STATISTICS CANADA
Agriculture Division
Crops Section

OILSEEDS REVIEW

DECEMBER 1971

Published by Authority of
The Minister of Industry, Trade and Commerce

January 1972
5502-506

Price: 75 cents
$3.00 a year

Vol. 2—No. 2

Information Canada
Ottawa

TABLE OF CONTENTS

	Page
World Situation	
World Oilseeds Situation and Outlook	5
Canadian Situation	
Canadian Oilseeds Situation and Outlook	7
Implications and Alternatives	11
August-October Marketings of Flaxseed and Rapeseed	17
Exports of Flaxseed, Rapeseed and Soybeans	17
Quota on Rapeseed	18
Quota on Flaxseed	18
Canadian Rapeseed Conversion	18
Special Quotas 1971-72	19
General Quotas 1971-72	19
General Quotas 1971-72 C.N.R. and C.P.R. Blocks	20
Summary of Weekly Stocks and Movement of Flaxseed	22
Summary of Weekly Stocks and Movement of Rapeseed	22
November Estimate of Production of the Principal Grain Crops in Canada, 1971	24
November 1971 Estimate of Production of Oilseed Crops by Provinces	24
Farmers' Marketings of Flaxseed and Rapeseed	27
Marketings of Ontario Soybeans	28
Commercial Supplies	29
Grading of Flaxseed and Rapeseed 1971-72	30
Lake Shipments from Thunder Bay	31
Rail Shipments from Thunder Bay	31
Domestic Crushings	32
Month-end Stocks in Crushing Plants of Oil and Meal	32
Flaxseed — Selected Statistics	33
Rapeseed — Selected Statistics	34
Soybeans — Selected Statistics	35
Monthly Prices of Oils and Meals	36
Exports of Canadian Flaxseed	37
Exports of Canadian Rapeseed	38
Customs Exports of Canadian Soybeans	38
United States Situation	
Summary	39
Situation in Australia	40
Situation in the United Kingdom	48
Situation in Italy	50
Situation in Peru	52
Situation in Poland	54
Situation in Argentina	54
Situation in India	57
Situation in the E.E.C.	57
Situation in West Germany	60
Situation in Portugal	64
Situation in Finland	65
Situation in Sweden	66
Situation in the Union of Soviet Socialist Republics	67
Rotterdam Linoil Stocks	68
Calendar of Oilseed Events	68

S Y M B O L S

The following standard symbols are used in Statistics Canada publications:

..	figures not available
—	nil or zero.
p	preliminary figures.
r	revised figures.

WORLD SITUATION

World Oilseeds Situation and Outlook

The following is taken from a report on the world oilseed situation as prepared by the Economics Branch of the Canada Department of Agriculture, for the Canadian Agricultural Outlook Conference, November 22 and 23, 1971.

Situation 1970-71. — World stocks of oils and fats for edible purposes at the beginning of the 1970-71 season were down for the second consecutive year following the levelling out of edible oilseed production in 1969. Soybean carryover in the United States decreased by over 100 million bushels from mid 1970. Food oils and fats in store in Rotterdam were lower than in 1970 and stocks of sunflowerseed oil in the U.S.S.R. were sharply lower. Stocks of sunflower oil, cottonseed oil, and fish oil were all particularly low.

In 1970, compared to 1969, world production of edible oils and fats was higher by about one million metric tons. However, this increased production was not enough to offset the decrease in stocks of over 400 thousand tons and the increased consumption of between 800 and 900 thousand tons.

World exports of oilseeds, oils and fats during the 1970 calendar year increased by over seven per cent to 9.3 million tons. Soybeans and soybean oil were the largest gainers with exports increasing by over 40 per cent. Rapeseed exports increased by 18 per cent. Groundnuts and oil were lower by 11 per cent and sunflowerseed and oil by 25 per cent. Flaxseed and linseed oil exports were up about three per cent. Exports availabilities for 1971 were slightly lower for edible oils. World consumption of oilseeds, oils and fats has increased steadily for a number of years and the increase is estimated at between two and three per cent. Increasing production in 1969 and 1970 did not equal the increasing consumption.

In 1970, world soybean production rose by 1.2 million metric tons to 44.6 million metric tons. Very little of this increase occurred in the United States. However, exports from the U.S. in calendar year 1970 amounted to an unprecedented 435 million bushels, 94 per cent of total world exports, 124 million higher than in 1969. Crushings of soybeans in the U.S. for crop year 1970-71 were expected to total some 760 million bushels, 23 million bushels above last year's record. As a result carryover of soybeans may be down by over 100 million bushels to just over 100 million bushels. The acreage planted of soybeans this year was larger than last year by 383 thousand acres and a very high yield of 28.8 bushels is forecast in initial crop estimates. This would result in the production of 1,335 million bushels — 100 million bushels more than last year — but not high enough to permit expansion of exports or domestic use.

Rapeseed the other main expanding oilseed crop nearly doubled with Canadian production of 71.3 million bushels. Poland recovered from the disastrous year of 1969-70. Production there reached only 72 per cent of production of 1968-69. In 1970 while total rapeseed exports were higher by more than 12 per cent, all major exporters excepting Canada had reductions. World rapeseed production is about one seventh of soybean production. Some increase is expected in 1971, again led by Canada.

Peanut production was higher than in 1969. Although a major part of the increase was in India and the main African exporting countries, Nigeria and Senegal had reduced crops. Cottonseed production was down slightly from last year. Following an increase in sunflowerseed production in 1969-70, there was a 6.5 per cent decrease in 1970-71 to 9.3 million metric tons. The Argentine crop was much below early expectations. Sunflowerseed production reached its lowest level since 1966-67. Palm oil, palm kernels and copra all had increases in 1970.

World flaxseed production was up by 19 per cent in 1970-71 following a 15 per cent increase in 1969-70. Carryover in the U.S., Argentine and Canada to start the year was up by almost one million tons. Production in the United States fell off by nearly 15 per cent to 761 thousand metric tons, but Canada almost doubled production to 1,243 thousand and Argentine production increased to the same level as the United States. Exports of flaxseed and linseed oil (in terms of flaxseed) from the United States in 1970 fell to about half of 1969 exports at 135 thousand metric tons. Argentine exports climbed 15 per cent to 500 thousand metric tons and Canada increased to 531 thousand metric tons. The total production increase of some 660 thousand metric tons heavily outweighed the export increase of less than 100 thousand, so that stocks are likely to be increased further at the end of the crop year. U.S. production is expected to be down by one third in crop year 1971-72 and Canada will also produce smaller quantities.

World prices of edible oils in late 1970 and early 1971 were somewhat higher than the average for 1970. Prices of some oils, including soybean oil, decreased moderately in December 1970, but prices of all edible oils were relatively high by the end of July. Linseed oil prices, however, were lower than the average price for 1970.

Oilseeds outlook. — World production of edible oilseeds increased slightly in the 1971-72 crop year. However, the overall world stocks of edible vegetable oils are at a relatively low level. Therefore, some stock rebuilding is necessary. World consumption of edible oils and fats has increased by 2.6 per cent per year over the last decade. This trend should continue. This means a yearly increase of approximately 850,000 metric tons per year. The consumption of edible vegetable oils is increasing much more rapidly in world demand than animal or marine oils and fats. World availabilities of edible vegetable oils in 1971-72 will again be tight relative to demand.

World soybean production has not changed much from last year. In the United States the major supplying country, soybean production has increased to 1,175 million bushels — 40 million bushels more than last year. As of September 1, 1971, stocks were down to 98 million bushels; last year, at that date, stocks were 230 million bushels. World production of rapeseed has increased with Canada up 38 per cent from last year to approximately 100 million bushels, France up four percent to 28.6 million bushels and a small increase in both East and West Germany, as well as Poland.

Among the other oilseeds with which Canada competes on world markets, sunflowerseed production will probably remain similar to last year, although production could still vary considerably from present indications depending on production in the U.S.S.R., and other eastern European countries. Therefore, estimates of supplies of sunflower oil available for export in 1971-72 are rather uncertain at this time. World production of peanuts will show a substantial increase over last year, particularly in Senegal and Nigeria.

In general, the world oilseed situation appears favourable for exporters. World market prices are likely to remain steady throughout the entire crop year but not quite as high as last year. However, prices should remain at high levels compared to the average of the last five years. With relatively high prices for oilseeds compared to grains, larger oilseed production is likely to occur next year, tending to bring world supply and demand for edible oils more in balance in 1972-73.

The rate of increase in utilization of industrial oils in the world has been lower than for edible oils. World flaxseed prices on October 1, 1971, were about 20 per cent below the average for 1970.

Acreage of flaxseed in 1971-72 in Argentina is down 35 per cent to about 1.5 million acres. United States production in 1971-72 is down one-third from last year at 20 million bushels and Canadian production at 26.8 million bushels is little more than half last year's production of 48.9 million bushels. Nevertheless, stocks in the above three major exporting countries are at very high levels. Prices have improved in September and October with increases in meal utilization particularly in Europe.

CANADIAN SITUATION

Canadian Oilseeds Situation and Outlook

The following is taken from a report on the Canadian oilseed situation as prepared by the Economics Branch of the Canada Department of Agriculture, for the Canadian Agricultural Outlook Conference, November 22 and 23, 1971.

Situation 1970-71. — Carryover of rapeseed to start the 1970-71 crop year was 3.7 million bushels. With production of 71.3 million bushels, supplies totalled 75 million bushels, almost double the supplies of 1969-70.

Overseas clearances of rapeseed were 46.7 million bushels, more than double export of 1969-70. While Japan has been the major importer and increased her total imports by nearly 25 thousand short tons to 345,850 tons, Japan's share of the Canadian exports fell from nearly 65 per cent of the total exports in 1969-70 to about 32 per cent in 1970-71. The Netherlands, West Germany, Italy and France all imported sharply increased quantities of rapeseed in 1970-71. Sizeable quantities were also shipped to Pakistan.

Domestic utilization of rapeseed increased slightly from 7.7 to 8.4 million bushels. In spite of the sizeably expanded crop, after exports and domestic utilization, the carryover should be only from 10 to 15 million bushels.

Prices for the large rapeseed crop of 1970 were lower in the harvest months than in the early months of 1970, but by February 1971, prices had again passed the $3.00 mark. Prices remained largely in the $2.80 - $2.90 range (No. 1 rapeseed, basis Thunder Bay) throughout the crop year in spite of the prospective large crop for 1971, but fell early in the new crop year and at September 22 were at $2.47. The price of rapeseed oil on world markets in 1970 averaged 11.9 cents per pound compared with 8.4 cents in 1969 and by July was nearly 15 cents. Rapeseed meal, however, in July 1971, was lower at $72 per ton compared with $84, the average for 1970.

Soybean production in Canada at 10.4 million bushels was up by over 35 per cent from the relatively poor crop of 7.7 million in 1969. Acreage was only slightly higher but a record yield of 31 bushels per acre was achieved. Soybean imports in the crop year 1970-71 went over 14.3 million bushels compared to 16.1 million in 1969-70. Exports were down about 30 per cent to 3/4 million bushels. Soybean meal imports were also lower for the same period at 250 thousand tons, a six per cent reduction from 1969-70. Meal exports were down 23 per cent to 128 thousand tons. Soybean oil imports were higher at 53 million pounds, compared with 38 million in 1969-70 but exports of oil were up over 20 million pounds to 68 million. Soybean crushings for the first six months of 1971 were 665 million pounds, nine per cent behind the first six months of 1970.

Soybean prices throughout the 1970-71 crop year have been well above last year's prices, and in most months higher by 30 to 40 cents per bushel. In June 1971, prices for No. 2 Soybeans (Chatham) climbed above $3 and in the first three weeks of July averaged over $3.30. By September 22, prices were $3.07.

Flaxseed production increased by over 50 per cent in 1970 following the substantial increase the year before. Production of 49 million, together with stocks of about six million, made a total supply of 55 million bushels. This was equal to twice last year's disposition and compared with the highest supplies in recent previous years of 38 million in 1956-57.

Overseas marketing of flaxseed in 1970-71 were 21.2 million bushels compared to 18.6 million the previous year. Exports for the first 11 months of the 1970-71 crop year indicated increased sales to the Netherlands and West Germany, but decreases to Japan and Britain. Flaxseed entering domestic channels was down from 2.8 million bushels in the 1969-70 crop year to 2.4 million bushels in the crop year just ended. Crushings in the first five months of 1971 were down by about four per cent from the same period in 1970. Exports of oil were up seven million pounds to 17.5 million and about 14,000 tons of meal were exported as well. Prices for flaxseed in 1970-71 have continued the decline that started in 1969-70. Average prices in 1969-70 had been $2.91 (No. 1 C.W., Thunder Bay) but monthly averages since November have not exceeded $2.60 and the July 1971 average price was $2.42 per bushel. By September 22, prices had fallen to $2.31.

Sunflowerseed acreage increased in 1970 by 47 per cent to 70.5 thousand acres. With an increase in yield from 708 to 785 pounds per acre, total production was up 63 per cent to 55 million pounds.

Exports of sunflowerseed have assumed some significance in the 1970-71 crop year, increased to over 17 million pounds from three million the previous crop year. Japan, in the first five months of 1971 was the main importer for the first time with 6.7 million pounds compared with 6.3 million for the United States. Crushings for the first five months in 1971 at 13.7 million pounds were up 32 per cent from the same period in 1970.

Imports of sunflowerseed oil continued to decline and were just over seven million pounds during the crop year. This is only about one third of last year's imports. The price of sunflower oil at Rotterdam in early August was nearly $400 per ton, almost double the average of 1969 at $213 per ton, and well above the price at the end of July, 1970, of $340 per ton.

Oilseed Acreage and Production, 1971

Rapeseed acreage in Canada in 1971 is estimated at 5.35 million acres and is 35 per cent higher than in 1970. The largest increase this year is in Alberta where an increase of 700 thousand brought total acreage up to 2.3 million. Saskatchewan increased by 500 thousand to 2.5 million, and Manitoba increased by 200 thousand to 550 thousand acres.

The yields for rapeseed seemed likely to average at least 20 bushels per acre suggesting a total of over 110 million bushels. However, a heavy infestation of army worms cut yields somewhat so that average yields in the August forecast of Statistics Canada were 19.1 bushels per acre, still above last year's 17.8 bushels. Total production is forecast at 104.6 million bushels.

Flaxseed acreage in 1971, at just over two million acres, is only 60 per cent of last year's plantings. The largest decrease was in Manitoba when acreage fell by half to 570 thousand. In Saskatchewan a 31 per cent decrease resulted in an acreage of just over one million, and in Alberta a 43 per cent decrease resulted in an acreage of only 400 thousand. Total Canadian production is forecast by Statistics Canada at 27 million bushels.

Soybean acreage is up this year by seven per cent to 360 thousand acres, a new record acreage. Sunflowerseed acreage has more than tripled in 1971 over 1970. Acreage more than doubled in Manitoba to 140 thousand; Saskatchewan increased from three thousand to 65 thousand and Alberta went up from 2.5 thousand to 10 thousand.

Estimates of production of these crops was not made by Statistics Canada in their August forecast.

Oilseeds outlook. — Production of rapeseed in Canada for the crop year 1971-72 is estimated by Statistics Canada at 98 million bushels compared to 72 million in 1970-71. These production figures include dockage of perhaps 15 per cent. Exports have also increased sharply. In 1970-71, 46.8 million bushels were exported, more than double the previous year's exports of 22.3 million bushels. For several months in 1971 rapeseed prices (No. 1, Thunder Bay) reached $3.00 per bushel.

Rapeseed exports in the opening months of 1971-72 have not been as good as expected due to a number of factors including the imposition of a border tax of 6.4 per cent on rapeseed by West Germany and four per cent by the Benelux countries. This border tax is also applied to rapeseed grown in the E.E.C. With an anticipated increase in sales to Japan, U.K., Europe and other countries plus the aid program, total exports could approach 55 million bushels for the crop year 1971-72. It is anticipated that some exports will move as oil and meal. Domestic crushings could increase from eight million bushels in 1970-71 to 10 to 15 million bushels in 1971-72, due to a large increase in Canadian crushing capacity.

Prices will probably average $2.50 to $2.85 per bushel (1 Canada, Thunder Bay) — slightly lower than last year. Total disappearance of 60 to 65 million bushels would result in a carryover of 20 to 25 million bushels. Projected export sales and domestic utilization for the crop year 1972-73 suggest a total rapeseed crop of similar size to the current year and with an average yield of 19 bushels per acre could be grown on 5.5 million acres.

In 1972, rapeseed of the low erucic acid type will become a major share of the crop. Domestic requirements are estimated to be not less than 10 million bushels from the 1972 harvest. While it is more difficult to estimate export requirements, indications point to about 40 million bushels. Such marketings would require plantings of about 2.8 million acres. While the export market for regular rapeseed is expected

to continue into the 1972-73 crop year, it may well be declining as growers convert to the low erucic rapeseed varieties.

Soybean acreage has increased slightly each year. However, this year's acreage, while increased by 25 thousand acres to 360 thousand was affected by drought. Therefore, production is down from 10.4 million bushels to 10.1 million. Crushings of soybeans for the first six months of 1971 were down by nine per cent from the same six months of 1970. Exports of soybeans have been of minor significance since Canada lost the British Tariff preference. Imports of oil have been running much higher in the last two years. In the 1970-71 crop year, imports exceeded 59 million pounds, compared to 30 million in 1969-70 and little more than 20 million in some earlier years. On the other hand, exports were up to 68 million pounds compared to about 46 million in 1970. Soybean meal imports and exports have changed little, totaling 250 thousand and 125 thousand tons respectively in 1970-71. Canada will likely remain a net importer of soybeans and soybean products, mainly from the U.S., for at least the short term future.

Prices of soybeans in Canada are closely related to the United States soybean market. In early 1971-72, prices have been about $3.00 per bushel (No. 2, Chatham). With United States supplies tight relative to likely demand, prices are likely to remain at relatively high levels throughout most of the crop year.

Soybean production in Ontario is likely to increase in 1972 due to a larger acreage as some land diverts from low priced corn. Probably higher yields will also boost production next year.

Production of flaxseed in Canada is estimated by Statistics Canada at 25.7 million bushels compared to 48.9 million last year. However, with stocks of 26.5 million bushels on July 31, 1971, compared to less than six million on July 31, 1970, total supplies for 1971-72 are 52.2 million bushels, within three million bushels of supplies a year ago.

Prices of flaxseed (No. 1, Thunder Bay) have followed a downward trend over the past two years and averaged $2.42 in July 1971. In the early months of the 1971-72 crop year, prices have been erratic varying between $2.20 and $2.60. Prospects for some price increases are possible especially if competing oil meals stay in short supply late this crop year. During the crop year 1970-71, total Canadian exports were 21 million bushels, an increase of 14 per cent over 1969-70.

There is some possibility that the exports of flaxseed in 1971-72 can at least equal the quantities exported in 1970-71, due to a possible increase in meal use in Europe. However, if exports in 1971-72 are little higher than in 1970-71 and domestic use continues to be about three million bushels as expected, utilization would still be slightly less than production and the relatively high carryover would continue to the end of the crop year 1971-72. Large world stocks are likely to keep prices from climbing very much from the late fall levels.

Statistics Canada's estimate for sunflowerseed acreage in 1971-72 is 215 thousand acres, nearly triple the 70,500 acres in 1970-71. Yields from Manitoba's 140 thousand acres are estimated at 750 pounds per acre, and from 65,000 acres in Saskatchewan at 650 pounds per acre.

Some of the sunflowerseed was grown under contract for the Japanese market. At the same time, imports of oil for the crop year 1970-71 have fallen to seven million pounds compared to over 42 million in the peak season of 1968-69. Prices are relatively high and prospects are good for disposition of substantially increased production next year.

Implications and Alternatives

The following paper was presented by Mr. F. Hetland, Commissioner, Canadian Grain Commission, at the Canadian Agriculture Outlook Conference on November 22, 1971 in response to the prepared Canadian situation and outlook papers.

In today's talk I want to divorce my statements as coming from a member of the Canadian Grain Commission and speak as a farmer from Naicam, Saskatchewan. I say this because I want to speak with candor, but also because I want to interpret Mr. Carmichael's outlook as a rape grower. Incidentally, since rape in Canada is so much more important a crop than flax or sunflowers, most of my comments will deal with rape.

In reading through past reports of outlook conferences, I see a number of respondents spent time examining the reason for providing outlooks and what they were supposed to accomplish. I would like to spend a moment on that too.

I presume, as a farmer, if I have access to reports such as are being presented at this conference, it will help me decide what is the best crop to grow and how much to grow in order to make the most money. Sort of farm management advice.

And I think back to some of my neighbors whose thoughts are: "We don't need a farm management expert to tell us we're losing money. But he comes in handy when we get curious about how much".

In reading over the outlook for rapeseed and considering it from the standpoint--"What will I seed next spring?" -- I think we should keep in mind that, even if the outlook for a specific crop is accurate and informative, a farmer's decisions are based on a lot more than just the short term economics of a particular crop. I believe these other factors are worth mentioning:

Because most of the rape is grown in the northern part of the prairies, frost is the major hazard. Polish rape matures earlier than wheat. In a late spring, there can easily be a decision to cancel enough wheat acreage in favor of earlier-maturing rape to account for as much as an extra one million acres. This would apply even if the outlook for rapeseed was rather bleak.

Rape acreage is under constant pressure from experienced growers who have learned rapeseed fits in extremely well with their harvesting system. If you seed rape first, you can start your harvesting operations as much as two weeks earlier. This spreads out the busy season and lets you get more work done with a smaller combine. This upward pressure on acreage will grow as more people get experience with rapeseed.

Rape acreage is influenced strongly by summerfallow acreage. Because it produces so little trash, it's too risky to follow rape with fallow. In a three-year rotation, with rapeseed as the crop grown on stubble, there will be more of a weed problem too -- rape has a broad leaf and you can't use 2, 4-D. So this means most rape will be grown on fallow land.

Past-year quotas and prices have a very strong influence on this year's seeding plans. Partially, this is a reflection of how much of each kind of grain a man has left in his bins before seeding. But I think an even more important thing -- an intangible -- is the general tone of the past year's market. If a man experiences a good selling year with a crop -- good quotas and prices -- I think this will have a stronger impression on his seeding intentions than a forward outlook. Partly this is because crop predictions generally are couched in such general terms -- and the

process of the information to the farmer so imperfect -- that the past record makes more impact than a future guess.

There are a number of factors that exert a downward pressure on rape acreage. I'm thinking here that the crop is buggy, weeds are expensive to control, mustard and now, cow cockle, can't be cleaned out of the seed; there's confusion in farmers' minds about the standard and low erucic acid varieties; the crop is more prone to drought damage than wheat and I understand many parts of Alberta went into the winter quite dry, and the rape takes more skill and attention to manage properly. Add to this a certain amount of dissatisfaction about fluctuating prices -- though some growers like the crop for this feature -- and I think you will agree these are worthy of some consideration. How you would weigh each of these factors, though, is another thing. I don't think it can be done.

Looking strictly at economic aspects, I liked this year's outlook report more than last year's. It is more frank and, for the first time I think, it ventures into price implications. I'll go into the details of the outlook in a moment.

But I would criticize this rape outlook report, and the same could be said of past ones, for these reasons:

If prices are used -- such as the expression, "Prices will probably average $2.50 to $2.85 per bushel..." It seems incredibly naive. The bluntness of it, I mean. Farmers will tend to pick those figures up and it's all they will remember. If you asked a grain trader today what the average price of January rapeseed would be tomorrow, he wouldn't be able to tell you. But he might hazard a guess, and this is the best he could do.

I like the idea of using a price -- a figure -- however considerably more could be spent on this rather important subject than just one sentence. Possibly what the "$2.50 to $2.85" means is the pessimists think $2.50 and the optimists think $2.85 and the expected average price is $2.50 plus $2.85 divided by 2 equals about $2.63. But is this what is meant.

Ideally, I would like to see either of two things.

One would be to ask five major exporters what they think are the most likely, most gloomy and most optimistic prices to be expected. Since traders are a notoriously shy bunch (as far as publicity is concerned, anyway). List them as A, B, C, D, E. Ask each for some of the main reasons why he thinks what he does and indicate what he thinks. In effect what you are getting is the long term position of a trader, showing the bullish and bearish factors that lead to his decisions. I think the exporters would co-operate. The important thing is one would show a trend -- and indication -- and not a blunt "$2.50 to $2.85".

The other way to show price would be to project factors that influence demand, and let the reader interpret price. This is how the trade does it. However, it's a difficult thing, if not impossible, for most people unacquainted with futures markets and inexperienced as to the influence of each factor, to interpret price. So, along with this information supply, you could use forward futures market prices. The trouble is the futures in rapeseed, unlike soybeans, don't extend far enough into the next crop year.

Of the two, I like the first one best. After all, if anyone is in a good

position to guess, it's the man who makes his living buying and selling. But keep in mind, these will be gross guidelines only. Keep in mind too, farmers act on this old caution: "It's always wise to suspect the opinion of an expert and, when in doubt, act on logic and common sense." I have tremendous faith in the collective thinking of prairie farmers.

The main reason, though, why I would criticize this rapeseed outlook report is because it does not contain both long term and short term projections. Quite frankly, I was so blinded with the details I kept losing sight of the main picture. I want to know the outlook for three and five years hence. What is the long term outlook for world consumption of protein supplements versus oils -- remember rape has the advantage when oil is bullish and soybeans have the edge when there's heavy feeding of livestock and poultry. What's the long term outlook for palm oil -- the influence of those trees planted four years ago? Will the U.S. likely produce 2 billion bushels of soybeans by 1980?

As a seed grower, my concern is even greater because I must project demand one year or two ahead of the commercial grower or I'll lose my shirt. The varieties and acreages I seed this spring are aimed at what I think the demand will be in 1973. So, it's even more complex. But commercial growers want a long term outlook, so they can formulate general plans and investments -- and they will modify them with succeeding short-term projections.

The introduction of long term outlooks will require a lot more answers to "whys". There's practically no answers now. Just exports will rise here and drop there, crushings will drop here and rise there. Why do you think they dropped, and why will they rise. I distrust seeing other people's judgments without seeing the observations they are basing their judgments on. Most farmers feel that way.

I would like to go on now to more specific elements in the outlook. Incidentally, I prepared this by showing it to people active in the market. They sure didn't all agree, as you would expect, but I'll give you their consensus.

In the first paragraph, I wonder how we can say when the supply and demand situation is going to be tight unless we have an idea what the sunflower, ground nuts and palm oil in South America, Europe, Africa and Asia are going to be? Palm trees planted four years ago are now ready to produce oil and the number of trees might increase because palm oil prices were good in 1968 and 1969 and 1970-71.

Totally ignored in the first four paragraphs dealing with the world situation was rapeseed meal. This is probably the major barrier to increased use of rapeseed in this country. How do we dispose of the meal at economic prices? Then, there is the very real world problem of buyer resistance to foreign rapeseed meal in foreign countries because of thioglucocides and poor processing methods. They have had bad experience of usage. This buyer resistance drifts over to Canadian rapeseed meal.

Even concerning the meal, we must think in relatively long terms -- say five years. For instance, a rapeseed meal siminar is being held in Tokyo next month. This seminar is sponsored by the Japanese themselves -- they want to find ways to make better use of the meal -- and is receiving full co-operation from the commercial staff in the Canadian Embassy and the Rapeseed Association of Canada. Results from this kind of meeting could have significant long-term effects on the rapeseed industry.

There is a straight technical error in the second paragraph under the Canadian

Outlook. Exports during the first quarter were not down; in fact, exports during the first quarter of this crop year were almost double those of the first quarter of 1970-71. The reason for this, probably, was the fair-size carryover during August, September and October. Exports on the books, however, in November and December are down from the year before.

We come now to the statement in the Outlook that "total exports could approach 55 million bushels for the crop year 1971-72". Quite frankly, the people I discussed this with felt if we equalled 1970 and 1971 in exports we would be doing well. We sold 46.7 million bushels last year.

Sure, if we sell oil and meal for export, this figure could increase. Some forward sales have been made -- 15,000 tons of meal have been sold and we have sold 2,000 to 3,000 tons of oil. But the outlook for oil and meal sales could be better. We are sadly in lack of facilities to expand oil and pelleted meal. We need a tank farm and pumping facilities for oil and storage and we need loading facilities for pelleted meal to replace the improvised facilities at present. There could be considerable demand for both oil and meal in the U.K. and possibilities for the same in Japan and other parts of Asia -- but we need the facilities.

So, all in all, I think the export figure is too optimistic. But if an unexpected trade in oil and meal develops, and we have a very large aid program, the 46.7 million bushel figure could be beaten. Your export figure might be too optimistic and the same could be said for the domestic crush. Last year's domestic crush of 8.4 million will only reach your 10 to 15 million bushel figure -- a better than 50 per cent jump -- if we can dispose of the meal here and abroad. But can we?

In answering the question, I think we should not place too much faith in the fact that the domestic crushing facilities have expanded greatly. These facilities will only be used for rapeseed if we can sell the meal. The brightest note to this is that the world seems to be entering a stage where proteins and not vegetable oils are the short factor, and will have the most influence. Soybeans, a mealseed, will benefit most by this and prices will probably strengthen for that crop in the next half year. But if the demand for soybean meal raises the price too much, rapeseed meal will stand a better competitive chance. The price of rapeseed meal has dropped 30 to 40 per cent these past few weeks ($20 to $25 per ton) -- so low, that for the first time Canadian rapeseed meal is being sold in the United States in spite of a $6 per ton tariff and a 10 per cent surcharge.

Well, you can debate this question back and forth and bring in a lot more factors, but generally, if rape meal is priced too low, it means the rapeseed oil has to be a price high enough to give a good crush margin. In view of the lessening short term demand for oils compared to world supplies, it seems unlikely that high oil prices can be sustained. The end result could be that crushers will use more soybeans because it offers a more economical mix. I don't know.

I should mention here that we must not ignore unknown factors such as the selling policy which might be developed by the USSR and Romania this winter. It is hard to measure too, the influence of the availability of peanut oil and palm oil; both were very scarce last year, in fact, only two vegetable oil crops were available internationally in any large volume last year; soybeans and rapeseed.

Moving on to the paragraph regarding prices, even that figure seems too optimistic. It's understandable, of course, that such a level would be expected, given

the tight situation expected and level of sales, that a price projection of this level would be expected. Most people I talked to -- probably because of the present market lethargy -- felt prices during the last half of the year would be weaker than those indicated in the outlook -- down from last year.

When the Outlook Paper projects into the 1972-73 crop year, and suggests farmers harvest a crop similar to this year's 100 million bushels, it does so on the basis of exports and domestic crush that I question.

As a farmer, I would like to be a little more assured the carryover next August 1 won't be more than the 20 to 25 million bushels forecast in the Outlook. I wouldn't want to be heading into another year of big production if the end result was to be an excess carryover in August 1, 1973.

If the carryover next August 1 is 30 million bushels or more at the end of this crop year, and if we pile on another 30 million next crop year, to call such a carryover cumbersome would be understating it. Prices would probably dip below $2 and we would have a lot of permanently discouraged growers.

In saying this I am not saying Canada's acreage should not continue to expand -- countries like Japan have constantly pressed for a better continuity of Canadian supply -- but that production should be geared to expected demand, rather than producing too big a crop and trying to unload it. I won't comment on low erucic acid rapeseed except to commend the reading of the report of the trade mission which is presently looking into the situation in Japan and Europe.

Now I've given rather short shrift to flax and sunflowers but there are reasons for this. Sunflowers are a contract crop -- not a futures market crop -- and it is hard to get factual information from firms beating the bush for sales for understandable competitive reasons. And flax -- it's a crop traded on the exchange, but prospects were described by one person as "being so bleak it put him in mind of an uncle who was so sick he kept getting worse after he died".

The abundance of the world supply of food oils and fats is expected to force some small downward adjustment on sunflower oil. World export supplies are eight per cent above last year and disappearance is expected to be up slightly, but carryover at the end of the year (mainly in Russia and Europe) will be up somewhat. Thus, this reverses the decline of consumption and stocks of oil in the world. Since this is a contract crop in Canada, farmers can weigh their chances of a good yield against the contract price and compare it to prospects for a better or worse net income from other crops, Contracts for 1972 have not yet been issued, so further talk about this crop is rather meaningless as far as farmers are concerned.

Flax? What do you say? A U.S. trade representative of this crop, when I asked him for the outlook for flax, replied: "Lousy. The U.S. has such a tremendous surplus of this crop right now, I think we could quit growing flax for three or four years and nobody would miss us. World stocks must be equivalent to at least three years' supply when you add up the amount in Canada, Argentina and the U.S."

Not a bright picture, unless flax growers are willing to take feed prices for flax. Incidentally, this is one factor that could put an upward pressure on rapeseed acreage. Except for rapeseed being better able to compete with weeds, the two crops are similar.

Before concluding, let's shift gears. Since I did spend some time discussing the need for a long term picture, maybe it would be worthwhile looking at this picture. Most of my information comes from Foreign Agriculture and Oil World.

World output of fats and oils this year represents about 4 million metric tons, and has been mounting about 1 million tons a year for the past 10 years. About half of this total world tonnage comes from edible vegetable oils, the big ones being soybean, cottonseed, peanut sunflower, rapeseed, sesameseed, safflower, olive and corn.

The second largest group, almost 13 million tons, amounts to over 30 per cent of the world supply and are animal fats and oils made up of butter, lard, tallow and grease. The third group is the palm oils -- coconut, palm kernels,. palm and babassue kernels, make up 10 per cent. The remaining 8 per cent are marine and industrial oils, including linseed, castor and tung.

The vegetable oils have the greatest propensity for growth followed by the palm oils. Animal fats and industrial oils show the least potential for growth.

Prices of oils influence world production. The increase shows up fast with annual crops such as rapeseed, soybeans and sunflowers and relatively slowly in the case of palm oils. The rough outlines of price and production cycles can be seen in the past 10 years. Rising vegetable oil prices in 1963, 1964 and 1965 probably led to the increase in world vegetable oil production in 1964, 1965 and 1966. These increases seem to have been too much for the market and prices dropped in 1966, 1967 and 1968. This, in turn, dampened production in 1969 and 1970 and the world production trend almost levelled off.

The slower increases in world oil production in 1969 and 1970, resulting in a closely balanced supply and demand with over-tones of shortages. This led to sharp price advances during 1969 and 1970. This bullish condition continued past the first half of 1971, affected considerably by the fears about a shortage of soybeans. The fears of an oil shortage should gradually dissipate, in light of the 1 million ton increase in world supplies of oil, expected this next 10 months, compared to the average 800 thousand ton increase these past six years and smaller increases these past two years.

Total stocks of food oils and fats are expected to be up 1 million tons this next year, sharply up from the normal increase in production and consumption.

How soon these fears of shortages will be allayed will affect the short term price picture. Most prices are still at a rather high level. A small group of oils -- soybeans, soya oil, butter and olive oil are notably above last spring's prices while rapeseed and oil, palm oil, ground nuts and oil, sunflower oil and palm oils are somewhat lower.

Demand for fats and oils these past six years has shown an increase of 840 thousand tons, below the expected stocks for the next 10 months. In only two years, 1966 when the increase was only 660,000 tons and 1969 with 990 thousand tons, was there much difference from this average.

This spread between expected consumption and stocks leads to a bearish situation. Generally, in oversupply conditions, the most popular oils decline the least. However, no sharp price drops are expected because the surplus stocks situation is far away from the surplus conditions of 1967 and 1968.

World supplies of oilmeals for the next 10 months are expected to be the lowest they have been since 1964. Yet heavy feeding in the U.S. and Europe and the USSR is expected to increase again, though the increase is smaller, and this influence will be felt fairly early in the new year. Since soybeans are a meal seed, rather than an oilseed it will probably strengthen soybeans prices quite independently of rapeseed, which is primarily an oilseed.

World supplies of rapeseed meal will show a sharp increase this next while. The sharp price slump for rapeseed meal has already occurred and probably prices will strengthen during the winter. This will act somewhat as a brake to slipping rapeseed prices but how much of a brake depends on the reaction to world oil stocks and acceptance of rapeseed meal as a feed.

Major long-term influences on rapeseed prices, independent of world supplies in a sense, will be:

The acceptance of low erucic rapeseed;

Development of lower fibre rapeseed meals and the elimination of thioglucocides and better processing of European rapeseed meal;

The elimination of the U.S. tariff against rapeseed and its products;

The reduction of high Japanese duties on rapeseed compared to those on U.S. soybeans;

The impact of palm oils which react a few years later than rapeseed to world price increases;

Additional crushing and cleaning plants in Canada.

Also, I shouldn't forget the significance of any move that Eastern processors might make if they convert to a rapeseed crush.

In conclusion, I would like to recommend certain short term papers that will interpret this long term situation as the year progresses. The monthly Rapeseed Digest by the Rapeseed Association of Canada, also, weekly letters put out by some of the grain handling companies, are certainly a help for the farmers. Others would be Oil World and Foreign Agriculture, and Provincial and Federal departments of agriculture information sources.

August-October Marketings of Flaxseed and Rapeseed — Data recorded for the first quarter of the 1971-72 crop year, indicate that primary deliveries of flaxseed have amounted to 4.0 million bushels, sharply below both the 1970 comparable total of 7.9 million, and the ten-year (1960-69) average for the period of 6.6 million. Marketings of rapeseed at 17.8 million bushels registered a slight increase over the corresponding 1970-71 figure of 17.5 million and considerably above the ten-year average of 5.6 million.

Exports of Flaxseed, Rapeseed and Soybeans — During the first three months of the 1971-72 crop year exports of Canadian flaxseed amounted to 5.5 million bushels, 67 per cent above the 3.3 million bushels during the comparable period of 1970 and 61 per cent more than the ten-year (1960-69) average for the period of 3.4 million. The major markets for this oilseed with figures in millions of bushels were as follows: Netherlands 2.4, Germany West 1.1 and Japan 1.0. The remainder was accounted for by relatively smaller shipments to

Czechoslovakia, Norway, Spain, Pakistan, Korea South, Britain, Korea North, Guinea and Belgium and Luxembourg.

Exports of rapeseed from August 1 to October 31, 1971, at 8.1 million bushels, were 77 per cent above the comparable 1970 figure of 4.5 million and in sharp contrast to the recent average of 1.7 million. Japan and France were the major importers, at 4.6 million and 2.5 million and accounted for 57 per cent and 31 per cent, respectively, of the three-month total while the remainder was imported by the Netherlands, India, Italy and United States.

Customs exports of soybeans during the first three months of the 1971-72 crop year amounted to 173 thousand bushels compared with only 50 thousand the previous year.

Quota on Rapeseed — The Canadian Wheat Board Instructions to the Trade re Quotas - Rapeseed No. 5 under date of October 7, 1971 stated that effective immediately, at all delivery points within the designated area, the regular quota of three (3) bushels per quota acre of rapeseed as indicated in our Instructions to the Trade re Quotas - Rapeseed No. 1 of July 29, 1971, is hereby increased to five (5) bushels per quota acre of rapeseed as shown in the individual producer's permit book.

Quota on Flaxseed — The Canadian Wheat Board Instructions to the Trade re Quotas - Flaxseed No. 4 under date of October 29, 1971 stated that effective immediately, at all delivery points within the designated area, the regular quota of three (3) bushels per quota acre of flaxseed as indicated, in our Instructions to the Trade re Quotas - Flaxseed No. 1 of July 29, 1971, is hereby increased to five (5) bushels per quota acre of flaxseed as shown in the individual producer's permit book.

Canadian Rapeseed Conversion — Agriculture Minister H.A. (Bud) Olson announced on November 30, 1971 further measures to facilitate Canada's conversion to rapeseed varieties which produce Canbra oil. Canbra oil has less fatty acid than oils from the traditional rapeseed varieties and is nutritionally better. The program will provide equalization assistance on Canbra rapeseed used for domestic crushing or moved to export markets. Assistance will also be offered to offset the extra costs associated with assembling and holding the new varieties in position for export.

The switch-over to new varieties was launched in 1970 with the development and release of two new varieties which are virtually free of erucic acid. Canbra oil will replace regular rapeseed oil in Canada and other countries over the next few years as supplies become available.

Farmers planted about 400,000 acres to the new varieties this year. But, because large quantities of regular rapeseed were already in marketing channels, not enough seed of the new varieties has moved to market. "This program is designed to overcome this interim problem," Mr. Olson said.

Details will be worked out as rapidly as possible with the Rapeseed Association of Canada, which represents all facets of the industry, including producers. Continuing consultations are being carried out among the Canada Department of Agriculture, the Department of Industry, Trade and Commerce, the Grains Group and the industry on measures to smooth the conversion process.

Canada's food industry has confirmed its goal of converting to Canbra oil as quickly as commercial quantities become available at competitive prices, and as soon as production schedules can be adjusted to use this new type of vegetable oil Plant breeders are also developing improved varieties, and the first of these might be ready for release in 1973.

Export interest is firm, according to a joint industry-government mission which is now working in foreign markets. The mission reports firm interest in early shipment of sizeable quantities of the new varieties, and a major swing to Canbra rapeseed next year.

Special Quotas 1971-72 as at Monday, November 22, 1971

Selected Hercules Durum	1 carlot (60 assigned acres)	All Blocks
Selected Oats	50 bushels per assigned acre	All Blocks
Selected Barley	50 bushels per assigned acre	All Blocks
Rye for distilleries	25 bushels per assigned acre	
Flaxseed for processors	15 bushels per assigned acre	
Rapeseed (Low Erucic Acid)	10 bushels per assigned acre	All Blocks
Rapeseed for crushers	20 bushels per assigned acre	

General Quotas 1971-72 as at Monday, November 22, 1971

	bushels per quota acre		
	A	B	
Hercules Durum	5	—	All Blocks
Soft White Spring	5(1)	5	All Blocks
Alberta Red Winter	2(1)	2	All Blocks
Rye	8	—	All Blocks
Flaxseed	5	—	All Blocks
Rapeseed	5	—	All Blocks

(1) Effective Friday, December 31, 1971 at all delivery points within the designated area the "A" Quota for Soft White Springs Wheat and Alberta Red Winter Wheat will be terminated.

General Quotas 1971-72 as at Monday, Nov. 22, 1971 Canadian National Railway Blocks

No.	Name	Wheat (All Others)				Durum		Oats		Barley		
		A	B	C	D	A	B	A	B	A	B	C
		bushels per quota acre.										
01	Winnipeg N.	2(1)	2			5				5(2)	5	
03	Winnipeg S.	2(1)	2			5				5(2)	5	
05	Winnipeg W.	2(1)	2			5				5(2)	5	
07	Brandon N.	2(1)	2			5				5(2)	5	
09	Brandon W.	2(1)	2			5				5(2)	5	
11	Melville	2(1)	2			5				5(2)	5	
13	Dauphin	2(1)	2			5				5(2)	5	
15	Kamsack	2(1)	2			5				5(2)	5	
17	Saskatoon M.	2(1)	2			5				5(2)	5	
19	Saskatoon S.	2(1)	2			5				5(2)	5	
21	Saskatoon W.	2(1)	2			5				5(2)	5	
23	Pr. Albert E. ...	2(1)	2			5				5(2)	5	
25	Pr. Albert S. ...	2(1)	2			5				5(2)	5	
27	Pr. Albert M. ...	2(1)	2			5				5(2)	5	
29	Pr. Albert W. ...	2(1)	2			5				5(2)	5	
31	Regina N.	2(1)	2			5				5(2)	5	
33	Regina S.	2(1)	2			5				5(2)	5	
35	Regina W.	2(1)	2			5				5(2)	5	
37	Biggar N.	2	2			5				5	5	
39	Biggar W.	2	2			5				5	5	
41	Edmonton N.	2	2			5				5	5	
43	Edmonton S.	2	2			5				5	5	
45	Edmonton W.	2	2			5				5	5	
47	Hanna S.	2	2			5				5	5	
49	Hanna W.	2	2			5				5	5	
90	N.A.R. West	2	2			5				5	5	
98	G.S.L.	2	2			5				5	5	

(1) On Friday, December 31, 1971 at all delivery points within the noted blocks the "A" Quota for all other wheat will be terminated.

(2) On Friday, December 10, 1971 at all delivery points within the noted blocks the "A" Quota for Barley will be terminated.

General Quotas 1971-72 as at Monday, Nov. 22, 1971 Canadian Pacific Railway Blocks

No.	Name	Wheat (All others) A	B	C	D	Durum A	B	Oats A	B	Barley A	B	C
		bushels per quota acre										
61	Keewatin	2(1)	2			5				5(2)	5	
62	La Riviere	2(1)	2			5				5(2)	5	
63	Carberry	2(1)	2			5				5(2)	5	
64	Brandon	2(1)	2			5				5(2)	5	
71	Weyburn	2(1)	2			5				5(2)	5	
72	Pasqua	2(1)	2			5				5(2)	5	
73	Bulyea	2(1)	2			5				5(2)	5	
74	Bredenbury	2(1)	2			5				5(2)	5	
75	Saskatoon	2(1)	2			5				5(2)	5	
76	Wilkie	2(1)	2			5				5(2)	5	
77	Assiniboia	2	2			5				5(2)	5	
78	Swift Current ...	2(1)	2			5				5(2)	5	
79	Outlook	2(1)	2			5				5(2)	5	
81	Medicine Hat	2	2			5				5	5	
82	Brooks	2	2			5				5	5	
83	Lethbridge	2	2			5				5	5	
84	Vulcan	2	2			5				5	5	
85	Calgary	2	2			5				5	5	
86	Red Deer	2	2			5				5	5	
87	Edmonton	2	2			5				5	5	
95	N.A.R. East	2	2			5				5	5	
	B.C. Stations ...	2	2			5				5	5	

(1) On Friday, December 31, 1971 at all delivery points within the noted blocks the "A" Quota for all other wheat will be terminated.

(2) On Friday, December 10, 1971 at all delivery points within the noted blocks the "A" Quota for Barley will be terminated.

Summary of Weekly Stocks and Movement of Flaxseed, September 8 — November 24, 1971

No.	Week ending	Farmers' marketings	Country elevators		
			Receipts	Shipments	Stocks
		million bushels			
1	September 8, 1971	.2	.2	.3	6.5
2	15	.4	.4	.4	6.5
3	22	.3	.3	.3	6.5
4	29	.6	.6	.2	7.0
5	October 6	.3	.3	.4	6.8
6	13	.4	.4	.3	6.9
7	20	.4	.4	.5	7.0
8	27	.3	.3	.5	6.8
9	November 3	.3	.3	.7	6.2
10	10	.6	.6	.5	6.4
11	17	.5	.5	.5	6.4
12	24	.4	.3	.5	6.2

Summary of Weekly Stocks and Movement of Rapeseed, September 8 — November 24, 1971

No.	Week ending	Farmers' marketings	Country elevators		
			Receipts	Shipments	Stocks
		million bushels			
1	September 8, 1971	1.3	.9	.2	3.8
2	15	2.3	2.1	.4	5.5
3	22	1.9	1.7	.7	6.5
4	29	1.7	1.5	1.1	6.9
5	October 6	1.2	1.0	1.5	6.4
6	13	1.4	1.0	1.1	6.4
7	20	2.7	2.4	1.9	6.7
8	27	2.9	2.5	1.7	7.5
9	November 3	1.3	1.2	.9	7.8
10	10	1.2	.8	.7	7.9
11	17	1.1	.9	.9	8.0
12	24	1.1	.6	.9	7.8

Summary of Weekly Stocks and Movement of Flaxseed, September 8 — November 24, 1971

Pacific Coast			Thunder Bay			Total overseas clearances	No.
Receipts	Shipments	Stocks	Receipts	Shipments	Stocks		
			million bushels				
.1	.2	1.4	.2	.5	5.0	.6	1
.1	—	1.5	.3	—	5.3	—	2
.1	.02	1.6	.2	.5	4.9	.9	3
.1	.3	1.4	.2	.4	4.7	.7	4
.04	.3	1.2	.3	.3	4.7	.6	5
.04	.1	1.1	.3	.7	4.2	.5	6
.07	.05	1.1	.2	.6	3.8	.7	7
.1	—	1.3	.2	—	4.0	—	8
.2	.1	1.4	.3	.5	3.8	.6	9
.1	.01	1.4	.3	.6	3.4	.7	10
.2	.04	1.5	.5	.9	3.1	1.1	11
.1	—	1.6	.4	.7	2.7	.9	12

Summary of Weekly Stocks and Movement of Rapeseed, September 8 — November 24, 1971

Pacific Coast			Thunder Bay			Total overseas clearances	No.
Receipts	Shipments	Stocks	Receipts	Shipments	Stocks		
			million bushels				
.3	.03	2.3	.1	.4	2.5	.4	1
.2	—	2.5	.1	—	2.6	—	2
.4	.6	2.3	.1	—	2.7	.6	3
.6	1.0	1.9	.3	.6	2.4	1.6	4
1.0	.1	2.3	.4	.6	2.2	1.2	5
.5	.1	2.7	.4	—	2.7	.1	6
1.2	1.0	2.9	.5	.6	2.6	1.6	7
1.1	—	4.0	.5	.1	3.0	.1	8
1.1	.9	4.3	.4	.1	3.3	1.0	9
.7	.6	4.4	.3	.09	3.6	.7	10
.6	.4	4.5	.4	1.1	2.9	1.6	11
.5	.2	4.8	.4	1.1	2.2	1.3	12

November Estimate of Production of the Principal Grain Crops in Canada, 1971

This report is based on yields as indicated during the third week of October. The bulk of the 1971 Prairie grain and oilseed harvest was completed by early October with only one to two per cent remaining at the beginning of the third week in October. In most areas of Manitoba and Saskatchewan yields and quality of all crops were excellent. However, in Alberta grain quality and yields were affected by the extreme heat in August and the damp, cold weather during September and October.

November Estimate of the 1971 Production of Grain and Oilseed Crops Canada, Compared with 1970

Crop	Area		Yield per acre		Production	
	1970	1971	1970	1971(1)	1970	1971(1)
	acres		bushels		bushels	
Canada						
Winter wheat ..	355,000	339,000	43.9	41.3	15,584,000	14,001,000
Spring wheat(2)	12,129,000	18,889,000	26.0	27.0	315,935,000	509,692,000
All wheat ...	12,484,000	19,228,000 r	26.6	27.2	331,519,000	523,693,000
Oats for grain	7,149,000	7,110,000 r	51.5	53.0	367,850,000	377,154,000
Barley	10,042,900	15,206,500	41.4	43.1	415,704,000	654,822,000
Fall rye	875,700	972,000	22.6	23.2	19,800,000	22,535,000
Spring rye	139,000	124,000	18.9	18.0	2,627,000	2,228,000
All rye	1,014,700	1,096,000	22.1	22.6	22,427,000	24,763,000
Mixed grains ..	1,939,800	1,988,600	50.8	51.7	98,573,000	102,792,000
Corn for grain	1,196,900	1,335,000	84.3	81.0	100,925,000	108,118,000
Buckwheat	151,800	103,400	18.7	20.6	2,833,000	2,125,000
Peas, dry	86,400	75,900	18.9	24.2	1,631,000	1,833,000
Beans, dry	82,000	95,100	22.6	25.7	1,857,000	2,444,000
Flaxseed	3,368,300	2,010,500	14.5	12.8	48,932,000	25,659,000
Soybeans	335,000	360,000	31.0	28.0	10,385,000	10,080,000
Rapeseed	4,050,000	5,475,000	17.8	18.0	72,200,000	98,500,000
			pounds		pounds	
Mustard seed ..	200,000	265,000	940	886	187,900,000	234,750,000
Sunflower seed	70,500	215,000	785	708	55,350,000	152,250,000

(1) As indicated on the basis of conditions on or about October 20. (2) Includes durum wheat. Note: All estimates are field-run basis.

November 1971 Estimate of Production of Oilseed Crops by Provinces

The 1971 flaxseed crop, now estimated at 25.7 million bushels is 48 per cent below last year's outturn of 48.9 million but 27 per cent above the 1960-69 average of 20.2 million bushels. Acreage sown to this crop decreased 40 per cent this year and average yields at 12.8 bushels per acre are 12 per cent below last year's 14.5 bushels. Rapeseed production in 1971 is estimated at a record 98.5 million bushels compared with 72.2 million last year and the ten-year average of 17.6 million bushels. Acreage seeded to this crop was some 35 per cent larger than in 1970 and average yields of 18.0 bushels per acre are one per cent above last year. Production of soybeans currently estimated at 10.1 million bushels is 3 per cent smaller than last year's record of 10.4 million. The average yield per acre is estimated at 28.0 bushels compared with 31.0 bushels last year and the ten-year average of 28.0 bushels per acre.

Acreage, Yield and Production of Oilseed Crops, by Provinces, Canada, 1970 and 1971

Crop and province	Acreage		Yield per acre		Production	
	1970	1971	1970[r]	1971(1)	1970[r]	1971(1)
	acres		bushels		bushels	
Flaxseed						
Quebec	16,000	8,300	12.1	15.1	194,000	125,000
Ontario	2,000	1,800	17.0	16.0	34,000	29,000
Manitoba	1,150,000	570,000	10.9	10.5	12,500,000	6,000,000
Saskatchewan	1,500,000	1,030,000	16.5	13.9	24,800,000	14,300,000
Alberta	700,000	400,000	16.3	13.0	11,400,000	5,200,000
British Columbia	300	400	13.3	11.6	4,000	5,000
Totals	3,368,300	2,010,500	14.5	12.8	48,932,000	25,659,000
Rapeseed						
Manitoba	400,000	625,000	18.0	20.8	7,200,000	13,000,000
Saskatchewan	2,200,000	2,750,000	18.0	18.7	39,500,000	51,500,000
Alberta	1,450,000	2,100,000	17.6	16.2	25,500,000	34,000,000
Totals	4,050,000	5,475,000	17.8	18.0	72,200,000	98,500,000
Soybeans						
Ontario	335,000	360,000	31.0	28.0	10,385,000	10,080,000
			pounds		pounds	
Sunflower seed						
Manitoba	65,000	140,000	800	750	52,000,000	105,000,000
Saskatchewan	3,000	65,000	650	650	1,950,000	42,250,000
Alberta	2,500	10,000	560	500	1,400,000	5,000,000
Totals	70,500	215,000	785	708	55,350,000	152,250,000
Mustard seed						
Manitoba	25,000	20,000	840	800	21,000,000	16,000,000
Saskatchewan	120,000	175,000	985	950	118,200,000	166,250,000
Alberta	55,000	70,000	885	750	48,700,000	52,500,000
Totals	200,000	265,000	940	886	187,900,000	234,750,000

(1) As indicated on basis of conditions on or about October 20.
Note: All estimates are field-run basis.

The area sown to sunflowers this year, is placed at 215,000 acres, much greater than the 70,500 acres planted in 1970. The indicated yield at 708 pounds per acre is 10 per cent lower than the 1970 average of 785 pounds. Indicated total production at a record 152.2 million pounds, is 175 per cent above last year's crop of 55.4 million, and 411 per cent larger than the ten-year average of 29.8 million pounds.

The area in mustard seed, all of which is grown in the Prairie Provinces, at 265,000 acres in 1971, is up 32 per cent from the 1970 area of 200,000 acres and average yields at 886 pounds per acre are 6 per cent below those of last year. Total production is expected to amount to 234.8 million pounds, 25 per cent above the 187.9 million produced in 1970. The acreage seeded to the yellow, brown and oriental types of mustard consecutively, in thousands of acres are as follows: Manitoba, 20.0, 0.0, 0.0; Saskatchewan, 72.0, 51.0, 52.0; Alberta, 37.1, 4.2, 28.7.

November Estimate, in Metric Tons, of the 1971 Production of Grain and Oilseed Crops, Canada, Compared with 1970

Crop	1970		1971	
CANADA	bushels	metric tons	bushels	metric tons
Winter wheat	15,584,000	424,100	14,001,000	381,100
Spring wheat(2)	315,935,000	8,598,500	509,692,000	13,871,800
All wheat	331,519,000	9,022,600	523,693,000	14,252,800
Oats for grain	367,850,000	5,673,000	377,154,000	5,816,500
Barley	415,704,000	9,051,100	654,822,000	14,257,400
Fall rye	19,800,000	502,900	22,535,000	572,400
Spring rye	2,627,000	66,700	2,228,000	56,600
All rye	22,427,000	569,700	24,763,000	629,000
Mixed grains	98,573,000	2,012,100	102,792,000	2,098,200
Corn for grain	100,925,000	2,563,600	108,118,000	2,746,300
Buckwheat	2,833,000	61,700	2,125,000	46,300
Peas, dry	1,631,000	44,400	1,833,000	49,900
Beans, dry	1,857,000	50,500	2,444,000	66,500
Flaxseed	48,932,000	1,242,900	25,659,000	651,800
Soybeans	10,385,000	282,600	10,080,000	274,300
Rapeseed	72,200,000	1,637,500	98,500,000	2,234,000
	pounds		pounds	
Mustard seed	187,900,000	85,200	234,750,000	106,500
Sunflowerseed	55,350,000	25,100	152,250,000	69,100
PRAIRIE PROVINCES	bushels		bushels	
Wheat(2)	312,500,000	8,505,000	504,000,000	13,716,900
Durum wheat	80,900,000	2,201,800	60,500,000	1,646,600
Oats for grain	280,000,000	4,318,200	287,000,000	4,426,100
Barley	391,000,000	8,513,200	625,500,000	13,619,000
Rye	20,427,000	518,900	22,928,000	582,400
Flaxseed	48,700,000	1,237,000	25,500,000	647,700
Rapeseed	72,200,000	1,637,500	98,500,000	2,234,000

(1) As indicated on the basis of conditions on or about October 20.

(2) Includes durum wheat.

Note: All estimates are field-run basis.

Farmers' Marketings of Flaxseed and Rapeseed

Marketings of flaxseed and rapeseed in the Prairie Provinces from the beginning of the current crop year to November 24 were lower than the comparable deliveries of the previous year, but above the ten-year average. Deliveries of flaxseed amounted to 5.5 million bushels, considerably below the comparable 1970-71 total of 11.1 million and 31 per cent less than the ten-year (1960-69) average for the period of 8.0 million bushels. Rapeseed marketings, at 21.2 million bushels, were 18 per cent below the 25.7 million marketed during the corresponding period of 1970 but substantially higher than the ten-year average of 6.8 million bushels.

Farmers' Marketings of Flaxseed and Rapeseed in the Prairie Provinces
1971-72 with Comparisons

Period or week ending	Flaxseed(1)			
	Man.	Sask.	Alta.	Total
	thousand bushels			
August 11, 1971	2	14	5	21
18	(2)	159	6	165
25	48	222	61	331
September 1	42	205	64	311
8	47	119	23	188
15	72	217	81	370
22	122	155	47	323
29	241	324	74	639
October 5	99	174	74	347
12	54	223	85	363
19	143	184	105	431
26	63	178	43	284
November 3	143	81	52	276
10	144	399	101	644
17	152	227	103	482
24	100	195	69	364
Totals	1,473	3,076	992	5,540
Similar period 1970	3,558	5,481	2,093	11,132
10-year average similar period 1960-69	4,361	2,101	1,571	8,033
	Rapeseed(3)			
August 11, 1971	—	—	—	—
18	—	165	75	241
25	20	108	57	184
September 1	109	295	357	760
8	126	647	524	1,296
15	238	1,115	936	2,289
22	410	794	732	1,937
29	171	906	628	1,705
October 5	171	675	387	1,234
12	110	692	584	1,386
19	302	1,446	904	2,652
26	265	1,614	977	2,856
November 3	144	644	491	1,279
10	90	549	519	1,158
17	192	491	440	1,123
24	58	622	381	1,061
Totals	2,405	10,764	7,992	21,162
Similar period 1970	2,807	13,473	9,423	25,702
10-year average similar period 1960-69	604	3,348	2,849	6,801

(1) Includes receipts at country, interior private and mill, interior semi-public terminal elevators and platform loadings.
(2) Less than 500 bushels.
(3) Includes receipts at country and mill elevators.

Marketings of Ontario Soybeans

Marketings of Ontario soybeans during the first three months of the 1971-72 crop year amounted to 3.0 million bushels, 9 per cent less than the comparable 1970-71 total of 3.3 million, but 38 per cent more than the 2.2 million of 1969-70 and 7 per cent above the ten-year (1960-69) average for the period of 2.8 million. Following the pattern of the previous years the heaviest marketings of this oilseed occurred in the month of October.

Marketings of Soybeans in Ontario(1) 1971-72 with Comparisons

Month	10-year average 1960-61 — 1969-70	1969-70	1970-71	1971-72
		bushels		
August	64,870	41,090	19,408	44,570
September	123,965	60,185	194,898	121,172
October	2,621,775	2,079,036	3,095,328	2,837,091
November	1,107,258	1,255,300	1,956,556	
December	428,080	522,027	775,641	
January	400,601	408,309	446,201	
February	384,295	735,757	311,848	
March	294,929	434,725	496,081	
April	365,807	398,855	428,077	
May	319,546	384,749	940,867	
June	286,361	402,193	805,422	
July	161,483	185,283	324,623	
Totals	6,558,970	6,907,509	9,794,950	

(1) Ontario Soybean Marketing Board.

Visible Supply of Canadian and United States Soybeans at Eastern Elevators November 24, 1971 Compared with Approximately the Same Date 1969 and 1970

Position	1969	1970	1971
	thousand bushels		
Canadian			
Sarnia	650	1,009	—
Toronto	461	957	—
Montreal	293	139	781
Sub-totals	1,404	2,105	781
United States			
Montreal	87	—	—
Sorel	—	275	—
Trois-Rivières	—	250	67
Quebec	—	274	162
Baie Comeau	—	1,381	874
Port Cartier	—	1,485	1,343
Sub-totals	87	3,665	2,446
Totals	1,491	5,770	3,227

Commercial Supplies Total commercial supplies of Canadian flaxseed at November 24 of the current crop year, at 12.6 million bushels, were above both the comparable 1970 level of 10.3 million and the 7.6 million of 1969. Most of the increase was accounted for by larger totals in country elevators. The 6.2 million bushels in this position was 19 per cent higher than the 5.2 million at the same date in 1970 and almost double the 3.2 million of 1969. Other increases were registered in Thunder Bay, Vancouver-New Westminster, Interior terminals and in Bay, Lake and upper St. Lawrence parts. Rapeseed supplies in commercial positions at November 24 of this year amounted to 17.5 million bushels, 5 per cent less than the 18.4 million of 1970 but 71 per cent above the 10.3 million at the corresponding date in 1969. The bulk of this grain was in country elevators (7.8 million), Vancouver-New Westminster (4.3 million), Thunder Bay (2.2 million) and In transit rail western division (1.4 million).

Visible Supply of Canadian Flaxseed, November 24, 1971 Compared with Approximately the Same Date 1969 and 1970

Position	1969	1970	1971
	thousand bushels		
Primary elevators — Manitoba	1,039	903	861
Saskatchewan	1,534	3,525	4,161
Alberta	622	774	1,184
Sub-totals	3,195	5,202	6,206
Process elevators	99	114	84
Interior terminals	1	—	732
Vancouver-New Westminster	640	866	1,584
Thunder Bay	1,609	1,632	2,747
In transit rail (western division)	1,459	1,181	587
Bay, Lake and upper St. Lawrence ports	—	38	75
Lower St. Lawrence and Maritime ports	445	722	106
In transit lake	111	522	517
Totals	7,559	10,277	12,638

Visible Supply of Canadian Rapeseed, November 24, 1971 Compared with Approximately the Same Date 1969 and 1970

Position	1969	1970	1971
	thousand bushels		
Primary elevators — Manitoba	189	966	673
Saskatchewan	3,042	5,506	4,322
Alberta	1,871	3,482	2,800
Sub-totals	5,102	9,954	7,795
Process elevators	847	776	783
Interior terminals	1	378	397
Vancouver-New Westminster	2,145	2,059	4,340
Victoria	—	373	450
Thunder Bay	733	1,150	2,165
In transit rail (western division)	1,177	2,555	1,390
Lower St. Lawrence and Maritime ports	274	356	116
In transit lake	—	814	94
Totals	10,279	18,415	17,530

Grading of Flaxseed and Rapeseed 1971-72

Cars of flaxseed inspected by the Canadian Grain Commission during the first three months of the 1971-72 crop year amounted to 2,714 cars, 13 per cent below the 3,135 cars of this oilseed inspected during the comparable period of 1970-71. Some 97.2 per cent of the August-October 1971-72 inspections of flaxseed graded No. 1 C.W. compared with 91.4 per cent for the comparable period a year ago.

Cars of rapeseed inspected during August-October of the 1971-72 crop year, at 5,991 cars were 42 per cent above the 4,213 cars of this oilseed inspected in the first three months of the previous crop year. The 98.1 per cent of the August-October 1971 rapeseed inspections which were graded No. 1 Canada represents an increase over the 97.7 per cent falling into this category in 1970-71.

Gradings of Flaxseed and Rapeseed Inspected(1), August-October 1971-72 with Comparisons

Grain and grade	Crop year		August-October			
	Average 1965-66 1969-70	1970-71	1970-71		1971-72	
	per cent		cars	per cent	cars	per cent
Flaxseed						
1 C. W.	77.1	95.4	2,866	91.4	2,638	97.2
2 C. W.	2.6	1.6	75	2.4	39	1.4
3 C. W.	0.9	0.9	36	1.1	19	0.7
4 C. W.	0.1	0.1	4	0.1	3	0.1
Tough (2, 3)	15.4	1.6	128	4.1	6	0.2
Damp (2, 4)	2.8	0.2	1	(5)	—	—
Rejected (2)	0.5	0.2	15	0.5	5	0.2
All others	0.6	0.1	10	0.3	4	0.1
Totals	100.0	100.0	3,135	100.0	2,714	100.0
Bushel equivalent (approximately)			6,326,000		5,605,000	
Rapeseed						
1 Canada		97.3	4,114	97.7	5,875	98.1
2 Canada		0.8	24	0.6	24	0.4
3 Canada		0.4	12	0.3	8	0.1
Others		1.6	63	1.5	84	1.4
Totals		100.0	4,213	100.0	5,991	100.0
Bushel equivalent (approximately)			9,455,000		13,685,000	

(1) Both old and new crop.
(2) All grades.
(3) Moisture content 10.6 per cent to 13.5 per cent.
(4) Moisture content over 13.6 per cent.
(5) Less than .05 per cent.

Lake Shipments from Thunder Bay

Total shipments of flaxseed and rapeseed out of Lakehead terminals from the opening of navigation to November 24, 1971 amounted to 30.2 million bushels, 58 per cent above the 19.0 million at the comparable date in 1970. The season of navigation opened on April 10, 1971 while the 1970 season opened on April 8. Shipments of flaxseed at 15.4 million, and rapeseed at 14.8 million bushels accounted for 51 per cent and 49 per cent, respectively, of the 1971 total.

Combined lake shipments of flaxseed and rapeseed from August 1 to November 24 of the current crop year, amounted to 12.5 million bushels, sharply above the 1970 figure of 9.6 million. During the period under review, shipments of flaxseed and rapeseed moved in larger volume this year than last.

Lake Shipments of Canadian Oilseeds from the Opening of Navigation to November 24, 1971 and to Approximately the Same Date 1960 to 1971

Year	Flaxseed	Rapeseed	Total
		bushels	
1960	8,243,128	—	8,243,128
1961	7,516,935	—	7,516,935
1962	7,521,531	—	7,521,531
1963	6,516,099	—	6,516,099
1964	9,159,772	59,359	9,219,131
1965	10,632,775	1,337,317	11,970,092
1966	13,484,944	1,099,458	14,584,402
1967	10,092,115	928,921	11,021,036
1968	4,982,174	379,192	5,361,366
1969	7,865,206	2,033,887	9,899,093
1970	11,845,543	7,200,838	19,046,381
1971	15,437,390	14,751,994	30,189,384
	August 1 to November 24		
1970	5,380,466	4,212,260	9,592,726
1971	5,511,040	7,036,535	12,547,575

Rail Shipments from Thunder Bay

Rail movement of flaxseed and rapeseed from the Lakehead during the first quarter of the 1971-72 crop year amounted to 57,000 bushels compared with the 195,000 bushels shipped during the comparable period of 1970-71.

Rail Shipments from Thunder Bay

Month	1970-71			1971-72		
	Flaxseed	Rapeseed	Total	Flaxseed	Rapeseed	Total
			bushels			
August	23,548	19,967	43,515	—	31,360	31,360
September	66,032	11,054	77,086	23,747	—	23,747
October	72,560	2,220	74,780	2,000	—	2,000
Totals	162,140	33,241	195,381	25,747	31,360	57,107

Domestic Crushings

Crushings of the four major oilseeds, flaxseed, soybeans, rapeseed and sunflower seed, in Canada during the period August-October 1971, have accounted for a total of 557.7 million pounds compared with 513.2 million pounds for the same period of the previous year. Most of the current total as accounted for by crushings of some 376.4 million pounds of soybeans as compared with 370.5 million pounds during the comparable period of 1970. Crushings of flaxseed at 44.4 million pounds, represent an increase of 11 per cent over the comparable 1970 figure of 40.1 million pounds. The total amount of rapeseed crushed during August-October 1971, amounted to a record 124.6 million pounds, some 31 per cent more than last year's comparable total of 95.3 million pounds. Crushings of sunflower seed during the first three months of the current crop year amounted to 12.2 million pounds, considerably more than the 7.3 million at the comparable period the previous year.

Crushings of Vegetable Oilseeds and Production of Oil and Oil Meal, 1968-69 — 1971-72

	Crop Year			August — October	
	1968-69	1969-70	1970-71	1970	1971
	thousand pounds				
Crushings					
Flaxseed	116,780	139,416	158,313	40,097	44,396
Soybeans	1,203,253	1,420,734	1,406,242	370,545	376,446
Rapeseed	346,691	388,400	428,761	95,330	124,613
Sunflower seed	24,246	21,228	32,396	7,261	12,233
Oil Production					
Flaxseed	41,044	47,963	54,670	13,667	15,219
Soybeans	204,027	240,564	242,325	64,219	65,727
Rapeseed	140,543	153,042	169,892	37,833	48,897
Sunflower seed	9,449	8,583	12,571	2,837	4,837
Meal Production					
Flaxseed	71,644	87,072	99,564	25,260	28,231
Soybeans	952,656	1,117,487	1,098,351	291,010	294 899
Rapeseed	196,414	228,464	248,762	56,377	74,371
Sunflower seed	9,150	8,621	11,954	2,678	4,447

Month-end Stocks in Crushing Plants of Oil and Meal, October 1969-71

	Oil			Meal		
	1969	1970	1971	1969	1970	1971
	thousand pounds					
Flaxseed	3,507	4,777	8,317	5,172	7,846	3,729
Soybeans	9,446	9,721	15,194	23,456	23,346	22,249
Rapeseed	4,483	2,910	2,329	4,905	7,783	9,415
Sunflower seed	117	602	872	343	720	2,006

Flaxseed — Selected Statistics, 1968-69 — 1971-72

	Crop year			August — October	
	1968-69	1969-70	1970-71	1970-71	1971-72
			thousand bushels		
Flaxseed					
Stocks at beginning of crop year	4,678	4,909	5,970	5,970	26,542
Production	19,666	27,548	48,932	48,932	25,659
Imports	5	7	—	—	—
Exports	13,421	18,611	21,194	3,304	5,508
Domestic crushing	2,085	2,490	2,827	716	793
			cents and eighths per bushel		
Prices(1)					
August	346/6	319/2	269/2		234
September	339/6	322/1	272/3		226/7
October	332	322/6	263/5		243/2
November	321/5	305/5	253		
December	316/1	276/1	246/2		
January	327/7	280/5	244/6		
February	330/4	284	249/4		
March	325/4	277/6	251/4		
April	327/6	276/4	257/2		
May	329/3	278	248/7		
June	327/1	281/7	245/5		
July	343/5	280	242		
Yearly average	330/6	292	253/5		
			thousand pounds		
Flaxseed oil					
Exports	10,865	21,280	25,598	7,877	7,617
Domestic production	41,044	47,963	54,670	13,667	15,219
			tons		
Flaxseed meal					
Exports	5,929	6,500	14,859	6,208	7,673
Domestic production	35;822	43,536	49,782	12,630	14,115

(1) Winnipeg Grain Exchange No. 1 C.W. Flaxseed, basis Thunder Bay.

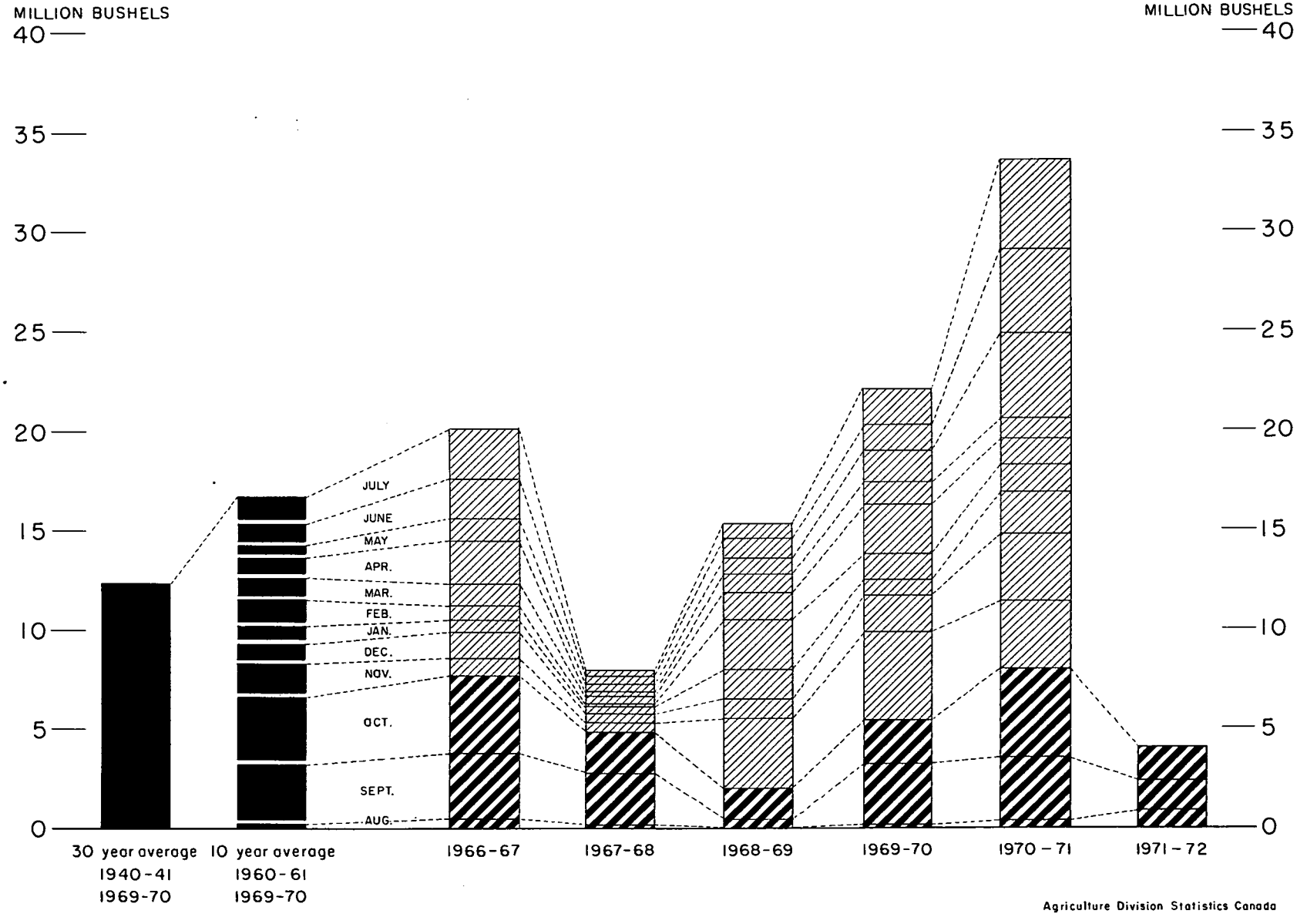
Rapeseed — Selected Statistics, 1968-69 — 1971-72

	Crop year			August — October	
	1968-69	1969-70	1970-71	1970-71	1971-72
	thousand bushels				
Rapeseed					
Stocks at beginning of crop year	9,923	5,069	3,633	3,633	9,854
Production	19,400	33,400	72,200	72,200	98,500
Exports	14,311	22,213	46,811r	4,550	8,067
Domestic crushing	6,934	7,768	8,575r	1,907	2,492
	cents and eighths per bushel				
Prices(1)					
August	209/1	204/5	267/3	—	273/7
September	214/6	220/6	251/4	240/6	248/2
October	208/3	262/7		255/7	255/4
November	215/4	282/3		259	
December	227/2	285/5		269/2	
January	234/7	325/4		281/3	
February	244/5	313/6		302	
March	231/2	271/5		291/4	
April	226/6	279/1		302/3	
May	219	290/7		274	
June	215	303/5		290/4	
July	217/6	283/5		296/7	
Yearly average	221/7	227		278/1	
	thousand pounds				
Rapeseed oil					
Domestic production	140,543	153,042	169 892r	37,833	48,897
	tons				
Rapeseed meal					
Domestic production	98,207	114,232	124,381r	28,188	37,185

(1) Winnipeg Grain Exchange No. 1 Canada Rapeseed, basis in store Vancouver ending September 25, 1970. Beginning September 8, 1970, basis in store Thunder Bay.

FARMERS' MARKETINGS OF FLAXSEED, PRAIRIE PROVINCES

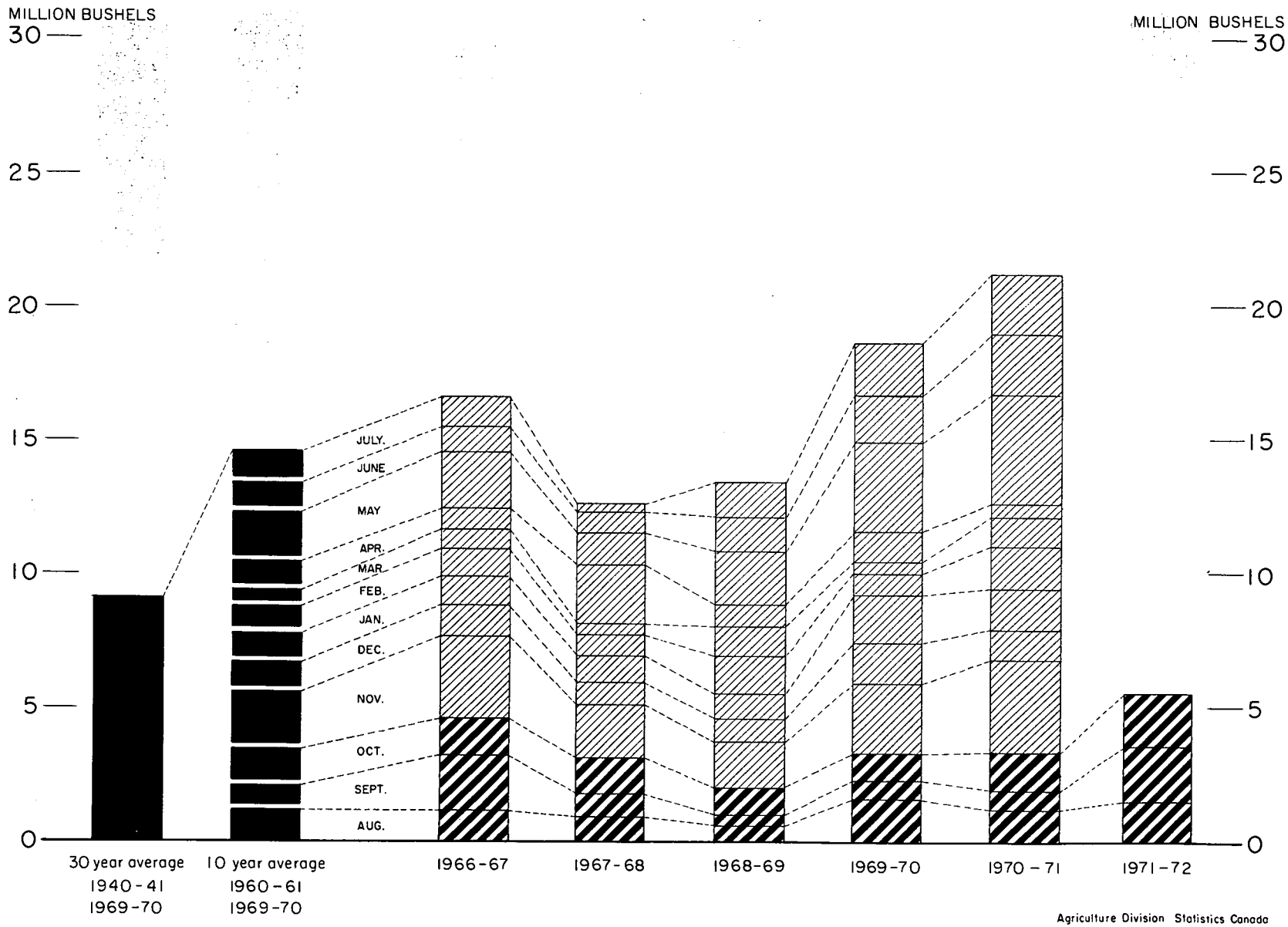
(SPECIFIED PERIODS)



Agriculture Division Statistics Canada

EXPORTS OF CANADIAN FLAXSEED

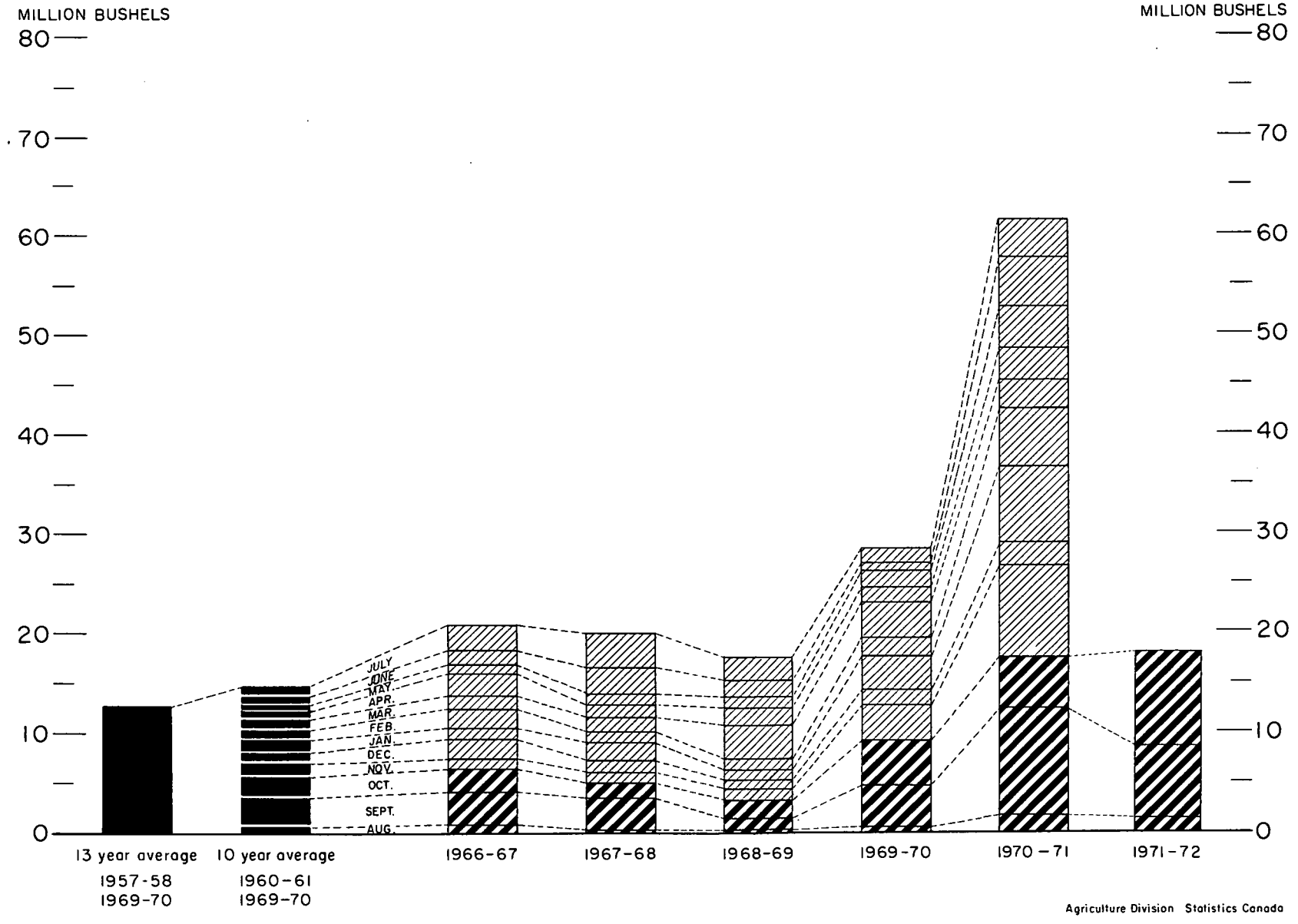
(SPECIFIED PERIODS)



Agriculture Division Statistics Canada

FARMERS' MARKETINGS OF RAPESEED, PRAIRIE PROVINCES

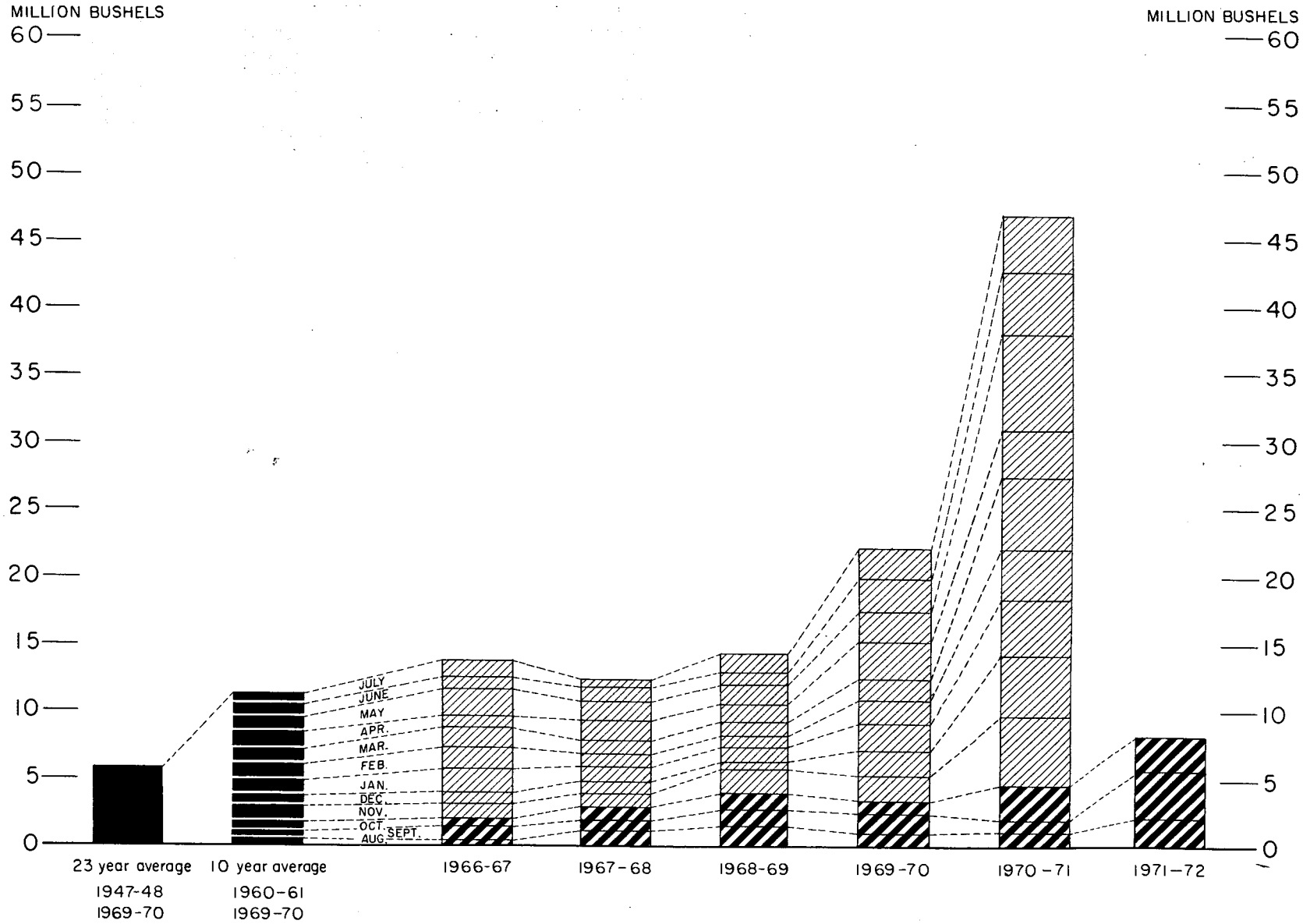
(SPECIFIED PERIODS)



Agriculture Division Statistics Canada

EXPORTS OF CANADIAN RAPESEED

(SPECIFIED PERIODS)



Agriculture Division Statistics Canada

Soybeans — Selected Statistics, 1968-69 — 1971-72

	Crop year			August — October	
	1968-69	1969-70	1970-71	1970-71	1971-72
			thousand bushels		
Soybeans					
Production	9,027	7,664	10,385	10,385	10,080
Imports	12,469	17,430	15,703	4,824	3,386
Exports	1,123	1,111	768	50	173
Domestic crushing	20,054	23,679	23,437	6,176	6,274
			cents and eighths per bushel		
Prices(1)					
August	270/4	267/1	276/3		326/1
September	261/5	249	277/6		304/7
October	248/7	245/5	291/4		308/3
November	254/7	246/6	293/1		
December	257/6	245/3	286		
January	260/4	251/4	294/2		
February	261/2	257/5	296/3		
March	260	262/2	296/4		
April	264/7	268/1	286		
May	267/2	273/5	295/2		
June	264/3	279/1	311/5		
July	270/3	288/5	331/4		
Yearly average	261/7	261/2	294/6		
			thousand pounds		
Soybean oil					
Imports	25,652	38,567	53,001[r]	14,321	11,405
Exports	32,091	45,715	68,078	17,707	29,862
Domestic production	204,027	240,564	242,325[r]	64,219	65,727
			tons		
Soybean meal					
Imports	246,826	266,009	249,855	71,682	54,208
Exports	131,235	165,482	123,033	49,496	49,964
Domestic production	476,328	558,743	549,173	145,505	147,450

(1) Buying prices, carlots, f.o.b. Chatham, No. 2 and better.

Monthly Prices of Oils(1) and Meals Crop Years 1969-70 — 1971-72

Year and month	Linseed oil	Rapeseed oil	Soybean oil	Linseed meal(2)	Rapeseed meal(1)	Soybean meal(1)
	cents per pound			dollars per ton		
1969-70						
August	14.11	8.76	10.35	119.40	62.72	107.78
September	14.59	8.75	10.50	120.00	60.56	107.62
October	13.86	9.40	11.88	119.60	65.38	105.25
November	13.48	10.67	13.31	119.40	62.48	99.83
December	12.78	10.23	11.32	119.80	65.75	105.16
January	12.26	10.34	11.68	119.40	69.29	113.85
February	12.08	11.15	13.33	120.00	72.35	112.52
March	12.00	11.53	14.79	120.20	66.19	106.61
April	11.37	11.53	15.25	120.20	64.71	104.94
May	11.41	11.54	14.47	120.20	65.22	108.88
June	11.70	11.68	13.96	119.80	67.12	111.59
July	11.89	11.60	14.02	120.80	71.60	112.02
Yearly average	12.63	10.60	12.90	119.90	66.11	108.00
1970-71						
August	11.00	11.92	13.87	119.80	72.78	115.48
September	11.18	12.16	14.53	120.40	73.84	113.66
October	11.37	13.15	15.95	119.80	66.79	104.00
November	10.89	13.27	16.43	120.80	66.63	101.70
December	10.72	12.53	14.64	120.80	66.06	105.81
January	11.18	12.68	14.92	120.40	65.70	108.38
February	11.08	12.38	14.42	119.60	63.25	101.75
March	11.04	13.00	14.84	120.20	57.68	100.75
April	11.32	12.44	13.61	120.80	56.08	99.82
May	11.04	12.41	13.79	121.00	59.58	101.96
June	10.83	13.71	15.06	120.20	64.80	104.15
July	10.72	14.97	17.11	120.89	63.09	107.18
Yearly average	11.03	12.89	14.93	120.39	64.94	105.39
1971-72						
August	10.61	14.74	16.68	119.40	67.18	104.76
September	10.11	13.14	15.18	119.80	59.39	99.90
October	10.75	13.81	16.17	120.60	59.65	99.70

(1) Average wholesale prices paid to crushers by processors and manufacturers.
(2) Average retail prices to farmers.

Exports of Canadian Flaxseed(1) 1971-72 and 1970-71

Destination	August 1971	September 1971	October 1971	August — October	
				1971-72	1970-71[r]
			bushels		
Western Europe					
EEC:					
Belgium and Luxembourg	8,378	—	—	8,378	502,317
France	—	—	—	—	35,554
Germany, West	9,630	184,618	860,629	1,054,877	422,690
Netherlands	859,795	1,072,785	493,189	2,425,769	1,212,554
Sub-totals	877,803	1,257,403	1,353,818	3,489,024	2,173,115
Other Western Europe:					
Britain	80,000	—	—	80,000	21,200
Norway	—	—	176,000	176,000	—
Spain	—	156,000	—	156,000	346,623
Switzerland	—	—	—	—	5,834
Sub-totals	80,000	156,000	176,000	412,000	373,657
Totals	957,803	1,413,403	1,529,818	3,901,024	2,546,772
Eastern Europe					
Czechoslovakia	270,370	—	—	270,370	—
Africa					
Guinea	—	—	33,763	33,763	—
Asia					
Japan	205,204	475,732	345,200	1,026,136	757,185
Korea, North	—	62,988	—	62,988	—
Korea, South	—	—	99,536	99,536	—
Pakistan	—	114,665	—	114,665	—
Totals	205,204	653,385	444,736	1,303,325	757,185
Western Hemisphere					
United States(2)	—	—	—	—	9
Totals, all countries	1,433,377	2,066,788	2,008,317	5,508,482	3,303,966

(1) Overseas clearances as reported by the Economics and Statistics Division of the Canadian Grain Commission, for all countries except the United States.
(2) Compiled from returns of Canadian elevator licensees and shippers and advice from American grain correspondents.

Exports of Canadian Rapeseed(1) 1971-72 and 1970-71

Destination	August 1971	September 1971	October 1971	August — October	
				1971-72	1970-71
			bushels		
Western Europe					
EEC:					
France	744,468	896,315	820,755	2,461,538	—
Italy	22,918	—	—	22,918	1,931
Netherlands	39 472	593,152	—	632,624	1,039,496
Totals	806,858	1,489,467	820,755	3,117,080	1,041,427
Asia					
India	—	—	361,550	361,550	—
Japan	1,164,232	2,020,484	1,403,278	4,587,994	2,986,253
Pakistan	—	—	—	—	521,920
Totals	1,164,232	2,020,484	1,764,828	4,949 544	3,508,173
Sub-totals, all countries	1,971,090	3,509,951	2,585,583	8,066,624	4,549 600
United States(2)	—	200	—	200	—
Totals, all countries	1,971,090	3,510,151	2,585,583	8,066,824	4,549,600

(1) Overseas clearances as reported by the Economics and Statistics Division of the Canadian Grain Commission. (2) Customs exports.

Customs Exports of Canadian Soybeans 1971-72 and 1970-71

Destination	August 1971	September 1971	October 1971	August — October	
				1971-72	1970-71
			bushels		
Western Europe					
EEC:					
Germany, West	—	—	—	—	44,288
Netherlands	—	—	1,188	1,188	—
Sub-totals	—	—	1,188	1,188	44,288
Other Western Europe:					
Britain	168,000	188	—	168,188	247
Sweden	—	—	4,027	4,027	5,523
Sub-totals	168,000	188	4,027	172,215	5,770
Totals	168,000	188	5,215	173,403	50,058
Western Hemisphere					
Jamaica	—	—	83	83	—
Leeward and Windward Is.	—	—	—	—	42
United States	—	—	—	—	33
Totals	—	—	83	83	75
Totals, all countries	168,000	188	5,298	173,486	50,133

UNITED STATES SITUATION

The following summary of the fats and oils situation in the United States has been taken from the November 16, 1971 issue of the Fats and Oils Situation published by the Economic Research Service, United States Department of Agriculture.

Summary A sharp reduction in carryover stocks of soybeans has more than offset a moderately larger 1971 soybean crop. Total supplies this year, at 1.3 billion bushels, are 5 per cent below last season and 10 per cent under the 1969-70 record.

Soybean demand continues strong and the 1971 crop will be utilized with prices to farmers averaging about $3 per bushel — probably the highest season's price since 1947-48. Carryover stocks next September will likely be cut slightly below this year's 99 million bushels.

Soybean crushings for the marketing year that started September 1 may total around 750 million bushels, down slightly from 1970-71. Demand for soybean oil and meal continues strong but soybean supplies available for crushing are limited. The soybean industry's annual processing capacity has expanded to nearly 900 million bushels. Processing margins may be narrower than during the past 2 marketing years. The crushing rate slowed during October as processors had difficulty moving soybean meal into export because of the dock strike.

Exports of soybeans this marketing year are forecast around 400 million bushels, down from last year's record of 433 million bushels because of reduced supplies. Also, world supplies of competitive fats and oils are likely to be greater.

A lengthy dock strike would result in a considerable reduction of exports of soybeans and soybean meal this fall. Exports have varied sharply with the shutdowns and reopenings in recent weeks, but have generally averaged below year — earlier levels.

More acres are expected to be planted to soybeans in 1972. The strong soybean prices relative to corn probably will result in a soybean-corn price ratio (excluding corn set-aside payments) of around 3 to 1. This is the highest ratio favouring soybean plantings in recent years. Also, the 1972 program permits planting of soybeans on the non-set-aside portion of feed grain and wheat acreages without loss of program history or set-aside payments. But total acreage available for planting crops will be reduced through increased land set-aside. The 1972 feed grain program is designed to achieve a feed grain set-aside of at least 38 million acres, more than double the 18 million in 1971.

The 1972-crop soybean loan level will be maintained at $2.25 per bushel, the same as the previous 3 years. In announcing the 1972 program, USDA indicated a 48-million-acre planting goal for soybeans, a tenth more than in 1971.

SITUATION IN AUSTRALIA

The following information relative to the Australian oilseed situation has been extracted from a report from Mr. R.A. Groundwater, Assistant Commercial Secretary for Canada, Melbourne, under date of December 2, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Oilseed production. — Oilseed crops have become important alternative enterprises for the rural sector in the past few years. The volume and range of oilseeds produced in Australia has rapidly transformed the industry from a small producer of oilseeds, necessitating substantial imports, to the stage where the export of particular crops such as rapeseed and sunflower will be a significant aspect of the industry. However, imports of various vegetable oils, such as the lauric group of oils, will continue to be a feature of the industry. Soybeans will also be imported as will oil or seed of other crops to match domestic requirements with production.

Oilseed Production in Australia

Oilseed	Acreage	Production	
		Seed	Oil equivalent
	acres	short tons	
Safflower	109,000	18,928	6,246
Sunflower	760,000	114,576	45,830
Soybean	38,000	16,800	2,688
Rapeseed	207,000	75,600	30,240
Linseed	52,200	22,008	7,813
Sub-totals	1,166,200	247,912	92,818
Cottonseed	97,000	70,560	11,995
Peanuts	90,000	6,720	2,621
Sub-totals	187,000	77,280	14,616
Totals	1,353,200	325,192	107,434

Australia produces five major oilseed crops: safflower, sunflower, soybeans, rapeseed and linseed. These crops are grown wholly for their oil content, although soybeans, due to their limited acreage in previous years, have often been grown for purposes other than oil. The two remaining crops which contribute substantially to oil production in Australia are cottonseed and peanuts, although oil production is essentially a by-product of these two crops.

Sunflowers, soybeans, cotton and peanuts are summer crops in Australia and for purposes of estimating production crops which have been sown or will be sown in late 1971 and harvested in 1972 are included. On this assumption, estimated total acreage to the five major oilseed crops is 1,166,000 acres with an estimated production of

221,300 long tons (248,000 short tons) of seed. Cotton acreage is provisionally estimated at 97,000 acres, whereas peanut acreage should reach some 90,000 acres bringing the total acreage to 1,353,200 acres. Estimated production of seed for crushing of the latter two crops is 69,000 long tons (77,000 short tons) bringing the aggregate total to 290,350 long tons (325,000 short tons) of seed. However, such aggregate figures do not provide sufficient information, as it is expected that safflower, peanut, soybeans will be imported. On the other hand, significant quantities of rapeseed and sunflowers will be exported in seed form, as production will be in excess of domestic requirements for these particular crops.

Crop conditions. — Crop conditions in Queensland have been reasonably favourable in 1971. Good rains in September and October provided adequate moisture for planting of sunflowers in the Darling Downs. However, dry conditions earlier in the season coupled with extensive weed growth has had a detrimental affect on the production of safflower. A large proportion of the linseed crop was planted under irrigation, avoiding the problems of moisture stress associated with safflower.

Crop conditions in many areas of New South Wales have been generally poor as a result of persistant drought conditions. Crops are in all stages of growth owing to the lack of surface moisture in the northern areas, which has delayed plantings of linseed, safflower and rapeseed, and the earlier plantings of winter oilseed crops in the southern areas. However, adequate precipitation in November altered the production potential of many crops that had been subject to severe moisture stress. The rainfall was particularly useful for the production of sunflowers, as the dry conditions had disrupted plantings.

Harvesting of the winter crops has been initiated, although the harvest will be somewhat prolonged due to the highly varied times of planting.

Climatic conditions in Victoria this season were not conducive to extensive plantings of oilseed crops, particularly rapeseed where excess moisture problems were encountered, although the remaining season has been reasonably good.

South Australia has had an excellent season, although normal October precipitation was not received and hot, dry winds compounded the moisture stress in some crops. The detrimental effects will, however, be marginal.

Crop conditions in Western Australia were dry in the early stages, but sufficient moisture was received in later months to produce average crops. As rapeseed is new to Western Australia, various difficulties have been experienced due to the lack of knowledge of cultural plantings rather than poor weather conditions. Sand-blast was a problem encountered by some farmers and crops had to be replanted.

Total safflower acreage has been estimated at 109,000 acres — a continuation of the general upward trend in acreage sown to this crop over the past few years. New South Wales and Queensland are the major producers of this crop, although there has been a limited acreage planted in Victoria as shown in the following table:

Safflower Production and Acreage 1971-72

State	Acreage	Production
	acres	short tons
New South Wales	40,000	9,408
Queensland	60,000	7,840
Victoria	7,000	1,232
Western Australia	2,000	448
Totals	109,000	18,928

Both central Queensland and New South Wales have had major difficulties during the growing season due to the lack of adequate precipitation. Many crops in these two areas have shown moisture stress, although rains in November will be extremely beneficial to late crops in New South Wales. Satisfactory conditions have assisted the limited acreage planted in both Victoria and Western Australia. These crops can be considered experimental and the profitability of the crop will be important in determining potential production in both States. A total production of 16,900 long tons (18,900 short tons) of seed is currently expected, representing 0.155 long tons (0.174 short tons) per acre or nearly 350 lbs. per acre.

Current estimates of total rapeseed acreage indicate more than 200,000 acres have been sown to this crop in 1971-72 as illustrated in the following table:

Rapeseed Production and Acreage 1971-72

State	Acreage acres	Production short tons
New South Wales	100,000	43,344
Victoria	30,000	11,200
Western Australia	70,000	19,600
South Australia	7,000	1,456
Totals	207,000	75,600

In the initial stages, Victoria was the major producing State, however, the combination of better alternative crops, poor climatic conditions and production difficulties led to a reduction in the 1971-72 acreage to only 30,000 acres. New South Wales has become a major producer in 1971-72 with an acreage approaching 100,000 acres. Western Australia's rapid increase in acreage is of major significance as its acreage has increased from a few thousand acres in 1969-70 to an estimated 70,000 acres in 1971-72. It appears that the crop can be grown successfully, and presuming the crop is a viable enterprise, increased production can be expected with exports accounting for a large proportion of the crop. The rapeseed acreage in South Australia is expected to be 7,000 acres. Crops have been seeded in a variety of locations and in many cases climatic conditions are not conducive to the production of rapeseed. However, there are areas in South Australia which seem suitable for the production of rapeseed and if good yields are obtained, acreage could increase rapidly, assuming satisfactory export markets are available. Total seed production is optimistically estimated at 67,500 long tons (75,600 short tons), yielding an average of 730 lbs. per acre. It is difficult to determine the production which has been contracted for crushing as numerous firms offered contracts for the export market. If expected production is realized, there should be 40,000 to 45,000 long tons (44,800 to 50,400 short tons) of rapeseed available for export.

Linseed acreage is estimated to be 52,000 acres which should yield approximately 20,000 long tons (22,400 short tons) of seed. The crop is grown under contract for the domestic market, although there will be limited quantities exported from Western Australia as transportation costs to the eastern States is prohibitive.

The estimated acreage and production by State is shown in the following table:

Linseed Production and Acreage 1971-72

State	Acreage acres	Production short tons
New South Wales	30,000	11,760
Queensland	1,700	1,120
Victoria	8,000	5,040
Western Australia	12,000	3,920
South Australia	500	168
Totals	52,200	22,008

The soybean acreage in 1971-72 will be approximately 30,000 acres, grown in Queensland and New South Wales. Much of this crop will be grown under irrigation as yields are usually too low to be profitable under dry land conditions. Suitable varieties are available and a suitable innoculant has been found, paving the way for expansion in soybean production. Nevertheless, the production is minor, as shown in the following table, and considerable imports of soybeans will be required to meet the domestic demand for both oil and meal.

Soybean Production and Acreage 1971-72

State	Acreage acres	Production short tons
New South Wales	8,000	2,800
Queensland	30,000	14,000
Totals	38,000	16,800

The 1971-72 sunflower acreage is expected to be in the vicinity of 760,000 acres in 1971-72, a major increase over previous years. The estimated acreage and production by State is shown in the following table:

Sunflower Production and Acreage 1971-72

State	Acreage acres	Production short tons
New South Wales	600,000	89,600
Queensland	150,000	21,280
Victoria	10,000	3,696
Totals	760,000	114,576

Poor crop conditions during the 1971-72 wheat season in New South Wales has provided the incentive for large scale plantings of sunflower this year. Dry conditions in September and October disrupted sunflower plantings, however, adequate rains in November allowed plantings to continue, as well as alleviating moisture stress in planted crops. Considerable plantings of sunflowers are expected in Queensland, as many farmers were not able to plant wheat and sunflowers offer an attractive summer crop. Acreage could reach 150,000 acres, with much of the production contracted by the Queensland Graingrowers' Association. Estimated production of seed is 102,300 long tons (114,600 short tons) substantially in excess of domestic requirements. Under present assumptions, average yields are slightly in excess of 300 lbs. per acre. Presumably significant quantities of sunflower seed will be exported in 1972 with current estimates ranging from 60,000 to 90,000 long tons (67,200 to 100,800 short tons).

Cottonseed acreage is expected to be 97,000 acres from which 62,890 long tons (70,400 short tons) of seed is anticipated, as shown in the table below:

Cottonseed Production and Acreage 1971-72

State	Acreage acres	Production short tons
New South Wales	73,000	54,798
Queensland	15,000	9,383
Western Australia	9,000	6,255
Totals	97,000	70,437

Approximately 6,000 long tons (6,720 short tons) of peanuts will be available for crushing in 1971-72.

Australian imports and exports of vegetable oils. — Although Australia has been producing various oilseeds for several years, large quantities of both seed and oil are imported annually. The imports of seed and oil subdivided into oilseed crops currently produced in Australia, the lauric group of oils and other specific oils.

Australian Imports of Vegetable Oilseeds

	1968-69		1969-70		1970-71	
	Seed	Oil	Seed	Oil	Seed	Oil
	short tons					
Safflower	4,421	2,184	13,859	2,289	319	7,633
Sunflower	—	2,066	—	879	—	928
Soybean	501	5,878	775	8,669	11,855	7,486
Rapeseed	672	7,485	279	6,156	179	2,177
Peanut	1,761	5,275	—	7,799	—	5,545
Cottonseed	—	38	—	62	—	1,279
Maize	—	—	—	829	—	1,215
Sub-totals	7,354	22,926	14,913	26,682	12,354	26,264
Coconut	34,877	1,398	31,171	1,557	32,437	1,856
Palm kernel	—	690	—	1,038	—	1,011
Palm	—	4,230	—	5,973	—	7,162
Sub-totals	34,877	6,318	31,171	8,568	32,437	10,030
Linseed	6,409	542	8,410	584	—	336
Olive	—	5,957	—	6,642	—	6,172
Castor	—	2,307	—	2,391	—	2,088
Tung	—	1,006	—	989	—	1,065
Sub-totals	6,409	9,812	8,410	10,605	—	9,661
Totals	48,639	39,057	54,494	45,855	44,791	45,955
Fish oil	—	—	—	636	—	704
Whale oil	—	3,503	—	4,013	—	3,777

Major trends are not discernible from the presented data, except for reductions in the imports of sunflower, rapeseed, peanut and cottonseed oil. Soybeans will be imported in both oil and seed form as the meal is used extensively for livestock. Such imports will continue at a high level as the increases in domestic production are not likely to be sufficient to meet domestic requirements for several years. Imports of coconut, palm kernel and palm oil should continue at previous levels, even though there appears to be an increasing interchangeability of such oils with those produced in Australia. The degree to which domestically produced oil can be substituted for the lauric group of oils did not appear sufficient to warrant the imposition of a tariff on such oils. Other oils which are used in limited quantities such as tung oil will also be imported.

Although oilseed production is increasing, it is clear that large quantities of vegetable oilseeds will continue to be imported. There will be sufficient production of a few selected oilseeds to satisfy domestic requirements but there is no way that the industry can consider Australia to be self-sufficient in vegetable

oilseeds. There is no economical rationale to be self-sufficient when some crops can be grown efficiently and ultimately exported. Historically, there have been only limited exports, less than 10,000 long tons (11,200 short tons) in 1970-71 of vegetable oilseeds, primarily linseed and cottonseed sold to Japan.

Exports of vegetable oilseeds from Australia will become more important with surplus quantities of rapeseed and sunflower available in 1971-72. Such shipments will be important if the crops are to be grown on a large scale as the domestic market is limited for the two crops.

Utilization of vegetable oilseeds in Australia. — Sophisticated statistical data is not available to show the end uses of vegetable oilseeds in Australia, however, estimates have been made as rough guidelines.

Oil used for industrial purposes is an important market, with approximately 25 per cent of estimated total oil consumption used for the various industrial processes such as paints, resins, detergents, soaps and other miscellaneous uses. Soybean and linseed oil are used extensively for paints and resins, a market using more than 50 per cent of total oil used for industrial purposes. This particular outlet uses almost three-quarters of the total soybean oil consumed. Only coconut oil is used for detergents and soaps, a market representing 20 per cent of the oils used for industrial purposes.

Other industrial processes require vegetable oilseeds, primarily linseed and palm oil. The major market for vegetable oilseeds is what can be described loosely as oil for culinary purposes. With the exclusion of non-edible and minor oils, this particular market utilized almost 56 per cent of total oil consumption in Australia in 1969-70. The market can be subdivided into compound cooking fats, salad dressing, cooking oil, shortening and salad oil. Of these, cooking oil represents the single largest market, using 14,425 long tons (16,156 short tons) of oil in 1969-70. The major oil was peanut oil, as 6,192 long tons (6,935 short tons) were used, followed by cottonseed and safflower oil, although consumption was approximately 2,000 long tons (2,240 short tons) of each.

The second largest segment of the culinary market was salad oil, when rapeseed accounted for 70 per cent of all such oils. Approximately 7,186 long tons (8,048 short tons) of oil were consumed as salad oil in 1969-70.

About 6,670 long tons (7,470 short tons) of oil were used for shortening, where coconut oil was chiefly used. It was estimated that 5,250 long tons (5,880 short tons) of oil were utilized for compound cooking fats where once again coconut oil was extensively utilized representing over two-thirds of total oils used in such products.

Consumption of vegetable oil in the form of salad dressing was limited, being 1,156 long tons (1,295 short tons). Cottonseed oil was the prime oil used, although a maize and safflower oil together, represented almost 50 per cent of the total oils consumed.

The margarine market is an important consumer of vegetable oils, even though production is controlled by law. A total of 13,530 long tons (15,154 short tons) of vegetable oils were used for margarine in 1969-70. Approximately 72 per cent of the oil was used for table margarine, 15 per cent for industrial margarine and 13 per cent for cooking margarine.

Safflower, cottonseed, sunflower and coconut oil were the major vegetable oilseeds used for the production of table margarine with approximately one-third of the total oil consumed being safflower, which represents the major market for safflower. Cottonseed and coconut oil were used extensively in the manufacture of both industrial and cooking margarine. No rapeseed oil was used and only minute quantities of soybean and miscellaneous oil were used in the production of margarines.

Vegetable oil consumption for substitute products and semi-edible purposes was estimated to be 3,153 long tons (3,531 short tons) in 1969-70. Only 1,231 long tons (1,379 short tons) were used in the production of dairy ices, creams, whiteners, etc., the remainder being used for the preparation of cooking equipment and such miscellaneous uses. Coconut oil was the most popular oil, accounting for two-thirds of all oils used for such purposes.

Consumption of vegetable oilseeds is increasing, with estimates as high as 6 per cent per annum. The growth rate could be greater if present laws limiting the production of margarine were relaxed, however, the dairy industry has prevented any such possibility. The major growth area appears to be the culinary market, as per capita consumption of vegetable oils used for inedible purposes is slowly decreasing.

Research. — Most of the research conducted in Australia on oilseeds in concerned with agronomy, although more basic research including genetical work will be carried out as oilseed crops become a more economically significant crop. In many cases, the selection of suitable varieties from overseas countries is of prime importance as the crops are relatively new and suitable information must be provided to farmers who are producing such crops.

Linseed research activities are minor, with the major importance placed on the breeding of new varieties. The increased production of other oilseed crops as well as the lesser importance of linseed in Australia has reduced the quantity of resources devoted to linseed research.

Investigations into rapeseed have expanded in the past few years, although most programs are directed at selection of varieties currently available. Programs are also being carried out on the determination of seeding rates, time of planting, fertilizer response trials and weed control. Increased activities are planned to provide suitable information on cultural practices, as well as the initiation of genetical work to breed varieties suitable for Australia.

Only limited research on safflower is being conducted as both commercial and research experience has not been encouraging. It has been suggested that a major research program is required to obtain satisfactory results, and even then research into other crops could provide greater returns.

Although introduced varieties of sunflower from East Europe and U.S.S.R. have been successful in both Queensland and New South Wales, a breeding is being initiated in Queensland. Other work is directed at determining suitable cultural practices, as yield potential of the crop is not being realized. Entomologists and plant pathologists are currently investigating methods to control insect pests and diseases associated with sunflowers.

Considerable research has been carried out in respect to soybeans in order to establish production potential in Australia. Plant breeding programs have been initiated in order to obtain suitable varieties for Australia, as introduced varieties

have not been particularly successful. Additionally, normal agronomy research has been carried out with emphasis on obtaining a suitable innoculant.

Although peanuts and cottonseed are important sources of oil in Australia, research has been primarily designed to increase yields of lint and of edible peanuts. Extensive research programs have been conducted for cotton and peanuts as the crops have had a longer history in Australia and gained importance economically at an earlier stage.

Considerable research is required in Australia if production costs are to be reduced. Also, if oilseed crops are to be worthwhile alternatives to wheat, substantial exports are required and farmers will not be protected by high tariff barriers. Nationally, research alone will not reduce costs to competative levels and other factors, such as dismantling outmoded contractual arrangements, greater specialization and grower experience, will be important if oilseed crops are to become viable alternative enterprises. There is no reason for oilseed crops to be unable to compete with overseas suppliers and it appears that certain crops can be grown both efficiently and extensively. Thus, the development of new varieties will be extremely important in the development of the oilseed industry.

SITUATION IN THE UNITED KINGDOM

The following information relative to oilseeds in Britain has been extracted from a report received from Mr. G.D. Cooper, Commercial Officer (Agriculture) for Canada, London, under date of December 10, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

General situation and outlook. — Following a season of unprecedently high prices for edible oils and oilseeds, the 1971-72 supply season for these commodities appeared likely to open with world stocks at extremely low levels. For example, despite a larger crop and increased total availabilities of U.S. soybeans these are likely to be sufficient only to meet an increase in demand of 3 to 4 per cent compared with an average growth in utilization of some 8 per cent.

The last three months, however, have seen a noticeable improvement in supply prospects for oilseeds and vegetable oils with a consequent weakening in prices. A 3 per cent rise is estimated for world edible oil output from 19.4 million long tons (21.7 million short tons) in 1970-71 to 20 million long tons (22.4 million short tons) in 1971-72. The largest increases have been in rapeseed and sunflowerseed with groundnut and cottonseed also significantly higher. Export supplies of groundnuts and oil from West Africa in 1972 are likely to rise and with a large sunflowerseed crop in the Argentine exports of oil should also show an increase.

Trade statistics for the first 6 to 9 months of 1971 indicate that world exports of oilseeds and oils continued to grow rapidly during the year, over all by some 10 per cent. The largest increase was in copra and coconut oil with rapeseed and oil chiefly from Canada in second place followed closely by palm oil. The total edible-industrial group showed an increase of one-third over the 1970 statistics with edible items up 5 per cent.

Domestic production. — The final results of the June 1971 agricultural census indicate an area sown to oilseed rape of 13,000 acres compared with 10,000 in 1970. The acreage of mustard sown for seed, fodder or ploughing-in is given as 15,000 acres for 1971 compared with 16,000 acres in 1970.

In this context, it is important to note that some authoritative British opinion predicts that with British entry into the EEC a considerable increase in production of rapeseed in the U.K. is likely chiefly on account of the fact that within the Community internal support arrangements are provided for certain oilseeds including rapeseed which are produced therein.

Requirements and supplies. — Demand with the U.K. for the major edible oilseeds, vegetable oils and meals remains strong with price the dominant factor in deciding purchases.

Low erucic acid rapeseed oil appears to be generally acceptable by the U.K. trade, but purchases would be influenced by price, and premium payments cannot be expected. In this connection a mission sponsered by the Canadian government, recently visited the U.K. and held comprehensive meetings with the British Trade to determine the reactions to low erucic acid rapeseed oil and their evaluation with regard to its use in formulations. The outcome of these meetings was that the British Trade indicated that low erucic acid rapeseed oil was acceptable for their purposes and they are prepared to purchase this commodity providing the price was competitive. The Missions' conclusion that Canada should continue its policy of changing over the rapeseed crop to low erucic acid varieties was substantiated.

Demand for soybeans and products continues strong, with substantial continued usage of both oil and meal.

In the industrial sector, demand for flaxseed and linseed oil appears to be stabilized, although one may anticipate some reduction in demand over the long term due to increased usage of synthetics etc.

Imports. — U.K. imports of oilseeds in the first half of 1971 continued to rise showing an increase of 2 per cent. A reduction in receipts of edible items other than soybeans was more than offset by a 56 per cent expansion in palm oil imports. Over the last nine months there has been a 6 per cent rise in U.K. imports of which about 50 per cent was in palm oil which offset a fall in groundnuts and oil and sunflowerseed and oil.

Margarine usage. — According to a recent announcement by Messrs. Van den Berghs and Jurgens (Unilever group), margarine sales in the U.K. have risen sharply this year with a 14 per cent rise in the third quarter to capture the highest share of the total butter and margarine market since 1954.

It is estimated that margarine now holds a 46 per cent share of the total market against 34 per cent in 1970 when some 204,000 long tons (228,000 short tons) were sold. In the third quarter of this year margarine sales rose by 6,500 long tons (7,280 short tons), i.e. 14 per cent, and it is understood there was a further 20 per cent rise in October.

It is believed that the current high price of butter has accelerated the change from butter to margarine consumption. The trend started in 1969, when after many years of decline, margarine's share of the market rose from 32.6 per cent to 34.1 per cent. It held firm in 1970 when there were very low prices for butter.

The change over in 1969 is attributed to the introduction of the soft, luxury margarines, which now account for some 22 per cent of the $150 million a year market.

Per capita consumption of margarine is now estimated to rise to 13.5 lbs. by the end of 1971 against 12.2 lbs. in 1970, and butter consumption to fall from 19.6 lbs. to 17.9 lbs.

Markets. — The market in oilseeds and vegetable oils has in general remained fairly quiet. Linseed oil prices have acquired a firmer trend, and some improvement has also been evident in palm oil. Groundnut oil has remained firm with other soft oils traded in easier conditions. There has been an improved demand for U.S. soybeans, and sunflower oil prices have eased. Little trade has been evident in palm kernels.

Imports into the United Kingdom of the Major Vegetable Oils and Oilseeds

	January — September	
	1970	1971
	short tons oil equivalent	
Edible group		
Groundnuts	105	81
Soybeans	100	109
Cottonseed	44	35
Rapeseed	26	24
Sunflowerseed	29	19
Sub-totals	304	267
Edible — Industrial group		
Copra	52	55
Palm kernels	41	46
Palm oil	124	185
Sub-totals	217	287
Industrial group		
Linseed	48	52
Castor seed	24	20
Tung	2	4
Sub-totals	74	76
Totals	595	629

SITUATION IN ITALY

The following information concerning oilseeds in Italy has been extracted from a report by Mr. R. Brookes, Commercial Officer, Canadian Embassy, Rome, under date of December 7, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Oilseeds crop conditions. — Due to the prolonged exceptionally dry Summer, Italy's oilseed crops suffered during 1971.

Production. — Italy's 1971 oilseeds crop is estimated as follows:

	metric tons
Soybeans	200
Groundnut	3,000
Rapeseed	6,000
Sunflower	10,000
Sesameseed	1,500
Grapeseed	20,000
Totals	40,700

Imports and Exports of Rapeseed

	January-December 1970	January-July 1970	January-July 1971
	metric tons		
Imports			
France	164,573	87,403	109,155
Canada	27,885	12,995	68,810
West Germany	—	—	18,153
Others	24,267	4,116	4,852
Totals	216,725	104,514	200,970
Exports	145	41	—

Imports and Exports of Flaxseed

	January-December 1970	January-July 1970	January-July 1971
	metric tons		
Imports			
Belgium-Luxembourg	1,676	754	1,466
Poland	693	454	—
Romania	374	223	406
Canada	9,730	6,140	5,180
Others	1,411	347	355
Totals	13,884	7,918	7,407
Exports	6	6	—

Source: ISTAT — Stat. Mens, Comm. Estero.

Short-term trade outlook. — Italy's oilseed trade forecasts that import requirements of rapeseed by Italian crushers for the crop year August 1, 1971 to July 31, 1972 are estimated to be as follows:

		metric tons		
France	from	200,000	to	220,000
Canada	"	30,000	to	100,000
West Germany	"	30,000	to	40,000
Totals	"	260,000	to	360,000

However, achievement of these figures will depend largely on price levels and availability of other oilseeds, particularly soybeans and sunflowerseed.

Opportunity for Canadian sales. — Rapeseed sales to Italy are those estimated above. Flaxseed sales to Italy are expected to continue at current levels since this country is a small market for linseed. Linseed oil prices from Argentina are too attractive to make linseed crushing worthwhile in Italy.

Canadian low erucic acid rapeseed (LEAR). — A Canadian Rapeseed Mission visited Rome on November 19 and Milan on November 22-23 to inform Italian crushers that the Canadian Rapeseed Industry has decided to convert to the production of low erucic rapeseed for domestic consumption as quickly as possible. The objective being that by the Fall of 1972 or earlier the Canadian domestic industry will be changed over to Low Erucic Acid Rapeseed (LEAR) for crushing and refining.

In so far as we have been able to determine, Italian crushers are keenly interested in LEAR seed, provided the change-over will not in any way mean an increase in price and a decrease in oil content. If Canada is able to guarantee an equal price and oil content for LEAR seed (as previously for No. 1 C.W. Rapeseed), it is very possible that during the 1972-73 crop year Italy will purchase more Canadian LEAR rapeseed and less from Canada's competitors (France, and West Germany).

SITUATION IN PERU

The following account of the current oilseed situation in Peru has been extracted from a report by Mr. J.D. Leach, Acting Commercial Secretary, Canadian Embassy, Lima, under date of December 3, 1971, and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Historically cottonseed oil has been the principal vegetable oil used by Peruvian housewives. In spite of efforts by the Peruvian government to alter consumption habits by encouraging the substitution of lard for vegetable cooking oils, a programme which has now been abandoned, domestic demand for cottonseed oil has expanded much more rapidly than domestic oil production, the deficit having been satisfied by imports of other vegetable oils.

During the past decade, cotton cultivation in Peru has progressively declined. In 1970 cottonseed oil production also fell, reflecting an unfavourable world price

situation for cotton as well as adverse weather conditions and serious pest problems in Peru's cotton growing areas. As a result, imports of edible oils in 1970 continued at a high level, approximately 90 per cent of the market being supplied by United States soybean oil, the prices of which were both attractive and competitive.

Excessive rains, flooding, and intensive insect problems in the northern cotton growing regions this year and reduced acreages in the Tanguis area resulted in a sharply reduced 1971 cotton crop. Cottonseed oil production, consequently, will be lower as well.

Two historical projections of the production and consumption of edible oils in Peru have been published recently.

Projected Production and Consumption of Edible Oils

Year	Consumption	Production	Deficit
		thousand metric tons	
1970	81.4	27.0	54.4
1971	87.7	27.0	60.7
1972	94.5	26.0	68.5
1973	101.4	26.0	75.4
1974	108.8	25.0	83.8
1975	116.5	25.0	91.5

Source: SOCIEDAD National de industrias.

Projected Production of Edible Oils

Year	Acreage	Production	
		Cotton	Crude oil
	thousand acres	thousand metric tons	
1971	388	246	27.3
1972	380	254	27.9
1973	373	259	28.8
1974	363	256	28.4
1975	356	262	29.1

Source: Oficina sectorial de planificacion agraria.

Both of these studies point to the probable serious deficits in the domestic supply of edible vegetable oils during the next five years. The Sociedad Nacional de Industrias predicts sharply rising imports of edible vegetable oils; the Universidad Agraria, on the other hand, believes that by means of a comprehensive development programme it should be possible to increase production of crude oil to at least 43,000 tons by 1975.

There are in fact commercial plantations of peanuts, soybeans, sunflowers, olives, corn (for oil), and African palm, and recently there has been interest expressed in increasing soybean production. In addition, research is currently underway on other various oil-yielding crops. In this connection, the Rapeseed Association of Canada this year donated one metric ton of rapeseed (Polar variety) to the Ministry of Agriculture for experiments in the economically depressed sierra regions of Peru. The introduction of this crop not only would directly benefit the farmers in these mountain regions but also would contribute materially to a reduction in the annual requirement of imports of oils and fats thereby effecting considerable savings of foreign exchange.

Some officials, however, predict that the deficit between production and demand of edible vegetable oils will be satisfied by domestic edible fish oils. Crude oil production varies from 200,000 to 350,000 metric tons per annum and present plant capacity would permit production of hydrogenated edible fish oils of 30,000 to 40,000 metric tons per year. Edible fish oil already constitutes a significant portion of domestic margarines, shortenings, etc.

In view of these conflicting solutions to the edible oil deficit problem — increasing imports versus increasing local production versus increasing use of edible fish oil — it is exceedingly difficult to forecast Peru's anticipated import requirements. 1971-72 imports of edible vegetable oils are expected to continue at the high level reached in recent years; for subsequent years, however, the situation is less than clear. At the moment, nevertheless, indications are that increased use of fish oil and reduced imports will be the most probable development.

SITUATION IN POLAND

The following account of the current rapeseed situation in Poland has been extracted from a report by Mr. H.R. Wilson, Commercial Secretary, for Canada, Canadian Embassy, Warsaw, under date of December 9, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Poland's production of rapeseed this year was approximately 500,000 metric tons. Exports are unlikely to exceed 50,000 metric tons. There has been no change in Poland's policy of producing rapeseed only in sufficient quantities for domestic requirements with a small amount left over for export. Rapeseed here is a winter crop and the sown area is 300,000 hectares (741,000 acres), the same as in the last two years.

SITUATION IN ARGENTINA

The following information relative to the oilseeds in Argentina has been taken from a report prepared by Mr. H.G. Fairfield, Assistant Commercial Secretary for Canada, Canadian Embassy, Buenos Aires, under date of December 3, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

The Department of Agriculture announced on October 21 a further increase in prices for oilseeds for the 1971-72 crop. The following is a comparison with the

the prices established in May, 1971 in Canadian dollars per 100 kilos, f.o.r. Buenos Aires:

	May 1971	October 1971
Sunflowerseed	5.61	6.21
Peanuts	8.47	9.39
Soybeans	8.65	9.59

There have been no changes in flaxseed prices which remain at 33.00 pesos ($6.64 Cdn.) per 100 kilos for 1971-72 crop.

New index prices for exports of oilseed by-products have been established by the Government. These are as follows:

	Canadian dollars
Expellers	
Cotton	85.37
Sunflowerseed	82.36
Flaxseed	84.37
Peanuts	96.42
Pellets	
Cotton flour	80.35
Sunflowerseed flour	81.36
Flaxseed flour	81.36
Peanuts flour	88.39
Flours	
Cotton	79.35
Sunflowerseed	80.35
Flaxseed	78.34
Peanuts	87.38

Flaxseed. — The precalculation of production of flaxseed was released November 22. The estimate is 350,000 metric tons, a reduction of 48 per cent over last year's production of 680,000 tons. The first estimate of area sown to flaxseed was 755,000 hectares. The second was 635,000 hectares. The above production estimate is based on a seeded area of 542,500 hectares. The reductions were due primarily to excessive rainfall especially in the province of Buenos Aires which accounts for approximately 50 per cent of the area sown and to the low prices which have been realized on linseed oil.

Flaxseed was quoted at 37.70 pesos ($7.58 Cdn.) per 100 kilos at the end of November. On the Futures Exchange, it was quoted at 39.00 pesos ($7.84 Cdn.) for December, 41.10 ($8.27 Cdn.) for January and 42.48 ($8.54 Cdn.) for February.

Peanuts. — There has been no further announcement on peanut production since the third estimate which we reported in the previous review. The planting season for peanuts is December-January and as yet there are no forecasts on area seeded. Peanuts were quoted at 74.00 pesos ($14.88 Cdn.) per 100 kilos on November 30.

Sunflowerseed. — Adverse climatic conditions in the sunflowerseed growing area during September have prevented normal seeding operations. Although producers consider for this reason that it is too early yet to give an accurate estimate of the area seeded to this oilseed, the Department of Agriculture issued the first estimate of area seeded for 1971-72 crop at 1,560,000 hectares. This compares with 1,614,200 hectares seeded last year.

The following table shows area seeded in 1971-72 compared with 1970-71:

	1970-71	1971-72
	hectares	
Buenos Aires	899,600	860,000
Santa Fe	270,000	260,000
Cordoba	224,300	223,000
Chaco	153,450	154,000
San Luis	28,600	23,300
Others	38,250	39,700
Totals	1,614,200	1,560,000

Exports. — The following are provisional export figures released by J.J. Hinrichsen, a leading oil and oilseed brokerage firm in Argentina.

	October		January-October	
	1970	1971	1970	1971
	metric tons			
Flaxseed pellets	1,498	—	31,990	15,456
Sunflowerseed pellets	21,359	21,217	325,784	234,639
Peanut pellets	4,691	6,288	11,242	15,744
Cotton pellets	5,391	2,365	45,338	47,547
Flaxseed expellers	19,564	20,717	215,302	273,571
Sunflowerseed expellers	—	—	600	—
Peanut expellers	2,543	9,693	31,992	35,913
Cotton expellers	4,762	3,629	30,625	18,980
	59,808	63,909	692,873	641,850
Linseed oil	7,198	440	132,180	137,757
Sunflowerseed oil	—	—	84,000	34,214
Peanut oil	2,990	2,429	22,307	35,359
Cotton oil	—	—	—	403
Tung oil	673	1,297	11,252	17,700
Olive oil	172	2,262	2,982	5,158
	11,033	6,428	252,721	230,591

SITUATION IN INDIA

The following data relative to oilseed production in India has been taken from a report prepared by Mr. T.V. Subramanian, Commercial Officer, New Delhi, India under date of September 28, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

The final 1970-71 official estimates of area and production for the five Indian oilseed crops are given along with the corresponding (revised) figures for 1969-70:

Item	Area		Production	
	1969-70	1970-71	1969-70	1970-71
	thousand hectares		thousand metric tons	
Peanut	7,125	7,293	5,130	6,065
Brassica	3,173	3,331	1,564	1,963
Sesamum	2,309	2,450	448	568
Linseed	1,803	1,833	469	455
Castor	402	439	123	136
Totals	14,811	15,346	7,734	9,188

The only crop which registered a decline in production in 1970-71 was linseed (flaxseed) which fell by 14,000 metric tons or 3.0 per cent. Percentage increases in production for the remaining crops amounted to 18.2 per cent for peanut, 25.5 per cent for brassica (rapeseed and mustardseed), 26.8 per cent for sesamum (sesameseed) and 10.3 per cent for castor bean.

SITUATION IN THE EEC

The following report on oils and fats in the European Economic Community has been extracted from a report by Miss V.F. Wightman, First Secretary (Agriculture), Mission of Canada to the European Communities, Brussels, under date of September 9, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

1971 crop outlook. — While no official statistics have yet been published on the size of the 1971 rapeseed crop in the EEC, information in the Commission indicates production in the vicinity of 890,000 metric tons. This would represent a considerable gain over last year's 776,500 tons and an increase of 60 per cent over the five-year (1965-69) average. The estimate has recently been raised following reports of high yields and satisfactory harvesting conditions.

The main gain is in France, which is also the principal producer; there the crop is expected to be around 650,000 metric tons, compared with 560,000 last year. In Germany, rapeseed production appears also to be ahead of last year, 215,000 tons as against 185,000 tons.

EEC imports of rapeseed. — Following are statistics covering EEC rapeseed imports over the past three years from outside countries, and excluding trade amongst

Member States. It will be noted that Canada moved ahead into the position of principal supplier in 1970.

EEC Imports of Rapeseed
(excluding intra EEC trade)

Source	1968	1969	1970
		metric tons	
Canada	17,855	25,289	122,500
Sweden	47,848	63,315	16,761
Denmark	8,952	7,366	14,085
Austria	5,325	5,985	—
Hungary	—	—	7,198
East Germany	12,444	11,544	—
Yugoslavia	—	—	6,743
Poland	114,965	65,672	2,198
U.K.	—	—	1,019
Roumania	—	784	709
U.S.A.	2,027	—	420
Bulgaria	337	278	292
U.S.S.R.	—	—	100
Others	601	65	117
Totals	210,354	180,298	172,142

Border taxes on rapeseed. — When the German DM and the Dutch florin were allowed to float in mid May, these currencies quickly rose well beyond the official IMF parities. Therefore, in order to avoid an undercutting of the official agricultural support prices by outside suppliers, both from the EEC and third countries, border taxes (montants compensatoires) were introduced to protect the main agricultural products with support prices. Such compensatory taxes may be introduced whenever a Community currency departs from its official parity by at least 2.5 per cent and adjustments may be made weekly for each change of 1 per cent.

The monetary situation deteriorated further after mid-August. When EEC Ministers of Finance failed to agree on a common position for the Community on August 19, Member States were authorized to handle their exchange markets as they saw fit. As a consequence, Germany retained the floating DM; France adopted a two tiered system with the old official parity for commercial transactions; Italy retained its old parity but with wider margins of fluctuation; while the Benelux countries entered into a co-operative arrangement with fixed parities for their economic zone and a float against other currencies. One result is that, at the time of writing, there were three separate agriculture markets in the EEC, sheltered one from the other by border taxes: Germany, Benelux and France/Italy.

For rapeseed, the border tax was implemented only in early July when internal EEC crops were ready for harvest. The tax was imposed only on rapeseed to protect the official EEC support price and not on other oilseeds and oil-bearing materials. The result was to place rapeseed at a competitive disadvantage vis-à-vis other oilseeds, particularly soya. The tax, representing the float above official parity has gradually moved upwards and by late August had reached 7 per cent for Germany and 3.6 per cent for the Benelux countries. The actual rates in effect at the beginning of September for foreign rapeseed imported direct from third countries were, per 100 kilos; 3.66 DM in Germany, 25.70 francs in Belgium and Luxembourg and 1.86 florins in the Netherlands.

EEC balance sheets for fats and oils. — In June the Commission released its 1971 annual report on Community agriculture, "La Situation de l'Agriculture dans la CEE", which contains the most recent balance sheets of production and consumption of fats and oils. The main points to emerge from the Commission report, are:

- EEC consumption is rising steadily, from 4.57 million tons in 1966-67, to 4.74 million in 1967-68 and 5.1 million in 1968-69. Per capita consumption, which was stable at 18.8 kg. from 1963-64 to 1966-67, increased to 20.2 kg. by 1968-69.

- EEC internal production has risen but so have imports. The degree of self-sufficiency calculated on the manufacture from domestic raw materials has risen slightly but was only 38.8 per cent in 1968-69. Net imports in the 3-year period 1966-67 to 1968-69 rose from 4.57 to 5.1 million tons, with a rise in oilseeds and vegetable oils of from 781 to 931 thousand tons.

- certain changes are taking place in the three main groups: vegetable oils, animal fats and marine oils. The place of animal fats in the supply picture tends to increase with gains in meat production (from 31.2 per cent in 1965-66 to 33 per cent in 1968-69) although their position in human consumption shows little relative change. Production of vegetable oil from domestic sources emanates essentially from rapeseed where output is rising and olive oil where there are sharp fluctuations in output. Marine oils are stable.

- in terms of the finished product: (a) the consumption pattern shows (1968-69) 37 per cent vegetable oils, 24.5 per cent margarine, etc, 22.4 per cent butter and 16.1 per cent other animal fats; (b) since 1963-64 butter and margarine have lost ground to vegetable oils while other animal fats maintain their position; and (c) overall consumption of the finished product shows a gain of 11.5 per cent from 1963-64 to 1968-69 to 4.6 million tons, which is well ahead of the population growth of 4.8 per cent in that period.

The following table, which was received subsequent to the above report, shows rapeseed production with the E.E.C. by country:

	1969	1970	1971
		thousand metric tons	
Germany	158.1	185.0	215.3
France	509.2	564.0	602.9
Italy	3.5	4.5	5.0
Netherlands	12.2	21.8	30.0
Belgium	1.1	1.2	1.3
Totals, E.E.C.	684.2	776.5	854.5

SITUATION IN WEST GERMANY

The following account of the oilseed situation in West Germany has been extracted from a report received from Mr. R.B. Rossing, Commercial Officer, (Agriculture), Canadian Embassy, Bonn, under date of December 3, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

1971 Rapeseed crop results. — According to the final estimate of the Federal Bureau of Statistics, West Germany's 1971 rapeseed crop reached an all-time record of 224,000 metric tons. These larger crop results are primarily due to the relatively high crop yields per hectare, and — to a smaller extent — the result of enlarged acreage:

	average 1965-70	1970	1971
	thousand hectares		
Acreage			
Winter rapeseed	54	74	81
Summer rapeseed and turnip rape	8	11	12
Totals, rapeseed	62	85	93
	quintals per hectares		
Yield			
Winter rapeseed	23.4	22.4	24.8
Summer rapeseed and turnip rape	18.2	17.6	19.2
Totals, rapeseed	22.7	21.8	24.1
	thousand metric tons		
Production			
Winter rapeseed	126	167	202
Summer rapeseed and turnip rape	15	18	22
Totals, rapeseed	140	185	224

While a few years ago two thirds of the rapeseed growing areas were located in Schliswig-Holstein — i.e. rapeseed cultivation was almost a specialty of a single province only — a gradual shift to other provinces has taken place since then. Thus the increase in acreage as against 1970 amounted to only 6 per cent in Schliwig-Holstein, to 10 per cent in Lower Saxony, 8 per cent in Northrhine-Westphalia, 29 per cent in Rhineland-Palatinate, 48 per cent in Baden-Wurttemberg, and 18 per cent in Bavaria.

Autumn cultivations for the 1972 rapeseed crop. — The acreage seeded to rapeseed in fall 1971 again increased by 11 per cent for the whole area of the Federal Republic of Germany. The largest increases occurred in Bavaria, Lower Saxony and Schleswig-Holstein and should result in a winter rapeseed acreage of about 90,000 hectares. Considering the summer rapeseed acreage of about 12,000 hectares this could mean another record harvest for rapeseed of about 230,000 metric tons to 250,000 tons in 1972.

Imports of oilseeds from Canada. — West German imports of oilseeds from Canada from January to September 1971 of 221,000 metric tons represented more than four times the volume shipped during the corresponding period of the previous year. While West Germany's total import volume of oilseeds increased from 1,846,000 tons in January-September 1970 to 2,182,000 tons in January-September 1971, an increase of 18 per cent, Canada's share rose from 2.8 per cent to 10.1 per cent in 1971.

Imports of Oilseeds from Canada

January-September	Metric tons	Canadian dollars
1966	58,016	7,160,000
1967	15,562	2,243,000
1968	4,524	637,000
1969	35,424	5,018,000
1970	51,186	6,464,000
1971	220,507	29,447,000

The following breakdown by commodities in connection with the attached summary of West Germany's total imports reveals the fact that Canada holds a predominant supplying position for rapeseed (80 per cent of total imports), for linseed (77 per cent), and for mustardseed (45 per cent).

Imports of Oilseeds from Canada by Commodities

	January-September	
	1970	1971
	metric tons	
Rapeseed	13,657	146,188
Linseed	32,617	59,991
Mustardseed	2,452	4,279
Soybeans	2,429	9,751
Peanuts	—	212
Sunflowerseed	25	30
Other, unspecified	6	56
Totals, seeds	51,186	220,507
Linseed cakes	2,839	1,608

Besides the unusually strong demand for rapeseed and linseed another factor is worthy of note — i.e. the increase in shipments of soybeans to West Germany.

Summary of the oilseeds situation. — German crushing plants — 21 major units — are operating at close to their optimum output. From January to August 1971, the production of refined vegetable oils of 626,350 metric tons was almost 5 per cent greater than during the corresponding period of the previous year (598,500 tons). At the same time the production of oil cakes and meals rose from 1,264,000 tons in 1970 to 1,388,000 tons in January-August 1971, up by 10 per cent.

Prices of oilseed product increased by 6.3 per cent during the period.

The following table provides a picture of the supply and disposition of oil cakes and oil meals in West Germany:

	January-August		Total
	1970	1971	1970
Supply from processing of oilseeds	1,264.3	1,388.1	1,982.9
+ Imports	1,654.8	1,964.6	2,620.3
— Exports	485.8	535.1	724.2
Change in stocks	— 28.6	+ 19.6	— 33.3
Disappearance	2,461.9	2,798.0	3,912.3

Short-term trade outlook. — Due to the record rapeseed crop within the countries of the Common Market, and because of the surcharge on rapeseed imports from Third Countries, imports of rapeseed from Canada are practically nil. It is hoped, however, that the surcharge can be removed shortly so that German importers can place orders for delivery of rapeseed soon after the opening of the St. Lawrence Seaway. This would then enable the crushers to utilize part of their idle capacity for rapeseed which is traditionally processed from March to the beginning of the domestic crop season in July. In any event, oilseed importers are of the opinion that the crushing industry will be in need of additional quantities of rapeseed from Third Countries for delivery in the spring of 1972. The import volume, however, will depend on the timing of the abolition of the surcharge on rapeseed. The later it is abolished the smaller will be the quantity imported from Canada, as rapeseed cakes and meals cannot be easily sold in the summer months.

Another factor to be considered is the relatively low level of oil prices which does not encourage crushers' decisions in favour of rapeseed purchases.

With soybeans being the most important crop for West Germany's crushing industry the main influential factor will be the trend in soybean prices. At the moment, due to the U.S. Gulf and Atlantic Coast strike the market shows a steady tendency.

For linseed a steady demand during the months to come can be anticipated with major shipments to be expected for May and June.

Price trends. — At present, due to the surcharge the demand for rapeseed is dim. The following prices are offers C.I.F. Rotterdam for mid-December.

Delivery	Rapeseed, 40 per cent Canada Western	Soybeans, 17-18 per cent United States
	Canadian dollars per metric ton	
December	122.03	126.55
January 1972	124.04	not specified
February	124.80	127.56
March	125.05	not specified
April	not specified	129.57
May	123.79	130.07
June	123.79	131.07
July	123.79	132.08

From December 13 to 17, 1971 the surcharge on 1,000 kilogrammes (1 metric ton) of rapeseed amounts to DM 41.40 (Cdn. $12.94); DM = 0.3125 Cdn. $. Prices for Canadian rapeseed are at a relatively low level now as compared to mid-November.

Policy measures. — The German Ministry of Agriculture opposes proposals to abolish the surcharge on rapeseed as of January 1, 1972. This position is in support of the German Co-operatives Union and the Central Association of the Grain Trade. Both these associations are arguing that imports of rapeseed from Third Countries would hamper the taking up of the uncommitted balance of home-grown rapeseed.

Imports of Oilseeds, Cakes and Meals and Grains into West Germany

	January — September	
	1970	1971
Oilseeds	thousand metric tons	
Thereof		
Soybeans	1,469	1,557
Copra	94	199
Peanut	78	48
Palm kernel	46	51
Linseed	55	78
Sunflowerseed	26	18
Rapeseed	21	183
Others	57	48
Totals, imports	1,846	2,182

Imports of Oilseeds, Cakes and Meals and Grains
into West Germany — Concluded

	January — September	
	1970	1971
	thousand metric tons	
Oil cakes and meals		
thereof		
Soybean	742	909
Copra	262	311
Peanut	80	91
Palm kernel	169	172
Linseed	171	217
Sunflowerseed	100	111
Rapeseed	46	48
Others	322	347
Totals, imports	1,892	2,206
Feed grains		
thereof		
Corn	1,789	1,996
Feed barley	749	622
Oat	321	439
Sorghum	19	121
Others	556	775
Totals, imports	3,434	3,953

SITUATION IN PORTUGAL

The following information relative to the oilseeds situation in Portugal has been extracted from a report from Mr. P.A. Savard, Commercial Counsellor, Canadian Embassy, Lisbon, under date of December 9, 1971, and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Portugal's principal requirements of vegetable oils have been traditionally looked after from domestic production of olive oil.

Increased requirements in recent years have led to substantial imports from the Portuguese Overseas Provinces and to meet increasing demand, from overseas suppliers, notably Nigeria and the United States, in the first case of groundnuts and in the case of the United States of soybeans.

Total imports of oilseeds and oleaginous vegetable products in 1970 amounted to 157,729 metric tons.

All of these products are under import control licences being granted by the Portuguese Oilseeds and Vegetable Products Board, a department of the Ministry of Economy.

Canada is a main supplier of flaxseed, the import of which is usually made through New York brokers. Demand is gradually being reduced due to lesser quantities being required for the paint industry.

At the moment, import licences for soybeans are only granted for industrial uses, i.e. soya meal for the animal feed industry and soybean oil for conversion into various foodstuffs, such as margarine. Soybean oil may not be sold for edible purposes.

Annual imports of vegetable oils have averaged between 25,000 and 30,000 metric tons, with the major share being supplied by the Portuguese Overseas Provinces.

Attached are statistics covering the imports of oilseeds and oleaginous vegetable products for the period January to September 1971 and statistics for the full year 1970.

Imports of Oilseeds and Oleaginous Fruit

	January – September 1971	
	metric tons	Cdn. dollars
Groundnuts		
Portuguese Overseas provinces	6,854.2	1,328
Gambia	1,087.6	312
Niger	2,299.7	861
Nigeria	7,310.7	1,867
Brazil	663.6	180
Israel	410.2	150
Sub-totals	18,626.0	4,697
Copra		
Portuguese Overseas provinces	14,108.2	2,792
Soybeans		
United States	34,440.7	5,150
Totals	67,174.9	12,639

Source: Portuguese National Institute of Statistics, Monthly Bulletin, September, 1971.

SITUATION IN FINLAND

The following information relative to oilseeds in Finland is extracted from a report provided by Mr. J.L. Swanson, Commercial Secretary, Canadian Embassy, Stockholm, under date of December 13, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

The only significant Finnish oilseed crop is winter turnip rapeseed. The 1971 yield of this crop is estimated at 1,470 kilograms per hectare, down from the 1970 yield of 1,550 kilograms per hectare.

In 1970, 8,700 hectares were sown to this crop, of which 6,400 hectares were harvested. In 1971, 8,300 hectares were planted.

The following table lists Finnish oilseed imports during the January-September period of 1971:

Item	Quantity imported metric tons
Rapeseed (all varieties)	2,889
Mustard seed	239
Groundnuts	396
Copra	5,646
Soybeans	62,543
Flaxseed	3,752
Others	9,043
Total	84,508

In 1970 Canada supplied approximately half of Finland's rapeseed, mustard seed and flaxseed imports.

Exports of vegetable oils and animal fats in 1971 are down from 1970 levels by 80 per cent and 30 per cent, respectively. Imports of these items are up by 40 per cent and 100 per cent, respectively. Fish oil imports are down from 1970 by about 15 per cent.

SITUATION IN SWEDEN

The following information concerning oilseeds in Denmark has been extracted from a report by Mr. J.L. Swanson, Commercial Councellor for Canada, Canadian Embassy, Stockholm, under date of December 13, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

The 1971 Swedish oilseed crop production is estimated at 219,600 metric tons, of which autumn rapeseed accounted for 100,000 tons, spring rapeseed 62,700 tons, spring turnip rapeseed 31,400 tons, autumn turnip rapeseed 23,500 tons and white mustard 2,000 tons.

Approximately 70,000 metric tons of an estimated 90,000 tons available for export have been exported this year.

Imports of rapeseed are insignificant. There have been small imports of soybeans and mustard seed as well as refined oils and animal feeds. Canada has supplied 8 tons of the total 26 tons of rapeseed imported and 109 tons of the total 719 tons of mustard seed. Margarine oil imports are up from 1970. Imported refined vegetable oils are used in the margarine industry due to the presence of undesireable compounds in domestic rapeseed oil. It is hoped that oil from the "Sinus" variety of rapeseed which was planted this autumn will prove acceptable in the margarine industry.

SITUATION IN THE UNION OF SOVIET SOCIALIST REPUBLICS

The following information relative to oilseeds in the Soviet Union has been extracted from a report by Mr. L.T. Dickenson, Assistant Commercial Secretary, Canadian Embassy, Moscow, under date of December 9, 1971 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

To date this Fall there has been very little information in Soviet newspapers and economic publications on the 1971 sunflower crop. This in itself may be an indication of difficulties in this year's production. We expect a slight decline in total production this year due to a slightly reduced acreage. The yield we feel will be about the same as 1970. This means that for four years in a row sunflowerseed production has gone down (1970 sunflower production figure was 6,070,000 tons).

Commercial vegetable oil production in 1971 should be slightly above that of 1970 due to last year's record cotton crop. The increase in vegetable oil production will probably be only marginal as sunflowerseed is the major component for vegetable oil production in the Soviet Union.

Of major interest are the 1970 trade statistics that have been published since our June report. Exports of sunflowerseed are down by over 50 per cent compared to 1969:

1968	361,300 metric tons
1969	345,300 metric tons
1970	142,700 metric tons

Soviet exports of vegetable oil also have plunged:

All Vegetable Oil		Sunflowerseed Oil	
	metric tons		
1968	770,400	1968	713,700
1969	695,000	1969	656,100
1970	373,300	1970	351,000

As exports of vegetable oils and oilseeds dropped imports of vegetable oils almost tripled.

This year's cotton crop will exceed 1970's record crop. This came as a surprise to many people who felt that cotton production would be down this year due to late seeding and severe drought, however, considerable effort was made in drought stricken areas to increase the supply of water from reservoirs. These measures have proved very successful.

We expect the Soviet Union to become less active on the export market due to lower production of sunflowerseed and sunflowerseed oil and due to increased home requirements arising from increased requirements for protein supplements for the livestock industry. The current five year plan emphasizes increased production of consumer goods with special emphasis on livestock products.

ROTTERDAM LINOIL STOCKS

The following information relative to bonded stocks of linseed oil in storage, Rotterdam, has been supplied by Mr. J. McAnsh, Executive Director of the Rapeseed Association of Canada.

Rotterdam Linoil Stocks, September 4-November 27, 1971 with Comparisons at Approximately the Same Dates in 1970

Week ending	1970	1971	1970	1971
	metric tons		thousand pounds	
September 4 ...	18,854	19,865	41,566	43,794
11 ...	16,426	20,703	36,213	45,642
18 ...	12,887	19,486	28,411	42,959
25 ...	11,079	18,645	24,425	41,105
October 2 ...	13,261	17,858	29,235	39,370
9 ...	10,201	21,825	22,489	48,115
16 ...	8,903	19,799	19,628	43,649
23 ...	7,224	17,741	15,926	39,112
30 ...	6,996	16,934	15,423	37,333
November 6 ...	6,838	13,506	15,075	29,775
13 ...	5,560	13,312	12,258	29,348
20 ...	7,084	9,792	15,617	21,587
27 ...	5,817	8,915	12,824	19,654

CALENDAR OF OILSEED EVENTS

October 13-14 — A symposium on grain and crop statistics was held in Winnipeg with approximately fifty delegates in attendance representing federal and provincial government agencies, agribusiness and other interested organizations. Various problem areas in the field of grain statistics were discussed and a number of ideas relating to the solution of these problems were put forward.

November 19 — Based on conditions at October 20, production of Canada's principal grain and oilseed crops in 1971 was estimated as follows, in millions of bushels, with 1970 figures in brackets: all wheat, 523.7 (331.5); oats for grain, 377.2 (367.8); barley, 654.8 (415.7); all rye, 24.8 (22.4); corn for grain, 108.1 (100.9); buckwheat, 2.1 (2.8); flaxseed, 25.7 (48.9); rapeseed, 98.5 (72.2); and soybeans, 10.1 (10.4).

22-23 — The 1971 Canadian Agricultural Outlook Conference held in Ottawa, was attended by representatives of foreign governments, federal and provincial governments, private enterprise and farm organizations. The conference included presentations and discussion on the marketing prospects for agricultural products in the coming two-year period.

December 9 — The Canadian Wheat Board in its Instruction to the Trade re Quotas Flaxseed No. 5 for the 1971-72 crop year stated that effective immediately, at all delivery points within the designated area, the regular quota of five (5) bushels per quota acre of flaxseed as indicated in our Instructions to the Trade re Quotas - Flaxseed No. 4 of October 29, 1971, is hereby increased to eight (8) bushels per quota acre of flaxseed as shown in the individual producer's permit book.