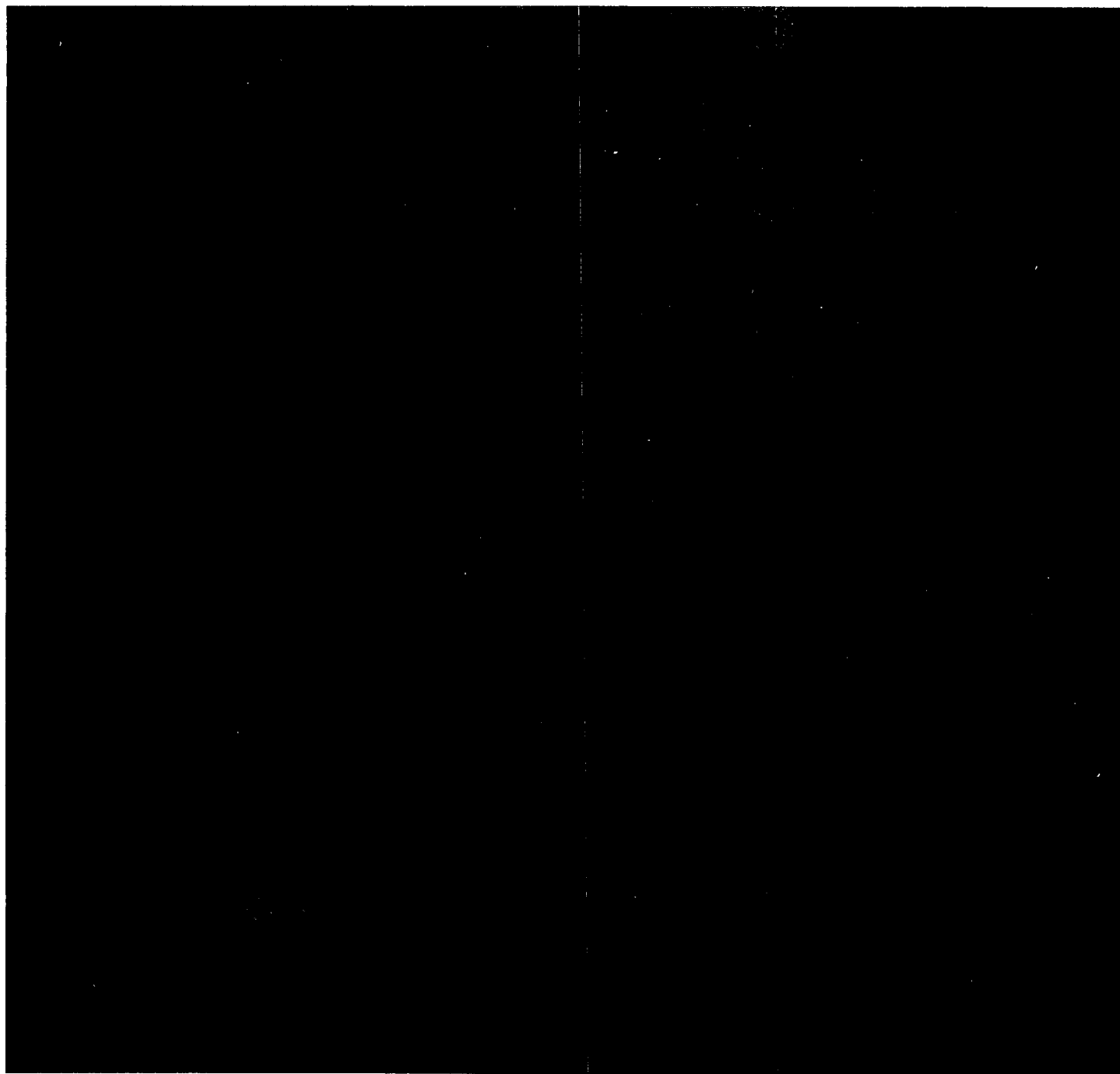


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MARCH 1973



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S Y M B O L S

The following standard symbols are used in Dominion Bureau of Statistics 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

United States Pushes up 1973
World Production of Fats and Oils

The following extract is taken in part from the January 31, 1973 issue of World Production and Trade published by the Foreign Agricultural Service, United States Department of Agriculture. World production(1) of fats and oils in 1973 is tentatively forecast at over 42.9 million metric tons, an increase of 0.7 million tons or approximately 1.7 per cent over 1972. This increase is below the trendline (1960-70) increase of 0.9 million tons annually. However, this forecast is subject to a considerable modification, since it includes the calculated oil content of crops still to be harvested in April-June 1973, such as sunflower and flaxseed in Argentina and soybeans in Brazil. Also, it includes the calculated oil content of fall-harvested 1972 crops in countries such as the Soviet Union, China, Romania, and Bulgaria for which no official crop reports have been issued by mid-January, and the actual magnitude of which is still conjecture. Also, fish oil production, as in Peru, is virtually unpredictable.

In one respect, the 1973 production picture will be quite different from that of 1972. Last year, all of the gain in production occurred in foreign countries and none occurred in the United States. This year, all of the expansion will be in the United States and none abroad where gains in some countries will be offset by losses in others. We have revised significantly downward the forecast for 1972 which we published a year ago, mainly because outturn in some of the above countries did not turn out as large as expected.

The 1972 world fats and oils production is now placed at nearly 42.2 million tons, only 0.65 million tons above that of 1971. The fact that the increase was only of this magnitude in 1972 was not bullish market-wise, since the aggregate production figure conceals the fact that considerable increases were scored in crops where most of the increase represented larger export availabilities, such as soybean oil, coconut oil, and palm oil. Therefore, world prices for oils generally declined in 1972.

In 1973, the change in aggregate production is not indicative of a likely expansion in export availabilities since it encompasses a decrease of 475,000 tons, oil equivalent, in India's production (mainly peanut and rapeseed). Since India is not an exporter in the oil sector, this major reduction in production has no impact on export availabilities. Nor will the shortfall in Indian production be fully reflected in import demand, since the Indian government has indicated that it will attempt to make up only a fraction of the shortfall through imports.

Tentatively, it appears that the expansion in 1973 world export availabilities should more than match the increment in effective import demand and there may be some buildup in stocks, visible or invisible.

(1) Oil production data published by FAS are calculated figures based on estimated oil yields from estimated crushings of crops either in the countries where grown or to which exported. 1973 oil production consists of the oil from crops harvested the latter part of 1972 in the Northern Hemisphere and the first part of 1973 in the Southern Hemisphere.

Oils and Fats (oil or fat equivalent): Calculated World Production, Annual 1964-72 and Forecast 1973(1)

Commodity	1964	1965	1966	1967	1968	1969	1970	1971	1972(2)	Forecast 1973
thousand metric tons										
<u>Edible vegetable oils</u>										
Cottonseed(3)	2,395	2,505	2,535	2,240	2,175	2,500	2,390	2,385	2,580	2,780
Peanut	3,005	3,295	3,180	3,225	3,325	3,035	3,215	3,295	3,335	3,020
Soybean	3,880	3,905	4,585	5,000	5,215	5,835	5,985	6,165	6,585	7,170
Sunflower	2,290	3,130	2,970	3,505	3,725	3,720	3,800	3,590	3,625	3,730
Rapeseed	1,095	1,460	1,415	1,665	1,845	1,475	1,870	2,475	2,575	2,480
Sesame	575	610	565	555	600	565	585	695	635	605
Safflower	215	185	200	255	265	175	220	235	300	285
Olive(4)	1,700	1,005	1,230	1,200	1,335	1,385	1,255	1,440	1,565	1,470
Corn	235	245	255	260	250	270	275	285	301	305
Totals	15,390	16,340	16,935	17,905	18,735	18,960	19,595	20,565	21,501	21,845
<u>Palm oils(5)</u>										
Coconut	2,270	2,135	2,260	2,155	2,150	2,050	2,120	2,490	2,730	2,675
Palm kernel(3)	420	435	425	375	375	405	430	465	478	510
Palm(3)	1,255	1,275	1,320	1,200	1,395	1,545	1,715	1,910	2,140	2,400
Babassu kernel(6)	52	54	66	52	65	101	85	107	107	110
Totals	3,997	3,899	4,071	3,782	3,985	4,101	4,350	4,972	5,455	5,695
<u>Industrial oils</u>										
Linseed	1,065	1,080	1,080	950	785	920	1,150	1,260	860	790
Castor	360	335	325	370	365	360	350	325	320	365
Oiticica	17	12	18	2	29	2	18	20	25	30
Tung	137	149	126	150	123	130	116	147	131	140
Olive residue(7)	124	98	117	134	146	148	116	144	149	140
Totals	1,703	1,674	1,666	1,606	1,448	1,560	1,750	1,896	1,485	1,465
<u>Animal fats</u>										
Butter (fat content)	4,040	4,300	3,900	4,000	4,050	4,000	3,850	3,900	4,000	4,075
Lard(8)	3,740	3,910	3,930	4,043	4,048	3,940	4,080	4,262	4,140	4,140
Tallow and greases	3,895	3,790	3,900	4,180	4,251	4,256	4,426	4,609	4,568	4,660
Totals	11,675	12,000	11,730	12,223	12,349	12,196	12,356	12,771	12,708	12,875
<u>Marine oils</u>										
Whale	226	198	115	103	92	76	69	72	70	70
Sperm whale	150	154	146	150	121	131	140	134	130	125
Fish (including liver)	759	786	888	1,118	1,105	963	1,033	1,137	850	850
Totals	1,135	1,138	1,149	1,371	1,318	1,170	1,242	1,343	1,050	1,045
Grand totals	33,900	35,051	35,551	36,887	37,835	37,987	39,293	41,547	42,199	42,925

(1) Years indicated are those in which the predominant share of the given oil was produced. (2) Preliminary. (3) Revised series. (4) Excludes olive residue oil. (5) Estimated on the basis of exports and information available on consumption in the various producing areas. (6) Mill production 1964-65 only. (7) Includes quantities of refined oil for edible purposes. (8) Rendered lard only in most countries.

Of the five main categories of fats and oils, the largest production increase nearly 350,000 tons will be, as usual, in the main category the soft, edible vegetable oils. The major portion of the increase will be in soybean oil very largely in the United States, from its record large crop harvested in late 1972. Except for cottonseed oil and sunflowerseed oil, practically all of the other oils should show decreases or insignificant increases. The increase in cottonseed oil, too and possibly sunflowerseed oil, will be mainly due to United States.

A 240,000 ton increase may be achieved in the palm oils category. The increase should be much less than was achieved in 1972 because of the leveling off and probably even slightly declining output of coconut oil. Palm oil production, however, should increase more than in 1972.

Production of the industrial oils should show little change in aggregate, with linseed down some more and castor probably up.

Some gain will probably take place in animal fat output possibly more than 150,000 tons. There should be more butter and tallow while lard production will not change much.

The tonnage of marine oils, the last category, is not expected to change much from the reduced 1972 volume. This is based primarily on the assumption that Peruvian fish oil production will continue to be depressed at about the 1972 volume.

Edible vegetable oils. — World cottonseed oil production is forecast to increase to a level of 2.78 million metric tons an 8 per cent increase above 1972 oil production. Cottonseed oil production for 1973 is based on Northern Hemisphere crops harvested in late 1972 and Southern Hemisphere crops harvested in early 1973. The United States is projected to increase its cottonseed oil production by 30 per cent over last year's level. Cottonseed oil produced by the United States accounts for 29 per cent of the world total.

World production of cottonseed has been estimated at 24.3 million metric tons for the year beginning August 1, 1972; this represents an increase of 1.21 million tons or 5 per cent over 1971. Other than the United States, only the USSR, Mainland China, and Argentina, of the major producers, increased cottonseed production. Production decreases were noted in Pakistan, Mexico, Brazil, and India, while production in Egypt held nearly steady. In the USSR, Pakistan, Mexico, and India, acreage was reportedly up, however, adverse weather conditions led to lower cotton production in these countries than had been previously forecast.

World peanut oil production in 1973 will total about 3 million metric tons 10 per cent, or 315,000 tons less than the total for 1972. All of this year's decline can be accounted for by the major shortfall of 25 per cent in the 1972 Indian peanut crop. India's calculated oil production in 1973, at 1.03 million metric tons, will be 340,000 tons below the 1972 volume. Excluding India, which is not an important exporter of peanuts or oil, peanut oil production in 1973 will increase by 25,000 tons over 1972.

India's shortfall, however, does increase considerably its import requirements of edible oils. Sizable gains in output by Argentina, Nigeria, and the United States will more than offset declines in Senegal, Brazil, and the Gambia. The pivotal factor in the 1973 world supply situation is whether or not Southern Hemisphere crops yet to be harvested will achieve the forecast level of output, particularly in Argentina and to some extent, Brazil.

World soybean oil production will achieve its third largest increase ever in 1973 — 585,000 metric tons, or almost 9 per cent, and total 7.17 million tons. Calculated oil production from the record large 1972 U.S. soybean crop will be up by 455,000 tons and will account for 78 per cent of this year's increase in world soybean oil production. Brazil's 1973 soybean oil outturn is expected to show a gain of 110,000 tons, or 20 per cent, based on the current forecast of 4.1 million tons for this year's soybean crop. Mainland China's oil production is calculated to decline by about 10,000 tons in 1973, following an estimated 100,000 ton decline in the 1972 soybean harvest. These three major producer exporter countries account for 94 per cent of world soybean production and 97 per cent of calculated world soybean oil production.

Among smaller producing countries, whose exports of soybeans and oil are virtually negligible, sizable percentage increases are estimated or forecast for Argentina, Mexico, Canada, and Colombia. Aggregate soybean oil production, in countries other than the United States, Brazil, and China will be up by about 25,000 tons in 1973.

The 1972 soybean harvest in the United States is now estimated at 34.74 million tons (1.28 billion bushels) 2.7 million tons (100.3 million bushels), or 8.5 per cent above the previous year's crop. The major expansion of U.S. soybean production in 1972 is twice as large as the increase of the previous year and the average annual increase for the 5-year period 1966-70. Harvested area, at 45.85 million acres, was 8 per cent above a year earlier and yields averaged a record 27.9 bushels per acre compared with 27.5 in 1971, the previous record.

On the basis of very limited information, 1972 soybean production in Mainland China is estimated at 6.6 million tons 100,000 tons below 1971 volume. The decline is attributed to unfavorable weather, as acreage is believed to have increased by about 1 million acres and to total 21 million acres.

In Brazil, the 1973 soybean harvest is tentatively expected to exceed the previous year's outturn by 700,000 to 800,000 tons and total about 4.1 million tons. This year's increase in production will result from a further substantial expansion in area sown to soybeans of 28 per cent, or about 1.6 million acres. Shifts in cropping patterns, which have taken land out of cotton, corn, peanuts, and pasture, continue to provide the major source of additional soybean acreage. It is assumed the yield will moderate from the record level achieved by the 1972 crop. The 21 per cent increase in output forecast for 1973, if realized, would follow a 62 per cent increment in 1972 and a 40 per cent increment in 1971.

Estimates are not yet available for 1972 soybean acreage and production in the Soviet Union and we have arbitrarily maintained output at the previous year's level.

Sunflowerseed oil output is estimated to increase to 3.70 million metric tons, or 80,000 tons above the 1972 volume. This increase reflects expanded 1972 crop output in the United States, Romania, and Turkey, and a tentative forecast of a larger 1973 seed harvest in Argentine. Sunflowerseed oil output in several of the traditional major producing countries, such as the Soviet Union, Bulgaria, Hungary, and Yugoslavia, are believed to be down somewhat from last year and below early indications based on larger acreage. However, we wish to stress that no official estimates of 1972 crop for these traditional major producing countries are yet available.

Sunflowerseed oil production in 1973 from the traditional major producer-exporter countries (USSR, Romania, Bulgaria, and Argentina) is estimated to increase only slightly from the 2.92 million ton estimate for 1972. Since the upward trend in domestic consumption of sunflower oil from these countries is about 120,000 tons per year, export availabilities may in fact decline by roughly 100,000 tons. Although a substantial part of this decline will be offset by increased exports from the United States (largely as seed), aggregate exports of sunflowerseed and oil will again likely decline unless Soviet imports of U.S. soybeans are sufficient to prevent any further decline in exports.

The likelihood of any substantial expansion in sunflowerseed production during the 1970's seems remote, despite relatively high prices caused by shrinking export availabilities in face of strong import demand. As production and exports of other vegetable oils will continue to increase, sunflowerseed oil in the 1970's will likely represent a declining proportion of world edible vegetable oil exports.

Rapeseed oil production in 1973 is expected to decline to 2.48 million tons, 4 per cent less than last year's world total of 2.57 million tons. The 1973 forecast is based on Canada's reduced rapeseed crop in 1972 and increased rapeseed crops indicated for most of the other major producers in 1973.

Rapeseed production in Canada in 1972 totaled 1.3 million tons, a decline of 40 per cent from the record 1971 crop of 2.15 million tons. Acreage was reduced to 3.3 million acres, 38 per cent below the 5.3 million planted to rapeseed in 1971. Yield per acre averaged 17.5 bushels, about 2 per cent less than the 1971 average of 17.9 bushels per acre.

Rapeseed production in Europe in 1973 is tentatively expected to exceed the 2.4 million tons harvested in 1972. Increased plantings of winter rapeseed, for harvest in 1973, indicate larger crops for France, West Germany, the Netherlands, Poland, and the United Kingdom. Moreover, intervention prices, established by the European Community Commission, for rapeseed produced in the United Kingdom, Ireland, and Denmark, provide a further incentive for increased production in these countries in 1973.

We are assuming that India's production of rapeseed in 1973 will show a decided improvement over the drought-reduced harvest in 1972. Only 1.45 million tons of rapeseed were harvested compared with 1.98 million tons in 1971. Improved moisture conditions in recent months may provide a better rapeseed outturn in India in 1973.

Indications also point to some increase in the rapeseed crop in Mainland China this year, which we include in the 1973 oil outturn. The 1972 crop, estimated at 996,000 tons was 20 per cent higher than the 830,000 ton crop harvested in 1971. Reportedly, strong emphasis is being placed on increased rapeseed production in 1973.

Sesame oil production in 1973, forecast at 605,000 tons, is expected to decline 30,000 tons, or 5 per cent from the 637,000 tons in 1972. The decline indicated for 1973 stems from a reduction in 1972 production of sesameseed. World production of sesameseed in 1972, at 1.28 million tons, declined 5 per cent or 80,000 tons from the 1.35 million in 1971. Most of the decline was in India's reduced outturn.

Safflower oil production in 1973 is forecast at 285,000 tons, 5 per cent below the record 300,000 tons produced in 1972. Although most of the decline is based on Mexico's reduced production of safflowerseed in 1972, a somewhat smaller crop harvested in the United States also contributed to the expected decline in 1973 oil production.

World production of pressed olive oil for 1973 is currently estimated at 1.37 million metric tons, which is 191,000 metric tons less than the near record production of 1972. This year, larger output is expected for Greece, Spain and Turkey nearly offsetting considerable reductions in Italy and Tunisia. It seems that the major producers have been balancing each other out on high and low production; therefore, total production is nearly steady.

Palm oil production in 1973 is estimated to rise to 2.4 million metric tons — 260,000 tons above the 1972 volume. The increase largely reflects continued expansion in output from young trees in West Malaysia, Sabah, the Ivory Coast, and Indonesia. Although the prospective increase in palm oil output only exceeds the 1972 expansion by 30,000 tons, the gain in exports this year could substantially exceed last year's gain of roughly 130,000 tons. This year's anticipated acceleration in exports will largely reflect stepped up exports from West Malaysia, in part attributable to drawing down of large stocks.

In 1973 West Malaysia's output is estimated to rise to 850,000 tons — 170,000 tons above the estimated 1972 volume. West Malaysia's exports in 1973 may nearly approximate output since stocks rose substantially in 1972, and further stock building is not anticipated in 1973. Exports in 1973 must rise by more than 200,000 tons in order to avoid a further build up in stocks because annual domestic consumption there accounts for less than 2 per cent of annual output, about 15,000 to 20,000 tons per year. The expected increase in exports from West Malaysia is substantially above the estimated 66,000 ton expansion of 1972.

Throughout the 1970's we can expect successive annual increases in world palm oil output which for the most part will be available for export. The expected annual expansion in volume of palm oil output from the major producer-exporter countries could approximate or exceed that averaged during the last 5 years; but the expected annual increase in exports will rise even more. Thus, palm oil exports will represent a rising proportion of world fats and oils exports during the 1970's.

Although produced from the fruit of the same tree as palm oil, palm kernel production is expected to expand by only 6 per cent or 30,000 tons, oil basis, above the 1972 volume. In the case of palm kernels, output expansion in the same key expanding areas as for palm oil, particularly West Malaysia, Sabah, and the Ivory Coast, accounts for a much smaller proportion of world output due to the relatively smaller ratio of palm oil to palm kernels among the newer varieties planted in these areas. Relatively stagnating output from older varieties indigenous to West Africa, which to date have accounted for roughly 75 per cent of world palm kernel output, have continued to dominate exportable supplies of this commodity.

Future export growth will be largely limited to expansion from new-producing trees in West Malaysia, Sabah, and the Ivory Coast. The bulk of exports have continued to move in the form of kernels. However, the proportion exported directly as kernels has declined and likely expanded crushings in new producing areas is expected to accelerate the trend toward a larger proportion moving as oil.

Following last year's unprecedented 240,000 ton increase in coconut oil production to a volume of 2.73 million tons, we anticipate a decline in production this year.

Virtually all of the 1972 increase reflected expanded Philippine output, which rose by about 20 per cent, to a new high of 2.05 million tons. The increase reflected a 15 per cent rise in yield together with a 5 per cent increase in bearing tree

numbers. Philippine coconut yields in 1972 benefited from exceptional rainfall which averaged 25 per cent above the long-term normal. In 1973 we anticipate a significant decline in Philippine coconut output despite a slight (nearly 2 per cent) increase in bearing tree numbers. The anticipated decline reflects a current downtrend in monthly rainfall. This decline is expected to more than offset the slight increase in bearing tree numbers, and increased yield from expanded bearing surface on trees planted during the 1960-65 period. We anticipate that virtually all of any reduction in 1973 Philippine output will be reflected in reduced exports of copra as such.

Industrial oils. — World production of linseed oil in 1973 is forecast at 790,000 metric tons, which is 70,000 tons, or 8 per cent below the 1972 volume and 470,000 tons, or 37 per cent below the volume of the recent peak year of 1971. The major portion of the calculated decline in 1973 world linseed oil production is accounted for by the smaller 1972 harvested flaxseed crops in Canada and the United States. The combined 1973 oil production of these two countries will be lower by 62,000 tons and total 261,000 tons, which compares with the 1972 volume of 323,000 tons and the 1971 total of 620,000 tons.

In Argentina, the first official estimate of the 1972 flaxseed crop reported a seed production of 335,000 tons compared to earlier forecasts of a crop of 350,000 to 360,000 tons. With seed production up only 19,000 tons above the reduced 1971 volume, Argentina's 1973 linseed oil production should rise by 6,000 tons and total 105,000 tons.

Aggregate 1973 linseed oil production in countries other than these three major producer-exporter countries, is down from the 1972 level by about 10,000 tons. Oil production in Uruguay and Mexico, while down sharply in percentage terms, will be lower by about 15,000 tons in terms of tonnage. On the other hand, India's 1973 linseed oil outturn is calculated to show a gain of 5,000 tons, based on larger seed production. Total flaxseed production in Europe is virtually unchanged from the previous year. Estimated output in the Soviet Union has been maintained at the previous year's volume, as no official estimate of production has yet been released.

This year's further decline in world linseed oil production, following the sharp decline in 1972 together with the drawdown of the heavy carryover stocks over the last year, will result in increasing tightness in the world supply situation during 1973. Carryout stocks of flaxseed and linseed oil in Canada, the United States, and Argentina at the end of the 1972-73 marketing year are expected to be down sharply again and near minimum levels.

The 1972 Canadian flaxseed crop, officially estimated at 483,000 tons, is 85,000 tons, or 15 per cent below the previous year's final estimate and 61 per cent below the record large 1970 harvest. Acreage declined to 1.4 million acres in 1972 from 1.8 million in 1971 and yields averaged an increase of about 6 per cent. Canadian stocks of seed on August 1, 1972, at 407,000 tons, were down 269,000 tons, or 40 per cent from the year earlier volume. Thus, Canadian supplies for 1972-73 amount to 890,000 tons — 355,000 tons or 28 per cent less than the 1971-72 volume.

Flaxseed production in the United States in 1972 is estimated at 353,000 tons 109,000 tons less than the 1971 harvest and 398,000 tons less than the 1970 crop. July 1, 1972, beginning stocks of flaxseed, as such, totaled 513,000 tons compared with 681,000 tons a year earlier. Total supplies of flaxseed and linseed oil in 1972-73 are the equivalent of 1,214,000 tons of flaxseed against 1,399,000 tons in 1971-72 for a decline of 185,000 tons or 13 per cent.

Argentina's 1972 crop is up 6 per cent at 335,000 tons, as indicated. November 1, 1972, flaxseed stocks were 13,000 tons compared to 121,000 tons a year earlier. The seed equivalent of linseed oil stocks in November 1972 totaled 62,000 tons against 395,000 tons in 1971. Thus, the seed equivalent of total Argentine supplies of seed and oil for 1972-73 total 410,000 tons which is about one-half of the previous year's volume.

Official sources in Uruguay indicate a reduction of about one-third in flaxseed sowing for 1972-73, and production is now expected to reach 30,000 tons against 42,510 tons the previous year. The decline in output is attributed to several factors, including excessive rainfall at planting time and competition from other crops. In Mexico, the 1972 flaxseed harvest is estimated at 10,000 tons — down from 40,000 tons in 1971. Harvested area in 1972 is estimated at 25,000 acres against 59,000 the previous year.

India's 1973 flaxseed harvest is forecast at a record 520,000 tons — 10,000 tons above the previous record set in 1972. While most oilseed crops suffered due to the failure of the June-September monsoon, Madhya Pradesh and Uttar Pradesh, the two major-flaxseed growing States, were not seriously affected. Acreage sown is estimated to be up 3 to 4 per cent. India consumes domestically virtually all of its production.

World castor oil production in 1973 is forecast at 365,000 metric tons, which if achieved, would be an increase of 45,000 tons, or 14 per cent above the depressed level of 1972 and the largest volume produced since 1968. The indicated increase in 1973 castor oil output is, of course, highly dependent on the outcome of this year's harvest in Brazil, the world largest producer-exporter country where production has been lagging for the past 2 years. Based on a forecast castorseed harvest of 365,000 tons, Brazil's 1973 oil outturn is calculated at 155,000 tons — 42,000 tons, or 37 per cent above the previous year's total. A gain of 3,000 tons is calculated for castor-producing countries other than Brazil, as small increases in the United States and Thailand should offset small declines in India and Mainland China.

World production of tung oil in 1973 is provisionally estimated to reach a volume of 140,000 metric tons, an increase of 17,000 metric tons from that in 1972. This is due to larger 1972 tung nut crops in both Argentina and Paraguay. No current production information from Mainland China is available. Export availabilities from Argentina and Paraguay should be considerably higher than a year ago. There was apparently some frost damage in August and September to the budding tung nut trees in Argentina and Paraguay. The extent of the damage is not yet known, however, it could substantially reduce the 1973 nut crop. This would mean the 1974 availability of tung oil could be down substantially.

Production of olive residue oil is expected to be 139,000 metric tons, down 7 per cent from last year's volume. This oil is treated as an industrial oil because most of it is thought to be used as soap stock. But it is recognized that small amounts are refined and used for edible purposes in some countries.

Animal fats. — The increased world milk production was reflected in higher production of butter. The common market output for 1972 was estimated at 3 per cent above 1971. The largest part of the increase was in France, Germany, and the Netherlands. Most of this additional butter production has been added to the intervention stocks. On November 30, 1972, total stocks in the EC have been estimated at 341,000 metric tons. In looking forward to 1973, the same stimuli will continue to encourage world production of butter, namely high support prices, export subsidies or home marketing schemes, and protection of home markets by import levies.

We expect world lard production in 1973 to about equal the 1972 levels of 4.140 million metric tons. World tallow and grease production is estimated 2 per cent higher in 1973, to 4.660 million metric tons. Production in the United States which accounts for more than 50 per cent of the total is forecast 2 per cent higher to 2.608 million metric tons. Production increases are also forecast for the expanded EC, Australia, and Argentina.

Fish oil. — The major change for fish oil in 1973 is not production but rather exports. In 1972, Peru's exports substantially exceeded output by reducing stocks. Therefore with continued small Peruvian output in 1973, exports must decline by possibly 140,000 tons — from the estimated 290,000 ton volume of 1972. The possibility of the increased exports from other countries cannot greatly moderate this decline. World fish oil output this year will likely continue depressed at about the 1972 volume of 850,000 tons. This volume would be about 290,000 tons below the 1971 volume of 1.14 million tons.

Fish oil output has experienced wide year-to-year fluctuations which have not been predictable. These fluctuations are compounded by substantial changes in oil extraction rates as well as changes in the volume of catch. Within this context, we would hesitate at this early date to guess that world fish oil output in calendar 1973 will be any more than approximately last year's small output. The 1972 output was the smallest since 1965 and 25 per cent below the record output produced in 1971.

The expected continuation of depressed output reflects the following assumptions:

- (1) The Peruvian anchovy scarcity continues to persist with fullscale fishing not being resumed before March.
- (2) Oil extraction rates in Peru, following this scarcity, will remain substantially below those reported in late 1971 and early 1972 — perhaps averaging no more than 2.5 per cent.
- (3) Any further decline that might take place in major-producing countries such as Peru will be about offset by slight increases in the minor producing countries. (The high fish oil and meal prices are an incentive to expand fishing.)

World Flaxseed
Production Declines
Further in 1972

According to the February 1973 issue by the Foreign Agricultural Service, United States Department of Agriculture, world flaxseed production in 1972 is estimated at 2.56 million metric tons, the lowest volume of world production since 1967. World flaxseed output in 1972 was 6.6 per cent or 182,000 tons below the 1971 total and 36.8 per cent or 1.5 million tons below the 1970 total. The revised total for 1972 flaxseed production is 30,000 tons or 1.2 per cent below the previously reported estimate. The reduced total for 1972 reflects the downward revision of 36,000 tons of the 1972 flaxseed outturn in the United States and the second official estimate of the 1972 Argentine crop, which is 15,000 tons below the earlier forecast. These changes are partly offset by an increase of 18,000 tons in the estimate of the 1972 flaxseed harvest in Brazil. Other minor revisions were made for Uruguay, Belgium, Romania, Ethiopia, Australia and New Zealand, but the net change in the world total was virtually negligible.

Among the three major producer-exporter countries — Canada, the United States, and Argentina — 1972 flaxseed harvests are estimated at 483,000 tons, 353,000 tons, and 345,000 tons, respectively, for a net decline from the previous year's output of 164,000 tons or 12.2 per cent. Combined stocks of flaxseed and linseed oil in the above three countries at the beginning of their respective 1972-73 marketing years totalled 1.35 million tons, seed equivalent basis, against 1.99 million tons a year earlier. Thus, combined supplies for 1972-73, at 2.53 million tons, seed equivalent,

are down 800,000 tons or 24 per cent from the 1971-72 volume. Canada, the United States, and Argentina together accounted for over 90 per cent of world exports of flaxseed and linseed oil during the 5-year period 1967-71.

Canada's 1972 harvested acreage for flaxseed, at 1.42 million acres, was down 19 per cent from a year earlier but yields, at 13.4 bushels per acre, improved by 5.5 per cent. The 1972 flaxseed crop was officially estimated in November at 483,000 tons, which is 84,000 tons or 15 per cent below the previous year's output. August 1, 1972 stocks of flaxseed as such totalled 407,000 tons, or 269,000 tons below the year earlier volume. Canadian supplies of flaxseed for the current marketing year totalled 890,000 tons compared with 1.24 million tons in 1971-72. Based on smaller total supplies in the major producer-exporter countries and strong world demand for flaxseed and products, ending stocks of flaxseed on July 31, 1973, in Canada are expected to decline to a near minimum operating tonnage. World prices for flaxseed and products have reached exceptionally high levels so far this marketing year and the continuation of favourable prices through the planting season is expected to result in an increase in acreage planted to flaxseed for 1973-74.

In the United States, flaxseed production fell sharply for the second straight year to 353,000 tons, the lowest since 1938(1). Acreage, at 1.15 million acres, was also the lowest in 34 years. Flaxseed production in 1972 was down 24 per cent from the 1971 harvest, while harvested acreage was 26 per cent less than in 1971. Yields averaged 12.1 bushels per acre in 1972, the highest since 1969. Beginning stocks of flaxseed on July 1, 1972 totalled 513,500 tons, down about 168,000 tons from a year earlier, while the seed equivalent of carryin stocks of linseed oil, at 347,900 tons, was up by 92,000 tons from the previous year. Thus, total supplies of flaxseed and linseed oil, seed equivalent basis, for 1972-73 were 1.21 million tons, 185,000 tons less than in 1971-72.

Based on early January planting intentions, U.S. farmers plan to seed 1.2 million acres to flaxseed in 1973, a decline of 3 per cent from 1972. However, with restrictions relaxed for feedgrain set-aside acreages and with plantings now allowed on wheat set-aside land, a substantial increase in flaxseed acreage may occur.

Argentina's second official estimate of flaxseed production placed 1972 output at 345,000 tons, 10,000 tons above the first estimate and 15,000 tons below the earlier forecast. Flaxseed plantings were the lowest on record (since 1909) as farmers apparently continued to move land into more remunerative uses such as cattle and wheat. November 1, 1972, stocks of flaxseed, at 13,000 tons, were sharply below the 121,000 tons of a year earlier. The seed equivalent of 1972-73 linseed oil carryin stocks was 62,000 tons, compared with 249,000 tons at the beginning of 1971-72. The total supply for 1972-73 of flaxseed and linseed oil was 420,000 tons, seed equivalent, as against 685,000 in 1971-72.

(1) Estimates of U.S. flaxseed acreage, yield, and production for 1964 through 1969 have been revised by the USDA Crop Reporting Board, based on the 1969 Census of Agriculture. These revisions are available in Statistical Bulletin No. 498, Statistical Reporting Service, U.S. Department of Agriculture.

CANADIAN SITUATION

Spring Oilseed Outlook The following summary of the spring outlook for oilseeds has been extracted from the Canada Department of Agriculture's "Spring Outlook 1973".

Rapeseed — 1972-73. — Canadian supplies of rapeseed at the beginning of the 1972-73 crop year were 100.4 million bushels. Exports are currently well ahead of last year and should reach 52 million bushels. Similarly, the domestic crush is ahead of last year and will likely reach 14 million bushels. Allowing 10 million bushels for dockage and waste, carryover at the end of the crop year is expected to be 23 million bushels, or less, with most of that likely to be within the elevator system. Prices of rapeseed have increased steadily since the beginning of the crop year, from \$2.45 per bushel in August to \$3.26 in January. Prices may weaken modestly in the last six months of the crop year, but should average not lower than \$3.25 for the next six months giving an average price of \$3.00 for the crop year.

Rapeseed — 1973-74. — In order to maintain supplies for export and domestic use, it is suggested that 4.2 million acres of rapeseed would be desirable with a yield of 18 bushels per acre. The resulting production would then be 76 million bushels. This would be enough only to maintain current exports and crushings (allowing for 10 million bushels for dockage). Any increase in disposition would require a further reduction in stocks. In view of the relatively firm outlook for both vegetable oils and meals and of the reduced stocks position likely to be carried into 1973-74, rapeseed prices would appear likely to remain quite strong with prices at Thunder Bay averaging near 1972-73 levels.

Soybeans — 1972-73. — Because of the sharp reduction in Peruvian output of fish meal and the entry of the U.S.S.R. into the soybean market as importers, soybean-prices have risen sharply in 1972-73. Prices at Chatham which averaged \$3.41 in August rose to \$6.30 per bushel on February 23. Because of a strong export demand for both soybeans and soybean meal, soybean prices are expected to remain strong throughout the balance of the crop year.

Soybeans — 1973-74. — Prices of protein meals in 1973-74 would appear likely to decline significantly from current levels. Despite increased world soybean production and expected lower prices for protein meals, prices for soybeans are likely to be strong in 1973-74 although a modest decline in prices from the 1972-73 level can be expected.

Flaxseed — 1972-73. — Exports of flaxseed are expected to reach 20.0 million bushels in 1972-73. Allowing 2.0 million bushels for domestic crushing and 4.0 million bushels for dockage, the flaxseed carryover will be about 8.0 million bushels at the end of the 1972-73 crop year.

In line with a possible decline in the price of linseed oil, flaxseed prices may be expected to decline somewhat from current levels. Over the next six months, prices are likely to average near \$5.00 per bushel at Thunder Bay, giving an average price of near \$4.25 for the entire crop year.

Flaxseed — 1973-74. — It is suggested that in order to maintain supplies for export and domestic crushing, about 2.0 million acres is required. With a yield of 13.5 bushels per acre, production would be 27 million bushels. This would give total supplies of 35 million bushels — about the same as for the 1972-73 crop year. This means that linseed oil prices are likely to remain strong at least until January of 1974. The size of the Argentinian flaxseed crop harvested at that time will affect prices from that point onward. Although protein prices are likely to decline somewhat in 1973-74, with the resulting decline in prices of linseed meal, prices of flaxseed should remain relatively strong throughout the 1973-74 crop year with the average price at Thunder Bay averaging near \$3.75 per bushel.

August-January Marketings
of Flaxseed and Rapeseed
Above Previous Year

Data recorded for the first half of the 1972-73 crop year, indicate that primary deliveries of flaxseed have amounted to 12.1 million bushels, 20 per cent more than the 1971-72 comparable total of 10.1 million, and 13 per cent above the recent ten-year average for the period of 10.7 million. Marketings of rapeseed at 36.1 million bushels registered a 39 per cent increase over the corresponding 1971-72 figure of 26.0 million and sharply above the recent ten-year average of 12.0 million.

Exports of Flaxseed,
Rapeseed and Soybeans

During the first six months of the 1972-73 crop year exports of Canadian flaxseed amounted to 10.4 million bushels, 28 per cent less than the 14.5 million at the comparable period of 1971-72 and in contrast to the ten-year (1961-62 - 1970-71) average for the period of 7.6 million. This year's major markets for this oilseed were as follows in millions of bushels: Netherlands 2.9, Japan 2.1, and Germany West 1.0. The remainder was accounted for by relatively smaller shipments to 11 other countries.

Exports of rapeseed from August 1, 1972 to January 31, 1973, at 25.6 million bushels, were 29 per cent above the comparable 1971-72 figure of 19.8 million and considerably more than the recent average of 6.3 million. Japan at 15.2 million, India at 3.0 million, Bangladesh at 2.9 million, France at 1.8 million and the Netherlands at 1.4 million were the major importers. Most of the remainder was taken by Italy, 0.5 million; Germany West, 0.3 million; Australia, 0.2; Korea South and Belgium and Luxembourg, 0.1 million bushels each.

Customs exports of soybeans during the first six months of the 1972-73 crop year amounted to 835 thousand bushels compared with 670 thousand the previous year. The leading market for this oilseed was Britain with 785 thousand bushels.

New Low Erucic Rapeseed
Varieties Licensed

On February 26, 1973 a release from the Information Branch, Alberta Department of Agriculture stated that two new low erucic acid rapeseed varieties have been licensed this year. They are Torch, a Polish-type variety, and Midas, an Argentine variety. According to Dr. Z. Kondra of the University of Alberta's Plant Science Department, Torch, which was developed at the Canada Department of Agriculture's research station in Saskatoon, is similar to Span in all agronomic characteristics, but has a slightly higher oil and protein content. In southern areas of Alberta it shows a considerable yield advantage over Span, but Span appears to out-perform it in the central and northern regions of the province.

In the past there have been complaints from some producers about the poor performance of Span, but this year its performance has equalled that of the old Polish-type variety, Echo, in all regions where these two varieties were tested, Dr. Kondra says. He stresses that growers should not switch back to Echo because it is almost certain that Japan will be buying only low erucic acid rapeseed varieties in the 1973-74 crop year. If this is the case, there will be no quota on normal erucic acid type rapeseed, and these varieties should be grown only under contract.

The new Argentine type variety, Midas, also developed at the Canada Department of Agriculture's research station in Saskatoon, is intended to replace Zephyr. It is significantly higher yielding and earlier in maturity than Zephyr, Dr. Kondra says, and very much shorter in the straw. Its oil content is also higher than that of Zephyr. Its protein content is about the same.

Torch seed stocks for multiplication by seed growers are adequate for 1973. Next year there will be ample stocks of all classes including certified seed.

No foundation seed is being distributed this year because it is already in the hands of growers. However, approximately 60,000 pounds of certified seed (48 per cent of the total for the prairie provinces) will be distributed under contract to commercial growers by Western Canadian Seed Processors Ltd., Lethbridge. This company should be contacted for information regarding distribution of certified seed for production of crushing stocks.

There are also adequate seed stocks of Midas for multiplication by seed growers this year, and there will be ample stocks for all growers, including commercial growers, in 1974.

Foundation seed is being distributed through the provincial seed distribution committee. Those who are eligible will be notified by the Canadian Seed Growers Association. There will be no distribution of certified seed of Midas in Alberta.

February Sets New Record in West Coast Grain Exports On March 1, 1973 the Canadian Wheat Board announced that an all-time record for West Coast grain exports was set in February, the shortest month of the year.

Preliminary figures show that over 35 million bushels of all grains were loaded to ocean ships during the month. This compares with the previous high for the same month of 23.8 million bushels, set in February, 1966, and the previous record for any month of 32.2 million bushels, set in September, 1972.

"The record clearances at the West Coast during February is a good indication of the large quantities of grain that can be moved through Canada's handling and transportation system when conditions are favourable," said G.N. Vogel, Chief Commissioner of the Canadian Wheat Board.

The unprecedented grain movement through the West Coast in February included additional shipments of wheat which were urgently required by India and Bangladesh as well as near-record quantities of oilseeds. Oilseed shipments during the month totalled 5.1 million bushels. "The high level of West Coast grain exports, particularly the additional shipments of wheat, would not have been possible without the full co-operation of the railways, the elevator companies, the many workers involved, including the Longshoremen," Mr. Vogel said.

The record through-put at the West Coast in February is a continuation of the record grain movement that has been maintained since last September. September clearances totalled 32.2 million bushels; October, 31.6 million bushels; November, 30.9 million bushels; December, 27.8 million bushels; and, January, 26.4 million bushels.

"In sharp contrast to last winter when rail shipments to the West Coast were interrupted repeatedly by snow slides and derailments, the snow and weather conditions have been excellent so far this year," Mr. Vogel said. "Together with the fairly regular arrival of ocean vessels, this has made it possible to maintain a high and even flow of grain through West Coast terminals."

West Coast exports of all grains so far this crop year are well ahead of last year's record shipments. Exports to date total approximately 192 million bushels as compared to 168 million bushels at the same time last crop year.

Quality of Western Canadian Flax and Rapeseed 1972 Crop

The following information was taken from Crop Bulletin No. 117, "Canadian Flax and Rapeseed, 1972" published by the Grain Research Laboratory of the Canadian Grain Commission. Quality data for the 1972 crops of Western Canadian flaxseed and rapeseed are obtained from analyses of individual samples of new-crop flax and rapeseed submitted to the Grain Research Laboratory by elevator agents of the grain firms in the three Prairie Provinces and by the Grain Inspection Division of the Canadian Grain Commission

Flaxseed quality. — Statistics Canada estimated flaxseed production in Western Canada in 1972 to be 19.0 million bushels, almost 15 per cent smaller than the 22.3 million bushel crop in 1971. Acreage devoted to flax production in each of the Prairie Provinces was lower in 1972 than in 1971; average yield per acre was, however, higher in each province in 1972. The current flaxseed crop is about equal in volume to the average annual production in recent years; flaxseed production in Western Canada over the 10-year period 1962-71 averaged 23.2 million bushels.

Quality Data for Grades of Flax for Each Province, and for Western Canada, 1972 Crop

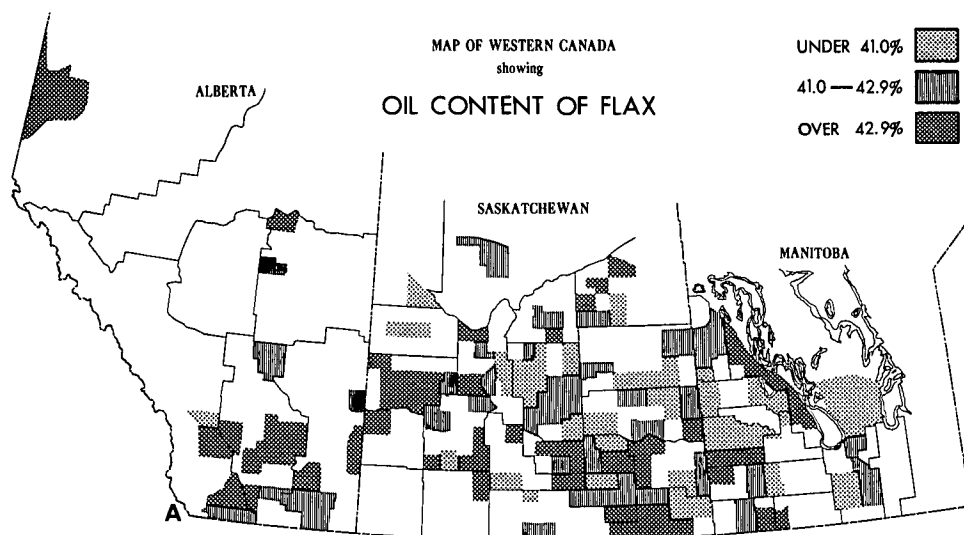
Grade	Oil content(1)		Iodine value		Protein content(2)		No. of samples No.
	Mean	Range	Mean	Range	Mean	Range	
		%		Wijs units		%	
Manitoba							
No. 1 C.W.	41.9	38.9-46.1	185	180-190	40.2	33.7-44.2	17
No. 2 C.W.	42.1	41.4-42.8	188	185-192	38.0	37.1-38.8	2
No. 3 C.W.	39.4	38.1-41.0	186	182-191	38.5	37.6-39.5	3
All grades	41.6	38.1-46.1	186	180-192	39.7	33.7-44.2	22
Saskatchewan							
No. 1 C.W.	42.5	37.5-47.4	184	176-198	41.8	34.8-46.9	111
No. 2 C.W.	41.0	38.2-44.2	187	180-192	40.8	35.8-47.0	11
No. 3 C.W.	38.0	32.9-43.1	190	189-190	39.0	36.0-42.1	2
All grades	42.3	32.9-47.4	184	176-198	41.7	34.8-47.0	124
Alberta							
No. 1 C.W.	43.2	40.1-45.9	186	179-194	40.1	31.2-44.3	28
No. 2 C.W.	40.4	-	189	-	38.6	-	1
No. 3 C.W.	-	-	-	-	-	-	-
All grades	43.1	40.1-45.9	186	179-194	40.0	31.2-44.3	29
Western Canada							
No. 1 C.W.	42.6	37.5-47.4	184	176-193	41.3	31.2-46.9	156
No. 2 C.W.	41.1	38.2-44.2	187	180-192	40.2	35.8-47.0	14
No. 3 C.W.	38.9	32.9-43.1	188	182-191	38.7	36.0-42.1	5
All grades	42.3	32.9-47.4	185	176-198	41.1	31.2-47.0	175

(1) Moisture-free basis.

(2) Oil-free meal. Moisture-free basis.

The previous table gives the mean value and the ranges in values for oil content, iodine value, and protein content of the oil-free flaxseed meal for each grade of flaxseed for each province, and for all of Western Canada. As in previous years, these results for flaxseed are reported on a moisture-free basis. The oil content of the 1972 flaxseed crop averages 42.3 per cent, a significant increase from the 41.4 per cent level of the 1971 crop, but only very slightly higher than the long-term new-crop average oil content level which, for the 10 previous flaxseed crops from 1962 to 1971, is 42.1 per cent. The protein content of the oil-free flaxseed meal averages 41.1 per cent this year, down considerably from the 42.2 per cent level of the 1971 crop, as well as from the long-term 10-year average of 42.0 per cent. The iodine value, which is a measure of the utility of the oil in the paint industry, is at a slightly higher and, accordingly, more suitable level this year.

The accompanying map indicates the areas of flaxseed production in Western Canada in 1972 in terms of three ranges in oil content.



Rapeseed quality. — Rapeseed production in Western Canada in 1972 was estimated by Statistics Canada to be 57.3 million bushels. Although markedly smaller than the record 95 million bushel rapeseed crop of 1971, the new crop is about 80 per cent larger than the average annual rapeseed production during the 10-year period 1962-71 (32.1 million bushels). The major factor in this marked reduction in rapeseed production in 1972 was a cut-back in seeded acreage. Rapeseed yields averaged 17.5 bushels per acre in 1972, only fractionally lower than the 1971 average of 17.9 bushels per acre.

New varieties of rapeseed, low in the erucic acid content of their oil, were grown commercially for the first time on a very limited scale in Canada in 1971. These new varieties, Oro, Span and Zephyr, very definitely predominated in Canada in 1972 and represented an estimated 80-85 per cent of the seeded acreage. All rapeseed samples of the 1972 new-crop survey were analyzed to determine the erucic acid levels of the oil. This information is presented for the first time this year in this bulletin. Another new factor which must be noted is that quality data for rapeseed are reported on the basis of 8.5 per cent moisture; in all previous bulletins these data have been presented on a moisture-free or dry-matter basis. In the ensuing discussion,

where comparisons are made between current crop quality values and values for previous crops, all values for previous crops have been recalculated to the 8.5 per cent moisture basis.

The oil content of the 1972 rapeseed crop averaged 39.5 per cent (8.5 per cent moisture basis), only fractionally lower than the 39.6 per cent value for the 1971 crop. The marked shift this year to production of low erucic acid varieties, which are recognized to be somewhat lower in oil content, did not significantly lower the oil content of Canadian rapeseed. However, although not actually shown by the data in this bulletin, samples of new-crop low erucic acid varieties are slightly lower in oil content (about 1.5 per cent) than the older high erucic acid rapeseed varieties. The protein content of the oil-free rapeseed meal averages 34.5 per cent this year (8.5 per cent moisture basis); this is a significant decrease from the 36.4 per cent level for the 1971 crop. The erucic acid content of the rapeseed oil for the 1972 new-crop survey samples averaged 6.6 per cent with the range in values from 0.3 to 50.6. Seventy-five per cent of the new crop samples had an erucic acid content lower than 5 per cent; a further 10 per cent had erucic acid values in the range 5.0 to 9.9 per cent.

Quality Data for Grades of Rapeseed for Each Province, and for Western Canada, 1972 Crop

Grade	Oil content(1)		Erucic acid content		Protein content(2)		No. of samples
	Mean	Range	Mean	Range	Mean	Range	No.
		%		%		%	
Manitoba							
No. 1 Can. Rapeseed	39.5	34.4-43.7	2.8	0.3-38.6	34.1	29.5-39.5	75
No. 2 Can. Rapeseed	—	—	—	—	—	—	—
No. 3 Can. Rapeseed	39.4	36.1-42.5	5.7	0.5-39.7	34.6	33.1-35.4	9
Sample Rapeseed ...	39.7	35.5-43.6	7.0	0.4-40.9	34.1	30.6-37.5	23
All grades	39.6	34.4-43.7	4.0	0.3-40.9	34.2	29.5-39.5	107
Saskatchewan							
No. 1 Can. Rapeseed	38.8	32.9-44.2	5.4	0.4-50.6	34.9	29.5-42.0	154
No. 2 Can. Rapeseed	37.6	32.2-41.5	2.4	0.4-19.7	37.1	28.3-43.3	27
No. 3 Can. Rapeseed	38.6	31.8-42.9	3.4	0.4-37.6	35.4	29.6-41.0	25
Sample Rapeseed ...	39.0	29.3-45.1	2.5	0.4-27.0	34.6	24.8-41.5	24
All grades	38.6	29.3-45.1	4.6	0.4-50.6	35.2	24.8-43.3	230
Alberta							
No. 1 Can. Rapeseed	40.3	34.4-44.5	10.2	0.5-34.2	34.1	29.0-42.3	200
No. 2 Can. Rapeseed	41.4	39.6-43.2	16.3	3.5-25.0	33.0	29.5-34.5	4
No. 3 Can. Rapeseed	43.3	43.0-43.6	0.4	—	32.3	32.0-35.6	2
Sample Rapeseed ...	40.4	—	0.4	—	32.1	—	1
All grades	40.3	34.4-44.5	10.1	0.4-34.2	34.0	29.0-42.3	207
Western Canada							
No. 1 Can. Rapeseed	39.6	32.9-44.5	7.2	0.3-50.6	34.4	29.0-42.3	429
No. 2 Can. Rapeseed	38.1	32.2-43.2	4.2	0.4-25.0	36.5	28.3-43.3	31
No. 3 Can. Rapeseed	39.1	31.8-43.6	3.8	0.4-39.7	35.1	29.6-41.0	36
Sample Rapeseed ...	39.4	29.3-45.1	4.6	0.4-40.9	34.3	24.8-41.5	48
All grades	39.5	29.3-45.1	6.6	0.3-50.6	34.5	24.8-43.3	544

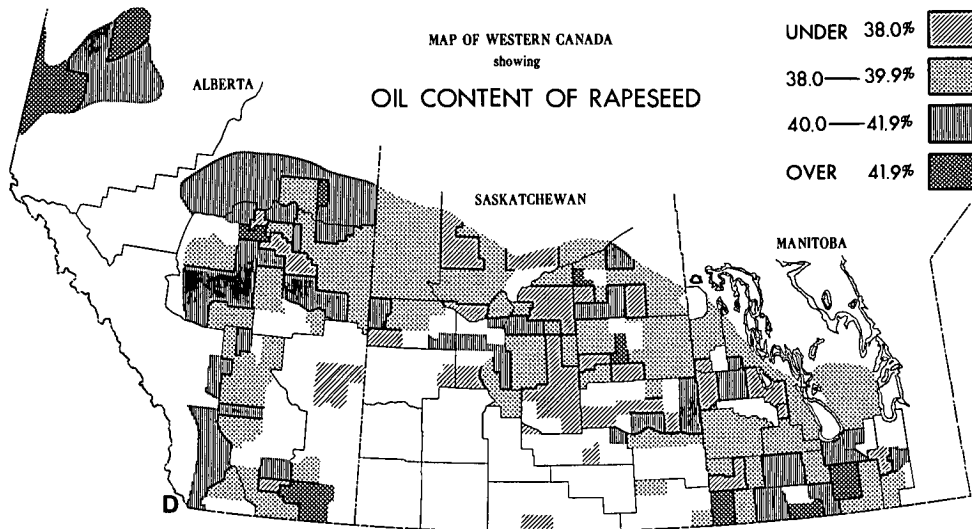
(1) 8.5 per cent moisture basis.

(2) Oil-free meal. 8.5 per cent moisture basis.

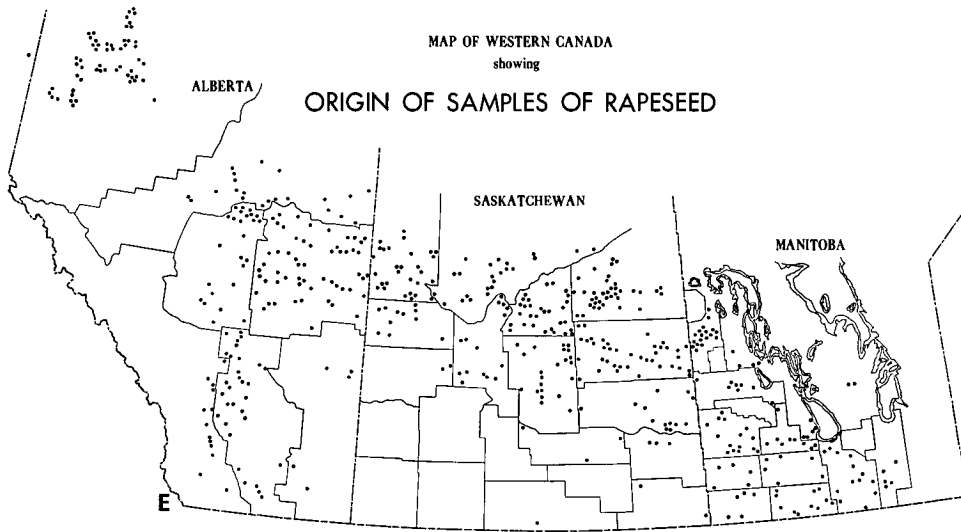
The previous table gives the mean value and the range in values for oil content, for erucic acid content of the oil, and for protein content of the oil-free meal for each grade of the 1972 crop of rapeseed from each province, as well as for the whole of the new crop for Western Canada. (Oil content and protein content values are reported on an 8.5 per cent moisture content basis. Erucic acid values are determined on the rapeseed oil and are, therefore, reported on a moisture-free basis). About 80 per cent of the new-crop samples are of top grade; this proportion is smaller than usual as a result of frost.

The oil content of new-crop No. 1 Canada Rapeseed is highest for Alberta, and is progressively lower for Manitoba- and Saskatchewan-grown seed. Alberta-grown rapeseed is higher in oil content this year than in 1971, but top grade seed from both Manitoba and Saskatchewan is lower in oil content this year than last. The protein content of the oil-free rapeseed meal is about the same for new-crop Alberta and Manitoba seed; the average level of 35.2 per cent for Saskatchewan rapeseed meal is just over 1 per cent higher than for the other two provinces. The mean value for erucic acid content for the No. 1 Canada Rapeseed is lowest for Manitoba, and increases significantly for Saskatchewan and again for Alberta. The results suggest a significant increase in the number of high erucic acid rapeseed samples of the top grade from these two provinces.

The following map outlines the areas of rapeseed production in 1972 in terms of four ranges in oil content. There are a few areas in each province where the oil content of new-crop rapeseed averaged 42 per cent or higher. However, areas where the new-crop rapeseed had decreasingly lower average oil content are found scattered throughout each province.



The following map shows the origin of the 544 samples in the 1972 rapeseed harvest survey.



Utilization of Components
from Grains and Oilseeds

On March 2, 1973 The Honourable Alastair Gillespie, Minister of Industry, Trade and Commerce, and The Honourable Otto Lang, Minister Responsible for the Canadian Wheat Board announced publication of reports on the utilization of components from grains and oilseeds and the future development of the protein and starch industries in Canada.

The reports cover studies by joint government-industry teams of technical and marketing experts. They are entitled "Food Protein from Grains and Oilseeds — A Development Study Projected to 1980" and "Grain Starch Utilization Study". They were initiated late in 1971 by the Grains Group of which Mr. Lang is Chairman.

These studies identify, describe and assess the opportunities for enlarging Canadian participation in the manufacture and marketing of food proteins, starch and related products from Canadian grains and oilseeds. They also include the teams' recommendations for specific action to improve Canada's competitive position and to exploit the opportunities identified. The studies were co-ordinated for the Grains Group by the Grains Marketing Office of the Department of Industry, Trade and Commerce, which is following up the reports with Government and industry. Initial steps in the follow-up program have included the establishment of a government committee formed to co-ordinate action and for discussion with industry representatives. Industry, Trade and Commerce, Agriculture Canada and other interested departments are represented on the committee.

General Quotas 1972-73 as at Monday, March 5, 1973

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	
	bushels per quota acre					
Alberta Red Winter		2(1)	2(1)	2(1)	3	All blocks
Soft White Spring	5(2)	5(2)	5			All blocks
Rye	25					All blocks
Flaxseed	25					All blocks
Rapeseed (low erucic acid)	10(3)					All blocks
Rapeseed (others)	10(4,3)					All blocks

Special Quotas 1972-73 as at Monday March 5, 1973

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(5)	Rail - second carlot (60 assigned acres) Truck - 50 bushels per assigned acre	All blocks
Rye for distilleries	40 bushels per assigned quota acre	All blocks
Flaxseed for processors	25 bushels per assigned quota acre	
Rapeseed for crushers	25 bushels per assigned quota acre	All blocks
<u>Selected barley</u>		
Two-Row barley	Extended to any additional carlot	All blocks
Six-Row barley (all varieites)	Extended to second carlot	All blocks
Six-Row barley (Galt variety)	Extended to any additional carlots	All blocks

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- (1) The "B", "C" and "D" quota for Alberta Red Winter wheat will terminate on May 18, 1973.
 - (2) The "A" and "B" quota for Soft White Spring wheat will terminate on May 18, 1973.
 - (3) Effective February 16 the regular rapeseed and the low erucic acid rapeseed quotas were increased to 20 bushels per quota acre for sample rapeseed and sample low erucic rapeseed only.
 - (4) Effective January 24 the regular rapeseed quota was increased to 25 bushels per quota acre for truck deliveries to western crushers for domestic crushing only.
 - (5) For oats grading No. 1 Feed and higher only.

Summary of Weekly Stocks and Movement of Flaxseed
November 29, 1972 - February 28, 1973

No.	Week ending	Farmers' marketings	Country elevators		
			Receipts	Shipments	Stocks
million bushels					
1	November 29, 1972 .....	.4	.5	.5	4.6
2	December 6 .....	.3	.2	.5	4.4
3	13 .....	.1	.1	.5	4.0
4	20 .....	.5	.5	.4	4.1
5	January 3, 1973 .....	.9	.9	.6	4.4
6	10 .....	.3	.3	.2	4.4
7	17	1.2	1.2	.4	5.2
8	24	2.3	2.3	.5	6.9
9	31 .....	.8	.8	.3	7.4
10	February 7 .....	.7	.7	.6	7.5
11	14 .....	.5	.4	.5	7.5
12	21 .....	.4	.4	.6	7.3
13	28 .....	.7	.6	.5	7.4

Summary of Weekly Stocks and Movement of Rapeseed
November 29, 1972 - February 28, 1973

No.	Week ending	Farmers' marketings	Country elevators		
			Receipts	Shipments	Stocks
million bushels					
1	November 29, 1972	1.7	1.4	2.0	12.7
2	December 6	1.0	.9	1.7	11.8
3	13 .....	.9	.8	1.4	11.2
4	20	2.4	2.3	1.0	12.5
5	January 3, 1973	2.3	2.0	1.3	13.4
	10	1.7	1.0	.6	13.5
7	17	2.4	1.9	.5	14.9
8	24	4.9	3.9	.6	18.2
9	31	3.1	2.8	1.0	20.1
10	February 7	2.5	1.9	1.4	20.6
11	14	1.0	.5	.7	20.4
12	21 .....	.9	.6	1.5	19.5
13	28	1.2	.9	1.2	19.2

Summary of Weekly Stocks and Movement of Flaxseed,
November 29, 1972 - February 28, 1973

Pacific Coast			Thunder Bay			Total overseas clearances	No.
Receipts	Shipments	Stocks	Receipts	Shipments	Stocks		
million bushels							
.8	.1	.9	.1	1.0	.5	.3	1
.8	1.1	1.1	.1	.5	.3	.1	2
1.1	.3	1.4	.2	—	.5	—	3
1.0	.9	1.1	.2	—	.8	.4	4
.3	.1	1.3	.2	.01	.9	.1	5
.2	.3	1.2	.1	.03	1.0	.3	6
.2	.4	1.0	.1	.04	1.1	.4	7
.3	.1	1.2	.2	.03	1.2	.1	8
.5	1.4	1.3	.2	—	1.0	.5	9
.8	.9	.7	.4	—	1.6	.5	10
1.0	.6	1.0	.5	—	1.9	.1	11
.3	.2	1.1	.2	—	2.0	.2	12
.4	—	1.5	.3	—	2.3	—	13

Summary of Weekly Stocks and Movement of Rapeseed,
November 29, 1972 - February 28, 1973

Pacific Coast			Thunder Bay			Total overseas clearances	No.
Receipts	Shipments	Stocks	Receipts	Shipments	Stocks		
million bushels							
.8	.1	3.7	.1	1.0	1.2	.2	1
.8	1.1	3.3	.1	.5	.7	1.4	2
1.1	.3	4.2	.2	—	.9	.9	3
1.0	.9	4.2	.2	—	1.2	1.2	4
1.1	1.0	4.3	.3	—	1.4	1.0	5
.8	.1	5.1	.2	—	1.6	.7	6
.5	.7	5.0	.2	—	1.8	1.0	7
.5	.5	5.0	.3	—	2.1	.7	8
.5	1.4	4.0	.2	—	2.4	1.4	9
.8	.9	4.0	.4	—	2.8	.9	10
1.0	.6	4.4	.5	—	3.3	.6	11
1.0	1.8	3.6	.3	—	3.6	1.8	12
1.2	.8	4.0	.2	—	3.8	.8	13

Farmers' Marketings by
Crop Districts 1971-72

The following tables give a breakdown of the quantities of flaxseed and rapeseed marketed by farmers in 1971-72 according to the marketing channel through which the grain passed. Deliveries to primary elevators are further classified by crop districts. These are revised data compiled by the Economics and Statistics Division of the Canadian Grain Commission.

Farmers' Marketings of Flaxseed and Rapeseed in the Western Division
Crop Year 1971-72

Marketing channel	Flaxseed	Rapeseed
	bushels	
Primary elevators	21,018,646	55,791,940
Process elevators	429,954	13,913,311
Interior terminals	92,660	107,142
Platform loadings	38,408	25,558
Totals	21,579,668	69,837,951

Farmers' Marketings through Primary Elevators
Crop Year 1971-72

Province and district	Flaxseed	Rapeseed
	bushels	
<u>Manitoba</u>		
Crop District Number 1	870,154	395,138
2	620,888	520,754
3	938,397	706,669
4	77,656	83,026
5	307,487	187,105
6	24,715	9,997
7	258,943	324,191
8	287,237	333,011
9	145,710	378,261
10	276,683	1,098,238
11	248,390	1,106,342
12	233,730	76,722
13	72,110	1,348,199
14	120,489	288,419
Totals	4,482,589	6,856,072

Farmers' Marketings through Country Elevators
Crop Year 1971-72 - Concluded

Province and district	Flaxseed	Rapeseed
bushels		
<u>Saskatchewan</u>		
Crop District Number 1A	652,162	232,657
1B	634,104	612,890
2A	717,160	156,891
2B	1,694,715	283,093
3A North	315,660	40,130
3A South	341,400	23,388
3B North	1,144,888	225,064
3B South	187,289	14,359
4A	23,076	3,740
4B	580,584	25,530
5A	641,556	1,779,690
5B	384,899	4,357,702
6A	1,131,368	2,565,566
6B	812,442	1,526,618
7A	2,480,636	831,816
7B	337,599	1,562,734
8A	229,892	4,283,294
8B	154,530	3,787,966
9A	77,418	3,713,219
9B	47,636	3,724,172
Totals	12,589,014	29,750,519
<u>Alberta</u>		
Crop District Number 1	599,081	167,368
2	2,350,156	1,692,881
3	492,364	682,906
4	228,117	5,537,621
5	10,837	1,389,235
6	56,971	2,168,934
7	208,124	7,320,742
Sub-totals	3,945,650	18,959,687
<u>British Columbia</u>		
Crop District Number 1	—	10,472
7	1,393	215,190
Sub-totals	1,393	225,662
Totals(1)	3,947,043	19,185,349
Totals, marketed	21,018,646	55,791,940

(1) Alberta figures include country points in British Columbia..

Revised Farmers' Marketings(1), Canadian Western Flaxseed and Rapeseed
August 1, 1971 - July 31, 1972

	Manitoba		Saskatchewan	
	Flaxseed	Rapeseed	Flaxseed	Rapeseed
	bushels			
August, 1971	92,149	128,891	600,125	567,444
September	491,330	944,621	814,093	3,463,390
October	502,720	991,686	840,101	5,078,896
November	467,878	417,711	980,187	1,998,176
December	410,022	339,900	1,227,182	840,323
January 1972	417,092	311,276	1,376,626	1,101,374
February	368,155	607,216	918,386	2,515,069
March	481,423	1,005,073	1,139,634	4,153,200
April	452,031	1,146,749	1,829,193	4,373,152
May	158,034	325,182	305,098	1,521,010
June	313,265	451,994	1,004,617	1,544,502
July	437,745	1,917,496	1,678,711	9,789,806
Totals	4,591,844	8,587,795	12,713,953	36,946,342
	Alberta		Prairie Provinces	
August, 1971	135,035	491,920	827,309	1,188,255
September	225,078	2,851,215	1,530,501	7,259,226
October	359,592	3,360,457	1,702,413	9,431,039
November	343,878	1,544,744	1,791,943	3,960,631
December	330,103	798,884	1,967,307	1,979,107
January, 1972	514,096	748,912	2,307,814	2,161,562
February	515,046	1,883,086	1,801,587	5,005,371
March	449,086	1,869,724	2,070,143	7,027,997
April	482,124	3,034,628	2,763,348	8,559,529
May	92,954	1,300,063	556,086	3,146,255
June	282,075	1,331,191	1,599,957	3,327,687
July	544,804	5,083,990	2,661,260	16,791,292
Totals	4,273,871	24,303,814	21,579,668	69,837,951

(1) Includes receipts at primary, process and terminal elevators.

Farmers' Marketings
of Flaxseed and Rapeseed

Marketings of flaxseed and rapeseed in the Prairie Provinces from the beginning of the current crop year to February 21 were larger than the comparable deliveries of the previous year and the ten-year average. Deliveries of flaxseed amounted to 13.6 million bushels, 16 per cent more than both the comparable 1971-72 total and the ten-year (1961-62 - 1970-71) average for the period of 11.7 million bushels each. Rapeseed marketings, at 40.6 million bushels, showed an increase of 34 per cent over the 30.4 million during the corresponding period of 1971-72 and considerably higher than the ten-year average of 13.4 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 1 - November 22, 1972	1,929	2,607	824	5,359
29	96	232	94	423
December 6	73	121	64	258
13	25	49	33	108
20	120	321	75	516
▷ January 3, 1973	166	513	176	856
10	61	151	67	279
17	274	762	194	1,230
24	406	1,614	263	2,284
31	155	537	105	797
February 7	138	407	159	704
14	105	219	75	399
21	113	211	67	391
Totals	3,661	7,747	2,195	13,603
Similar period 1971-72 ^F	2,699	6,650	2,349	11,698
10-year average similar period 1961-62 - 1970-71 ...	5,741	3,522	2,470	11,732
	Rapeseed(2)			
August 1 - November 22, 1972	1,861	5,596	6,701	14,159
29	317	480	864	1,661
December 6	157	270	551	978
13	83	167	672	923
20	409	983	998	2,389
January 3, 1973	350	882	2,633	3,865
10	137	1,148	420	1,705
17	319	1,622	457	2,397
24	696	2,692	1,568	4,955
31	379	1,654	1,019	3,051
February 7	285	1,194	1,024	2,503
14	117	467	463	1,047
21	106	709	111	926
Totals	5,216	17,864	17,481	40,561
Similar period 1971-72 ^F	3,682	15,306	11,390	30,377
10-year average similar period 1961-62 - 1970-71 ...	1,311	6,470	5,574	13,354

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

(2) Includes marketings at unlicensed elevators.

Marketings of Ontario Soybeans Marketings of Ontario soybeans during the first six months of the 1972-73 crop year amounted to 11.2 million bushels, considerably more than the 6.4 million marketed during the comparable period of the two preceding crop years and the ten-year (1961-62 - 1970-71) average for the period of 5.0 million. The heaviest marketings of this oil-seed occurred in the month of January 1973.

Marketings of Soybeans in Ontario(1) 1972-73 with Comparisons

Month	10-year average		1970-71	1971-72	1972-73
	1961-62	1970-71			
	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	3,184,213 ^r	
November	1,254,312	1,985,958	2,408,814	2,560,945	
December	488,043	755,640	548,800	1,863,329	
January	413,250	446,201	463,894	3,365,254	
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		
Totals	7,083,284	9,725,076	9,361,556		

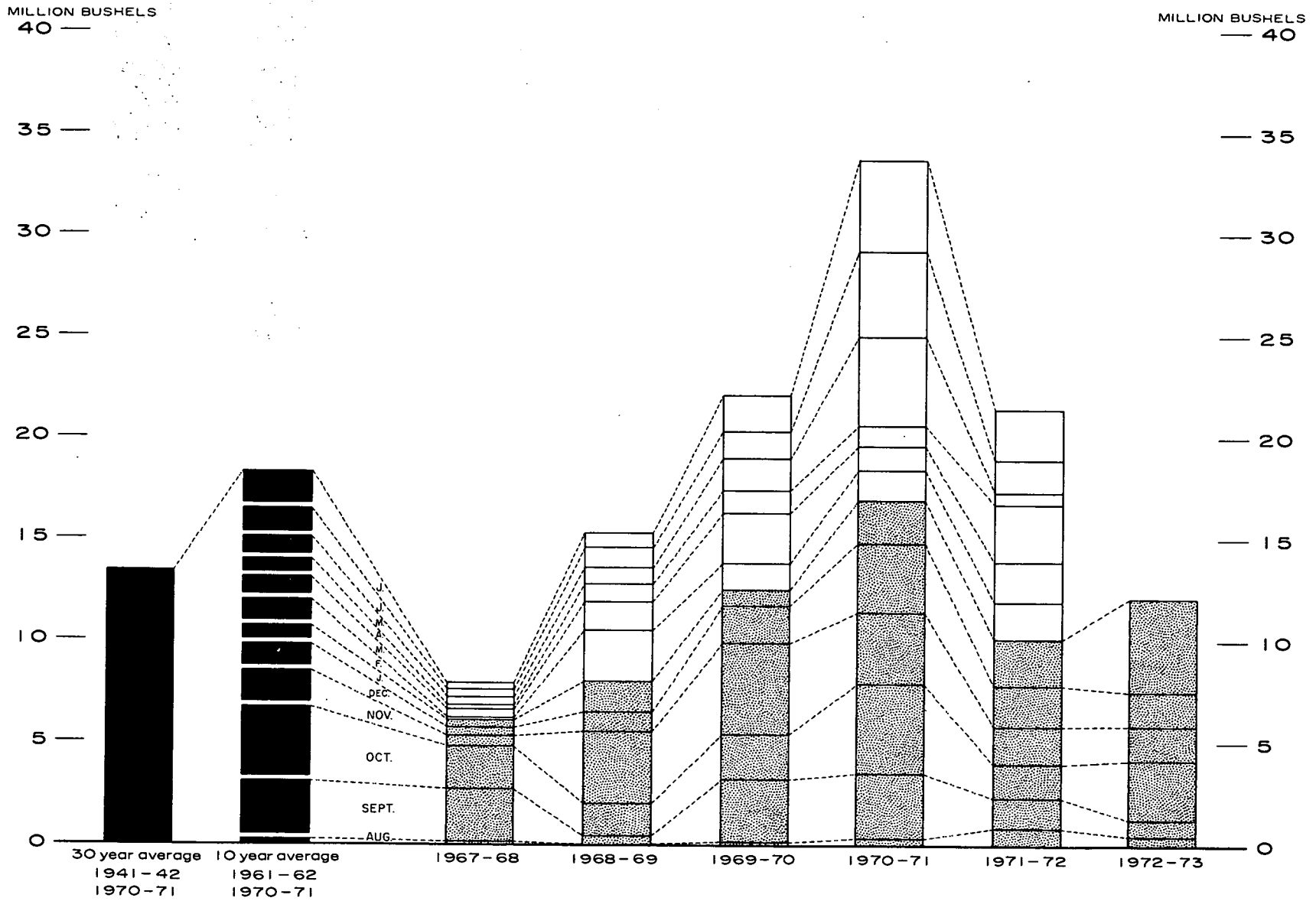
(1) Ontario Soybean Marketing Board.

Soybeans in Store at Eastern Transfer Elevators At February 21, 1973 a total of 1,845,000 bushels of Canadian and United States soybeans were in store in eastern transfer elevators, 20 per cent less than the 2,296,000 bushels of 1972 and in sharp contrast to the 7.4 million at the comparable date in 1971. Of the 1,845,000 bushels in store at February 21, 1973, some 1,807,000 were Canadian eastern soybeans, while 38,000 were United States soybeans.

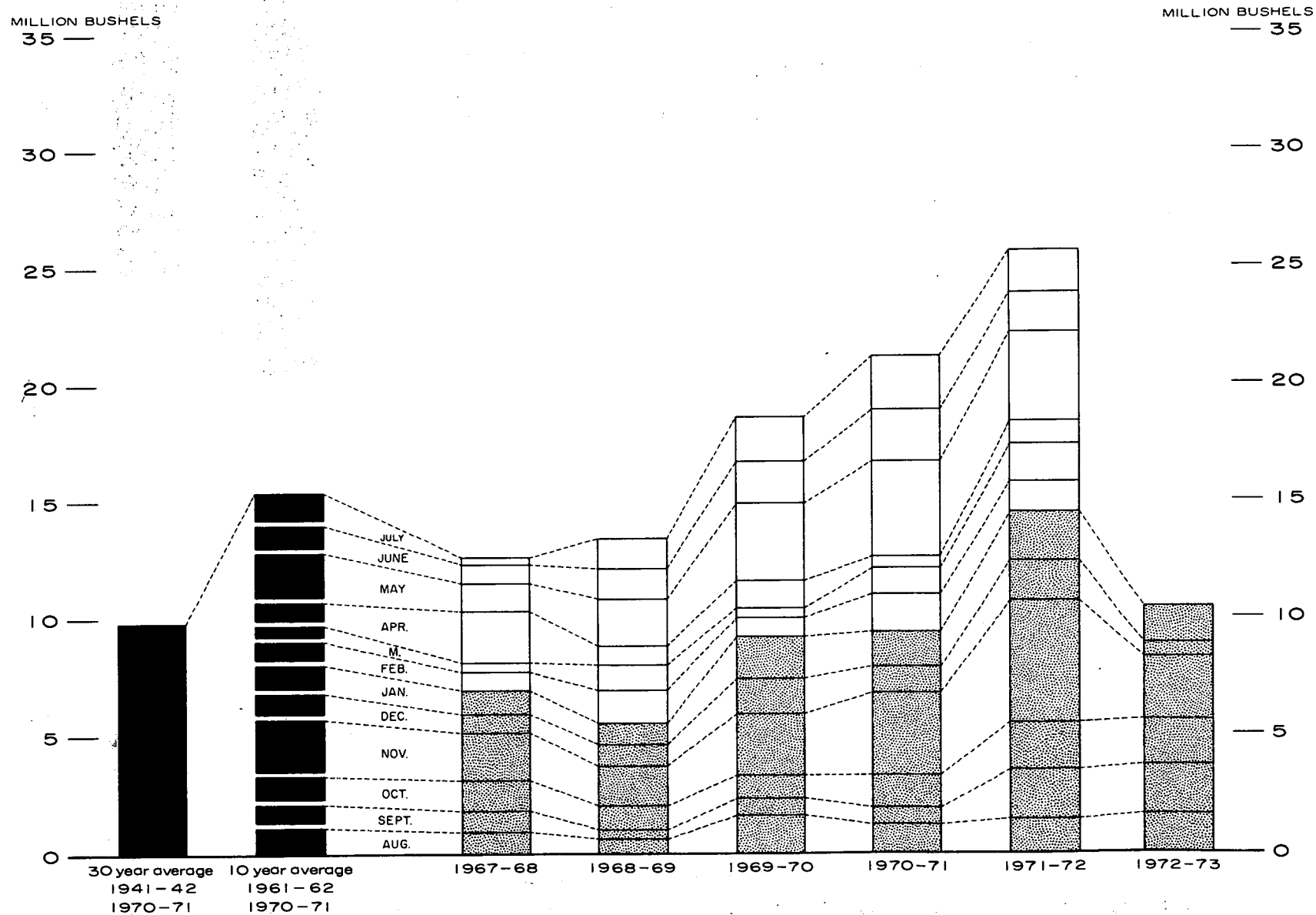
Visible Supply of Canadian and United States Soybeans at Eastern Elevators February 21, 1973
Compared with Approximately the Same Date 1971 and 1972

Position	1971	1972	1973
	thousand bushels		
<u>Canadian</u>			
Port Colborne	—	194	245
Sarnia	680	736	567
Toronto	789	695	983
Montreal	131	193	12
Sub-totals	1,600	1,818	1,807
<u>United States</u>			
Toronto	282	—	—
Montreal	—	355	—
Prescott	154	—	—
Trois-Rivières	601	67	31
Quebec	1,155	—	—
Baie Comeau	1,741	37	3
Port Cartier	1,835	19	4
Sub-totals	5,768	478	38
Totals	7,368	2,296	1,845

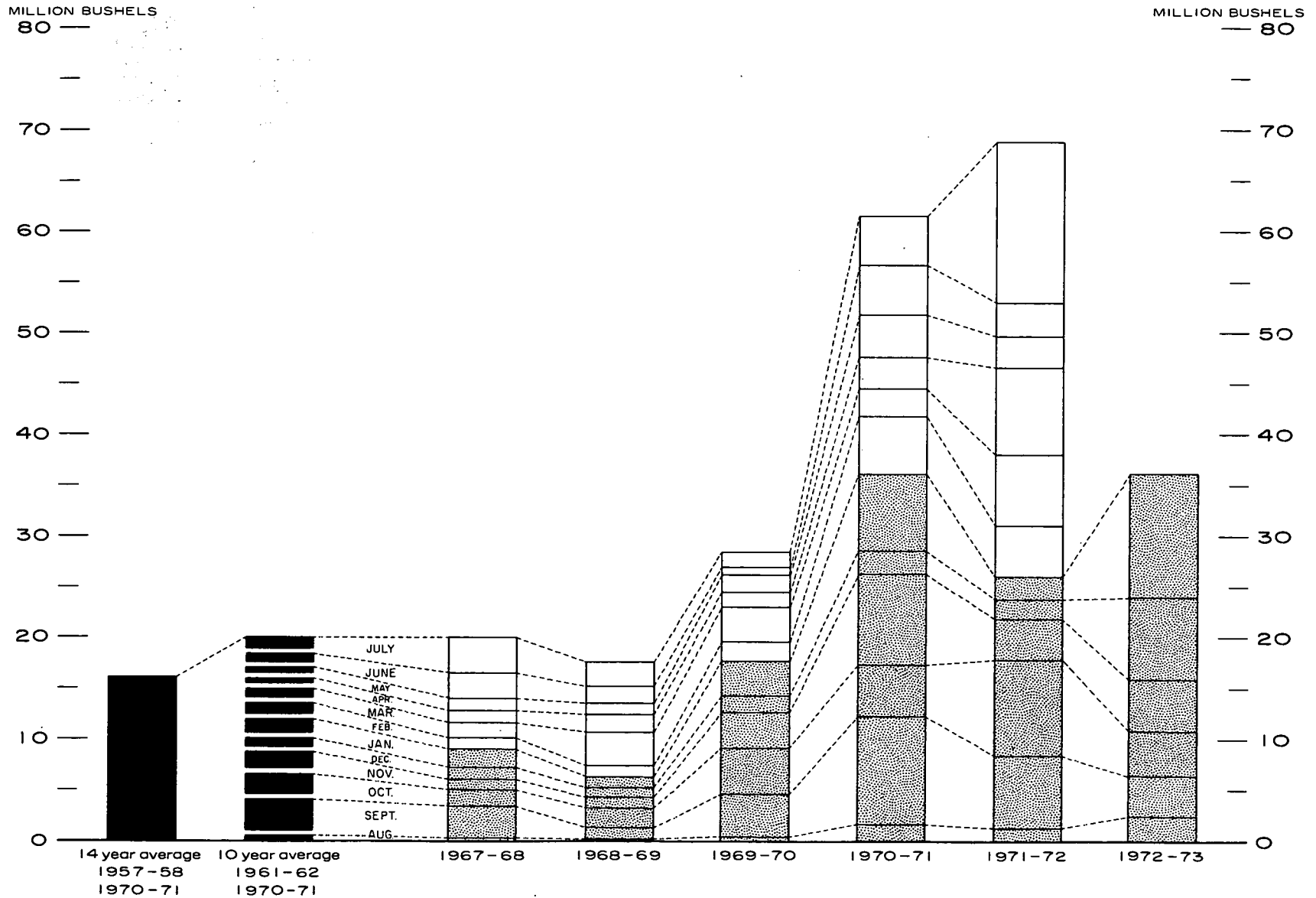
FARMERS' MARKETINGS OF FLAXSEED, PRAIRIE PROVINCES (SPECIFIED PERIODS)



EXPORTS OF CANADIAN FLAXSEED (SPECIFIED PERIODS)

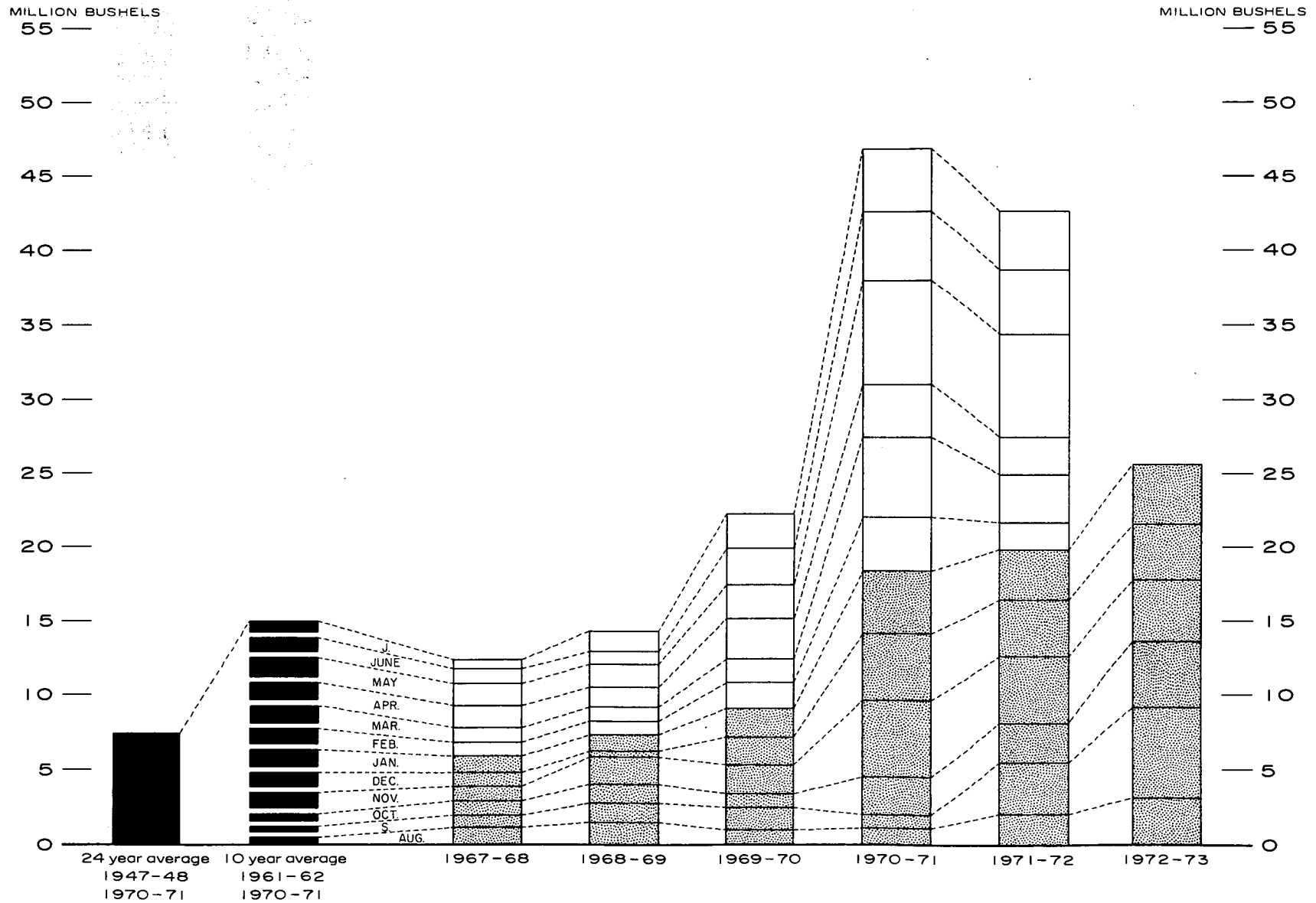


FARMERS' MARKETINGS OF RAPESEED, PRAIRIE PROVINCES (SPECIFIED PERIODS)



Agriculture Division, Statistics Canada

EXPORTS OF CANADIAN RAPESEED (SPECIFIED PERIODS)



Commercial Supplies Total commercial supplies of Canadian flaxseed at February 21 of the current crop year, at 11.9 million bushels, were 2 per cent above the comparable 1972 level of 11.7 million and unchanged from those of 1971. The 7.3 million bushels in primary elevator positions was 36 per cent above those at the same date in 1972 and 37 per cent more than 5.3 million of 1971. Stocks of flaxseed in Thunder Bay at 2.0 million bushels were 45 per cent less than the 3.7 million of the previous year and substantially below the 4.3 million of two years ago. Stocks in transit rail (western division), at 0.9 million were smaller than the 1.2 million in 1972 and the 1.1 million in 1971.

Rapeseed supplies in commercial positions at February 21 of this year amounted to 32.0 million bushels, more than double the 15.0 million of 1972 and in sharp contrast to the 18.9 million at the corresponding date in 1971. The bulk of this grain was in primary elevators (19.5 million), Thunder Bay and in Vancouver-New Westminster (3.6 million) each.

Visible Supply of Canadian Flaxseed, February 21, 1973 Compared with
Approximately the Same Date 1971 and 1972

Position	1971	1972	1973
thousand bushels			
Primary elevators — Manitoba	1,435	1,104	1,511
Saskatchewan	2,938	3,232	4,913
Alberta	915	992	839
Sub-totals	5,288	5,328	7,263
Process elevators	113	108	109
Interior terminals	—	288	312
Vancouver-New Westminster	626	854	1,113
Thunder Bay	4,251	3,701	2,027
In transit rail (western division)	1,133	1,186	948
Bay, Lake and upper St. Lawrence ports	72	28	10
Lower St. Lawrence and Maritime ports	3	24	—
Storage afloat	361	135	85
Totals	11,847	11,652	11,867

Visible Supply of Canadian Rapeseed, February 21, 1973 Compared with
Approximately the Same Date 1971 and 1972

Position	1971	1972	1973
thousand bushels			
Primary elevators — Manitoba	962	886	2,246
Saskatchewan	5,630	3,325	9,544
Alberta	2,941	1,953	7,692
Sub-totals	9,533	6,164	19,482
Process elevators	636	706	964
Interior terminals	18	138	1,768
Vancouver-New Westminster	2,543	2,894	3,640
Victoria	235	4	—
Thunder Bay	3,504	3,333	3,610
In transit rail (western division)	2,197	1,626	2,124
Lower St. Lawrence and Maritime ports	24	184	419
Storage afloat	169	—	—
Totals	18,859	15,049	32,007

Grading of Flaxseed and Rapeseed 1972-73

Cars of flaxseed inspected by the Canadian Grain Commission during the first six months of the 1972-73 crop year amounted to 5,445 cars, 22 per cent below the 6,996 cars of this oilseed inspected during the comparable period of 1971-72. Some 96.4 per cent of the August-January 1972-73 inspections of flaxseed graded No. 1 C.W. unchanged from the comparable period a year ago.

Cars of rapeseed inspected during August-January of the 1972-73 crop year, at 13,760 cars were 23 per cent more than the 11,166 cars of this oilseed inspected in the first six months of the previous crop year. The 95.9 per cent of the August-January 1972-73 rapeseed inspections which were graded No. 1 Canada represents a decline from the 98.5 per cent falling into this category in 1971-72.

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

Grain and grade	Crop Year		August-January			
	Average	1971-72	1971-72		1972-73	
	<u>1966-67</u> <u>1970-71</u>		cars	per cent	cars	per cent
		per cent	cars	per cent	cars	per cent
<u>Flaxseed</u>						
1 C.W.	81.1	96.6	6,748	96.4	5,250	96.4
2 C.W.	2.3	1.1	88	1.2	60	1.1
3 C.W.	1.0	0.6	46	0.6	31	0.6
4 C.W.	0.1	0.1	3	(5)	3	0.1
Tough(2, 3)	11.8	1.0	73	1.0	76	1.4
Damp(2, 4)	2.6	0.1	8	0.1	2	(5)
Rejected(2)	0.3	0.3	19	0.3	13	0.2
All others	0.6	0.2	11	0.2	10	0.2
Totals	100.0	100.0	6,996	100.0	5,445	100.0
Bushel equivalent (approximately)			14,259,000 ^r		11,404,000	
<u>Rapeseed</u>						
1 Canada	94.4	98.7	10,996	98.5	13,192	95.9
2 Canada	2.0	0.2	32	0.3	156	1.1
3 Canada	0.6	0.1	12	0.1	65	0.5
Others	3.0	1.1	126	1.1	347	2.5
Totals	100.0	100.0	11,166	100.0	13,760	100.0
Bushel equivalent (approximately)			25,306,000 ^r		32,638,000	

(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.

1972 Season of Navigation Closed at Lakehead

The 1972 season of navigation at the Canadian Lakehead, which opened on April 14 closed on December 30. Total shipments of flaxseed and rapeseed out of Lakehead terminals during the 1972 season, amounted to 33.5 million bushels and represented a slight decrease from the 33.9 million shipped during the 1971 season.

Shipments of flaxseed, at 14.4 million and rapeseed at 19.0 million bushels accounted for 43 per cent and 57 per cent, respectively, of the 1972 total.

Combined lake shipments of flaxseed and rapeseed from August 1 to the close of navigation, amounted to 18.6 million bushels, 15 per cent above the 1971 figure of 16.3 million. During the period under review, shipments of rapeseed moved in larger volume this year than last while those of flaxseed were lower.

Lake Shipments of Canadian Oilseeds from Thunder Bay
Season of Navigation 1961-72

Year	Flaxseed	Rapeseed		Total
		bushels		
1961	8,002,465	—	—	8,002,465
1962	7,964,757	—	—	7,964,757
1963	7,359,052	—	—	7,359,052
1964	9,513,402	59,359	—	9,572,761
1965	11,041,390	1,337,317	—	12,378,707
1966	14,257,899	1,249,512	—	15,507,411
1967	10,669,495	928,922	—	11,598,417
1968	5,717,732	621,840	—	6,339,572
1969	8,747,193	2,172,342	—	10,919,535
1970	12,722,317	7,921,496	—	20,643,813
1971	17,801,364	16,100,769	—	33,902,133
1972	14,432,369	19,038,125	—	33,470,494

August 1 to Close of Navigation

1971	9,400,509	6,859,815	16,260,324
1972	7,360,378	11,286,261	18,646,639

Rail Shipments from Thunder Bay

Rail movement of flaxseed and rapeseed from the Lakehead during the first half of the 1972-73 crop year amounted to 285,000 bushels in sharp contrast to the 161,000 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	—	—	—
November	—	—	—	7,854	—	7,854
December	—	26,486	26,486	76,758	—	76,758
January	68,704	8,790	77,494	135,934	—	135,934
Totals	94,451	66,636	161,087	285,318	—	285,318

Supply and Disposition of Flaxseed and Rapeseed — Canada
Crop Year 1971-72

Item	Flaxseed	Rapeseed
	bushels	
Stocks at commencement of crop year:		
On farms	10,500,000	200,000
Primary elevators	6,951,000	4,392,000
Process elevators	91,000	728,000
Interior terminal elevators	2,000	10,000
Vancouver-New Westminster	1,159,000	1,079,000
Thunder Bay	5,458,000	2,237,000
In transit rail:		
Western division	1,142,000	2,327,000
In transit lake	540,000	—
Eastern elevators	763,000	56,000
Totals, in store July 31, 1971	26,606,000	11,029,000
1971 Production	22,321,000	95,000,000
Imports	—	—
Totals, supplies	48,927,000	106,029,000
Exports	25,741,407	42,603,038
Consumed in Canada:		
Human food	1,400	—
Seed requirements	911,000	467,000
Industrial use(1)	3,101,009	12,049,925
Loss in handling(2)	47,000	151,000
Animal feed, waste and dockage(3)	3,093,184	7,619,037
Totals, domestic use	7,153,593	20,286,962
Stocks at end of crop year:		
On farms	6,000,000	16,300,000
Primary elevators	5,342,000	17,542,000
Process elevators	61,000	1,075,000
Interior terminal elevators	204,000	48,000
Vancouver-New Westminster	804,000	2,305,000
Thunder Bay	2,991,000	3,664,000
In transit rail:		
Western division	460,000	2,087,000
Eastern elevators	170,000	118,000
Totals, in store July 31, 1972	16,032,000	43,139,000
Totals, disposition	48,927,000	106,029,000

(1) Flaxseed and rapeseed for crushing, includes seed crushed for subsequent export as oil and oil meal.

(2) Includes drying loss, outturn loss (lake and rail), fire loss and storage loss, etc.

(3) Residual after estimating for other uses.

Domestic Crushing Crushings of the four major oilseeds, flaxseed, soybeans, rapeseed and sunflower seed, in Canada during the period August 1, 1972 - January 31, 1973, have accounted for a total of 1,189.0 million pounds compared with 1,133.5 million pounds for the same period of the previous year. Most of the current total is accounted for by crushings of 722.8 million pounds of soybeans, slightly below the 748.3 million pounds during the comparable period of 1971-72. Crushings of flaxseed at 92.6 million pounds, represent an increase of 6 per cent over the comparable 1971-72 figure of 87.7 million pounds. The total amount of rapeseed crushed during August - January 1972-73, amounted to 342.8 million pounds, some 29 per cent more than last year's comparable total of 266.2 million pounds. Crushings of sunflower seed during the first six months of the current crop year amounted to 30.8 million pounds, slightly below the 31.3 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-January	
	1969-70	1970-71	1971-72	1971-72	1972-73
thousand pounds					
<u>Crushings</u>					
Flaxseed	139,416	158,313	173,657	87,671	92,586
Soybeans	1,420,734	1,406,242	1,398,837	748,276	722,796
Rapeseed	388,400	428,761	602,496	266,224	342,836
Sunflower seed	21,228	32,396	69,947	31,286	30,793
<u>Oil Production</u>					
Flaxseed	47,963	54,670	59,836	30,045	31,547
Soybeans	240,564	242,325	241,259	128,395	116,935
Rapeseed	153,042	169,892	234,286	102,510	129,646
Sunflower seed	8,583	12,571	28,950	12,711	12,761
<u>Meal Production</u>					
Flaxseed	87,072	99,564	109,959	55,740	58,149
Soybeans	1,117,487	1,098,351	1,088,701	582,944	568,988
Rapeseed	228,464	248,762	358,531	159,348	196,338
Sunflower seed	8,621	11,954	25,794	115	11,135

Month-end Stocks in Crushing Plants of Oil and Meal, January 1971-73

	Oil			Meal		
	1971	1972	1973	1971	1972	1973
thousand pounds						
Flaxseed	5,594	9,155	12,873	2,979	2,347	2,337
Soybeans	12,551	13,094	4,472	28,059	21,221	27,237
Rapeseed	5,519	4,790	21,496	3,228	4,198	5,244
Sunflower seed	763	358	371	476	442	282

Oilseed Crushings in Canada, Calendar Years 1961-72

Item	Flaxseed	Soybeans	Rapeseed	Sunflower seed
	bushels			
<u>Quality Crushed</u>				
1961	2,912,208	15,410,386	1,181,423	261,144
1962	2,350,163	17,433,760	1,495,283	101,786
1963	2,417,598	18,155,664	1,590,780	228,136
1964	3,053,488	20,732,079	1,748,825	691,069
1965	2,838,339	19,548,764	2,635,112	655,721
1966	2,470,967	20,052,503	4,272,916	398,993
1967	2,377,016	21,054,014	5,023,750	568,506
1968	1,998,716	19,199,616	5,769,925	959,243
1969	2,029,866	20,865,292	7,461,290	693,524
1970	2,863,786	24,773,124	7,828,717	768,591
1971	2,960,150	23,804,065	9,738,504	1,529,867
1972	3,189,412	22,550,327	13,209,271	2,298,983
	pounds			
<u>Oil Produced</u>				
1961	57,135,560	162,876,037	20,845,161	2,314,385
1962	45,376,613	181,257,687	28,476,022	918,719
1963	46,732,738	186,750,396	30,711,253	2,367,595
1964	58,934,636	200,317,538	34,115,716	6,698,708
1965	54,857,900	198,587,805	51,807,726	6,657,605
1966	48,577,718	197,867,175	84,446,626	4,430,217
1967	47,237,899	215,511,611	100,864,986	6,814,290
1968	39,809,524	191,618,708	116,413,411	11,473,346
1969	39,558,368	212,707,669	149,316,218	8,359,265
1970	55,242,032	253,750,749	154,273,283	9,097,886
1971	57,191,612	245,952,703	191,307,610	18,307,182
1972	61,536,028	227,851,542	253,997,855	28,773,371
	tons			
<u>Oil Meal Produced</u>				
1961	50,592	361,285	18,303	1,283
1962	40,670	407,649	22,696	499
1963	41,343	427,432	23,588	1,203
1964	53,556	458,513	25,600	3,546
1965	48,754	466,558	38,264	3,659
1966	42,537	475,751	61,450	2,292
1967	40,916	503,019	71,000	3,223
1968	34,524	456,703	82,722	5,067
1969	35,041	494,650	107,214	4,067
1970	50,148	582,725	116,154	4,620
1971	52,473	556,863	142,775	8,300
1972	56,319	526,902	191,812	12,795

Stocks of Oilseeds and Products in Crushing Plants, Canada
December 31, 1961-72

Item	Flaxseed	Rapeseed	Soybeans	Sunflower seed
<u>Raw material</u>				
	bushels			
1961	379,530	250,696	4,782,003	98,327
1962	429,226	274,781	5,221,891	102,425
1963	511,579	389,922	5,389,999	172,710
1964	551,502	865,565	5,522,555	222,094
1965	398,103	139,355	6,594,752	190,929
1966	415,337	247,835	4,563,401	209,050
1967	377,086	575,659	4,561,211	265,565
1968	241,427	431,085	4,966,063	243,384
1969	457,912	836,619	5,620,687	112,786
1970	569,027	705,545	6,276,208	79,462
1971	671,958	497,274	5,064,378	131,281
1972	426,846	519,654	3,415,916	345,922
<u>Oil</u>				
	pounds			
1961	10,173,592	5,916,108	12,179,116	472,544
1962	9,754,403	3,565,249	5,484,537	976,287
1963	8,684,637	3,308,482	7,341,417	1,541,942
1964	7,624,195	2,329,762	6,542,136	175,420
1965	11,552,252	1,993,302	6,329,724	1,031,210
1966	10,534,538	3,848,186	7,376,410	565,075
1967	8,986,459	8,775,557	10,142,446	1,738,452
1968	7,532,370	2,179,645	5,949,093	189,275
1969	3,293,788	3,118,853	4,798,202	273,576
1970	5,040,362	3,946,196	13,239,470	333,732
1971	8,314,807	2,439,550	9,936,463	676,964
1972	9,342,807	19,750,018	3,954,865	461,344
<u>Oil meal</u>				
	tons			
1961	3,499	452	6,629	13
1962	1,276	1,679	11,441	-
1963	432	1,002	10,058	394
1964	5,135	3,734	19,282	890
1965	1,672	1,705	12,432	38
1966	3,400	646	5,118	197
1967	4,531	743	12,351	150
1968	3,766	1,479	7,959	694
1969	525	2,823	17,150	240
1970	1,510	1,300	7,968	90
1971	471	3,397	9,046	287
1972	706	2,439	8,472	273

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

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

thousand bushels

Flaxseed

Stocks at beginning of crop year	4,909	5,970	26,606	26,606	16,032
Production	27,548	48,932	22,321	22,321	19,017
Imports	7	—	—	—	—
Exports	18,611	21,194	25,741	14,494	10,430
Domestic crushing	2,490	2,827	3,101	1,566	1,653

Prices(1)

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	353
December	276/1	246/2	236/3	366/7
January	280/5	244/6	248/7	436/4
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	

Flaxseed oil

thousand pounds

Exports	21,280	25,598	30,069	16,288	14,417
Domestic production	47,963	54,670	59,836	30,045	31,547

Flaxseed meal

tons

Exports	6,500	14,859	22,433	12,815	10,922
Domestic production	43,536	49,782	54,980 ^r	27,870	29,075

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

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

	Crop year			August-January	
	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	43,139
Production	33,400	72,200	95,000	95,000	57,300
Exports	22,213	46,811	42,603	19,766	25,573
Domestic crushing	7,768	8,575	12,050	5,324	6,857

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	260/5
December	285/5		269/2	238/3	295/5
January	330/2		281/3	228	325/6
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	102,510	129,646
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Rapeseed meal

tons

Domestic production	114,232	124,381	179,265	79,674	98,169
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(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-January	
	1969-70	1970-71	1971-72	1971-72	1972-73
thousand bushels					
<u>Soybeans</u>					
Production	7,664	10,385	10,276	10,276	11,745
Imports	17,430	15,703	14,774	9,167	4,710(1)
Exports	1,111	768	1,354	668	835
Domestic crushing	23,679	23,437	23,314	12,471	12,047
<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		342/2
December	245/3	286/1	299/6		391/7
January	251/4	294/4	297/2		428
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	22,414	13,479(1)
Exports	45,715	68,078	97,812	56,459	23,175
Domestic production	240,564	242,325	241,259	128,395	116,935
<u>Soybean meal</u>					
tons					
Imports	266,009	249,875	228,895	107,029	108,429(1)
Exports	165,482	123,033	135,420	91,799	66,686
Domestic production	558,743	549,175	544,351	291,472	284,494

(1) August-December only.

(2) 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
November	13.26	9.38	10.29	124.80	77.73	146.18
December	14.70	9.16	10.44	128.00	94.37	203.25
January	16.42	9.93	10.79	142.60	97.59	201.25

(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	November 1972	December 1972	January 1973	August-January	
				1972-73	1971-72 ^F
				bushels	
<u>Western Europe</u>					
EEC:					
Belgium and Luxembourg	373,785	—	—	604,164	647,861
Britain(2)	—	—	769,480	769,480	—
France	30,268	—	—	188,371	319,216
Germany, West	289,233	—	—	1,006,896	2,092,841
Italy	105,000	—	343,200	572,980	152,000
Netherlands	1,184,578	53,000	119,919	2,945,117	6,015,968
Sub-totals	1,982,864	53,000	1,232,599	6,087,008	9,227,886
Other Western Europe:					
Britain(2)	495,452	—	—	874,396	1,151,482
Denmark	—	—	—	—	66,607
Finland	—	—	—	—	82,217
Norway	—	—	—	157,500	176,000
Spain	—	—	—	301,986	745,200
Switzerland	—	—	—	422,787	37,603
Sub-totals	495,452	—	—	1,756,669	2,259,109
Totals	2,478,316	53,000	1,232,599	7,843,677	11,486,995
<u>Eastern Europe</u>					
Czechoslovakia	—	—	—	117,636	270,370
<u>Africa</u>					
Guinea	—	—	—	—	12,211
<u>Asia</u>					
Japan	211,200	504,367	282,442	2,104,997	2,363,687
Korea, North	—	—	—	—	102,356
Korea, South	—	38,000	—	126,578	99,536
Lebanon	—	—	—	—	129,125
Syria	—	—	—	—	29,526
Totals	211,200	542,367	282,442	2,231,575	2,724,230
<u>Oceania</u>					
Australia	—	—	—	237,600	—
Totals, all countries	2,689,516	595,367	1,515,041	10,430,488	14,493,806

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

(2) Commencing January 1, 1973 Britain became a member of the European Economic Community.

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

Destination	November 1972	December 1972	January 1973	August-January	
				1972-73	1971-72 ^r
bushels					
<u>Western Europe</u>					
EEC:					
Belgium and Luxembourg	66,846	—	—	66,846	163,424
France	549,096	—	—	1,788,337	3,721,088
Germany, West	148,013	—	—	334,121	1,084,465
Italy	109,721	—	134,120	539,711	743,271
Netherlands	612,373	389,578	240,504	1,430,953	2,524,111
Sub-totals	1,486,049	389,578	374,624	4,159,968	8,236,359
Other Western Europe:					
Britain	—	—	—	—	1,930
Switzerland	—	—	—	—	117,600
Sub-total	—	—	—	—	119,530
Totals	1,486,049	389,578	374,624	4,159,968	8,355,889
<u>Asia</u>					
Bangladesh	271,220	604,800	—	2,936,623	—
India	695,158	640,553	1,080,447	2,956,448	361,550
Japan	1,840,611	2,122,712	2,370,134	15,201,185	10,989,679
Lebanon	—	—	—	—	46,296
Korea South	—	—	140,755	140,755	—
Totals	2,806,989	3,368,065	3,591,336	21,235,011	11,397,525
<u>Oceania</u>					
Australia	—	—	—	174,048	—
Sub-totals, all countries	4,293,038	3,757,643	3,965,960	25,569,027	16,352,032
<u>Western Hemisphere</u>					
United States(2)	—	—	—	3,632	12,554
Totals, all countries	4,293,038	3,757,643	3,965,960	25,572,659	19,765,968

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

(2) Customs exports.

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

Destination	November 1972	December 1972	January 1973	August - January	
				1972-73	1971-72
bushels					
<u>Western Europe</u>					
EEC:					
Germany, West	—	—	—	—	525
Netherlands	—	—	—	4,875	1,188
Sub-totals	—	—	—	4,875	1,713
Other Western Europe:					
Britain	249,048	535,250	—	785,046	659,290
Sweden	2,000	2,687	2,667	14,065	7,578
Switzerland	2,020	—	—	2,020	1,113
Sub-totals	253,068	537,937	2,667	801,131	667,981
Totals	253,068	537,937	2,667	806,006	669,694
<u>Asia</u>					
Japan	—	—	29,376	29,376	—
<u>Western Hemisphere</u>					
Jamaica	—	—	90	90	83
Surinam	—	—	—	—	50
Totals	—	—	90	90	133
Totals, all countries	253,068	537,937	32,133	835,472	669,827

UNITED STATES SITUATION

The following outlook paper on oilseeds, fats and oils was presented by George W. Kromer of the United States Department of Agriculture's, Economic Research Service, on February 22, 1973 at the United States National Agricultural Outlook Conference, Washington, D.C.

Soybean prices at new highs. — The current situation for America's number 1 cash crop features strong demand, tight supplies, soaring prices, and efforts to get farmers to step up soybean plantings this spring.

Soybean prices (No. 1 yellow, Chicago) have risen more than \$2 per bushel since last fall from \$3.30 in October to \$5.57 on February 12. Prices a year ago were \$3.15 per bushel. Soybean meal prices (44 per cent protein, Decatur) have advanced sharply and in early February exceeded \$200 per ton more than double a year earlier levels.

Until a somewhat more optimistic picture emerges with respect to world protein feed supplies particularly the Peruvian fish catch prices of soybeans and soybean meal probably will continue to fluctuate in a wide range, as varying information becomes available on the Peruvian fishing outlook, U.S. acreage intentions, and the oncoming Brazilian and Argentine oilseed crops.

Weather damages crop. — The U.S. soybean crop is estimated at a record 1,276 million bushels, about 100 million more than in 1971 but 75 million below the November 1, 1972 estimate. Bad weather during the harvest season tarnished what otherwise had been a near perfect season. The adverse weather reduced yields and in many cases prevented harvesting of some fields altogether. Yield per acre, at 27.9 bushels, is still a record but down from the 29.5 bushels estimated on November 1. The harvest of soybeans in the North Central States at the end of January was about 95 per cent complete. In the south, harvest continued to lag and was nearing the 90 per cent mark.

Because of the extended inclement weather and unusually late harvest, USDA plans to conduct a post-harvest sample survey to evaluate any change that may have occurred in the acreage finally harvested and production subsequent to the earlier regular survey. Crops to be covered are corn, soybeans and sorghum. Results of the survey will be published along with the regular spring planting intentions report which will be released March 15.

Soybean planting intentions up. — Based on early January planting intentions, farmers plan to seed 49 million acres to soybeans this spring, up 5 per cent from 1972. However, with restrictions relaxed for feed grain set-aside acreages, and with plantings now allowed on wheat set-aside land, a further substantial increase in soybean acreage may occur. Thus, even with the carryover next September at a low level, 1973-74 soybean supplies will likely exceed the record of 1.46 billion bushels of 1969-70.

Soybeans No. 1 cash crop. — In 1972 cash receipts from soybean marketings reached a record \$4.1 billion, 14 per cent above 1971 and \$0.8 billion above corn. This is the first time that soybeans exceeded corn in cash receipts. In 1971 they were tied for the No. 1 spot. Projections for 1973 indicate that soybeans will continue as the Nation's leading cash crop.

Demand strong for tight supplies. — U.S. soybean supplies for the current marketing year are estimated at 1.35 billion bushels, about 6 per cent above 1971-72. As in the past 3 years, the entire crop is expected to be utilized, leaving carry out stocks next September at a minimum level of around 60 million bushels. The season average price received by farmers for 1972-crop soybeans will approximate \$4 per bushel, \$1 above 1971.

Soybean crushings are estimated around 750 million bushels, about 30 million above last year but below the record 760 million of 1970-71. Crushings so far this season total 328 million bushels (January estimated) compared with 302 million in September-January 1971-72. A major factor influencing crushings is the limited supply of soybeans. Were supplies larger, crushings no doubt would be greater in view of the strong demand for products. Even so, the industry probably will run at about 80 per cent of its estimated annual crushing capacity of approximately 925 million bushels.

Processing margins are up sharply from a year ago. During September-January they averaged 57 cents per bushel (as measured by spot prices for soybeans, oil, and meal at Decatur) compared with 13 cents in 1971-72. Monthly average margins increased from 21 cents last September to \$1 in December and January. Margins are now running the highest in history. Peak margins for a full season were set in 1946-47 when they averaged 54 cents per bushel.

Soybean exports in 1972-73 are expected to total a record 475 million bushels, some 60 million more than last season. Inspections for export from September 1 through February 9 totaled 246 million bushels, about 29 million bushels, more than a year ago.

Several factors are influencing exports this season. Chief among these are the world shortages of high-protein feeds stemming primarily from reduced Peruvian fish meal supplies and Russian purchases of U.S. soybean. Peru has virtually banned fishing until March 1, due to difficulties in locating the schools of fish. The lack of protein from this source has intensified the demand for soybeans. Last summer, the Soviet Union purchased about 40 million bushels of U.S. soybeans. Over half of this volume had been shipped through early February. Also, the considerable expansion in soybean crushing facilities abroad is an influential factor, as importers scramble to get their share of the limited supplies.

Soybean oil in good balance. — Soybean oil supplies for the current year are estimated at 8.8 billion pounds, slightly above 1971-72. Carryover stocks last October were about the same as the year earlier, although production may be up a little from last season. Oil yield per bushel of soybeans crushed is off this season, probably reflecting the lower quality of the 1972 crop due to high moisture. Out-turns so far have averaged 10.6 pounds per bushel compared with 11.0 pounds for all of 1971-72.

Domestic use of soybean oil probably will exceed the 6.5 billion pounds in 1971-72. During October-December it was 1.8 billion pounds, some 0.2 billion above 1971. However, larger cottonseed oil supplies and the heavy imports of coconut oil and palm oil will limit the extent of the increase.

Soybean oil exports are pegged at 1.5 billion pounds, compared with 1.4 billion in 1971-72. They totaled 259 million pounds in October-December, nearly 90 million pounds below a year ago. Volume is expected to pick up as the year progresses with larger movement to Pakistan and the Peoples Republic of China.

However, U.S. exports still face tough competition. Increasing world supplies of competitive oils and larger domestic cottonseed oil supplies work against increasing soybean oil movement. As in past years, a sizable volume is expected to be shipped under P.L. 480. However, program exports are still unclear, due to uncertainties surrounding the import requirements for Pakistan, India, and Bangladesh.

Soybean oil prices (crude, Decatur) were relatively stable during October-January at about 10 cents per pound, 2 cents below 1971-72. In early February soybean oil prices started to move up sharply and reached 13.5 cents on February 12, about 2.5 cents above February 1972. With soybean crushings limited by tight supplies and oil requirements high, soybean oil stocks are likely to decline from current levels.

Protein shortage skyrockets prices. — Due to a worldwide shortage of high-protein feeds and damage to the 1972 U.S. soybean crop, prices of soybean meal (44 per cent protein, bulk, Decatur) this marketing year are the highest ever. Prices began their ascent about a year ago and by last spring were around \$95 per ton. During the summer when it became apparent that fishmeal supplies from Peru would be scarce, prices surpassed the \$100 level. They continued their sharp increase last fall as bad weather damaged the soybean crop — reaching \$174 per ton in December. Prices continued to rise this winter and in early February were around \$210 per ton, about 2½ times the February 1972 average of \$85. Until a somewhat more optimistic picture emerges with respect to world protein feed supplies, particularly the Peruvian catch, soybean meal prices probably will continue to fluctuate in a wide range. With demand very strong, the record-high prices are allocating the use of the limited supply between domestic and export demands.

Soybean meal supplies are estimated at 17.8 million tons, about 4 per cent above 1971-72. The yield of soybean meal per bushel of beans crushed is down this year. So far outturns have averaged 47.0 pounds per bushel compared with 47.4 pounds for all of 1971-72.

Domestic disappearance is estimated at 13.4 million tons, slightly above last year. So far, usage is running well above a year ago but probably will taper off as limited supplies begin affecting use.

Soybean meal exports are expected to exceed 4 million tons, and total well above the 3.8 million in 1971-72. Exports so far are up nearly a fifth. As with domestic use, however, the pace is expected to slacken as the season progresses and supplies dwindle. Overseas demand for soybean meal is strong but our ability to export is hampered by limited availabilities. Even so, a near-record volume is expected.

Longer-term outlook for soybeans bright. — Sharp increases in the demand for U.S. soybeans and products are expected during the next 10 to 15 years, reaching a potential 2.2 billion bushels (59 million metric tons) by 1985. This projected demand is about two-thirds greater than the 1972 record utilization of 1.3 billion bushels and nearly quadruple the 1960 level. The average annual rate of increase during 1973-85 is projected around 65 million bushels, or about 4 per cent.

Soybean domestic use (crush, seed, and other uses) for 1985 is projected around 1.2 billion bushels, 50 per cent greater than the current season. Soybean exports may double during this period, reaching a potential 1 billion bushels compared with a half billion bushels this marketing year.

U.S. acreage needed to satisfy this level of demand in the mid-1980's would be around 63 million acres compared with 47 million planted in 1972. Should soybean yields increase at a faster rate than assumed in this analysis (a half bushel per acre per year), then of course the potential 1985 soybean requirements could be fulfilled at a lower acreage level.

The long-run appraisal of the supply-demand balance for soybeans--resulting from continuation of present farm programs, technology, and other economic forces points up the need for shifting more U.S. acreage into soybean production. Any large future increases in soybean acreage must come mainly from previously set-aside acreage, corn acreage, or new land. Further transfer of acreage from small grains and hay to soybeans probably will be relatively small, since much of the available land has already been shifted.

Whether soybeans can attract acreage away from corn will depend mainly on relative prices and yields for the 2 crops. Historically soybean yields have increased much more slowly than corn yields. Assuming this trend continues, a higher soybean-to-corn price ratio may be required over the years if soybeans are to compete with corn for land. The above projections are tentative and based on continuation of current programs as well as other assumptions not specified here.

Cottonseed crushings up sharply. — With cottonseed production up nearly a third from the previous year, crushings during 1972-73 are expected to total 5.3 million tons, a little over 1 million tons above 1971-72. Cottonseed oil production is estimated at 1.6 billion pounds, some 400 million above last season. Oil yield per ton crushed is down averaging 313 pounds so far compared with 322 pounds in 1971-72. Cottonseed meal output is estimated at 2.4 million tons, about 0.6 million above last year. Because of the larger crop, prices to farmers are lower this season they likely will average a little under \$50 compared with \$57 in 1971-72.

Based on early January planting intentions, about 13 million acres of cotton will be seeded this spring, roughly 7 per cent below the 1972 level due mainly to a cut in the national acreage base allotment.

Domestic oil use and exports increasing. — Cotton oil supplies, at 1.8 billion pounds, are about a third above last year. Increased production and larger stocks account for the gain.

Domestic disappearance is estimated near 1 billion pounds, up from the record low 0.8 billion in 1971-72. So far, usage is up over a tenth from a year ago. Three major outlets account for about 90 per cent of the cottonseed oil consumed in this country use in shortening, margarine, and cooking and salad oils.

Exports are estimated around 650 million pounds, well above the 422 million last season. So far they total 193 million pounds, about 40 per cent greater than a year ago. Cottonseed oil is still prized as a premium oil in some parts of the world particularly Western Europe and Egypt. However, exports vary widely, depending upon supplies and price. In the past 2 decades, volume has ranged from a high of 700 million pounds shipped in 1964, to a low of 52 million shipped in 1967.

Cottonseed oil prices (crude, Valley) this season averaged about 11 cents per pound during August-January, around 4 cents below 1971-72. Prices started to move up in early February and at 14 cents are now above year-ago levels. Cottonseed meal prices (41 per cent protein, expeller, Memphis) have increased sharply from \$87 per ton last August to \$165 in January, about \$90 above January 1972. Strong worldwide demand for high-protein meals and short supplies are contributing to sharply higher prices this season. Cottonseed meal usage is expected to total near 2.3 million tons--most of this will be fed domestically.

Lard output and use declining. — Continuing declines in lard yield per hog and little change in slaughter are holding lard output this year to about 1.6 billion pounds, somewhat below 1971-72.

Domestic use probably will be near 1.4 billion pounds, below that of a year ago. Direct use of lard likely will continue to decline, although use in shortening and margarine may hold near a year ago or even increase some. Despite the smaller supplies, more lard should be available for domestic use because exports are expected to drop sharply as a result of the U.K. joining the European Economic Community on January 1.

With the U.K. now a part of the EC, lard exports likely will decline significantly as the U.K. brings its trade activities in line with Community policies. Beginning February 1, lard exports to the U.K. from other EC members are subsidized. In addition, the U.K. will impose a levy on all lard imported from non-EC sources. In the past, lard was admitted duty-free regardless of source.

Over the past 4 years, U.S. lard was exported to the U.K. under a USDA export payment program designed to meet subsidized competition from the Continent. Since the beginning of the program in December 1968, about 825 million pounds of lard had been exported with payments of almost \$10 million. Most of this volume was shipped at a payment rate of 1 cent per pound. On January 11 this year the USDA terminated the program. Under the changed situation, total U.S. lard exports and shipments are estimated at only 150 million pounds, compared with 220 million during 1971-72.

Lard prices (tanks, loose, Chicago) through January averaged near year ago levels, or around 10 cents per pound. Prices have increased this February along with those for other edible fats and oils.

Flaxseed supplies tighten; prices gain. — Flaxseed supplies this season total 34 million bushels, about a fourth below 1971-72. The 1972 crop totaled 14 million bushels, 4½ million below 1971 and the smallest output in nearly 35 years. Carryover stocks last July 1, at 20 million bushels, were down about 7 million from the record levels of 1971.

Crushings this season are estimated at 20 million bushels, slightly below 1971-72. Major factors limiting crushings this season are the reduced supply and the strong export movement. World supplies of flaxseed and linseed oil have declined and export demand for U.S. flaxseed has increased. As of now, CCC has no flaxseed or linseed oil in inventory.

Because of shorter world supplies, U.S. exports are up substantially. For the entire season, they are expected to total about 10 million bushels, compared with only about 2 million last year. So far approximately 8.9 million bushels have been exported. Another million bushels may move out in the spring after the Great Lakes

ports re-open. Based on the above prospects, the U.S. carryover at season's end will be around 3 million bushels, down sharply from the 20 million of last July 1. As the flaxseed supplies dwindled, flaxseed prices (No. 1, Minneapolis) shot up from \$2.79 per bushel last July to \$4.50 in early February.

Based on early January planting intentions, farmers plan to seed about 1.2 million acres to flaxseed in 1973, a decline of 3 per cent from 1972. However, with restrictions relaxed for feed grain set-aside acreages and with plantings now allowed on wheat set-aside land, a further substantial increase in flaxseed acreage may occur.

Peanut supplies at record level. — Peanut supplies this marketing year are a record 3.7 billion pounds (farmers' stock basis), about 6 per cent above last season. A larger crop accounts for the increase as beginning stocks on August 1 were smaller. The 1972 crop is far in excess of edible requirements and farm uses and CCC is acquiring the surplus, a third or more of the crop, under the price support program. The support price this year is 14.2 cents compared with 13.4 cents a year ago. Prices to growers this season are averaging about 14.5 cents per pound. CCC cost estimates in supporting 1972-crop peanuts range from \$90 to \$100 million.

U.S. peanut production is expected to continue upward during the next 10 to 15 years, reaching a potential 4.7 billion pounds (about 2.35 million short tons) by 1985. This projected output would be some 45 per cent greater than the 1972 record production and more than triple the 1959 level of 1.5 billion pounds. The increase will come about primarily by rising yields per acre since U.S. planted acreage is assumed to remain just under the present legal minimum of 1.6 million acres per year.

An appraisal of the long-run potential for peanut production, use, and price resulting from continuation of present government programs, rising peanut parity prices, technology, and other economic forces leads to the overriding conclusion that annual production will continue to greatly exceed domestic edible requirements. Thus, CCC acquisitions of surplus peanuts and resulting program losses will rise increasingly and the Federal government will account for a rising proportion of the income to peanut growers. Some peanut program modifications or other changes would be required to limit rapid rises in government costs of the program. The present rigid peanut program is largely directed by legislation and USDA has little leeway in formulation or administration of the program.

SITUATION IN THE UNION OF SOVIET SOCIALIST REPUBLICS

The following information relative to oilseeds in the Soviet Union has been extracted from a report by Mr. L.T. Dickenson, Assistant Commercial Secretary, Canadian Embassy, Moscow, under date of December 18, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

1972 has proven to be a difficult year for Soviet agriculture. The most unusual weather in 100 years plagued a large part of the European Soviet Union. For most of the summer no rain fell in the major sunflower producing areas. Lack of rain was accompanied by record high temperatures. Thus we predict that Soviet sunflower seed production will drop below the 1971 level and could be as low as 5 — 5.3 million tons. Production has been declining steadily since 1968.

Cotton continues to be one of the few bright spots in Soviet agriculture. The 1972 raw cotton crop should equal (or possibly exceed) last year's record of 7.1 million tons.

1972 vegetable oil production could drop below 1971 level (2.9 million tons) due to low sunflower production in both 1971 and 1972.

Soviet failure to maintain previous sunflower production levels combined with general shortage of feed grains resulted in the USSR purchasing one million tons of U.S. soybeans for delivery during 1972-73 crop year. We predict that the USSR will purchase a minimum of one million tons of soybeans for 1973-74. This is dependent upon the price of soybeans relative to feed grains. The Soviet Minister of Agriculture recently said that the price of soybeans must be reduced before additional purchases are made.

U.S.S.R. Imports and Exports

	<u>Imports of vegetable oils</u>	<u>Exports of sunflower seed</u> thousand tons	<u>Total vegetable oil exports</u>	<u>Sunflower seed oil exports</u>
1968	41.2	361.3	770.4	713.7
1969	23.6	345.3	695.3	656.1
1970	64.6	142.7	372.3	351.0
1971	64.1	84.1	408.3	378.6

Soviet exports of sunflower seed continue to plummet. Exports of vegetable oils for 1971 increased by 36,000 tons from the 1970 level. However they are still well below the 1968 level. The slight increase in vegetable oil exports is probably due to decreased exports of sunflower seed.

USSR imports of vegetable oils in 1971 were 64,100,000 tons, including coconut oil 24,300,000, olive oil 9,000,000, and linseed oil 30,400,000 tons.

SITUATION IN JAPAN

The following information concerning oilseeds in Japan has been extracted from a report by Mr. S.M. Maruhashi, Commercial Officer, Canadian Embassy, Tokyo, under date of December 18, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Shortage of vegetable oil meal. - The vegetable meal imports from January to September account for 187,000 metric tons, indicating 22.6 per cent increase compared to the same period last year. Since a large volume contracted for imports has not come through customs clearance yet, it is quite probable that the total meal import for the year will be at a record level surpassing 370,000 metric tons imported in 1970, the highest figure for any one year period to date.

The cause for this conspicuous gain in imports is attributable in the main to demand growth imbalance between those for edible oil and vegetable oil meal. The demand gap thus created makes adjustment imperative with more imports of meal. However, the prices for meal at overseas markets are also steep due to international shortage of high grade protein supply, creating a difficult situation for ready imports of meal.

Revision of import estimate by government. - The Agriculture Ministry earlier this year, as mentioned in our previous report, estimated imports of 2,500,000 metric tons

of soybean and 430,000 metric tons of rapeseed for crushing purposes. It is quite gratifying for this post to report that the cumulative total of rapeseed import to October already indicates 476,268 metric tons, well exceeding the forecast. According to the recent unofficial comment by an oil and fat expert of the Ministry of Agriculture in Tokyo, the total import for the year will exceed 550,000 metric tons. Considering the import trend for the past six months with the median tonnage of 50,519 metric tons imported, it is more than likely that the total influx of rapeseed into Japan will exceed 570,000 metric tons.

Actual Imports Against Estimates

<u>Item</u>	Estimated <u>January-December</u>	Actual import	
		<u>January-September</u> 1972	<u>January-December</u> 1971
Soybeans	2,500,000	2,481,085	3,211,568
Rapeseed	430,000	387,860	407,371
Cottonseed	240,000	135,188	247,765
Copra	120,000	92,419	122,396
Linseed	120,000	84,497	112,005
Corn	52,000	—	—
Safflower	50,000	42,709	41,571
Sunflower	40,000	28,174	37,116
Castor-beans	50,000	36,461	61,649
Palm kernel	40,000	15,986	38,851
Kapok	30,000	20,690	33,384
Sesame	30,000	36,804	40,682
Mustardseed	8,000	6,603	8,769
Peanut	2,000	50,285	52,382
Others	20,000	17,601	27,000
Totals	3,732,000	3,436,362	4,442,509

Supply and demand chain reaction. — As noted in the beginning, the primary reason for the acute shortage of soybean and rapeseed meal is caused by the paucity of fish meal which is aggravated further by less-than-expected imports of cottonseed, linseed (flaxseed), palm kernel, and other major sources supplying meals for feed purpose. Needless to say, the most important meal source for animal feed in this market is soybean which under normal conditions competes with fish meal for high protein feed business. Therefore, it is quite natural for soybeans to be utilized as an alternative ingredient for feed in lieu of fish meal. Whereas the average formulation ratio for soybean meal in the Japanese feed is known to be about 9.8 per cent; it is approaching 11 per cent supplementing the scarcity of fish meal. Nevertheless, soybean supply is also laden with problems as reflected in the Chicago commodity market price with skyrocketed exceeding the all time high of \$4.41 per bushel. These vicious chain reactions, a result of the international shortage of feed protein supply, are all in fact acting quite favourably for increasing rapeseed meal utilization in feed formulation.

Utilization of rapeseed meal in Japan. — Rapeseed meal has been traditionally used in Japanese agriculture as an important ingredient of compounded fertilizer for citrus and tobacco production. However, its utilization as a feed ingredient has

been plagued with excessive fear associated with the toxic substances possibly hydrolitic products of the glucosinolates in rapeseed meal, despite our ardent efforts to ameliorate such apprehension. In fact, the Zenno which currently produces 42 per cent of Japan's total formula feed, has not to date used, they claim, even an ounce of the meal in its formulation.

Wittingly or not discrimination of rapeseed meal widely prevails beyond the confines of feed manufacturers, regardless of the economics of feed ingredients at any given time. Therefore, the manufacturers take every precaution not to reveal the true amount of rapeseed meal contained in formula feed which we suspect is substantially increasing since late summer. Rather than specifying the meal by its own category, it is merely lumped together with other meals such as peanut, cottonseed and etceteras and listed as other meal. Therefore, it is an impossible task to accurately pinpoint figures. However, there is no doubt that through an intelligent analysis, one can obtain a fairly correct approximation.

Japan's utilization of rapeseed meal for the past several years as a fertilizer ingredient has been steady with about one hundred and eighteen or nineteen thousand metric tons, although there is a small yearly increment. Even optimistic estimates call for not more than two hundred thousand metric tons as maximum.

However, Japan is expected to import more than 570,000 metric tons of rapeseed from Canada meaning there will be over 340,000 tons of the meal available for this calendar year. Simultaneously, there has been a very strong demand for the meal since August which caused the meal price to skyrocket by 68 per cent when one compares the two month average quotations for April and May with that on December 14. Pushed by the super bullish demand for the meal, oil crushers continue to produce more meal despite the satiated edible oil market. The high priced meal as a natural result of strong demands verifies our assumption that it is finding its own way in sectors other than the limited fertilizer market. As previously mentioned, there is no record kept for the meal. However, our trade contacts seem to bear out the assumption without hesitation that at least 140,000 metric tons obtained by subtracting 200,000 metric tons, the maximum expected for fertilizer consumption from the total expected meal production of 340,000 metric tons, are now being used as feed ingredients. Should this assumption be false, it would be difficult to justify the high meal price in spite of the already glutted fertilizer market.

It perhaps may be too premature to be definite, but we may finally have succeeded in turning the tide in our favour. The Oils and Fats Division of the Ministry of Agriculture believes approximately 50,000 metric tons of the meal were consumed as feed last year. Although some circles think 65,000 tons is more accurate, there is no denying that 140,000 tons are a substantial accomplishment.

SITUATION IN WEST GERMANY

The following account of the oilseed situation in West Germany has been extracted from a report received from Mr. K. Schmitz, Commercial Officer, (Agriculture), Canadian Embassy, Bonn, under date of December 15, 1972 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

1972 - Oilseed crop results. - The final estimate of the Federal Bureau of Statistics for the 1972 West German oilseed crop is 248,712 metric tons. This crop is a new record and 9 per cent above last year's figures. However, the larger

production is only due to a 12 per cent increase in the acreage while the yields per hectare were 3 per cent smaller than in 1971.

	Acreage			Production		
	<u>1966-71</u> <u>average</u> thousand acres	<u>1971</u> thousand acres	<u>1972</u> thousand acres	<u>1966-71</u> thousand metric tons	<u>1971</u> thousand metric tons	<u>1972</u> thousand metric tons
Winter rapeseed	148	204	239	144	205	231
Summer rapeseed, winter and summer turnip	22	30	23	17	23	18
Total rapeseed and turnip.	<u>170</u>	<u>234</u>	<u>262</u>	<u>161</u>	<u>228</u>	<u>249</u>

1972-73 planting intentions. - A 12 per cent increase in West German winter rapeseed plantings for the 1973 crop was intended by growers according to the results of an inquiry published by the Ministry of Agriculture in November. This indicates plantings of 108,500 hectares (268,000 acres) compared with this year's harvested area of 96,913 hectares (239,000 acres) from which a crop of 231,253 metric tons was harvested. If winter-killing is small and this year's average yield of 23.9 quintals (42.7 bushels per acre) is maintained compared with the record of 24.8 (44.3 bushels per acre) in 1971, next year's winter rapeseed crop would approach 260,000 tons. Output of summer rapeseed and turnipseed usually is small at around 20,000 tons. It was 17,459 tons this year. The Landers to have the largest rate of increase in winter rapeseed planting are Northrhine-Westphalia by 24 per cent and Sleswick-Holstein by 17 per cent, compared with the 1971 figures.

Breeding new varieties. - Several new varieties are currently undergoing official testing for registration. These would be the first LEAR varieties in Germany and are announced to have erucic acid contents of less than 1.0 per cent. The test and registration procedure is expected to be finished in 1973-74 so that basic and certified domestic bred LEAR seed may be available within the next two years. Breeding has been sped up by making use of the "half-kernel-method".

West German Imports of Oilseeds; Cakes and Meals January - September

	Oilseeds		Oilcakes and Meals	
	<u>1971</u>	<u>1972</u>	<u>1971</u>	<u>1972</u>
	thousand metric tons			
Soybeans	1,556.5	1,510.3	908.6	912.7
Copra	198.8	318.1	312.2	258.6
Peanut	47.6	46.0	91.0	102.6
Palm kernel	50.7	8.0	172.4	199.6
Linseed	77.6	174.6	216.9	155.0
Sunflowerseed ..	18.2	62.0	111.2	97.6
Rapeseed	182.7	88.0	48.2	51.3

SITUATION IN THE NETHERLANDS

The following information relative to the oilseeds situation in the Netherlands, has been taken from a report prepared by Mr. F.W. Zechner, Commercial Officer, the Hague, Netherlands, under date of March 9, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

1973 rapeseed production. — According to trade estimates based on increased winter rapeseed seedings, the 1973 rapeseed crop, in the Netherlands may be 10 to 15 per cent up from 44,000 metric tons harvested in 1972.

Imports. — The most recent statistics available at this time cover the period January — November 1972.

	<u>Flaxseed</u>	<u>Rapeseed</u>
	metric tons	
France	800	4,900
West Germany	2,100	7,400
Denmark	—	5,300
U.S.S.R.	2,300	—
U.S.A.	52,900	—
Canada	99,300	19,400
Totals	<u>158,900</u>	<u>37,500</u>

Market conditions. — No Canadian rapeseed has been purchased in the Netherlands since the end of January when signs were beginning to show of a fall in soybean prices. The gradual decline still continues. Quotations for Canadian rapeseed currently range from \$195.00 per metric ton for delivery in April-May to \$192.50 July-August. The processing industry has assumed an awaiting attitude.

Much the same is true for flaxseed. The Dutch trade feels that Canadian flaxseed prices are still on a too high level. Canadian flaxseed is currently quoted at \$241.50 per metric ton for delivery April-May, down to \$224.00 per metric ton delivery November-December 1973. Little business is reported to have taken place in this commodity since the end of January. On March 9, the soybean price stood at \$278.00 per metric ton.

SITUATION IN ARGENTINA

The following information relative to the Argentine oilseeds situation is taken from a report from Mr. E.G. Fairfield, Assistant Commercial Secretary (Agriculture) Canadian Embassy, Buenos Aires, under date of March 8, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Minimum prices for the 1972-73 crop have been changed. Sunflowerseed stands now at 90.00 pesos per 100 kilos, peanuts at 110.00 pesos and soybeans at 110.00. Linseed price has not been changed and remains at 74.00 pesos.

Exports of oil, pellets and expellers for January to December 1972 are compared below with the same period for 1971.

	<u>1971</u>	<u>1972</u>
	tons	
<u>Pellets</u>		
From linseed meal or expellers	14,110	7,383
From sunflowerseed meal	254,264	200,409
From peanut meal	21,974	21,994
From cotton meal	50,795	30,278
<u>Expellers</u>		
Linseed	350,876	136,996
Sunflowerseed	-	100
Peanuts	42,129	4,991
Cotton	23,178	1,648
Totals	<u>757,326</u>	<u>403,799</u>
<u>Oil</u>		
Linseed	159,673	110,270
Sunflowerseed	32,519	-
Peanuts	41,606	33,001
Cotton	403	-
Tung	20,029	16,423
Olive	6,946	7,242
Totals	<u>261,176</u>	<u>166,936</u>

Sunflowerseed. - Special note should be taken of the decrease in the index value of sunflowerseed oil from 380 to 306 pesos per metric ton. At the same time the index prices for all other oilseed products were significantly increased.

In our review of June 9 we reported a ban on the export of sunflowerseed oil. The ban was later removed but the index price was significantly high to prevent exports. The export table above indicates exports for 1972.

With the index price at 306.00 pesos, exports will now be profitable. This action was taken on the basis of the first estimate of sunflowerseed seedings which are up 6 per cent over last year and the excellent weather conditions which, if they continue, should result in better than average yields.

The second estimate of area seeded to sunflowerseed was published recently at 1,700,000 hectares, 11 per cent up from last year. This is the highest area estimated since 1962-63.

In private circles, the estimate of production is approximately 1.1 million tons. This of course is conditioned on continued good weather conditions. This compares with production in 1971-72 of 828,000 tons and the average for 1966-67 - 1970-71 of 981,200 tons.

There was no price quotation for sunflowerseed on March 8. The latest quotation at 120.50 pesos per 100 kilos f.o.r. Buenos Aires corresponds to March 3. On the Buenos Aires Futures Exchange it was quoted on March 8 at 122.50 pesos for April delivery, 126.20 for May and 131.00 for June.

Peanuts. — The first estimate of area seeded to peanuts stands now at 350,000 hectares. This would be 9 per cent higher than last year (320,900). Peanuts were quoted on March 3 at 187 pesos per 100 kilos f.o.r. Buenos Aires. There were no quotations on March 8.

Flaxseed. — The second estimate of flaxseed production was published at 345,000 tons, 9 per cent higher than last year. This increase was obtained on a smaller area which means that better yields were obtained due to good weather. Flax was quoted on March 8 at 117.50 pesos per 100 kilos f.o.r. Buenos Aires.

Soybeans. — The estimate of the area seeded to soybeans for 1972-73 published by the Department of Agriculture stands at 155,000 hectares, an increase of 94 per cent from last year's area. Private circles believe that this estimate is low and 200,000 hectares would be a more accurate figure.

The following table shows area seeded by province for 1972-73 compared with 1971-72.

	<u>1971-72</u>	hectares	<u>1972-73</u>
Santa Fe	37,000		80,000
Misiones	25,200		40,000
Tucuman	8,500		16,000
Corrientes	5,200		8,000
Buenos Aires	1,580		5,000
Others	2,320		6,000
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Totals	79,800		155,000
	<hr/>		<hr/>

SITUATION IN DENMARK

The following information relative to the oilseeds situation in Denmark has been extracted from a report by Mr. T.W. Harboe, Commercial Officer, Canadian Embassy, Copenhagen, under date of March 12, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

The 1972 harvest for oilseeds showed a marked decrease from 1971's:

	<u>1971</u>	metric tons	<u>1972</u>
Winter rapeseed	4,715		2,932
Spring rapeseed	46,221		42,405
Yellow mustard	4,247		2,460
Brown mustard	264		156
Flaxseed	96		—

The areas sown to oilseed in 1972 are not yet available from the Statistical Department.

Imports of winter rapeseed in 1972 amounted to 1.4 metric tons valued at 3,000 D.Kr. c.i.f. port of entry, and exports totalled 1,549 tons valued at 1.5 million D.Kr. f.o.b. Imports were from Sweden (non-E.E.C.). Imports of spring

rapeseed totalled 16 metric tons at 58,000 D.Kr. c.i.f. port of entry, and exports amounted to 29,852 tons valued at 27.8 million D.Kr. f.o.b. Imports were from Sweden (non-E.E.C.). Imports of the rapeseed variety brassica campestris cult amounted to 96 metric tons valued at 126,000 D.Kr. c.i.f. port of entry, including 20 metric tons at 24,000 D.Kr. c.i.f. from Canada. The remaining 76 tons came from the Netherlands (E.E.C.). Imports of yellow mustard in 1972 amounted to 101 metric tons valued at 198,000 D.Kr. c.i.f. port of entry, including 2 tons at 7,000 D.Kr. c.i.f. from Canada, and exports totalled 5,869 tons at 8.0 million D.Kr. f.o.b. Main supplier with 99 metric tons was West Germany (E.E.C.). Imports of mustard seed, excluding yellow, amounted to 229 metric tons at 356,000 D.Kr. c.i.f. port of entry, including 107 tons at 161,000 D.Kr. c.i.f. from Canada. Exports totalled 149 tons valued at 342,000 D.Kr. f.o.b. Imports from West Germany (E.E.C.) amounted to 122 tons.

Imports into Denmark in 1972 of flaxseed totalled 13,515 metric tons valued at 13.4 million D.Kr. c.i.f. port of entry, including 11,888 tons at 11.6 million D.Kr. c.i.f. from Canada. Exports were limited to 3 metric tons at 8,000 D.Kr. f.o.b. Imports from Belgium-Luxembourg, the Netherlands, and West Germany (all E.E.C.) 508 metric tons, and 1,209 tons were imported from the U.S.A.

Imports of soybean in 1972 totalled 533,277 metric tons valued at 474.0 million D.Kr. c.i.f. port of entry, practically all of it from the U.S.A.

As a result of membership of the enlarged E.E.C., the quantitative import restrictions on rapeseed previously in effect, have been removed. As Danish rapeseed imports always have been insignificant, this, therefore, for all practical purposes makes no difference.

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, December 2, 1972 - February 24, 1973 with Comparisons at Approximately the Same Date in 1971-72

Week ending		1971-72	1972-73	1971-72	1972-73
		metric tons		thousand pounds	
December	3, 1972 ...	6,200	39,005	13,669	85,990
	9	6,400	37,082	14,109	81,751
	16	20,567	36,384	45,342	80,212
	23	17,808	33,218	39,260	73,232
	30	16,739	32,581	36,903	71,828
January	6, 1973 ...	13,873	32,044	30,584	70,644
	13	11,110	32,090	24,493	70,746
	20	11,638	34,757	25,657	76,625
	27	10,995	35,396	34,240	87,034
February	3	29,657	33,013	65,382	72,780
	10	31,857	33,072	70,232	72,911
	17	30,327	38,787	66,859	85,510
	24	28,646	39,650	63,153	87,412

CALENDAR OF OILSEED EVENTS

- December 30 The 1972 season of navigation closed at the Canadian Lakehead. During the season, which opened on April 14, 1972, a total of 14.4 million bushels of flaxseed and 19.0 million bushels of rapeseed were shipped from the Lakehead by water.
- February 22 Mr. George W. Kroner of the U.S.D.A., Economic Research Service presented an outlook paper on oilseeds, fats and oils at the United States 1972 National Agricultural Outlook Conference, Washington, D.C. The text of the paper appears in this issue beginning on page 45.
- March 8 According to a report received from Mr. G.H. Fairfield, Assistant Commercial Secretary (Agriculture) for Canada, Buenos Aires, the second estimate of flaxseed production in Argentina was published at 345,000 tons, 9 per cent higher than last year. This increase was obtained on a smaller area which means that better yields were obtained due to good weather.
- 5 The Canada Department of Agriculture released a "Spring Outlook Crops March 1973".
- 21-23 The Rapeseed Association of Canada held its annual meeting in Vancouver, B.C.

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