IS FUEL TO FORD!



THE GRAIN DUST-EATING FORD ENGINE

Of all the wonders the Ford engine has attained, none surpasses its latest achievement—running on grain dust. W. A. Noel and Ralph Hellbach, chemical engineers of the U. S. Department of Agriculture are the heroes who succeeded in coaxing power of a Ford engine by feeding it only the dust swept from the floors of grain elevators. Of course, they had to make some changes in the engine. But it was still a Ford when it showed its stuff. The combustion chamber were lengthened with extra pipe, the carburetor and manifolds were removed and the dust fed by hand through a tube to the intake valve port, the ignition system was replaced by a bank of 100-volt lamps through which passed direct current from the house line. Yet the engine ran—as many as 12 explosions in succession were counted for each cylinder. That was all, but it was enough to show that the engine might run even on grain dust.

Legacies of Risk and Vice



Legacies of Risk and Vice

“And it spurred a lot of design changes. It was an older design that utilized a head house design and bucket elevators, which are since – You try to get it . . . If you have the real estate, you try not to do that. You try to get the product elevated using more conventional belt conveyors rather than bucket elevators if you can. . . . bucket elevators had a reputation of just, a potential for problems with either fire or burned out bearings or whatnot. That, in this particular case, a spark or something can be carried from silo to silo to silo to silo. *Boom. Boom. Boom. Boom. Boom.*”

-Tim Duncan, 2018

Legacies of Risk and Vice

CHANDLER TAYLOR: Do you remember anything about an FBI [Federal Bureau of Investigation] investigation of the Public Grain Elevator?

CLARA BEACH: No, but I know there was one. I know there was one and I know where we lived, the FBI men had come out. They never came up to our door or anything, but they came out and knew where we lived, our house number, our car number, our car license plate, everything. They had everything down. And I found that out later. But they never bothered us at all.

TAYLOR: Do you know what they were investigating or why they were around?

BEACH: They were just investigating because of the elevator, from the elevator explosion.

What makes the U.S. grain industry significant or unique to the grain industry?