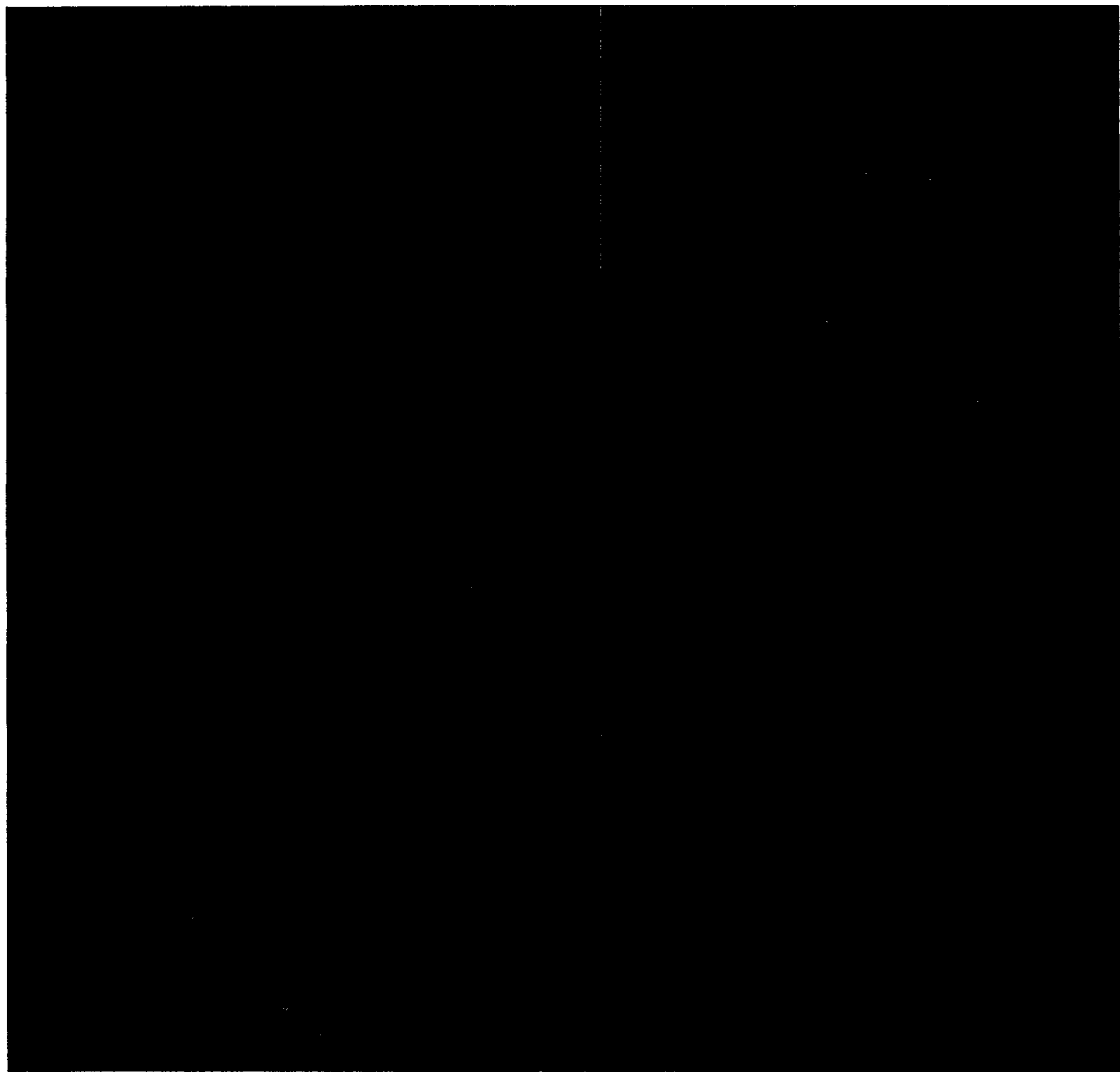


**DOES NOT CIRCULATE**  
**NE PAS PRÊTER**  
**Oilseeds review**

DECEMBER 1972





STATISTICS CANADA  
Agriculture Division  
Crops Section

## OILSEEDS REVIEW

DECEMBER 1972

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

January 1973  
5502-506

Price: 75 cents  
\$3.00 a year

Vol. 3—No. 2

Statistics Canada should be credited when republishing all or any part of this document

Information Canada  
Ottawa



TABLE OF CONTENTS

	<u>Page</u>
<u>World Situation</u>	
World Oilseeds Summary and Situation .....	5
1973 Outlook .....	5
<u>Canadian Situation</u>	
Canadian Oilseeds in 1971-72 .....	7
Outlook - 1972-73 .....	8
Implications and Alternatives .....	10
August-October Marketings of Flaxseed and Rapeseed .....	13
Exports of Flaxseed, Rapeseed and Soybeans .....	13
A high Rapeseed Quota Expected This Crop Year .....	13
Flaxseed Quotas .....	14
Rapeseed Quotas .....	14
Low Erucic Acid Rapeseed .....	14
General Quotas .....	15
Special Quotas .....	15
Summary of Weekly Stocks and Movement of Flaxseed .....	16
Summary of Weekly Stocks and Movement of Rapeseed .....	16
November Estimate of Production of the Principal Grain Crops in Canada 1972.	18
*November 1972 Estimate of Production of Oilseed Crops by Provinces .....	18
Farmers' Marketings of Flaxseed and Rapeseed .....	21
Marketings of Ontario Soybeans .....	22
Soybeans in Store at Eastern Transfer Elevators .....	22
Commercial Supplies .....	23
Grading of Flaxseed and Rapeseed 1972-73 .....	24
Lake Shipments from Thunder Bay .....	25
Rail Shipments from Thunder Bay .....	25
Domestic Crushings .....	26
Month-end Stocks in Crushing Plants of Oil and Meal .....	26
Flaxseed - Selected Statistics .....	27
Rapeseed - Selected Statistics .....	28
Soybeans - Selected Statistics .....	29
Monthly Prices of Oils and Meals .....	30
Exports of Canadian Flaxseed .....	31
Exports of Canadian Rapeseed .....	32
Customs Exports of Canadian Soybeans .....	32
<u>United States Situation</u>	
Summary .....	33
<u>Situation in Australia</u> .....	34
<u>Situation in the Netherlands</u> .....	37
<u>Situation in Portugal</u> .....	38
<u>Situation in Finland</u> .....	39
<u>Situation in Argentina</u> .....	40
<u>Situation in Sweden</u> .....	42
<u>Situation in the United Kingdom</u> .....	43
<u>Situation in France</u> .....	47
<u>Rotterdam Linoil Stocks</u> .....	51
<u>Calendar of Oilseed Events</u> .....	52

## 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.

Due to rounding, the sums of individual items may not agree exactly with the totals.

WORLD SITUATION

World Oilseeds Summary and Situation      The following is taken in part from a report on the World Oilseeds Situation as prepared by the Economics Branch of the Agricultural Outlook Conference, November 20 and 21, 1972.

Summary. — World production, stocks and trade in oils increased while prices declined. Meal prices are up. Canadian rapeseed prices are down, contrasting with other domestic oilseed prices.

Oilseeds situation 1971-72. — Production of edible oils and fats in 1971-72 increased by 3.4 per cent to 34,323 thousand metric tons. Disappearance increased by 2.4 per cent to 33,964 TMT(1). Stocks on hand at the end of 1971-72 were 8.9 per cent higher at 4,374 TMT. Almost half of the increase of 359 TMT in fats and oil stocks was accounted for by the increase in fish oil stocks by 150 TMT.

Net exports of fats and oils increased by 5.3 per cent to 9,831 TMT in 1971. Net exports of rapeseed and rapeseed oil (oil basis) increased by 38 per cent to 674 TMT in the same period. Net exports of rapeseed and rapeseed oil in 1971 accounted for 6.8 per cent of world trade in edible fats and oils compared to 5.2 per cent in the previous year.

Prices of edible fats and oils generally declined in 1971-72. The average price of soybean oil of any origin at Rotterdam declined by \$54 to \$255 per metric ton. Rapeseed oil and sunflower oil declined by \$59 and \$43 per metric ton, respectively, in the same period.

Prices of protein meals rose in 1971-72. European prices of soybean meal, rapeseed meal and fish meal in September 1972 were higher by \$39, \$24 and \$144 per metric ton, respectively, than in September 1971.

1973 Outlook      The following is taken from a report dated November 27, 1972 from the Foreign Agricultural Service, United States Department of Agriculture (Fats and Oils Division).

World oil supply and demand in balance — meals in short supply. — World exports of oils and meals next year will be influenced by sharply contrasting supply-demand situations. For oils, exportable supply could be somewhat in excess of import demands. For meals, a virtual cessation of Peruvian fishmeal production as a result of a fish scarcity, has created an extremely tight supply situation, which could continue through the first half of 1973.

Should Peru resume fishing in volume and meet its fishmeal production goal, and should present prospects for a much larger 1973 soybean crop in Brazil materialize, an oversupply of meals and oils could develop by late 1973. This possibility is increased by the exceptionally large exportable supply of U.S. soybeans and soybean meal.

Other unknowns also make it difficult to assess the 1973 situation. There will not be any reliable indication of the size of 1972 Soviet sunflowerseed production until the USSR issues its crop estimate in January. Estimates of the West African peanut crops, now being harvested, are still subject to wide variance. And the very important Argentine sunflower and Brazilian soybean crops are just being planted for harvest next spring; at this stage, production estimates assume average yields per acre next spring in the Southern Hemisphere.

(1) TMT — thousand metric tons.

Taking all these variables into consideration, we calculate, as indicated, a comfortable world oil supply, but a tight meal supply.

Reflecting this outlook, prices for oils in recent months have been virtually static, while those for meal have climbed steadily.

For oils, the situation anticipated is an above-average rise in export availabilities, but at a slower pace than this year's exceptionally large gain, which has enabled stocks to increase comfortably in importing countries. The expansion in 1973 availabilities should pretty well balance off an above-average increase in import requirements, caused by expanded Indian vegetable oil needs following failure of its 1972 peanut crop.

The export increase could amount to about 500,000 metric tons, roughly approximating import needs. Moreover, if recent reports of Mainland China's purchase of soybean oil are confirmed, there would be some additional increase in demand, but, based on present indications, Chinese purchases would not be enough to cause a significant change in the balance between supply and demand.

Most of the increased oil exports (in the form of oilseed) will come from the United States. In 1972, by contrast, exports from foreign producers were much larger than usual, while the United States showed only a modest gain.

The 1973 expansion in foreign oil export availabilities is concentrated in three commodities — palm oil, soybeans (and/or soybean oil), and animal fats. Malaysia will account for the bulk of the gain — possibly 150,000 metric tons — in palm oil. Brazil, if it maintains yields per acre on an estimated 30-per cent increase in soybean acreage, should have about 100,000 tons more of soybean oil to export in 1973. Foreign exports of animal fats could also be up 100,000 tons — with most of the gain in butter from the European Community but probably also some in lard and tallow.

Foreign sunflowerseed oil exports could rise 75,000 tons if Argentina gets an average yield on the indicated large acreage. Exports of peanuts and/or oil will probably be lower, with a larger Nigerian crop more than offset by smaller Senegalese and Brazilian crops. Exports of rapeseed and/or oil appear likely to be enlarged — owing to large Canadian stocks — but those of fish oil will probably be down more than 100,000 tons, reflecting the Peruvian fishing ban.

U.S. exports should show appreciable increases for soybeans, cottonseed oil, and sunflowerseed; and they should be well maintained for soybean oil and peanuts and/or oil.

The situation for meal is much more difficult to quantify, especially because of the disappearance of Peruvian fish but also because of uncertainty over peanut meal exports. Moreover, demand depends on the expansion (or contraction) of broiler, egg, milk, and pork production, as well as on price relationships between livestock products and feedstuffs and among feedstuffs themselves.

For 1973, demand from Western Europe and Japan is tentatively forecast to increase by roughly 450,000 tons — compared with a 650,000-ton gain in 1972 — as a result of continued expansion in poultry and livestock production. Also conceivable is a 150,000-ton gain in East European meal requirements, for a 50-per cent increase over that area's normal rate of expansion, following a year of reduced imports.



This anticipated increase of 600,000 tons, exclusive of the Soviet Union, represents a further levelling off in the rate of growth in demand for meal, as the rate of expansion in poultry and livestock becomes more modest and as the protein content of rations approaches optimum in several countries.

Aside from fishmeal, world meal export availabilities will be boosted considerably next year by larger U.S. and Brazilian soybean availabilities. Brazil's exports of beans and meal (on a meal basis) in 1973 could be up 600,000 tons, and U.S. shipments — aside from those to the USSR — could rise 1,150,000 tons, for a combined increase of 1,750,000 tons, soybean meal equivalent.

Partially offsetting these gains is a possible 300,000-ton drop in peanut meal export availabilities (mainly due to the Indian shortage).

These combined totals give an increased world export availability of roughly 1,450,000 tons — not considering fishmeal — against an import increase of possibly 600,000 tons, not including the USSR.

Unfortunately, it is simply impossible to foresee whether Peru will catch enough fish to meet its export goal of 1.4 million tons, or will have to settle for as little as one-tenth of that tonnage.

It should perhaps be emphasized that on the basis of a 1972-73 fishing year beginning September 1 — the world meal situation has to be extremely bullish. Peruvian exports in 1972-73, even if the Peruvian Government's 1973 target catch is attained, could hardly exceed 600,000 tons — a drop of 1.6 million tons (2.3 million of soybean meal equivalent) from the export volume of the 1971-72 fishing year.

Other meals such as cottonseed, linseed, and rape are not considered here since they account, in aggregate, for only 15 per cent of world meal exports.

#### CANADIAN SITUATION

Canadian Oilseeds      The following is taken from a report on the Canadian Oilseeds  
in 1971-72              Situation as prepared by the Economics Branch of the Canada  
Department of Agriculture for the Canadian Agricultural Outlook  
Conference, November 20 and 21, 1972.

As a result of increased carryover stocks, and another record crop of rapeseed in 1971, total supplies for the 1971-72 crop year were 106 million bushels (2,405 TMT) up by 40 per cent from the previous year. Exports of rapeseed in 1971-72 totalled 42.6 million bushels (966 TMT), down from the record 46.8 million bushels (1,062 TMT) of the previous year. This decline was offset by a 40 per cent increase in the domestic crush to 12.0 million bushels (272 TMT). Carryover stocks on July 31, 1972 were estimated at 41.8 million bushels (948 TMT). Of this, 16.3 million bushels (370 TMT) were on farms. Assuming that 15 per cent of on-farm stocks is taken up by dockage and waste, carryover stocks on a cleaned basis would be 39.4 million bushels (894 TMT).

Rapeseed prices in 1971-72 averaged \$2.47 per bushel at Thunder Bay, down from \$2.78 in 1970-71.

Beginning January 1973, only low erucic acid or Canbra oil will be allowed to be used in the domestic market. This means that domestic crushers will be crushing only low erucic acid rapeseed except where the rapeseed oil is for export shipment in which case either type of rapeseed may be crushed.

Despite increased acreage, production of soybeans in Canada declined by one per cent in 1971 to 10.3 million bushels (280 TMT). Exports of soybeans in 1971-72, at 1.4 million bushels (37 TMT), were almost double those of the previous year while soybean imports declined by almost one million bushels to 14.8 million bushels (403 TMT). Domestic crushing declined by 123,000 bushels to 23.3 million bushels (636 TMT).

Canada's net exports of soybean oil were up substantially in 1971-72 to 54.8 million pounds from 15.1 million pounds the previous year. Exports of soybean oil stood at 97.8 million pounds while imports were 43.0 million pounds. However, when the oil content of Canada's net imports of soybeans is included, Canada is a net importer of 86.13 million pounds of soybean oil.

Canada's net position in soybean meal also improved in 1971-72 as net imports declined from 126,822 to 93,475 short tons.

Prices for soybeans improved substantially in 1971-72 averaging \$3.17 per bushel, 22 cents above the average for 1970-71. The lowest price was recorded in January when the price dropped to \$2.97 while the highest price occurred in April at \$3.38.

Production of sunflowerseed in 1971 was 169.1 million pounds, up by 205 per cent over 1970. Exports of sunflowerseed in 1971-72 totalled 55.5 million pounds compared to 17.3 million pounds in 1970-71. The biggest customer for this sunflowerseed was the United States. The domestic crush in 1971-72 was 69.9 million pounds, up by 115 per cent from 1970-71. Imports of sunflowerseed oil in 1971-72 totalled 4.6 million pounds compared to 7.0 million pounds in 1970-71. The main supplier was the United States.

Canadian sunflower acreage declined in 1972 by nine per cent to 217 thousand acres. The decline was registered entirely in Saskatchewan and Alberta. Acreage in Manitoba increased from 155 to 190 thousand acres. The decline in sunflower acreage in Saskatchewan and Alberta appears to be due to improved market conditions for cereal grains as well as some dissatisfaction with sunflower returns.

As a result of record flaxseed production in 1970, stocks on July 31, 1971 were 26.6 million bushels (676 TMT). Production of 22.3 million bushels (568 TMT) brought total supplies for the 1971-72 crop year to 48.9 million bushels (1,245 TMT). Exports in that period rose by 20 per cent to a record 25.7 million bushels (653 TMT) while 2.8 million bushels (72 TMT) were crushed domestically. Stocks at the end of 1971-72 were 16.0 million bushels (407 TMT). Assuming 15 per cent of farm stocks is taken up by waste, and dockage, stocks of flaxseed on a cleaned basis totalled 15.1 million bushels (384 TMT).

Flaxseed prices at Thunder Bay averaged \$2.57 per bushel in 1971-72, an increase of four cents over 1970-71. Prices were depressed at the beginning of the crop year but advanced steadily as flaxseed supplies dwindled.

Outlook - 1972-73. - Rapeseed acreage in 1972 dropped sharply from 5.3 million to 3.3 million acres. The Statistics Canada production estimate based on October 25 conditions is 57.3 million bushels (1,300 TMT). Assuming that dockage and waste amount to 15 per cent of production, net production of rapeseed would be reduced to 48.7 million bushels (1,105 TMT) bringing total supplies to 88.1 million bushels (1,998 TMT), again on a cleaned basis.

With expanded crushing capacity, the domestic rapeseed crush will likely increase to 14 million bushels (318 TMT). Exports for 1972-73 are currently substantially above the rate of the previous year and if continued will reach approximately 52 million bushels (1,180 TMT). This would lead to total utilization of 66 million bushels (1,497 TMT) and would result in a carryover of 23 million bushels (522 TMT) on a cleaned basis.

Several factors are likely to influence Canadian rapeseed prices in 1972-73. World production of rapeseed in 1972-73 is expected to be down by as much as one half million metric tons as a result of reduced crops in Canada and Poland. Poor weather conditions in India have resulted in a much reduced groundnut crop. As a result, the Indian Government is expected to import 200,000 metric tons of oils. It would appear that Canada is in a position to supply some of these requirements in the form of rapeseed and rapeseed oil. Canada's foreign aid commitments for rapeseed and rapeseed oil to India and Bangladesh are higher for 1972-73 than for previous years. Because of high protein meal prices, soybean prices in 1972-73 will be high. As a result, rapeseed demand should be strong, especially in Japan where it is the oil which is especially desired. Prices of edible oils are likely to be down in 1972-73 by approximately ten per cent as a result of increased world production of fats and oils, especially palm oil and coconut oils.

Rapeseed prices have strengthened considerably since the beginning of the crop year. Cash prices for rapeseed at Thunder Bay have recently fluctuated around \$2.55 per bushel, 16 cents above the July price and eight cents above the average price for 1971-72. Despite the lower prices for edible oils expected in 1972-73, rapeseed prices are likely to average higher in 1972-73 than in 1971-72.

In view of reduced carryover stocks projected for July 31, 1973, it would appear that some increase in rapeseed acreage will be necessary if Canada is to maintain her share of world markets.

Acreage of soybeans increased in 1972 to 405 thousand acres. Based upon October 25 conditions, production is estimated at 11.7 million bushels (320 TMT). It would appear that Canada may have difficulty in maintaining exports of soybean oil and meal at current levels since Britain's entry into the European Common Market will eliminate the Commonwealth preference which these products have enjoyed in that market. In addition, soybean products will continue to face increasing competition from rapeseed products, especially from rapeseed oil. These factors could result in reduced imports of soybeans and soybean products from the United States.

Although soybean supplies in the United States are expected to be seven per cent above last year, the market is expected to be tight. Farm prices in the United States are expected to increase by five to ten per cent, to \$3.15 to \$3.30 per bushel. Canadian prices will follow those in the United States with Chatham prices averaging near \$3.40 per bushel.

Although sunflower acreage is down, yields are expected to be substantially higher so that production of sunflowerseed will increase in 1972 to nearly 170 million pounds. The domestic crush will probably increase again, perhaps to 85 million pounds. Returns to growers are expected to increase slightly to about 5.75 cents per pound.

The most recent estimate of flaxseed production for 1972 is 19.0 million bushels (483 TMT). Assuming waste and dockage at 15 per cent this would mean production of 16.2 million bushels (411 TMT) and total supplies of 31.3 million bushels (794 TMT) on a dockage-free basis.

Higher flaxseed prices will probably reduce export movement of flaxseed especially where exports are related to use of whole flaxseed in livestock rations. However, flaxseed exports will probably reach 20 to 24 million bushels (508 to 610 TMT). The domestic crush will likely also decline to 2.0 million bushels (51 TMT). In addition, seed requirements would absorb another million bushels. Thus, carryover stocks at the end of the crop year would be 4.0 to 8.0 million bushels (102 to 203 TMT). With flax supplies down, prices for the remainder of the crop year should be buoyant. Prices at Thunder Bay should average \$3.25 per bushel or more.

In view of the low carryover stocks projected for the end of 1972-73, some increase in flaxseed acreage in 1973 seems to be required for Canada to maintain her share of world markets.

#### Implications and Alternatives

The following paper was presented by Mr. James McAnsh, Executive Director, Rapeseed Association of Canada, at the Canadian Agricultural Outlook Conference on November 20 and 21, 1972 in response to the prepared Canadian Situation and Outlook papers.

Rapeseed is a crop in which I have a special interest. It is a crop that I believe is vulnerable in 1973, not only because of the bad harvest season this year, but as a consequence of the unusual demand for wheat in the USSR and the People's Republic of China, a demand that could be of a quite temporary nature. With wheat prices and exports at the highest levels reached in some years, and with surplus wheat stocks in Canada likely to be heavily depleted at the end of the present crop year, the temptation for farmers to go wholeheartedly into wheat production in 1973, will be strong indeed. Forgotten will be the LIFT program of 1969-70, designed to rescue producers from the huge wheat inventories accumulated, mostly on the farms, in the preceding years. Overlooked also will be the fact that many other countries besides Canada will be caught up in the current buoyancy of the world wheat market and will want to get a piece of the action.

The "Outlook" paper, in its final paragraph on rapeseed concludes that "some increase in rapeseed acreage will be necessary if Canada is to maintain her share of world markets". There is nothing wrong with this statement per se, but what impact is it likely to have on producers? Will they be convinced that if they do not plan an increase in rapeseed acreage they should at least hold it at the 1972 level? Are producers likely to remember under present wheat market conditions that in the past three years rapeseed production contributed heavily to their cash income? Or will they recognize when they come to allocate their available acreage to different crops that rapeseed is a growth market worthy of their best consideration in looking ahead? These questions are not raised in the "Outlook" paper yet they are of vital importance to decision-making on the farms in 1973 and the years that follow. It seems to me that it is not enough to simply indicate that exports and domestic crush of rapeseed in the 1972-73 crop year could establish new records, and that the carryover next July 31 could be down to 23 million (net) bushels.

Producers, as I see it, will have to be convinced that rapeseed produced in Canada has experienced fantastic market growth in the past six years both at home and abroad. That continuation of this growth in the years ahead is largely in their hands as producers. A return to the peaks and valleys of acreage and production witnessed in the early 1960's will do irreparable damage to future prospects. Buyers abroad insist on continuity of supply and quickly lose interest in sources of supply that are here today and gone tomorrow. The oilseed crushers in Japan have done more than any other buyer of Canadian rapeseed to encourage its

production but they have also been emphatic in their views that continuity of supply is a prerequisite of their support. If the Canadian producer fails them now it will be his loss and the gain of some competitor, Australia, for example, where oilseed production, including rapeseed, is being aggressively encourage.

When I say these things, I am not overlooking the alternatives that are presently attractive to the Canadian rapeseed producer. He sees a spectacular demand for wheat at high prices and knows that a wheat crop is easier to grow than a crop of rapeseed. With the latter he had to contend more with insects and disease, and the workload is greater than with wheat.

Many rapeseed growers had a bad experience with frost, rain and snow in 1972. If they look back over the past ten years, however, they will note that 1972 conditions have not occurred very often, and that yield per acre, on the average, has remained relatively steady. Cash return per acre has also been quite good on the whole, and what is equally important, the carryover of rapeseed on farms at the close of each season has been negligible until this year. Some of the new low erucic acid varieties of rapeseed to which Canada has converted have a lower bushel yield per acre than the varieties formerly grown and this is a factor also that could influence the producer in 1973. We do, however, have new and better yielding varieties, in terms of both bushels and oil content, on the way.

Can the producers be convinced that acceptance of some short-term disadvantages is good business if they are soon to be outweighed by long-term advantages? If producers cannot be persuaded of this and want the good things now and not later, how do we cope with this situation and avoid damage to the growth market in rapeseed?

Perhaps this is where we toss the ball to the Government. The LIFT program in 1970 compensated producers who cut back their wheat acreage in order to reach "lower inventories for tomorrow". Would it be unreasonable to ask that producers of rapeseed also be compensated for the losses they incur in growing the lower yielding low erucic acid rapeseed varieties? They have done it this year, and to some degree in 1971, not by choice, but because they were strongly advised to do so by the Minister of National Health and Welfare.

I subscribe to much of what has been said in the "Outlook" paper on soybeans. I don't know that I would have been so bold as to be so specific in regard to prices. I think I would have been quite content to say that they will probably be high. In this connection I seem to have read only a short time ago that the Ontario Soybean Producers think they are not high enough.

There is no doubt that the entry of the United Kingdom into the European Economic Community (EEC) will have serious repercussions as far as exports of beans and products by Canadian exporters are concerned. There is evidence also that rapeseed oil in the Canadian domestic market is competing very successfully with soybean oil in the edible oil food industry. And this despite the irresponsible newspaper stories that have been circulated during the past two months.

It would seem to me that there is room for still further expansion of soybean production in Canada even with some loss of overseas markets for soybean products. I would like to see at some time a study in depth of the soybean production potential in Canada. We seem to get higher average yields in Ontario than the national average in the United States yet acreage expansion has been slow.

X

Except in Manitoba, which historically has been the leading producer of sunflowerseed in Canada, this crop appears to be having difficulty in getting acceptance by farmers in Western Canada.

Whereas the United States was, in the past, the largest market for exports from Canada, we now have a reverse situation in which Canada is buying from south of the border. Canada also imports sizeable amounts of sunflowerseed oil from a variety of sources so that in our domestic market there is a potential demand that could be met from our own production. Overseas buyers, including Japan, have also evinced interest in Canada sunflowerseed and there is little doubt that markets abroad could be expanded if the production was more stable and in larger volume. Perhaps what is lacking is a good promotion organization. At the same time it would be useful to learn what the impediments are to sunflowerseed production in Alberta and Saskatchewan, in the southern areas, where it would appear that soil and climatic conditions are suitable.

The "Outlook" paper forecasts better yields per acre this year and indicates that reasonably good prices to producers will be paid. Perhaps this will act as a stimulant to acreage expansion in 1973. Sunflowerseed is certainly a desirable crop and one that fits into the pattern of diversification.

Statistics on flaxseed contained in the "Outlook" paper are generally acceptable. The possible exception is the allowance for dockage at 15 per cent. This appears to be high and more like the dockage figure for rapeseed.

The very sizeable adjustment in available supplies in the three major producing and exporting countries during the past two years has created once more a very healthy supply-demand relationship. There is some concern now that acreage reduction might have been overdone in 1971 and 1972 but the over-supply was so great that a major cut was necessary.

We now know that the fall prices resulting from this oversupply opened up new outlets for the seed. It became economical for compounders of animal feeds to mix whole flaxseed in livestock rations and this accounted for a substantial part of the disappearance of Canadian flaxseed last season. This door has now virtually been closed by the sharp rise in flaxseed values.

Flaxseed producers in Canada and the United States will be given an opportunity in 1973 to make some upward adjustment in seeded acreage and current high prices, plus the prospective small carryover next summer, will doubtless induce farmers to follow this course.

Industrial use of linseed oil in North America is showing only minor improvement in spite of strong efforts to divert its use to concrete paving and other uses. This is less true of Europe where the absorption of linseed oil is fairly well maintained. The Commodity Credit Corporation (CC) of the United States Department of Agriculture had been very successful in the past year in unloading a very large part of its inventory of linseed oil, albeit this could have been at the expense of exports from Canada, particularly to the United Kingdom. A quite unexpected development in recent months was the sale of some 2,000 metric tons of linseed oil by an American exporter to the People's Republic of China. This may have been just a "Flash in the pan". On the other hand it could be meaningful for the future.

Too high prices for flaxseed will not be good for the producer in the long run. They eventually lead to overproduction and uneconomic price levels. There is a regular place for flaxseed, however, in the total agricultural pattern and if producers try to plan their production to the market potential, they will average out well.

August-October Marketings  
of Flaxseed and Rapeseed

Data recorded for the first quarter of the 1972-73 crop year, indicate that primary deliveries of flaxseed have amounted to 4.2 million bushels, 3 per cent above the 1971 comparable total of 4.0 million, but 37 per cent below the ten-year (1961-70) average for the period of 6.7 million. Marketings of rapeseed at 10.8 million bushels registered a 39 per cent decline from the corresponding 1971 figure of 17.8 million and considerably above the ten-year average of 6.6 million.

Exports of Flaxseed,  
Rapeseed and Soybeans

During the first three months of the 1972-73 crop year exports of Canadian flaxseed amounted to 5.6 million bushels, 2 per cent above the 5.5 million bushels shipped during the comparable period of 1971 and 68 per cent more than the ten-year (1961-70) average for the period of 3.3 million. The major markets for this oilseed with figures in millions of bushels were as follows: Netherlands 2.7, and Japan 1.1. The remainder was accounted for by relatively smaller shipments to West Germany, Spain, Britain, Australia, Belgium and Luxembourg, Norway, Italy, Switzerland, Korea South, and France.

Exports of rapeseed from August 1 to October 31, 1972, at 10.8 million bushels, were 39 per cent below the comparable 1971 figure of 17.8 million but were in sharp contrast to the recent average of 6.6 million. Japan, Bangladesh, and France were the major importers, at 8.9 million, 2.1 million and 1.2 million and accounted for 90 per cent of the three-month total while the remainder was imported by India, Italy, the Netherlands, Australia, France and the United States.

Customs exports of soybeans during the first three months of the 1972-73 crop year amounted to 12 thousand bushels compared with 173 thousand the previous year.

A High Rapeseed  
Quota Expected  
This Crop Year

On December 8, 1972 Mr. R.M. Esdale, Commissioner of the Canadian Wheat Board said with increased demand for oilseeds, rapeseed quotas at country elevators are expected to reach a level high enough to enable farmers to deliver all of their available rapeseed supplies by the end of the crop year. "Our intention is to provide equal delivery opportunities for all rapeseed growers during this crop year," Mr. Esdale said, "With the increased demand for rapeseed, farmers delivering to country elevators will have the same marketing opportunities by the end of the crop year as those now able to truck their rapeseed to local crushing plants."

As a result of the general increase in world demand for oilseeds, rapeseed exports are expected to exceed the record of 46.8 million bushels set in 1970-71. Some grain trade officials have stated publicly that rapeseed exports, already five million bushels ahead of the same period last year, could reach as high as 50 million bushels by next July 31. "With domestic requirements in excess of 12 million bushels, virtually all of the rapeseed farmers have available will be needed to meet market requirements until the new crop is harvested next fall," Mr. Esdale said.

Rapeseed quotas at country elevators are now at a level of six bushels per quota acre. This compares with the 20-bushel quota established for crushing plants at the start of the crop year. However, Mr. Esdale said country elevator quotas will be increased as rapidly as possible during the remainder of the crop year. Mr. Esdale

said that the Wheat Board would also continue to allocate railway cars to the movement of rapeseed on the basis of export requirements. This is being done to maintain the efficient utilization of the grain handling and transportation system while, at the same time, ensuring that all export commitments for rapeseed will be met.

Flaxseed Quotas The Canadian Wheat Board in its Instructions to the Trade re Quotas - Flaxseed No. 2 under date of October 6, 1972 stated in part 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 20, 1972, is hereby increased to six (6) bushels per quota acre of flaxseed as shown in the individual producer's permit book.

Instruction No. 3 under date of November 7, 1972 stated in part that effective immediately, at all delivery points within the designated area, the regular quota of six (6) bushels per quota acre of flaxseed as indicated in our Instructions to the Trade re Quotas - Flaxseed No. 2 of October 6, 1972, is hereby increased to nine(9) bushels per quota acre of flaxseed as shown in the individual producer's permit book.

Rapeseed Quotas The Canadian Wheat Board in its Instructions to the Trade re Quotas - Rapeseed, No. 2 under date of November 7, 1972 stated in part 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 20, 1972, is hereby increased to six (6) bushels per quota acre of Rapeseed as shown in the individual producer's permit book.

Instruction No. 3 dated December 12, 1972 stated in part that effective immediately, at all delivery points within the designated area, the regular quota of six (6) bushels per quota acre of Rapeseed as indicated in our Instructions to the Trade re Quotas - Rapeseed No. 2 of November 7, 1972, is hereby increased to sixteen (16) bushels per quota acre of Rapeseed as shown in the individual producer's permit book for Sample Rapeseed Only.

Low Erucic Acid Rapeseed The Canadian Wheat Board in its Instructions to the Trade re Quotas - Low Erucic Acid Rapeseed, No. 2 under date of November 7, 1972 stated in part that, effective immediately, at all delivery points within the designated area, the regular quota of three (3) bushels per quota acre of Low Erucic Acid Rapeseed No. 1 of July 20, 1972, is hereby increased to six (6) bushels per quota acre of Low Erucic Acid Rapeseed as shown in the individual producer's permit book.

Instruction No. 4, under date of December 14, 1972 stated in part that effective immediately, at all delivery points within the designated area, the regular quota of six (6) bushels per quota acre of Low Erucic Acid Rapeseed as indicated in our Instructions to the Trade re Quotas - Low Erucic Acid Rapeseed No. 3 of December 12, 1972, is hereby increased to ten (10) bushels per quota acre for all grades of Low Erucic Acid Rapeseed as shown in the individual producer's permit book.



General Quotas 1972-73 as at Monday, December 11, 1972

	<u>A</u>	<u>B</u>	
Alberta Red Winter	2(1)	2	All blocks
Soft White Spring	5		All blocks
Rye	8		All blocks
Flaxseed	9		All blocks
Rapeseed (low erucic acid)	6		All blocks
Rapeseed (other)	6		All blocks

Special Quotas as at Monday, December 11, 1972

Selected Soft White Spring wheat	Rail - 1 carlot (40 assigned acres) Truck - 50 bushels per assigned acre	All blocks
Selected Pitic 62	1 carlot (50 assigned acres)	All blocks
Selected oats(2)	Rail - second carlot (60 assigned acres) Truck - 50 bushels per assigned acre	All blocks
Rye for distilleries	25 bushels per assigned quota acre	
Flaxseed for processors	15 bushels per assigned quota acre	
Rapeseed for crushers	20 bushels per assigned quota acre	
Selected barley		
Two - Row barley	Extended to third carlot	All blocks
Six - Row barley (all varieties)	Extended to second carlot	All blocks
Six - Row barley (Galt variety)	Extended to any additional carlots	All blocks

- 
- (1) Effective Friday, December 22, 1972 at all delivery points within the designated area the "A" Quota for Alberta Red Winter wheat is hereby cancelled.
- (2) For oats grading No. 1 Feed and higher only.

Summary of Weekly Stocks and Movement of Flaxseed, September 6 — November 22, 1972

No.	Week ending	Farmers' marketings	Country elevators		
			Receipts	Shipments	Stocks
million bushels					
1	September 6, 1972 .....	.1	.1	.2	4.1
2	13 .....	.2	.1	.4	3.9
3	20 .....	.3	.3	.2	4.0
4	27 .....	.3	.2	.4	3.9
5	October 4 .....	.2	.2	.5	3.5
6	11 .....	.6	.6	.2	3.9
7	18 .....	1.1	1.1	.3	4.6
8	25 .....	.6	.1	.5	4.8
9	November 1 .....	.4	.4	.5	4.7
10	8 .....	.3	.3	.3	4.5
11	15 .....	.4	.4	.3	4.6
12	22 .....	.5	.5	.4	4.7

Summary of Weekly Stocks and Movement of Rapeseed, September 6 — November 22, 1972

No.	Week ending	Farmers' marketings	Country elevators		
			Receipts	Shipments	Stocks
million bushels					
1	September 6, 1972 .....	.8	.7	.9	13.1
2	13 .....	.8	.7	1.3	12.5
3	20 .....	1.4	.9	.7	12.4
4	27 .....	1.0	.6	.5	12.6
5	October 4 .....	1.0	.8	.7	12.7
6	11 .....	1.1	.9	.5	13.0
7	18 .....	1.2	1.1	1.2	12.9
8	25 .....	.7	.5	.7	13.6
9	November 1 .....	.4	.4	1.0	14.6
10	8 .....	.7	.4	1.2	13.8
11	15 .....	.9	.4	1.0	13.3
12	22 .....	1.7	1.6	1.5	13.2

Summary of Weekly Stocks and Movement of Flaxseed, September 6 — November 22, 1972

Pacific Coast			Thunder Bay			Total overseas clearances	No.
Receipts	Shipments	Stocks	Receipts	Shipments	Stocks		
million bushels							
.01	—	.8	.4	.2	2.9	.3	1
.1	.3	.7	.3	.5	2.7	.7	2
.3	.4	.6	.2	.3	2.6	.7	3
.01	.1	.5	.2	.6	2.2	.6	4
.1	.2	.4	.2	.6	1.9	.8	5
.1	—	.5	.2	.4	1.7	.4	6
.1	.1	.5	.2	.1	1.8	.2	7
.2	.3	.3	.3	.1	2.0	.3	8
.2	.01	.4	.3	.3	2.0	.4	9
.9	.4	.6	.3	.7	1.8	.6	10
.7	.5	.7	.3	1.0	1.2	.6	11
.2	.2	.7	.7	.7	.6	1.2	12

Summary of Weekly Stocks and Movement of Rapeseed, September 6 — November 22, 1972

Pacific Coast			Thunder Bay			Total overseas clearances	No.
Receipts	Shipments	Stocks	Receipts	Shipments	Stocks		
million bushels							
.03	—	3.1	.6	.5	4.9	.5	1
1.0	.3	3.3	.8	.6	4.9	1.6	2
.7	1.2	2.9	.9	.9	4.9	2.1	3
.3	1.4	1.8	.3	.1	5.2	1.4	4
.5	.6	1.7	.1	—	5.3	.6	5
.4	.2	1.9	.1	.5	4.9	.7	6
.9	.4	2.4	.2	.04	5.0	.4	7
.6	.6	2.5	.2	.04	5.1	.6	8
1.1	1.9	1.7	.3	1.3	4.1	3.0	9
.9	.4	2.3	.3	.7	3.7	.7	10
.7	.5	2.5	.3	1.0	3.0	1.1	11
.8	.3	3.0	.2	1.1	2.1	1.4	12

November Estimate  
of Production of the  
Principal Grain Crops  
in Canada, 1972

This report is based on yields as indicated during the third week of October. Most of the 1972 Prairie grain and oilseed harvest was completed by mid-October with only two per cent remaining at the end of the month, the bulk of which was in the Peace River district of Alberta where it is estimated that about 25 to 30 per cent of the crop is under snow. Yields in Manitoba and Saskatchewan were somewhat lower than in 1971 and quality in Saskatchewan was reduced by early frosts in some districts. In those districts of Alberta where excellent moisture conditions prevailed throughout the growing season yields of most crops are up from 1971.

November Estimate of the 1972 Production of Grain and Oilseed Crops  
Canada, Compared with 1971

Crop	Area		Yield per acre		Production	
	1971	1972	1971	1972(1)	1971	1972(1)
<u>Canada</u>	acres		bushels		bushels	
Winter wheat ..	341,000	365,000	41.3	43.5	14,083,000	15,878,000
Spring wheat(2)	19,065,700	20,984,700	27.0	24.7	515,469,000	517,410,000
All wheat ...	19,406,700	21,349,700 <sup>r</sup>	27.3	25.0	529,552,000	533,288,000
Oats for grain.	6,830,900	6,104,000	53.2	49.2	363,479,000	300,208,000
Barley .....	13,980,500	12,510,900	43.0	41.4	601,628,000	518,413,000
Fall rye .....	906,300	593,000	23.2	21.6	21,005,000	12,784,000
Spring rye ....	50,700	41,500	17.9	17.8	910,000	740,000
All rye .....	957,000	634,500	22.9	21.3	21,915,000	13,524,000
Mixed grains ..	2,054,800	2,064,900	52.1	50.5	107,078,000	104,285,000
Corn for grain.	1,410,100	1,317,000	82.2	79.4	115,977,000	104,597,000
Buckwheat .....	113,100	102,800	21.2	16.6	2,395,000	1,711,000
Peas, dry .....	80,800	67,600	23.8	23.5	1,927,000	1,587,000
Beans, dry ....	113,200	134,200	25.7	23.7	2,911,000	3,183,000
Flaxseed .....	1,763,300	1,421,000	12.7	13.4	22,321,000	19,017,000
Soybeans .....	367,000	405,000	28.0	29.0	10,276,000	11,745,000
Rapeseed .....	5,306,000	3,270,000	17.9	17.5	95,000,000	57,300,000
			pounds		pounds	
Mustard seed ..	206,300	180,000	900	842	185,600,000	151,500,000
Sunflowerseed .	239,400	217,000	706	783	169,070,000	170,000,000

(1) As indicated on the basis of conditions on or about October 25.

(2) Includes durum wheat.

November 1972 Estimate  
of Production of Oilseed  
Crops by Provinces

The 1972 flaxseed crop, now estimated at 19.0 million bushels is 15 per cent below last year's outturn of 22.3 million. Acreage sown to this crop decreased 19 per cent this year and average yields at 13.4 bushels per acre are 6 per cent above last year's 12.7 bushels.

Rapeseed production in 1972 is estimated at 57.3 million bushels compared with 95.0 million last year. Acreage seeded to this crop was some 38 per cent smaller than in 1971 and average yields of 17.5 bushels per acre are 2 per cent lower than the 1971 outturn of 17.9 bushels.

Production of soybeans currently estimated at a record 11.7 million bushels is 14 per cent larger than last year's 10.3 million. The average yield per acre is estimated at 29.0 bushels compared with 28.0 bushels last year.

The area sown to sunflowers is placed at 217,000 acres, down from the 239,400 acres planted in 1971. The indicated yield at 783 pounds per acre is 11 per cent higher than the 1971 average of 706 pounds. Indicated total production at a record 170.0 million pounds, is above last year's crop of 169.1 million.

The area in mustard seed, all of which is grown in the Prairie Provinces, at 180,000 acres in 1972, is down 13 per cent from the 1971 area of 206,300 acres and average yields at 842 pounds per acre are 6 per cent below those of last year. Total production is expected to amount to 151.5 million pounds, 18 per cent below the 185.6 million produced in 1971.

Acreeage, Yield and Production of Oilseed Crops, by Provinces, Canada, 1971 and 1972

Crop and province	Acreeage		Yield per acre		Production	
	1971	1972	1971 <sup>r</sup>	1972(1)	1971 <sup>r</sup>	1972(1)
	acres		bushels		bushels	
<u>Flaxseed</u>						
Quebec .....	4,200	..	15.1	..	63,000	..
Ontario .....	1,300	1,000	16.0	17.0	21,000	17,000
Manitoba .....	566,000	550,000	10.4	11.8	5,900,000	6,500,000
Saskatchewan .....	925,000	700,000	13.9	14.0	12,900,000	9,800,000
Alberta .....	271,000	170,000	12.9	15.9	3,500,000	2,700,000
British Columbia .....	300	..	11.6	..	3,000	..
Totals .....	1,767,800	1,421,000	12.7	13.4	22,387,000	19,017,000
<u>Rapeseed</u>						
Manitoba .....	581,000	470,000	20.7	18.1	12,000,000	8,500,000
Saskatchewan .....	2,737,000	1,500,000	18.6	16.5	51,000,000	24,800,000
Alberta .....	1,988,000	1,300,000	16.1	18.5	32,000,000	24,000,000
Totals .....	5,306,000	3,270,000	17.9	17.5	95,000,000	57,300,000
<u>Soybeans</u>						
Ontario .....	367,000	405,000	28.0	29.0	10,276,000	11,745,000
<u>Sunflowerseed</u>						
Manitoba .....	155,000	190,000	750	800	116,250,000	152,000,000
Saskatchewan .....	70,800	23,000	650	652	46,020,000	15,000,000
Alberta .....	13,600	4,000	500	750	6,800,000	3,000,000
Totals .....	239,400	217,000	706	783	169,070,000	170,000,000
<u>Mustard seed</u>						
Manitoba .....	10,300	15,000	796	833	8,200,000	12,500,000
Saskatchewan .....	152,000	140,000	950	821	144,400,000	115,000,000
Alberta .....	44,000	25,000	750	960	33,000,000	24,000,000
Totals .....	206,300	180,000	900	842	185,600,000	151,500,000

(1) As indicated on basis of conditions on or about October 25.

November Estimate, in Metric Tons, of the 1972 Production of Grain and Oilseed Crops, Canada, Compared with 1971



Crop	1971		1972	
	bushels	metric tons	bushels	metric tons
<u>CANADA</u>				
Winter wheat .....	14,083,000	383,300	15,878,000	432,100
Spring wheat(2) .....	515,469,000	14,029,000	517,410,000	14,081,800
All wheat .....	529,552,000	14,412,300	533,288,000	14,513,900
Oats for grain .....	363,479,000	5,605,600	300,208,000	4,629,800
Barley .....	601,628,000	13,099,200	518,413,000	11,287,400
Fall rye .....	21,005,000	533,500	12,784,000	324,700
Spring rye .....	910,000	23,100	740,000	18,800
All rye .....	21,915,000	556,600	13,524,000	343,500
Mixed grains .....	107,078,000	2,185,700	104,285,000	2,128,700
Corn for grain .....	115,977,000	2,945,900	104,597,000	2,656,900
Buckwheat .....	2,395,000	52,100	1,711,000	37,300
Peas, dry .....	1,927,000	52,400	1,587,000	43,200
Beans, dry .....	2,911,000	79,200	3,183,000	86,600
Flaxseed .....	22,321,000	567,000	19,017,000	483,100
Soybeans .....	10,276,000	279,700	11,745,000	319,700
Rapeseed .....	95,000,000	2,154,600	57,300,000	1,299,600
	pounds		pounds	
Mustard seed .....	185,600,000	84,200	151,500,000	68,700
Sunflowerseed .....	169,070,000	76,700	170,000,000	77,100
<u>PRAIRIE PROVINCES</u>				
	bushels		bushels	
Wheat(2) .....	510,000,000	13,880,200	513,000,000	13,961,800
Durum wheat .....	56,000,000	1,524,100	73,500,000	2,000,400
Oats for grain .....	288,000,000	4,441,500	238,000,000	3,670,400
Barley .....	570,000,000	12,410,600	492,000,000	10,712,300
Rye .....	20,520,000	521,200	11,940,000	303,300
Flaxseed .....	22,300,000	566,400	19,000,000	482,600
Rapeseed .....	95,000,000	2,154,600	57,300,000	1,299,600

(1) As indicated on the basis of conditions on or about October 25.

(2) Includes durum wheat.

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 22 were lower than the comparable deliveries of the previous year. Deliveries of flaxseed amounted to 5.4 million bushels, slightly below the 5.5 million the previous year and 34 per cent less than the ten-year (1961-70) average for the period of 8.1 million bushels. Rapeseed marketings, at 14.2 million bushels, were 33 per cent below the 21.2 million marketed during the corresponding period of 1971 but substantially higher than the ten-year average of 8.4 million bushels.

Farmers' Marketings of Flaxseed and Rapeseed in the Prairie Provinces  
1972-73 with Comparisons

Period or week ending		Flaxseed(1)			
		Man.	Sask.	Alta.	Total
		thousand bushels			
August	9, 1972	(2)	70	14	85
	16	(2)	69	12	81
	23	28	99	48	175
	30	14	74	11	99
September	6	23	35	13	70
	13	48	85	20	153
	20	130	133	67	329
	27	164	81	8	254
October	4	101	76	31	209
	11	332	229	24	586
	18	408	605	97	1,110
	25	231	287	109	627
November	1	95	150	152	397
	8	95	116	90	301
	15	147	185	47	379
	22	112	312	81	505
Totals		1,929	2,607	824	5,359
Similar period 1971		1,473	3,075	992	5,540
10-year average similar period 1961-70		4,339	2,228	1,563	8,130
		Rapeseed(3)			
August	9, 1972	2	140	48	190
	16	12	157	236	404
	23	195	213	324	732
	30	165	452	454	1,071
September	6	148	404	268	820
	13	183	357	251	792
	20	183	793	447	1,424
	27	138	495	377	1,010
October	4	197	319	484	999
	11	147	460	461	1,068
	18	88	219	891	1,198
	25	36	263	402	702
November	1	33	91	291	415
	8	43	106	596	745
	15	94	501	303	899
	22	197	628	866	1,691
Totals		1,861	5,596	6,701	14,159
Similar period 1971		2,405	10,764	7,992	21,162
10-year average similar period 1961-70		817	4,087	3,539	8,442

(1) Includes receipts at country, interior terminal elevators and platform loadings.

(2) Less than 500 bushels.

(3) Includes data from unlicensed facilities.

Marketings of Ontario Soybeans Marketings of Ontario soybeans during the first three months of the 1972-73 crop year amounted to 2.9 million bushels, 4 per cent less than the comparable 1971-72 total of 3.0 million, 11 per cent lower than the 3.2 million of 1970-71 but one per cent above the ten-year (1961-70) 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) 1972-73 with Comparisons

Month	10-year average 1961-62 - 1970-71	1970-71	1971-72	1972-73
bushels				
August .....	64,731	19,408	44,570	108,128
September .....	131,709	186,815	121,172	69,018
October .....	2,652,286	3,024,145	2,837,091	2,700,000(2)
November .....	1,254,312	1,985,958	2,408,814	
December .....	488,043	755,640	548,800	
January .....	413,250	446,201	463,894	
February .....	398,617	311,848	491,178	
March .....	327,966	496,081	831,254	
April .....	394,656	428,077	667,398	
May .....	405,004	940,858	363,579	
June .....	361,027	805,422	384,749	
July .....	191,682	324,623	199,057	
<b>Totals .....</b>	<b>7,083,284</b>	<b>9,725,076</b>	<b>9,361,556</b>	

(1) Ontario Soybean Marketing Board.

(2) Estimated.

Soybeans in Store at Eastern Transfer Elevators At November 22, 1972 a total of 1,876,000 bushels of Canadian and United States soybeans were in store in eastern transfer elevators in sharp contrast to both the 3,227,000 bushels in 1971 and the 5,770,000 in 1970. Of the 1,876,000 bushels in store at November 22, 1972, some 1,431,000 were Canadian eastern soybeans, while 445,000 were United States soybeans.

Visible Supply of Canadian and United States Soybeans at Eastern Elevators  
November 22, 1972 Compared with Approximately the Same Date 1970 and 1971

Position	1970	1971	1972
thousand bushels			
<u>Canadian</u>			
Sarnia .....	1,009	—	646
Port Colborne .....	—	—	245
Toronto .....	957	—	528
Montreal .....	139	781	12
Sub-totals .....	2,105	781	1,431
<u>United States</u>			
Sorel .....	275	—	—
Trois-Rivières .....	250	67	31
Quebec .....	274	162	9
Baie Comeau .....	1,381	874	405
Port Cartier .....	1,485	1,343	—
Sub-totals .....	3,665	2,446	445
<b>Totals .....</b>	<b>5,770</b>	<b>3,227</b>	<b>1,876</b>



Commercial Supplies Total commercial supplies of Canadian flaxseed at November 22 of the current crop year, at 7.4 million bushels, were below both the comparable 1971 level of 12.6 million and the 10.3 million of 1970. Most of the decrease was accounted for by smaller supplies in Thunder Bay, Vancouver-New Westminster and in country elevators. Four other positions shared in the decline.

Rapeseed supplies in commercial positions at November 22 of this year amounted to 22.6 million bushels, 29 per cent more than the 17.5 million of 1971 and 23 per cent above the 18.4 million at the corresponding date in 1970. The bulk of this grain was in country elevators (13.2 million). In addition minor increases were registered at Interior terminals, in transit rail (western division), in lower St. Lawrence and Maritime ports and in transit lake.

Visible Supply of Canadian Flaxseed, November 22, 1972 Compared with  
Approximately the Same Date 1970 and 1971

Position	1970	1971	1972
thousand bushels			
Primary elevators — Manitoba .....	903	861	1,265
Saskatchewan .....	3,525	4,161	2,285
Alberta .....	774	1,184	1,163
Sub-totals .....	5,202	6,206	4,713
Process elevators .....	114	84	152
Interior terminals .....	—	732	527
Vancouver-New Westminster .....	866	1,584	699
Thunder Bay .....	1,632	2,747	644
In transit rail (western division) .....	1,181	587	613
Bay, Lake and upper St. Lawrence ports .....	38	75	12
Lower St. Lawrence and Maritime ports .....	722	106	—
In transit lake .....	522	517	—
Totals .....	10,277	12,638	7,360

Visible Supply of Canadian Rapeseed, November 22, 1972 Compared with  
Approximately the Same Date 1970 and 1971

Position	1970	1971	1972
thousand bushels			
Primary elevators — Manitoba .....	966	673	977
Saskatchewan .....	5,506	4,322	6,478
Alberta .....	3,482	2,800	5,778
Sub-totals .....	9,954	7,795	13,233
Process elevators .....	776	783	760
Interior terminals .....	378	397	839
Vancouver-New Westminster .....	2,059	4,340	2,998
Victoria .....	373	450	—
Thunder Bay .....	1,150	2,165	2,114
In transit rail (western division) .....	2,555	1,390	1,491
Lower St. Lawrence and Maritime ports .....	356	116	451
In transit lake .....	814	94	723
Totals .....	18,415	17,530	22,609

Grading of Flaxseed and Rapeseed 1972-73

Cars of flaxseed inspected by the Canadian Grain Commission during the first three months of the 1972-73 crop year amounted to 2,691 cars, slightly less than the 2,714 cars of this oilseed inspected during the comparable period of 1971-72. Some 97.2 per cent of the August-October 1972-73 inspections of flaxseed graded No. 1 C.W., unchanged from the comparable period a year ago.

Cars of rapeseed inspected during August-October of the 1972-73 crop year, at 6,758 cars were 13 per cent above the 5,991 cars of this oilseed inspected in the first quarter of the previous crop year. The 98.9 per cent of the August-October 1972-73 rapeseed inspections which were graded No. 1 Canada represents a slight increase over the 98.1 per cent falling into this category in 1971-72.

Gradings of Flaxseed and Rapeseed Inspected(1)  
August-October 1972-73 with Comparisons

Grain and grade	Crop Year		August-October			
	Average		1971-72		1972-73	
	<u>1966-67</u> <u>1970-71</u>	1971-72	cars		per cent	
	per cent		cars		per cent	
<u>Flaxseed</u>						
1 C.W. ....	81.1	96.6	2,638	97.2	2,616	97.2
2 C.W. ....	2.3	1.1	39	1.4	29	1.1
3 C.W. ....	1.0	0.6	19	0.7	11	0.4
4 C.W. ....	0.1	0.1	3	0.1	1	(5)
Tough(2, 3) .....	11.8	1.0	6	0.2	16	0.6
Damp(2, 4) .....	2.6	0.1	—	—	—	—
Rejected(2) .....	0.3	0.3	5	0.2	12	0.5
All others .....	0.6	0.2	4	0.1	6	0.2
Totals .....	100.0	100.0	2,714	100.0	2,691	100.0
Bushel equivalent (approximately)			5,605,000		5,630,000	
<u>Rapeseed</u>						
1 Canada .....	94.4	98.7	5,875	98.1	6,681	98.9
2 Canada .....	2.0	0.2	24	0.4	10	0.2
3 Canada .....	0.6	0.1	8	0.1	12	0.2
Others .....	3.0	1.1	84	1.4	55	0.8
Totals .....	100.0	100.0	5,991	100.0	6,758	100.0
Bushel equivalent (approximately)			13,685,000		16,198,000	

(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 22, 1972 amounted to 30.9 million bushels, 2 per cent above the 30.2 million at the comparable date in 1971. The 1972 season of navigation opened on April 14 while the 1971 season opened on April 10. Shipments of flaxseed at 13.7 million, and rapeseed at 17.2 million bushels accounted for 44 per cent and 56 per cent, respectively, of the 1972 total.

Combined lake shipments of flaxseed and rapeseed from August 1 to November 22 of the current crop year, amounted to 16.0 million bushels, 28 per cent above the 1971 figure of 12.5 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 22, 1972 and to Approximately the Same Date 1961 to 1971

Year	Flaxseed	Rapeseed		Total
		bushels		
1961 .....	7,516,935	—	—	7,516,935
1962 .....	7,521,531	—	—	7,521,531
1963 .....	6,057,585	—	—	6,057,585
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 .....	4,872,174	326,328	—	5,198,502
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
1972 .....	13,672,250	17,179,921	—	30,852,171
August 1 to November 22				
1971 .....	5,511,040	7,036,535	—	12,547,575
1972 .....	6,600,259	9,428,057	—	16,028,316

Rail Shipments from Thunder Bay Rail movement of flaxseed and rapeseed from the Lakehead during the first quarter of the 1972-73 crop year amounted to 65,000 bushels compared with the 57,000 bushels shipped during the comparable period of 1971-72.

Rail Shipments from Thunder Bay

Month	1971-72			1972-73		
	Flaxseed	Rapeseed	Total	Flaxseed	Rapeseed	Total
bushels						
August .....	—	31,360	31,360	—	—	—
September .....	23,747	—	23,747	64,772	—	64,772
October .....	2,000	—	2,000	—	—	—
Totals .....	25,747	31,360	57,107	64,772	—	64,772

Domestic Crushings Crushings of the four major oil seeds (flaxseed, soybeans, rapeseed and sunflower seed) in Canada during the period August-October 1971, have accounted for a total of 514.4 million pounds, 8 per cent below the 557.7 million pounds for the same period of the previous year. Most of the current total was accounted for by crushings of some 299.7 million pounds of soybeans as against 376.4 million pounds during the comparable period of 1971. Crushings of flaxseed at 47.3 million pounds, represent an increase of 6 per cent over the comparable 1971 figure of 44.4 million pounds. The total amount of rapeseed crushed during August-October 1972, amounted to a record 156.0 million pounds, some 25 per cent more than last year's comparable total of 124.6 million pounds. Crushings of sunflower seed during the first three months of the current crop year amounted to 11.5 million pounds, 6 per cent lower than the 12.2 million at the comparable period the previous year.

Crushings of Vegetable Oilseeds and Production of Oil and Oil Meal, 1969-70 — 1972-73

	Crop Year			August-October	
	1969-70	1970-71	1971-72	1971	1972
	thousand pounds				
<u>Crushings</u>					
Flaxseed .....	139,416	158,313	173,657	44,396	47,255
Soybeans .....	1,420,734	1,406,242	1,398,837	376,446	299,714
Rapeseed .....	388,400	428,761	602,496	124,613	155,957
Sunflower seed .....	21,228	32,396	69,947	12,233	11,513
<u>Oil Production</u>					
Flaxseed .....	47,963	54,670	59,836	15,219	16,237
Soybeans .....	240,564	242,325	241,259	65,727	50,554
Rapeseed .....	153,042	169,892	234,286	48,897	58,128
Sunflower seed .....	8,583	12,571	28,950	4,837	4,831
<u>Meal Production</u>					
Flaxseed .....	87,072	99,564	109,959	28,231	29,757
Soybeans .....	1,117,487	1,098,351	1,088,701	294,899	234,927
Rapeseed .....	228,464	248,762	358,531	74,371	86,547
Sunflower seed .....	8,621	11,954	25,794	4,447	4,237

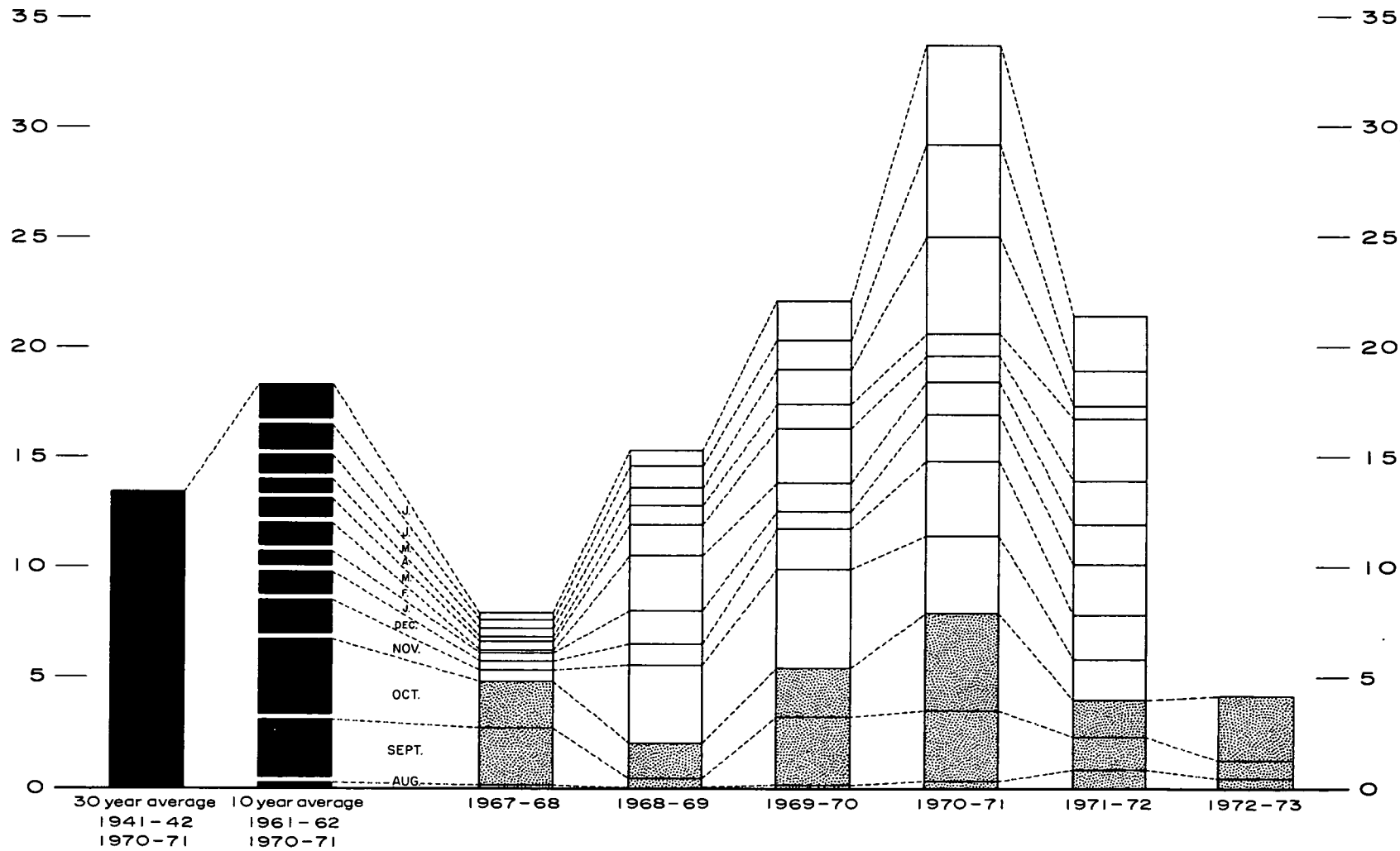
Month-end Stocks in Crushing Plants of Oil and Meal, October 1970-72

	Oil			Meal		
	1970	1971	1972	1970	1971	1972
	thousand pounds					
Flaxseed .....	4,777	8,317	11,251	7,846	3,729	4,878
Soybeans .....	9,721	15,194	5,244	23,346	22,249	21,145
Rapeseed .....	2,910	2,329	13,610	7,783	9,415	3,826
Sunflower seed .....	602	872	107	720	2,006	441

# FARMERS' MARKETINGS OF FLAXSEED, PRAIRIE PROVINCES (SPECIFIED PERIODS)

MILLION BUSHELS  
40 —

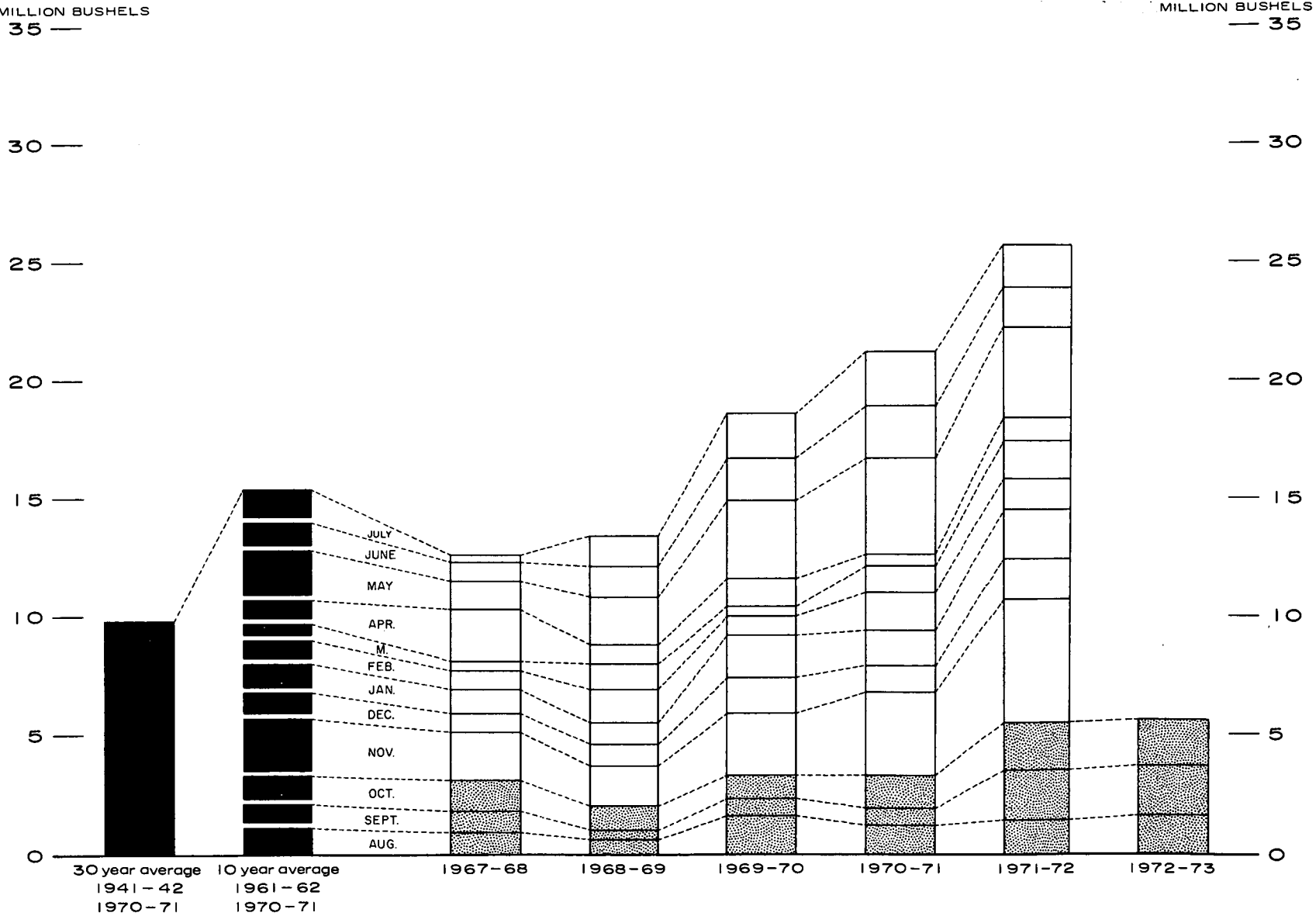
MILLION BUSHELS  
40 —



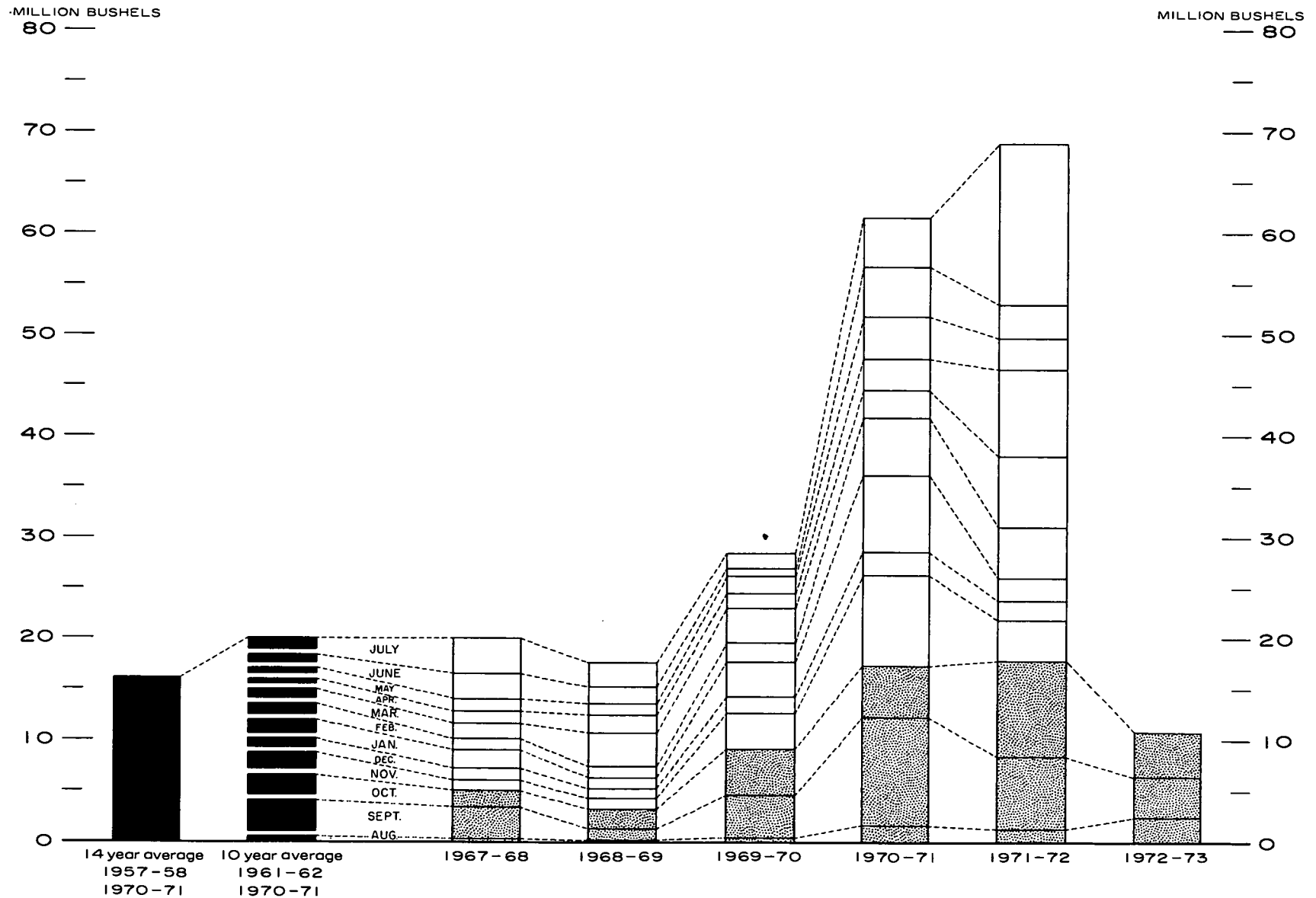
# EXPORTS OF CANADIAN FLAXSEED (SPECIFIED PERIODS)

MILLION BUSHELLS  
35 —

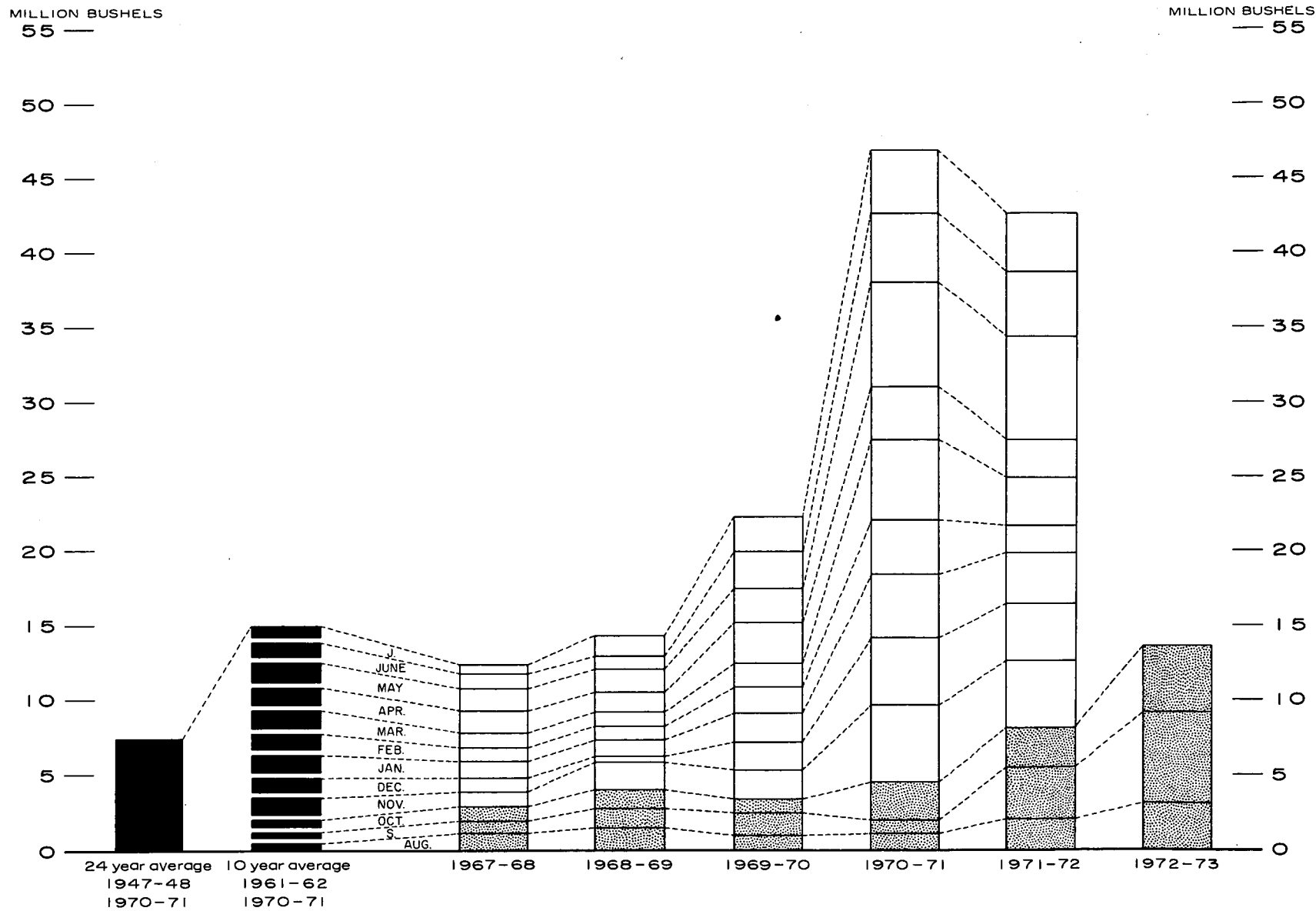
MILLION BUSHELLS  
35 —



# FARMERS' MARKETINGS OF RAPESEED, PRAIRIE PROVINCES (SPECIFIED PERIODS)



## EXPORTS OF CANADIAN RAPESEED (SPECIFIED PERIODS)





⇒ Flaxseed — Selected Statistics, 1969-70 — 1972-73

	Crop year			August-October	
	1969-70	1970-71	1971-72	1971-72	1972-73
thousand bushels					
<u>Flaxseed</u>					
Stocks at beginning of					
crop year .....	4,909	5,970	26,606	26,606	16,011
Production .....	27,548	48,932	22,321 <sup>r</sup>	22,321 <sup>r</sup>	19,017
Imports .....	7	—	—	—	—
Exports .....	18,611	21,194	25,741 <sup>r</sup>	5,508	5,631
Domestic crushing .....	2,490	2,827	3,101 <sup>r</sup>	793	844
<u>Prices(1)</u>	cents and eighths per bushel				
August .....	319/2	269/2	234/6		305/7
September .....	322/1	272/3	226/7		325/4
October .....	322/6	263/5	243/2		357/7
November .....	305/5	253	238/4		
December .....	276/1	246/2	236/3		
January .....	280/5	244/6	248/7		
February .....	284	249/4	259		
March .....	277/6	251/4	277/6		
April .....	276/4	257/2	285		
May .....	278	248/7	271/2		
June .....	281/7	245/5	277/2		
July .....	280	242	288/1		
Yearly average .....	292	253/5	257/2		
<u>Flaxseed oil</u>	thousand pounds				
Exports .....	21,280	25,598	30,069	7,617	9,127
Domestic production .....	47,963	54,670	59,836	15,219	16,237
<u>Flaxseed meal</u>	tons				
Exports .....	6,500	14,859	22,433	7,673	3,894
Domestic production .....	43,536	49,782	45,980 <sup>r</sup>	14,115	14,878

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

⇒ Rapeseed — Selected Statistics, 1969-70 — 1972-73

	Crop year			August-October	
	1969-70	1970-71	1971-72	1971-72	1972-73

thousand bushels

Rapeseed

Stocks at beginning of					
crop year .....	5,069	3,633	11,029	11,029	41,829
Production .....	33,400	72,200	95,000	95,000	57,300
Exports .....	22,213	46,811	42,603	8,067	13,556
Domestic crushing .....	7,768	8,575	12,050	2,492	3,119

Prices(1)

cents and eighths per bushel

August .....	204/5	267/3	—	273/7	244/7
September .....	220/6	251/4	240/6	248/2	253/3
October .....	262/7		255/7	255/4	256/1
November .....	282/3		259	250/2	
December .....	285/5		269/2	238/3	
January .....	330/2		281/3	228	
February .....	313/6		302	231/4	
March .....	271/5		291/4	247/2	
April .....	279/1		302/3	269/5	
May .....	291/3		274	248	
June .....	303/5		290/4	234/7	
July .....	283/5		296/7	239/3	
Yearly average .....	277		278/1	247/1	

Rapeseed oil

thousand pounds

Domestic production .....	153,042	168,892	234,286	48,897	58,128
---------------------------	---------	---------	---------	--------	--------

Rapeseed meal

tons

Domestic production .....	114,232	124,381	179,265	37,185	43,273
---------------------------	---------	---------	---------	--------	--------

(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.

⇒ Soybeans — Selected Statistics, 1969-70 — 1972-73

	Crop year			August-October	
	1969-70	1970-71	1971-72	1971-72	1972-73
thousand bushels					
<u>Soybeans</u>					
Production .....	7,664	10,385	10,276 <sup>r</sup>	10,276 <sup>r</sup>	11,745
Imports .....	17,430	15,703	14,774	3,386	2,437
Exports .....	1,111	768	1,354	174	12
Domestic crushing .....	23,679	23,437	23,314	6,274	4,995
<u>Prices(1)</u>					
cents and eighths per bushel					
August .....	267/1	276/3	322		340/7
September .....	249	277/6	304/7		325/6
October .....	245/5	291/4	308/4		310/4
November .....	246/6	293/1	299/2		
December .....	245/3	286/1	299/6		
January .....	251/4	294/4	297/2		
February .....	257/5	296/3	306/6		
March .....	262/2	296/5	325/7		
April .....	268/1	286	338/2		
May .....	273/5	295/2	335/5		
June .....	279/1	311/5	330/1		
July .....	288/5	331/4	334/3		
Yearly average .....	261/2	294/6	316/7		
<u>Soybean oil</u>					
thousand pounds					
Imports .....	38,567	53,001	43,032	11,405	8,241
Exports .....	45,715	68,078	97,812	29,862	11,705
Domestic production .....	240,564	242,325	241,259	65,727	50,554
<u>Soybean meal</u>					
tons					
Imports .....	266,009	249,875	228,895	54,208	61,115
Exports .....	165,482	123,033	135,420	49,964	11,003
Domestic production .....	558,743	549,175	544,351	147,450	117,463

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

⇒ Monthly Prices of Oils(1) and Meals Crop Years 1970-71 - 1972-73

Year and month	Linseed oil	Rapeseed oil	Soybean oil	Linseed meal(2)	Rapeseed meal(1)	Soybean meal(1)
	cents per pound			dollars per ton		
<u>1970-71</u>						
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
<u>1971-72</u>						
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	99.52
November .....	10.40	13.49	14.51	119.60	54.26	98.78
December .....	10.51	12.60	13.89	119.80	50.05	101.15
January .....	11.15	11.98	13.06	119.00	51.19	106.38
February .....	11.40	12.55	13.26	120.80	51.40	106.78
March .....	11.97	12.72	13.69	121.00	52.52	115.25
April .....	12.36	12.63	13.70	122.40	53.22	118.08
May .....	11.65	11.86	12.75	122.60	52.67	119.45
June .....	11.93	11.52	12.15	122.20	53.21	118.82
July .....	12.47	10.98	11.40	122.00	58.21	124.95
Yearly average.	11.28	12.67	13.87	120.77	55.25	109.48
<u>1972-73</u>						
August .....	12.90	10.21	11.25	122.40	56.97	124.95
September .....	13.47	9.88	10.57	123.20	60.25	134.41
October .....	13.73	9.09	9.89	123.60	62.47	132.20

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

Exports of Canadian Flaxseed(1) 1972-73 and 1971-72

Destination	August 1972	September 1972	October 1972	August - October	
				1972-73	1971-72 <sup>F</sup>
bushels					
<u>Western Europe</u>					
<u>EEC:</u>					
Belgium and Luxembourg	226,379	—	—	226,379	99,830
France .....	59,043	—	—	59,043	166,373
Germany, West .....	282,763	42,110	—	324,873	1,000,550
Italy .....	—	124,780	—	124,780	—
Netherlands .....	454,815	1,001,531	1,197,801	2,654,147	2,037,595
Sub-totals .....	1,023,000	1,168,421	1,197,801	3,389,222	3,304,348
<u>Other Western Europe:</u>					
Britain .....	97,162	151,782	—	248,944	334,286
Denmark .....	—	—	—	—	66,607
Norway .....	—	—	157,500	157,500	176,000
Spain .....	301,986	—	—	301,986	156,000
Switzerland .....	99,746	—	—	99,746	—
Sub-totals .....	498,894	151,782	157,500	808,176	732,893
Totals .....	1,521,894	1,320,203	1,355,301	4,197,398	4,037,241
<u>Eastern Europe</u>					
Czechoslovakia .....	—	—	—	—	270,370
<u>Africa</u>					
Guinea .....	—	—	—	—	12,211
<u>Oceania</u>					
Australia .....	—	237,600	—	237,600	—
<u>Asia</u>					
Japan .....	75,600	471,925	559,463	1,106,988	1,026,136
Korea, North .....	—	—	—	—	62,988
Korea, South .....	—	88,578	—	88,578	99,536
Totals .....	75,600	560,503	559,463	1,195,566	1,188,660
Totals, all countries .....	1,597,494	2,118,306	1,914,764	5,630,564	5,508,482

(1) Overseas clearances as reported by the Economics and Statistics Division of the Canadian Grain Commission, for all countries except the United States.

Exports of Canadian Rapeseed(1) 1972-73 and 1971-72

Destination	August 1972	September 1972	October 1972	August-October	
				1972-73	1971-72 <sup>r</sup>
bushels					
<u>Western Europe</u>					
EEC:					
France .....	619,172	620,069	—	1,239,241	2,461,538
Germany, West .....	115,548	—	—	115,548	22,400
Italy .....	251,070	44,800	—	295,870	22,918
Netherlands .....	94,080	77,616	87,362	259,058	608,294
Sub-totals .....	1,079,870	742,485	87,362	1,909,717	3,115,150
Other Western Europe:					
Britain .....	—	—	—	—	1,930
Sub-total .....	—	—	—	—	1,930
Totals .....	1,079,870	742,485	87,362	1,909,717	3,117,080
<u>Asia</u>					
Bangladesh .....	716,054	262,645	1,081,904	2,060,603	—
India .....	—	540,290	—	540,290	361,550
Japan .....	1,088,708	4,598,359	3,180,661	8,867,728	4,587,994
Totals .....	1,804,762	5,401,294	4,262,565	11,468,621	4,949,544
<u>Oceania</u>					
Australia .....	174,048	—	—	174,048	—
Sub-totals, all countries .....	3,058,680	6,143,779	4,349,927	13,552,386	8,066,624
United States(2) .....	400	440	2,792	3,632	200
Totals, all countries .....	3,059,080	6,144,219	4,352,719	13,556,018	8,066,824

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

Customs Exports of Canadian Soybeans 1972-73 and 1971-72

Destination	August 1972	September 1972	October 1972	August-October	
				1972-73	1971-72
bushels					
<u>Western Europe</u>					
EEC:					
Germany, West .....	—	—	—	—	1,188
Netherlands .....	2,662	2,213	—	4,875	—
Sub-totals .....	2,662	2,213	—	4,875	1,188
Other Western Europe:					
Britain .....	370	190	188	748	168,188
Sweden .....	4,696	—	2,015	6,711	4,027
Sub-totals .....	5,066	190	2,203	7,459	172,215
Totals .....	7,728	2,403	2,203	12,334	173,403
<u>Western Hemisphere</u>					
Jamaica .....	—	—	—	—	83
Totals, all countries .....	7,728	2,403	2,203	12,334	173,486

UNITED STATES SITUATION

The following summary of the fats and oils situation in the United States has been taken from the November 16, 1972 issue of the Fats and Oils Situation published by the Economic Research Service, United States Department of Agriculture.

Summary Record soybean production and farm prices averaging around \$3.25 per bushel are expected to raise the value of this year's crop to a record \$4.4 billion, a fourth above the 1971 crop's value. Farmers' prices for soybeans so far this marketing year have averaged about \$1 above the CCC support rate of \$2.25, because of strong demand, the small carryover on September 1, and a delayed harvest.

The 1972 soybean crop was estimated at a record 1,351 million bushels, as of November 1, 15 per cent (181 million bushels) more than 1971. Acreage harvested at 45.8 million this year is up 8 per cent. Also yield per acre was estimated at a record 29½ bushels, nearly 2 bushels above last year. Supplies this year, including a small carryover of old-crop soybeans, total 1,423 million bushels, 12 per cent above last year but short of the peak 1,450 million bushels 3 years ago.

Soybean demand in 1972-73 is proving so strong that despite the record production, current and futures prices are at new highs. With total usage increasing to around 1,350 million bushels (about 150 million above 1971-72), the carryover next September 1 will once again be near this year's low 72 million bushels.

Soybean crushings for the marketing year that started September 1 are forecast around 765 million bushels, above last season's 721 million bushels and also above the record 760 million in 1970-71. The soybean industry's annual processing capacity has expanded to an estimated 925 million bushels this year. Spot soybean processing margins (based on Decatur bean, oil, and meal prices) so far this season are averaging about 35 cents per bushel or about double September-November 1971. Demand for soybean meal is exceptionally strong. While soybean oil demand is relatively weak, it is proving stronger than earlier anticipated.

Soybean meal prices (44 per cent protein, Decatur) in 1972-73 are expected to rise to new highs, possibly averaging one-fifth above the record \$90 per ton last season. This reflects the continuing tight demand-supply balance for high-protein feeds and reduced world availabilities of competitive fish and peanut meals. Prices of soybean meal on November 15 hit a record \$131 per ton, \$59 above November 1971.

In sharp contrast, soybean oil prices in 1972-73 probably will average 10 to 15 per cent below the 11 cents per pound (crude, Decatur) of the past marketing year. The major factor limiting the demand for soybean oil is sharply increased cottonseed oil supplies (up a third from last year). Also, imports of palm oil probably will continue relatively heavy, though possibly somewhat reduced from the 1971-72 level. Prices of soybean oil on November 15 at 9½ cents per pound were about 3 cents below November 1971.

Exports of soybeans this marketing year are forecast to exceed 500 million bushels (13.6 million metric tons), approximately 100 million above the 416 million bushels shipped in 1971-72. During the past 2 marketing years, demand for soybeans remained strong but U.S. supplies were down. About 40 million bushels of the prospective increase in exports this year will be to the USSR. Increased shipments are also forecast to Western Europe and Japan. The strong world demand for protein feed-stuffs and the sharp reduction in Peruvian fish meal availabilities will keep soybeans moving abroad at a record clip. Also, increases in foreign crushing capacity will

encourage greater usage of soybeans abroad.

U.S. soybeans will be meeting increased competition from Brazilian beans in 1972-73, although the shortfall in Peruvian fish meal could be greater than the increase in Brazil's soybean production. Brazil's exports of soybeans reached 1 million metric tons (37 million bushels) this year compared with 213,000 tons in 1971, and could increase again but less sharply in 1973. Brazil has moved ahead of Mainland China to become the world's second largest exporter of soybeans.

U.S. cottonseed oil supplies are estimated at 1.9 billion pounds, 0.5 billion pounds or one-third above 1971-72 and the largest since 1965. Cottonseed oil prices (crude, Valley) in 1972-73 are expected to decline somewhat from last year's average of 13 cents per pound - possibly averaging near 10 cents and close to soybean oil prices. Lower prices will encourage increased domestic use of cottonseed oil - up to perhaps a billion pounds compared with the record low of 0.8 billion in 1971-72. Some foreign countries may find U.S. cottonseed oil prices now attractive relative to sunflowerseed oil and peanut oil. Therefore, 1972-73 exports are forecast to increase to around 650 million pounds compared with 422 million shipped in August-July last season.

#### SITUATION IN AUSTRALIA

The following information relative to the Australian oilseed situation has been extracted from a report from Mr. C.V. Hiltz, Third Secretary (Agriculture) for Canada, Canberra, under date of December 1, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Australian vegetable oilseed production has shown a tremendous increase in recent years. Production has more than doubled since 1969 reaching an alltime high of about 332,000 tons in 1971-72; a 56.6 per cent increase over 1970-71's estimated production of 212,000 tons. The increase is mainly due to increases in production of sunflowerseed and rapeseed although production of other oilseed crops has also increased. Because of the drought conditions at present, 1972-73 production is expected to be lower than in 1971-72.

This accelerated rate of expansion is attributed mainly to the advent of wheat quotas and the decline in wool prices which forced producers to look for alternative crops. In addition, the world market for oilseeds was very buoyant in this period which further induced producers to plant oilseeds as an alternative to wheat because of the good returns. The main exporting countries were suffering from setbacks in production and could not offer strong competition and so Australia was able to gain a piece of the market.

The Australian domestic market requirement is about 90,000 tons of oil or about 250,000 tons of seed per year. This market is increasing at the rate of about 6 per cent per year. This increase in domestic consumption is attributed largely to the immigrant influence on eating habits and even though the consumption rate is increasing, Australia is still behind the rest of the western world in the per capita usage of edible oil. Therefore, there is potential for increased domestic consumption of vegetable oils and also increased domestic production of oilseeds.

The export market for oilseeds has also been increasing at the rate of about 7 per cent per year. Exports of all oilseeds amounted to about 115,000 tons in 1971-72 as compared with 9,300 tons in 1970-71; a very substantial increase. This increase was due to the increase in production of sunflowerseed and rapeseed and a resultant



surplus available for export. Japan and the E.E.C. were the main importers and Australia sees these two markets as the most promising for the near future. However, this may depend on Australia's ability to maintain a continuity of supply and at the same time for the crops to give the producer an adequate return. Palm oil produced in the near East is looked upon as a major threat to the Australian oilseeds industry and with Malaysia planning to double its production by 1980 the threat is further increased.

With the increase in total oilseeds production, imports of oilseeds have fallen off substantially and are estimated to have dropped by about 30 per cent in 1971-72. Imports of oil now mainly consist of coconut, palm and palm kernel.

The outlook for vegetable oilseeds is fairly good in Australia over the long run and they should continue to provide valuable supplementary crops to wheat and coarse grains. An orderly growth pattern should develop although there may be seasonal and cyclical fluctuations. For example with some recent failures in oilseed crops and a large wheat quota expected for 1972-73, oilseed production increases in the short term may have reached a peak. However, with the strong emphasis on oilseeds as an alternative to other crops production should at least be maintained.

Current crop condition summary. - As with most other crops in Australia, the drought conditions which persisted throughout August, September and October have reduced winter oilseed crop prospects. Safflower, rape and linseed are winter crops while sunflower, soybean, cotton and peanuts are considered summer crops. Late October rains did not help most winter crops and in some cases removed even the hopes of a small crop. The exception to this are the late planted crops in Victoria and South Australia which will get some benefit from the late rains.

Because of the drought which prevented much of the winter acreage from being planted and good rains in early November the outlook is for a substantial increase in plantings of summer oilseed crops. In particular a big increase in sunflower and soybean acreage is expected and planting conditions are about ideal. Small increases are expected for cotton and peanuts.

Some areas are also experiencing problems with weed control at present. The sudden rains after the prolonged drought have caused an increase in weed seed germination.

Total safflower acreage for the 1972-73 season has been estimated at between 14,500 and 16,000 acres; a substantial drop from the 1971-72 estimate of 76,450 acres. The general trend over the past few years has been upwards but this will be one of the smallest crops in the last ten years.

This sudden drop in acreage is caused mainly from inadequate moisture at sowing time although it is also felt that increased interest in other crops contributed to the reduction.

Rapeseed acreage for 1972-73 is estimated at between 208,000 and 213,000 acres which is the largest acreage ever planted to this crop in Australia. If it had not been for the dry conditions at sowing time the acreage would have most certainly been above present estimates. September estimates indicated acreage would be 253,000 acres. However, due to the dry growing season production will probably not reach that of last year.

In New South Wales yield prospects are poor. Limited harvesting has started and results are not impressive. Some crops will not be harvested at all and average yield for the State will probably not exceed one-quarter ton per acre. Even in the more favoured areas crops have not come up to earlier expectations and the prevalence of aborted flowers indicate just how serious the drought has been.

In Victoria and South Australia the crop has also been affected by dry conditions although to a lesser extent in South Australia. Acreage in Victoria is about the same as last year but production is expected to be down. Total production in South Australia is expected to reach about 6,000 tons.

In Western Australia a widespread outbreak of disease has reduced crop prospects by 50 per cent. It is estimated that 120,000 acres were sown and production is not expected to reach more than 15,000 tons. Last years 70,000 acres produced 23,000 tons. It is felt that the outbreak of the disease will cause many growers to turn to alternative crops next year.

Australian farmers seem to think of rapeseed as an opportunity crop which they will grow as an alternative to other crops when conditions require them to do so. Wheat quotas and low wool prices are undoubtedly the cause for the overnight growth in production. Returns from the crop have also been good which provided a further incentive. New South Wales crushers this year were offering up to A\$95.00 per ton for low erucic acid rapeseed. However, some people are of the opinion that given a return to fine wheat production and strengthening of the wool industry rapeseed production will drop off sharply. It is expected that wheat quotas will be increased substantially in 1973-74 and wool prices have recently strengthened so that 1973-74 may show a substantial drop in production.

Linseed acreage is estimated to be about 41 per cent below last years total plantings. The current estimate is that acreage is between 28,300 acres and 33,300 acres. The largest reductions have occurred in New South Wales and Western Australia. The dry conditions at planting time are the main cause for the reduction.

The drought conditions have resulted in most crops being in poor condition and reduced yields are expected. October rains were too late to help crops in New South Wales but will help in Victoria where acreage has expanded and production is also expected to increase. In Queensland most of the linseed was planted under irrigation and so the crop is in good condition and at least average yields are expected.

Although this year's drastic reduction in acreage is mainly due to dry conditions, production has been falling gradually over the past few years. This gradual reduction has been caused by falling world prices and production problems. The prospects for a large expansion in Australian production of this crop are highly unlikely and the crop will be mainly grown to satisfy the domestic market. Future domestic requirements are expected to be around 22,000 short tons which will be supplied mainly from New South Wales and Victoria.

It is expected that this year's soybean acreage will be double that of last year. Current estimates place the acreage at 90,000 acres. Suitable varieties have been found for Australian conditions and interest in this crop is high. At present there is not enough production to meet domestic demand and all production in the immediate future should be sold on the local market at reasonable prices. A large part of the crop is grown under irrigation so that reasonable yields can be expected.

At present Australia's soybean requirements are estimated to be between 50,000 and 65,000 long tons of beans per year. At an average yield of about half a ton per acre, between 100,000 and 130,000 acres of beans would be required. With this years estimated 90,000 acres self-sufficiency will have been almost reached and if the current trend continues exports quantities will be available within two or three years.

Estimated plantings of sunflowers for this season are expected to reach between 813,000 and 815,000 acres which is a drop of about 9 per cent on last years estimated 900,700 acres. The large drop in plantings is expected to occur in New South Wales where anticipated acreage is expected to reach 500,000 acres compared to 750,000 acres in 1971-72. However, production in Queensland is expected to increase to 300,000 acres from 145,000 acres last year.

In Queensland sunflowers offer a good summer alternative to wheat and because wheat sowings could not be made in much of Queensland this year it is expected that many growers will turn to sunflowers and therefore the big increase in acreage. Planting conditions were good at the beginning of November for sunflowers which provided a further stimulus to increase acreage. The drop in acreage in New South Wales has mainly occurred in the marginal sunflower areas so that a corresponding drop in production is not expected. Planting conditions were also good in New South Wales during November. Conditions in Victoria are also good at present and output should be higher this year in conjunction with the increase in acreage. The acreage sown in Western Australia is mainly for experimental purposes.

This year contractors in New South Wales are offering sunflower producers A\$110.00 per metric ton delivered to Sydney on a clean seed basis compared with A\$96.00 a ton last year. In addition, to speed up payments, 60 per cent of the value of the harvested crop will be paid in 30 days and the rest within 120 days after delivery of the final load.

Cottonseed acreage is mainly restricted to New South Wales and Queensland although production in Western Australia is increasing. It is expected that this years acreage will increase slightly to 101,500 acres. Most of the acreage was planted in New South Wales by the end of October. Conditions favoured germination and the crop got a good start. Likewise, in Queensland crop condition at present is good. It is a bit early to get a clear picture of crop conditions in Western Australia.

Peanut sowing has started in Queensland and it is expected that total plantings will reach 90,000 acres compared to 80,000 acres planted in 1971-72. This acreage is for both edible and milling purposes.

#### SITUATION IN THE NETHERLANDS

The following information relative to oilseeds in The Netherlands is extracted from a report provided by Mr. F. W. Zechner, Commercial Officer, Canadian Embassy, The Hague, under date of December 8, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Utilization domestic rapeseed. — Two-thirds or 30,000 metric tons of the 1972 Dutch rapeseed crop will be crushed domestically. The balance is reserved for seeding purposes, sold as bird seed and exported. An exact breakdown is not available at this time.

Latest available statistics on imports are for January-August, 1972, as follows:

	<u>Rapeseed</u>	<u>Flaxseed</u>
	metric tons	
France .....	4,900	700
West Germany .....	4,300	1,800
Denmark .....	4,600	—
Canada .....	13,100	65,000
U.S.A. ....	—	13,400
U.S.S.R. ....	—	2,300
Totals .....	<u>27,400</u>	<u>83,500</u>

According to a world flaxseed trade survey for 1970 prepared by the Dutch Fats and Oils Commodity Board, the Netherlands is the second largest world importer of flaxseed, after Japan.

Market situation. — A radical change in market conditions for rapeseed has nullified the prediction in our September report that no Canadian rapeseed would enter the Netherlands in the last quarter of this year.

The change is attributable chiefly to two developments. First, French rapeseed is being held in storage in anticipation of further price increases, based on reduced availability especially from Canada. Secondly, prices of soybean meal have gone up significantly, causing a greater demand for rapeseed meal from feed manufacturers. This has prompted European crushers to use more rapeseed, despite the surplus situation existing for rape oil at the moment. The only Dutch rapeseed crusher has bought 10,000 tons of Canadian rapeseed for arrival in December, at prices ranging from US \$129.00 to \$135.00 c.i.f., well up from those quoted 6 to 8 months ago. In addition, a trial shipment of 1,000 tons of damaged Canadian rapeseed will arrive for testing shortly. Current quotations of Canadian rapeseed to be shipped from Vancouver for arrival in Rotterdam in January-April, 1973, range from US \$155.00 to \$160.00 per metric tons, c.i.f.

Comparatively little flaxseed entered the Dutch market during the months of July and August but the last four months of the current year may compensate for these lower shipments. Flaxseed from Canada is presently available at US \$166.00 per metric ton, c.i.f. Rotterdam.

#### 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 November 27, 1972, and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

The trend in the importation of oilseeds and oleaginous materials already noticeable in the last two or three years, has continued through 1971 and indeed through the first nine months of 1972.

Imports of soybeans remained at the same level as in 1970. The United States supplied virtually all the requirements in 1971 with Brazil dropping out of the market. Nevertheless, Brazil again has been shipping in 1972 with 5,000 tons showing

in the first nine months, whereas the United States shipments have declined in the same period by over 10,000 tons. A total of 98,000 tons of oilseeds and copra were imported from January to September 1972, some 30,000 tons more than in the same period of 1971. Total imports for 1971 amounted to 175,000 tons, also an increase over 1970 when 158,000 were imported. All of these products are still under import control licences granted by the Oilseeds and Vegetable Products Board, a department of the Ministry of Economy.

In 1972 some ground-nuts (2,000 tons), undoubtedly of U.S. origin, were imported from Canada. Rapeseed is imported in very limited quantities for experimental purposes. Import licences for soybean are granted for industrial uses but not for conversion into soybean oil for edible purposes. Vegetable oils are imported but, with rare exceptions, licences are only granted for such products from the Portuguese Overseas Provinces.

The following are statistics covering the import of oilseeds and oleaginous vegetable products for the period January to September 1972 and also for the full year 1971.

<u>Item</u>	<u>Imports of Oilseeds</u>	
	<u>January-December</u> 1971	<u>January-September</u> 1972
	metric tons	
Ground-nuts .....	44,485	58,946
Palm Kernels .....	17,464	—
Soybeans .....	52,541	28,490
Copra .....	21,655	10,865
Others .....	8,950	—
Totals .....	145,095	98,301

#### 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 14, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Rapeseed is the only oilseed grown in Finland. After two poor winters, increasing interest has been shown in spring rapeseed replacing some of the area sown with autumn rapeseed.

Crop conditions are fair with yields in 1972 at 131 kilograms per hectare (1971 147). Area sown was 52 hectares in September (42 in 1971). The total crop in 1972 is expected to be 55 tons (1971 94).

The following table lists Finnish oilseed imports during the January-September period of 1972:

<u>Item</u>	<u>Quantity Imported</u> metric tons
Rapeseed and Turnipseed .....	4,843
Mustard seed .....	300
Flaxseed .....	7,678
Soybeans .....	47,571
Copra .....	7,611
Total .....	<u>68,003</u>

For 1971, total rapeseed imports were 5,826 tons of which 2,876 tons were from Canada.

Total oil imports in 1973 expected to be about 100,000 tons. Production of oil cake has been set at 80,000 tons in 1973 to prevent agricultural over production and any oil deficit is made up with oil imports.

Animal fat imports during January-August 1972 were 1,516 tons (2,132 tons in 1971) and exports were 245 tons (387). Vegetable oil imports during this period were 2,495 tons (5,140 tons) and exports were 261 tons (2,110). Imports of prepared animal and vegetable oils fats and waxes were 2,337 tons (2,053) and exports were 6,345 tons (7,794).

#### 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 8, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Export earnings continue to be exchanged 74 per cent on the financial market and 26 per cent on the commercial market. The minimum prices for the 1972-73 linseed crop has been raised from 65.00 pesos to 74.00 pesos. Sunflowerseed, peanuts and soybean minimum prices remain the same. Exports of oil, pellets and expellers for January to October 1972 compared with 1971 are as follows:

	<u>1971</u>	<u>1972</u>
	metric tons	
<u>Pellets</u>		
From linseed meal or expellers ..	15,456	7,383
From sunflowerseed meal .....	234,639	172,520
From peanut meal .....	15,744	10,554
From cotton meal .....	47,547	18,430
<u>Expellers</u>		
Linseed .....	273,571	126,540
Sunflowerseed .....	—	100
Peanuts .....	35,913	4,991
Cotton .....	18,980	88
Totals .....	<u>641,850</u>	<u>340,606</u>

	<u>1971</u>	<u>1972</u>
	metric tons	
<u>Oil</u>		
Linseed .....	137,757	102,734
Sunflowerseed .....	34,213	—
Peanuts .....	35,359	18,785
Cotton .....	403	—
Tung .....	17,700	14,260
Olive .....	5,158	6,221
Totals .....	<u>230,591</u>	<u>142,000</u>

Sunflowerseed. — Good prices and favourable forecasts for the sunflowerseed market in 1973 has stimulated an increase in the area seeded to sunflowerseed. The first official estimate of area seeded is 1,620,000 hectares (4.0 million acres) compared with 1,532,000 hectares (3.8 million acres) last year, an increase of 6 per cent. This is 13 per cent and 27 per cent above the five- and ten-year averages. This is an early estimate. There is a good possibility that the actual area seeded will be more. The short supply and high export taxes continue to prevent exports of sunflowerseed oil. Sunflowerseed was quoted at 103.00 pesos per 100 kilos f.o.r. Buenos Aires. On the Buenos Aires Futures Exchange it was quoted at 106.10 pesos for January delivery; 111.00 for March; 112.05 for April and 116.50 for May.

Area seeded by province in 1972-73 compared with 1971-72 is as follows:

	<u>1971-72</u>	<u>1972-73</u>
	thousand acres	
Buenos Aires .....	1,943	2,181
Santa Fe .....	741	618
Cordoba .....	572	563
Chaco .....	384	469
San Luis .....	66	99
Entre Rios .....	39	28
Others .....	41	43
Totals .....	<u>3,786</u>	<u>4,001</u>

Peanuts. — The seeding of the peanut crop is just beginning. Official estimates will not be ready for some time. However, the Bolsa de Cereales (the Grain Exchange) reports that weather conditions have been good for preparing the soil and that there is a good reserve of moisture in the soil. The marketing of the peanut crop from 1971-72 has left a good impression on producers. However, the high cost of seed will restrain seeding somewhat. Nevertheless, it is expected that peanut seedings will be higher than last year. We failed to report in the previous report that the export tax on peanut oil was reduced from 38 per cent to 10 per cent as a means of stimulating export sales. Peanuts were quoted on December 8 at 164 pesos per 100 kilos f.o.r. Buenos Aires.

Flaxseed. — The second estimate of the area seeded to flax is 485,000 hectares (1.2 million acres), a 3.5 per cent increase over the first estimate but still a 10 per cent drop compared to last year.

The following table shows area seeded for 1972-73 compared with 1971-72:

	<u>1971-72</u>	<u>1972-73</u>
	thousand acres	
Buenos Aires .....	624	558
Entre Rios .....	374	325
Santa Fe .....	237	217
Cordoba .....	84	90
Others .....	11	7
	<hr/>	<hr/>
Totals .....	1,331	1,198
	<hr/>	<hr/>

Flaxseed, was quoted on December 8 at 85.50 per 100 kilos f.o.r. Buenos Aires. On the Futures Exchange it was quoted at 101 pesos for January delivery.

Soybeans. — To date there are no estimates of the area seeded either officially or by the trade. We will report separately when they are available.

#### SITUATION IN SWEDEN

The following information concerning oilseeds in Sweden has been extracted from a report by Mr. J.L. Swanson, Commercial Councillor for Canada, Canadian Embassy, Stockholm, under date of December 20, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Rain adversely affected spring-sown oilseeds according to extra Arsvaxtrappport of October 18. The quality was reported as normal and hectoliter weight was somewhat less this year.

Statens Jordbruksnamnd - Arsvaxtrappport of September 18, 1972 indicated a total crop of about 366,000 tons but at the same time they mention that according to Sveriges Oljevaxt intressenters forening's estimates the 1972 crop should only be about 355,000 tons.

#### Crop Estimate as at September 1

	<u>1971</u>	<u>1972</u>
	tons	
Autumn rapeseed .....	115,600	130,300
Spring rapeseed .....	73,700	103,900
Autumn turnip rapeseed .....	27,100	52,700
Spring turnip rapeseed .....	37,000	78,200
	<hr/>	<hr/>
Sub-totals .....	253,400	365,100
Other oilseeds mainly		
White mustard .....	2,400	1,400
	<hr/>	<hr/>
Totals .....	255,800	366,500
	<hr/>	<hr/>



<u>Imports</u>	<u>January-September</u>	<u>January-June from Canada</u>
	tons	
Rapeseed .....	96	26
Mustard seed .....	751	59
Soybeans .....	6,998	292

1972 autumn sowing. — The area sown for autumn rapeseed increased somewhat while the area sown for autumn turnipseed remained unchanged compared to 1971. Long dry period just after sowing might however, adversely affect the wintering capacity of the seeds.

1972 grower prices

	Krona per 100 kilos
Autumn rapeseed (low erucic acid content only "Sinus" seeds used) ...	88
Autumn turnip rapeseed .....	76
Spring rapeseed ORO seeds only .....	86
Spring rapeseed other than ORO .....	76
Spring turnip rapeseed .....	86
White mustard .....	76

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 November 16, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Changing prospects in Britain. — A new pattern of trade in oilseeds and oilseeds products is developing in Britain influenced by changes in the world supply position, new technological developments and Britain's imminent entry into the European Economic Community. Britain's position as virtually a non-producer of oilseeds has shown little change over recent years and the country continues to be heavily dependent on imports where Canada maintains an important position. Canada currently enjoys the advantage of Commonwealth preference tariffs but this favourable situation will be adversely affected in some sectors if Britain enters the EEC.

Domestic production. — Britain's domestic production of oilseeds is at present a negligible factor in meeting heavy consumer demand, nevertheless, it is pertinent that mention be made of the two oilseeds crops of some significance namely, rapeseed and mustard seed.

The rapeseed crop in Britain remained at less than 3,000 acres until 1966-67 when there was some renewal of interest due mainly to the quest by large scale cereal producers for an effective break crop. Some 10,000 long tons of seed is now grown which, based on an oil content of 42 per cent produces just over 4,000 long tons of oil, about 13 per cent only of the total used in Britain.

Increased interest is, however, being shown in the production of oilseed rape in this country with the crop assuming an attraction other than as a break crop. A substantial rise in contract prices has contributed to this increased interest - for example last year's price was around \$120.00 per long ton compared with \$91.00 to \$96.00 some five years ago. However, it is predicted that the big increase will come when Britain enters the EEC with the European price currently set at over \$192.00 per long ton. During the five-year transitional period from the beginning of 1973 the British price will have to be raised accordingly and it is assumed that to achieve this, prices will be raised by approximately equal amounts each year by means of intervention buying if necessary.

Some authoritative opinions in Britain consider that the scope for expansion of the rapeseed crop is considerable with a potential, not only for import substitution, but also the replacement of significant quantities of alternative edible oils. Some estimates of potential production with Britain within the EEC are as high as 350,000 long tons of rapeseed with a potential oil production of 150,000 long tons, but this is perhaps over-optimistic. In the event of substantially increased production it is likely that increased rapeseed crushing facilities would be necessary in this country.

Ministry of Agriculture returns estimate the extent of the yellow mustard crop which is used for seed, fodder and ploughing-in at 14,000 acres. An estimated 50 per cent of the crop is utilized for condiment manufacture and is grown for this purpose on a contract basis.

The Common Agricultural Policy - Price support arrangements for oilseeds. - Britain will be required to adopt the Common Agricultural Policy (CAP) of the EEC over the five-year transitional period following entry. Under the CAP domestic prices for rapeseed and sunflower seed are supported by subsidies paid to the oilseed crushers on EEC produced and processed seed. The subsidy is paid as the world market price for rapeseed and sunflower seed is below the EEC target price - the subsidy is therefore normally equal to the difference between these two prices. Processors (crushers) therefore purchase oilseeds from the producers at approximately the target price and are reimbursed accordingly. The system has the effect of providing the grower with an adequate return and stimulating increased production.

Supplies. - In comparison with the early post-war years, during the nineteen-sixties the contribution of vegetable oils to total supplies of oils and fats in Britain fell sharply. Vegetable oils on balance accounted for slightly under two-fifths of total fat supplies whereas in 1951, for example, they accounted for nearly two-thirds. In earlier years the main competition to vegetable oils came from animal fats which accounted for about half of all oils and fats supplies, but this situation changed to some degree with a substantial growth in supplies of marine oils. As a consequence of the increased availabilities of animal fats and marine oils, vegetable oil supplies therefore fell appreciably below the levels of 1960 and earlier years. This downward trend with consequently diminished crushing activity continued into 1970 when the total tonnage of oilseeds crushed was down by 8 per cent to 539,000 long tons with vegetable oil production reduced by 16 per cent to only 154,000 long tons.

In 1971, however, overall tonnage of oilseeds crushed in Britain was stabilized at the level of the previous year. A larger proportion of the 1971 crush was of comparatively high oil-content seeds with a resultant considerable recovery in vegetable oil output. A reduction in the processing of low oil-content soybeans was consequently accompanied by higher crushings of comparatively high oil-content seeds,

namely rapeseed, palm kernels and castor seed. Nevertheless soya oil continued to be the largest single product accounting for around one-quarter of the total compared with one-third in 1970. For the second successive year no groundnut oil was produced in Britain and cottonseed oil output ceased.

Crude oil production in 1971 amounted to 171,000 long tons compared with 154,000 long tons in 1970. 71,000 long tons of rapeseed was crushed compared with 48,000 long tons during the previous year with oil production rising from 18,100 long tons to 29,100 long tons. Somewhat surprisingly in view of the general world trend towards a decline in the usage of linseed oil, crushings of flaxseed rose from 61,000 to 65,000 long tons, oil production being 22,600 long tons against 20,800 long tons in the previous year. Crushings of soybeans fell from 303,000 long tons to 254,000 long tons with a reduction in oil production to 44,900 long tons against 52,200 long tons in the previous year.

The continuing decline in oilseed crushings in Britain which had resulted in a 50 per cent reduction in oil production was however more than offset in recent years by the expansion in imports of vegetable oils. New supplies of vegetable oils gradually increased to 692,000 long tons in 1970, the highest total since 1959. This recovery in vegetable oil supplies continued in 1971 with an 8 per cent increase in total availabilities to 748,000 long tons, the highest level for fourteen years. This expansion in supplies was chiefly due to increased imports of oil as such which accounted for 77 per cent of the total and particularly to a rise in palm oil supplies from 159,000 long tons to 219,000. Notwithstanding reduced domestic production total supplies of soybean oil rose a record 22,000 long tons to 134,000 long tons and the combined share of soybean and palm oils accounted for more than 47 per cent of total supplies. Groundnut oil supplies are down by 30 per cent from 93,000 to 66,000 long tons and sunflower oil supplies fell from 34,000 to 24,000 long tons.

A 4 per cent expansion in imports into Britain of the principal vegetable oils in 1971 compared with a growth of 3 per cent in 1970. As in 1970 expansion was predominantly in the edible/industrial items with palm oil imports up by 37 per cent. Purchases of edible items as a whole contracted by 9 per cent chiefly due to reduced supplies but soybean oil showed a significant rise. There was a slight increase in offtake of industrial items.

Imports of the major vegetable oils and oilseeds during the first half of the current year rose by 4 per cent i.e. 385,000 long tons (oil equivalent) to 399,000 long tons. The increase was mainly in edible items which rose from 164,000 to 179,000 long tons. Groundnuts remained unchanged at 50,000 long tons but there was a major increase in soybean imports from 64,000 long tons to 72,000 long tons. This mainly comprised increased imports of oil. There was a reduction in cottonseed supplies which fell from 26,000 long tons to 17,000 long tons, all in the form of oil. Rapeseed imports rose from 12,000 long tons to 23,000 long tons, the bulk being in seed, and sunflower seed imports, all in oil, increased from 12,000 long tons to 17,000 long tons.

In the edible/industrial sector there was a small overall increase from 178,000 long tons to 181,000 long tons. Copra rose from 34,000 to 35,000 long tons, palm kernel from 25,000 to 36,000 long tons and palm oil fell slightly from 119,000 to 110,000 long tons.

In the industrial sector there was a reduction from 43,000 long tons total to 39,000 long tons. Flaxseed imports fell from 28,000 to 22,000 long tons chiefly in respect of linseed oil which fell to 12,000 long tons against the previous year's

19,000 long tons.

Utilization — vegetable oils. — Total vegetable oils used in margarine and compound cooking fat rose from 169,000 long tons in 1969 to 175,000 long tons in 1970 thus increasing the share of vegetable oils in the overall total from 41 per cent to 43 per cent. This recovery in the usage of vegetable oils has been chiefly at the expense of marine oils although this was to some extent offset by heavy usage of animal fats, particularly lard.

The world butter shortage resulted in a 9 per cent increase in production of margarine in Britain in 1971, the highest level since 1964. Comparatively stable prices compared with rapidly increasing butter prices also helped demand and the development of the new soft luxury margarines, now estimated to account for one-fifth of the total margarine market, has further stimulated usage. Margarine now accounts for just under 50 per cent of the yellow fats market and further heavy growth in consumption is anticipated particularly after Britain enters the EEC. Recent margarine price cuts, the reflection of cheaper raw materials, specifically vegetable and marine oil prices, are likely to further encourage demand.

The increased production of margarine in 1971 brought about the usage of considerably larger quantities of vegetable oils as against utilization of animal fats which remained at previous levels and marine oils which showed only a marginal increase. Increased offtake of vegetable oils was chiefly in soya and palm oils. The higher consumption of oils and fats in compound cooking fats manufacture was almost entirely in the utilization of increased quantities of lard with usage of marine oils considerably lower and that of vegetable oils also reduced.

With the greatly increased importance of Canada's rapeseed crop, special mention should be made of the utilization of rapeseed oil for which the main outlet is margarine, although significant quantities are used in cooking fats and liquid oils and there is also a limited industrial use.

Indications are that with the availability of low erucic acid varieties of rapeseed and developments in the reduction of the linolenic acid content of the oil there will be increased usage of rapeseed oil in fats and oils products.

Reports stressing that the erucic acid content of rapeseed oil could have undesirable effects on health have had no significant repercussions on the usage of the commodity in Britain with demand influenced chiefly by economic factors and rapeseed oil remaining acceptable to most processors provided it is offered at a competitive price to alternative oils. Nevertheless the decision of the Canadian Government to change over the rapeseed acreage in Canada to low erucic acid varieties is a desirable move and should increase the acceptability of Canadian rapeseed.

Oil cakes and meals. — Little change is evident in current utilization of oil cakes and meals in compound feeding stuffs with oilseed products remaining important ingredients. Although there is still a small degree of prejudice against the incorporation of rapeseed meal in some animal feed rations, this is rapidly being overcome by research developments which have proved that the inclusion of rapeseed meal in various animal feed rations provides a source of protein equal to that of soybean cake and meal. Price again is the ruling factor governing the ingredients used by the Compound Animal Feeding Stuff Industry.

Outlook. — The short term outlook for Canadian exports of oilseeds and products to Britain is fairly promising with a good demand for soybeans, and rapeseed and their oils and reasonable demand for sunflower seed, flaxseed, linseed oil and all oilseed cakes and meals. Although soybeans and rapeseed enter Britain free of duty from all sources, sunflower seed and flaxseed are free of duty from the Commonwealth, but are subject to a 10 per cent duty from elsewhere. Mustard seed is free of duty from the Commonwealth and EFTA but subject to a 10 per cent duty from other countries. Soybean, rapeseed, linseed and sunflower seed oils are free of duty from the Commonwealth but a 15 per cent duty is applicable on imports from other sources. All oilseed cakes and meals are free of duty from the Commonwealth but a 10 per cent duty applies otherwise. Canada is therefore in an advantageous position from the tariff aspect.

In the long term and with Britain's entry into the EEC, the position will change and in some cases adversely from the Canadian standpoint with EEC tariff regulations in force which at present allow duty free entry of oilseeds, cakes and meal but impose levies on vegetable oils. British accession to the EEC will therefore not change the tariff situation for soybeans and rapeseed but for flaxseed, sunflower seed and all oilseeds, cakes and meals and vegetable oils, Canadian exports will eventually suffer from loss of Commonwealth preference.

Soybeans should remain in strong demand in an enlarged EEC and the market for Canada should remain firm although competing with very substantial supplies from the USA. The EEC is a strong competitor in the rapeseed market because of supported exports, but the crop has been variable in the past and if the present pattern continues and tariff barriers are not raised then Canada should continue to enjoy a sizeable share of this expanding market. Requirements for flaxseed are likely to decline regardless of entry into the EEC as synthetic products are used more widely in the industrial sector. However, Canadian flaxseed is highly regarded as a quality commodity and this preference it is hoped will continue regardless of the loss of tariff advantages.

The outlook for vegetable oils is not so encouraging and it is likely that the loss of tariff preference will seriously affect the export of these commodities from Canada to Britain.

Requirements for oilseed cake and meal for incorporation in compound animal feeds should improve with a continuing policy of increased livestock production in Britain and the necessity for replacing high priced cereals with cheaper protein substitutes following British entry into the EEC. Soybean cake and meal and rapeseed meal should continue to sell at competitive prices but with loss of tariff preference and increased domestic production Canada will have difficulty in competing. Sales of linseed cake and meal are likely to continue to decline due solely to reduced demand. Continuity of supplies and competitive prices are essential if Canada is to continue to maintain her share of these markets.

#### SITUATION IN FRANCE

The following information relative to oilseeds in France is extracted from a report provided by Mr. J.L. Baron, Commercial Assistant (Agriculture), Canadian Embassy, Paris, under date of December 21, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

French oilseeds crops in 1972. — Following are the latest estimates, released

by the Ministry of Agriculture, dealing with oilseed planting, yield and production, compared with the provisional final results for 1971:

	<u>Area</u>		<u>Yield</u>		<u>Production</u>	
	<u>1971</u> '000 hectares	<u>1972</u>	<u>1971</u> metric ton per hectare	<u>1972</u>	<u>1971</u> '000 metric tons	<u>1972</u>
Winter rapeseed (September 1, 1972) ...	275.0	272.4	2.0	2.3	551.3	615.4
Spring rapeseed (September 1, 1972) ...	<u>39.4</u>	<u>33.5</u>	<u>1.7</u>	<u>1.9</u>	<u>67.9</u>	<u>62.6</u>
Totals, rapeseed ....	<u>314.4</u>	<u>305.9</u>	<u>—</u>	<u>—</u>	<u>619.2</u>	<u>678.0</u>
Sunflowerseed (October 1, 1972) .....	40.0	48.2	1.9	1.6	74.2	76.7

For the other oilseed crops, figures given in our previous report for September remain unchanged. Taking into account these recent estimates, the decline already indicate for rapeseed planting would only reach 8,500 hectares (instead of 20,300 hectares), while production would exceed by 58,800 metric tons the 619,200 tons cropped last year. Concerning sunflowerseed estimates for planting and production, they are lower than in August.

Due to poor climatic conditions, especially in Northern France, harvests of winter varieties of rapeseed continued until August. Such a general delay was also registered with spring varieties. Yields were regarded as medium or feeble, with a high moisture percentage. Despite these circumstances, producers considered the last crop as satisfactory.

After having suffered from the dryness, especially in West and South of France, sunflowerseeds reacted differently to the August rain falls. If they were favourable to the hybrid varieties, offering a good resistance to beating down, they had a negative influence upon other varieties for which botrytis development was registered in the fields beaten down: consequently, the first harvestings gave irregular and generally feeble yields in South of France, while they might be better in the Champagne and Bourgogne areas where growth conditions were normal.

Rapeseed Trade. — Domestic trade: The 1971-72 crop year came to a close on July 31, 1972 with the following figures:

Total deliveries .....	662,729	metric tons
Sales and exports .....	659,825	" "
Final stock .....	2,904	" "

On October 1, 1972 French growers had delivered 566,694 tons, 133,180 tons had been sold to processors or exported, while 433,514 tons remained in stocks.

From January 1 to October 1, 1972, French rapeseed imports totalled 154,540 tons of which 145,049 tons came from Canada (i.e. around 93 per cent of the French needs), 6,038 tons from the EEC, 2,090 tons from Sweden and 1,363 tons from Denmark.

Rapeseed exports from France were 191,853 metric tons for these first nine months. The key buyers remained Italy with 153,309 tons and Algeria with 29,785 tons.

In contrast to last year, it should be noted that Lebanon was a new customer of French rapeseed with 2,597 tons already exported to this country.

Sunflowerseed Trade. — Domestic trade: The figures for the previous crop year 1971-72 were:

Total deliveries .....	55,554	metric tons
Sales and exports .....	54,861	" "
Final stock .....	693	" "

On October 1, 1972, total deliveries of sunflowerseeds amounted to 90 tons remained in stocks.

From January to October 1972, French imports of sunflowerseeds were 13,720 tons of which 6,735 tons went from the States, and 5,616 tons from Canada. Other suppliers were Malawi, Hungary, PRC and Mozambique.

Sunflowerseed exports reached 4,189 tons, of which 4,117 tons sent to the EEC (Holland and Italy) and 68 tons to Spain.

Market and prices. — Prices: From the end of September to the beginning of December, prices of rapeseed were as follows:

North oil processors: 111 to 113 francs per 100 kilos  
Bordeaux oil processors: 109.50 to 112.50 francs per 100 kilos  
Central France: the departure price passed from 109 to 107.50 francs per 100 kilos  
FOB Bordeaux, Marseille: 113 francs per 100 kilos

In Central part of France, the departure price of sunflowerseed remained between 113 and 115 francs per 100 kilos.

Market. — By the end of September, the general feeling regarding the market for rapeseed was cautious because the oil processors had enough supply until the end of 1972, the EEC premium had declined, owing the higher prices for Canadian rapeseed, and the important availability of soya oil resulting in low prices for rapeseed oil.

The rapeseed market remained weak during October, and crushers were not interested to buy rapeseed. Prices were stable during November and the beginning of December.

Processors were worried about the quality of the last crop of sunflowerseed, but in November, trade campaign was already completed in Northern France, while a little market remained in South-West.

Next crop. — On October 1, plantings were on the point of being completed for winter rapeseeds. The lack of water and low temperatures pulled the sproutings which were slow and irregular. A high demand of Major variety is likely to be registered, and rapeseed crops would develop in the Aquitaine and Poitou (South West and West parts of France).

Last trade crop year balance. — These figures relating to the 1971-72 crop year were provided by the A.G.P.O.

	<u>Rapeseed</u>	<u>Sunflowerseed</u>
	metric tons	
Total deliveries .....	660,000	55,000
Total imports .....	<u>228,000</u>	<u>21,000</u>
Totals, supply .....	<u>888,000</u>	<u>76,000</u>
Sales to crushers .....	633,000	66,000
Exports .....	<u>255,000</u>	<u>10,000</u>
Totals, disposition .....	<u>888,000</u>	<u>76,000</u>

For rapeseed, the 255,000 metric tons exported were mainly shipped to the EEC especially to Italy (213,000 tons). Some 633,000 tons of seeds were crushed and the final production of rapeseed oil reached 265,000 tons of which 77,000 tons were exported.

Concerning sunflowerseed, the 10,000 tons exported were shipped to Western Germany (6,000) and to Italy (4,000). From 66,000 tons crushed, sunflowerseed oil production was 25,000 tons. Some 60,000 tons oil were imported in order to meet with the consumption level of 85,000 tons.

Next 1972-73 trade crop year forecast. — If the EEC total deliveries of rapeseed are estimated around 935,000 to 976,000 metric tons, total French deliveries will be between 660,000 and 700,000 tons, compared with the 660,000 tons 1971-72 figures. Sales to French crushers could reach 600,000 to 650,000 tons in contrast to 633,000 tons last campaign.

Concerning exports, contrary to last campaign, Italian buyers did not sign a total supply contract (200,000 tons in 1971-72), but they will import according to their needs. At the end of October, 100,000 tons of rapeseed were already contracted. The French prospect of 180,000 to 200,000 tons of exports to this country could be jeopardized by the advertising campaign against rapeseed in Italy at this time. Vis à vis Algeria, despite the total supply contract of the CNTA, French exports to this country could be difficult because of the insufficiency of European restitutions to Third Countries. Exports to Lebanon and Western Germany appear to be limited.

It appears too early to have reliable estimates for sunflowerseed, but total deliveries could be 50,000 metric tons.

Compared with last year, and during these first seven months, consumption increased only for peanuts, soybeans, rapeseed and sunflowerseed meals and cakes. Total imports amounted to 71 per cent of total consumption needs, instead of 68 per cent a year earlier.



Oilseeds Meals and Cake January 1 — August 1, 1972

	Production	Imports	Exports	Total consumption	
	1972	1972	1972	1972	1971 (same period)
	metric tons				
Peanuts .....	45,109	197,409	2,932	239,586	196,789
Flaxseed .....	24,870	51,391	5,187	71,074	74,920
Copra, palm .....	18,373	11,563	4,094	25,842	34,225
Soybeans .....	214,612	596,032	8,567	802,077	792,978
Rapeseed .....	161,725	3,811	74,986	90,550	87,611
Sunflowerseed .....	18,543	27,160	627	45,076	32,149
Castor oilbeans .....	4,155	12,313	86	16,382	20,823
Other .....	17	20,255	8,684	11,588	22,115
Totals, 1972 .....	487,404	919,934	105,163	1,302,175	1,261,610
Totals, 1971 (same period) .....	495,719	854,386	88,495	—	1,261,610

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, August 12 — November 25, 1972 with Comparisons  
at Approximately the Same Date in 1971

Week ending		1971	1972	1971	1972
		metric tons		thousand pounds	
August	12, 1972 .....	9,293	40,904	20,487	90,177
	19 .....	8,353	40,584	18,415	89,471
	26 .....	15,891	39,501	35,033	87,084
September	2 .....	19,865	39,253	43,794	86,537
	9 .....	20,703	37,389	45,642	82,428
	16 .....	19,486	38,188	42,959	84,189
	23 .....	18,645	37,149	41,105	81,899
	30 .....	17,858	37,155	39,370	81,912
October	7 .....	21,825	36,348	48,115	80,133
	14 .....	19,799	35,991	43,649	79,346
	21 .....	17,741	37,242	39,112	82,104
	28 .....	16,934	36,696	37,333	80,900
November	4 .....	13,506	37,469	29,775	82,604
	11 .....	13,312	34,793	29,348	76,705
	18 .....	9,792	35,518	21,587	78,303
	25 .....	8,915	39,419	19,654	86,903

CALENDAR OF OILSEED EVENTS

- November 20-21 The 1972 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.
- 24 Based on conditions at October 25, production of Canada's principal grain and oilseed crops in 1972 was estimated as follows, in millions of bushels, with 1971 figures in brackets: all wheat, 533.3 (529.6); oats for grain, 300.2 (363.5); barley, 518.4 (601.6); all rye, 13.5 (21.9); corn for grain, 104.6 (116.0) buckwheat, 1.7 (2.4); flaxseed, 19.0 (22.3); rapeseed, 57.3 (95.0); and soybeans, 11.7 (10.3).
- December 8 Mr. R.M. Esdale, Commissioner of the Canadian Wheat Board stated that with increased demand for oilseeds, rapeseed quotas at country elevators are expected to reach a level high enough to enable farmers to deliver all of their available rapeseed supplies by the end of the crop year.



STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



**1010740788**