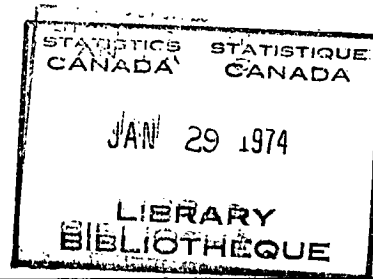


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Oilseeds review

DECEMBER 1973



STATISTICS CANADA
Agriculture Division
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OILSEEDS REVIEW

DECEMBER 1973

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S Y M B O L S

The following standard symbols are used
in Statistics Canada publications:

- .. figures not available.
- nil or zero.
- P preliminary figures.
- r revised figures.

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

WORLD SITUATION

Record Increase in 1973
for U.S. and World
Soybean Production

The following is taken from the October 1973 issue of World Agricultural Production and Trade, Foreign Agricultural Service, United States Department of Agriculture;

World soybean production in 1973 is preliminarily estimated at 58.21 million metric tons (2,139 million bushels) — 22 per cent or 10.44 million tons above the revised total for 1972. The unprecedented increase in world soybean output reflects primarily a major expansion in soybean acreage in the United States and, to a lesser extent, Brazil. The total world acreage harvested for soybeans in 1973 is forecast at 92.63 million acres, indicating an increase from the previous year of 15 per cent or 12.03 million acres.

This year's record increase by over one-fifth in world soybean production follows a 9 per cent gain in 1972 and compares with the average annual increase of 5 per cent during 1966-70. The United States and Brazil, the two major-exporting countries, account for 80 and 11 per cent, respectively, of the net increment in 1973 world production.

The 1973 soybean harvests in the Soviet Union and Mainland China are expected to achieve a partial recovery from their weather-reduced volumes of 1972 equivalent to 5 per cent of the net increase in world production. Aggregate soybean production in the rest of the world, reflecting larger crops in Mexico, Argentina, Colombia, Paraguay, Australia, Romania, and Thailand, accounted for 4 per cent of the net increase in world production.

U.S. soybean production in 1973, based on crop conditions as of October 1, is officially forecast at 43.23 million metric tons (1,588 million bushels) — 24 per cent or 8.31 million tons (305 million bushels) above the 1972 volume. The record increase in the 1973 U.S. soybean crop reflects an increase in plantings 2.5 times greater than the previous record. Acreage harvested for soybeans is placed at 56.17 million acres — up 23 per cent, or 10.4 million acres, compared with the previous year. The prospective yield is 28.3 bushels per acre, 1 per cent above the 1972 level and a new alltime high.

Brazil's already harvested 1973 soybean crop is currently estimated at 4.80 million tons, indicating a gain of 31 per cent or 1.13 million tons over the official estimate of 3.67 million tons for 1972. Sharply expanding plantings have raised Brazil's soybean outturn this year to a volume over seven times the level of 5 years earlier. Harvested area in 1973, at 7.52 million acres, achieved an increase of 30 per cent, the same as the average increment of the 1967-71 period on a much smaller base. The 1973 yield was little changed from the previous year.

The Brazilian Government has announced a production target of 7 million tons for 1974; however, most forecasts from private sources show increases of 1-1.5 million tons: Brazilian trade sources have indicated expectations that acreage will expand by about 30 per cent per year in the major growing areas from Sao Paulo State south to Rio Grande do Sul (including the important State of Parana) and by larger percentages in Mato Grosso, Goias, and Minas Gerais where acreage is currently very small.

Mainland China's 1973 soybean harvest is tentatively placed at 6.70 million

tons — 400,000 tons above the estimate for 1972. Fragmentary reports point to improved growing conditions in 1973, compared with 1972 when drought on the North China Plain and excessive rainfall in Manchuria are believed to have reduced output. Soybean area is estimated to have declined by roughly 5 per cent in 1973, reflecting competition from foodgrains and cotton on the North China Plain.

Soybean production in the Soviet Union also is expected to recover from the sharp decline of 1972 and may approximate 400,000 tons in 1973. The 1972 harvest, officially estimated at 260,000 tons, was 51 per cent smaller than the 1971 crop. Production in the Soviet Far East in 1972 is believed to have suffered from the same poor harvest weather that affected the harvest in Manchuria.

Cottonseed Production to
Expand Further in 1973-74

For the third consecutive year, world cottonseed production for the year beginning August 1, 1973, is forecast to reach a new high of 24.3 million metric tons. This represents a gain of 1 per cent or 312,000 tons above the 1972-73 volume.

When the production increase is translated into oil availabilities, it means 15,000 tons of cottonseed oil and 47,000 tons of cottonseed meal.

Cottonseed production in the North American Continent is expected to decline by 3 per cent or 164,000 tons to 6.1 million tons. Production in the United States is forecast to be only 4.8 million tons — a 3 per cent drop from last season's all-time high outturn. The primary reason for the decline in production was the wet weather that occurred at planting time in the United States. Mexico is also expecting a reduced cottonseed crop of 675,000 tons — down 13 per cent due to declining acreage.

South America's cottonseed production in the spring of 1974 is forecast to reach 2.2 million metric tons — up 1 per cent or 22,000 tons from last season. Brazil's outturn is anticipated to be down 23,000 to 1.3 million tons due to decreased acreage and lower yields per acre. Argentina, on the other hand, projects larger acreage and higher yields to reach a 280,000-ton outturn. Peru also expects to have more acres in cotton with higher yields. Colombia forecasts less acreage with lower yields.

The USSR's cottonseed outturn is expected to be 4.6 million tons — up 3 per cent or 121,000 tons. More acres were reportedly planted to cotton than a year ago and somewhat higher yields are anticipated. The USSR had generally better growing conditions this year than a year ago.

Cottonseed production in Africa is forecast at 2.6 million tons — a 6.5 per cent of 157,000-ton increase. Sudan and Egypt, which are the main cottonseed producing countries in Africa, are both forecast to have a higher outturn this crop year. Egypt with 10 per cent larger acreage is expected to produce 910,000 tons — up 2 per cent from last season. Sudan expects to have a 21 per cent larger cottonseed crop of 533,000 tons. Cotton was planted on slightly fewer acres but yields are expected to be 22 per cent higher. Among the smaller African producers, output is expected to increase in Rhodesia and Tanzania.

In Asia cottonseed production is forecast at 8.6 million tons — up only 2 per cent but a 178,000-ton increase. The crop in the People's Republic of China is expected to reach 2.96 million tons — an 8 per cent or 210,000-ton increase. Two per cent less acres were reportedly planted but yields are forecast to increase

by 8 per cent. India anticipates a 2.4-million ton cottonseed outturn — 5 per cent or 109,000 tons above last season. The crop was reportedly planted on 2 per cent fewer acres, but a 5 per cent larger per acre yield is forecast. Pakistan expects a 10-per cent drop in production to 1.3 million tons, reflecting reduced acreage and yields.

World Production and Exports of Oilseeds

The following extract is taken from the November 1973 issue of fats and oils published by the Foreign Agriculture Circular, United States Department of Agriculture.

Production. — In calendar 1973, world production of fats and oils(1) is now estimated at 42.4 million metric tons or 2 per cent below the 1972 volume. The current year's 450,000-ton decline in output represents a downward revision from the June estimate which indicated a 130,000-ton increase from the 1972 volume. This year's estimates are based on oil from crops already harvested in the latter half of 1972 in the Northern Hemisphere combined with oil from Southern Hemisphere crops harvested in the first half of 1973.

The indicated 450,000-ton decline follows last year's 1.25-million-ton increase and is sharply below the annual trendline increase of 1.03 million tons for the 1960-72 period. This year production is nearly 700,000 tons below the calculated trendline volume. This below trend volume together with normal population and income growth has forced a sharp drawdown in stock levels and resulting in extremely high prices.

This year's decline in fats and oils output reflected an 800,000 ton shortfall in the foreign sector. Foreign output, at 31.7 million tons, was nearly 500,000 tons below the projected trendline volume, compared with substantially above trend volumes in both 1971 and 1972. The major declines in foreign oil output include: Peanut—656,000 tons chiefly from the reduced 1972 crops in India and Senegal; copra and coconut oil—195,000 tons due to reduced rainfall in the Philippines; fish oil—185,000 tons primarily due to the scarcity of anchovies off the west coast of South America; sunflower oil—170,000 due to drought reduced 1972 crop yield in the Soviet Union; olive oil—160,000 tons reflecting declines in the biennial yield cycle for Italy and Tunisia; and rapeseed oil—90,000 tons due to a smaller 1972 crop acreage in Canada offset in part by recovery in 1973 output in India.

Partly offsetting these indicated declines in foreign oil output, a number of significant increases took place. Foreign output of soybean oil, palm oil, and animal fats each registered gains of more than 200,000 tons, reflecting continued expansion by the major producing countries.

U.S. fats and oils production in 1973, at 10.7 million tons, increased by about 350,000 tons — the largest annual gain since 1969 — yet nearly 200,000 tons below the long-term trend. However, this year's increase was a sharp reversal from the 71,000-ton decline registered in 1972. U.S. output expansion chiefly reflected substantially larger soybean and cottonseed output which will be in part offset by reduced output of animal fats and linseed oil.

(1) Data compiled as of November 5, 1973. Oil production data published by FAS are calculated on the basis of assumed oil extraction rates applied to the portion of each crop available for crushing and/or export not on actual crushings. Data include vegetable, animal, and marine oils and fats.

The current estimate of 1973 world fats and oils production is about 50,000 tons below that published in June. However, our estimate of 1972 output was revised upward by about 450,000 tons. This chiefly reflected increased estimates for animal fats, peanut, soybean, and fish oils.

This year several factors are radically different from a year ago which have exerted strong influence in world markets. First, a reversal in foreign production has reduced stocks both in the United States and abroad.

Second, availabilities of oil in the foreign sector were substantially redistributed by new import demand in traditional net exporting countries, such as the Soviet Union and the People's Republic of China (PRC).

Third, scarce oil supplies have been restricted further by reduced crushing due to lower feeding rates.

Fourth, lagging crush, that is meal demand, has been further amplified by increased feed prices which reduced livestock and poultry producer's incentives to expand herds and flocks by a normal increment.

Exports. — World exports of oils and fats are estimated at 13 million metric tons — virtually unchanged from the 1972 volume. This follows 3 consecutive years of sharp export expansion which substantially exceeded the 1960-72 annual trendline growth of 400,000 tons. The current estimate is 4.4 per cent below the March forecast, chiefly reflecting smaller than anticipated export volumes as follows: Soybeans and soybean oil exports from the United States; copra and coconut oil from the Philippines; fish oil from Peru; and palm oil from the major exporting countries.

The current estimate of 1973 world exports is 50,000 tons below the projected 1960-72 trend. On a commodity basis, exports of soybean, palm, cotton, and lauric acid oils are each running sharply above the respective trendline projections. However, accelerated growth in exports for the above commodities was more than offset by sharply lagging exports of sunflower, fish, and peanut oils, as well as inedible oils and fats.

Foreign exports, at 8.5 million tons, will be 90,000 tons below the 1972 volume and 150,000 tons below the projected trend. Reduced exports of fish oil from Peru and copra and coconut oil from the Philippines are the key elements in this decline. In addition, reduced exports of peanuts and oil from Senegal, Brazil, and South Africa and smaller movements of flaxseed and oil from Canada and Argentina are accenting this decline.

In calendar 1973, U.S. exports of oilseeds, oils, and fats are expected to rise by about 90,000 tons (oil basis) to 4.6 million metric tons. The increase reflects continued expansion in exports of soybeans and cottonseed oil offset in part by a further decline in animal fats and linseed oil. This represents only a partial recovery from the 120,000-ton-export decline registered in 1972. However, 1973 will be the fourth consecutive year of above trend exports from the United States.

The variation from the trend in U.S. exports as measured by the standard error of estimate for the 1960-72 period, was 360,000 tons, substantially greater than the variation in U.S. production of only 200,000 tons.

Since variation in world exports from the trend during the 1960-72 period was only 239,000 tons — considerably smaller than for the foreign sector alone at

300,000 tons — it is clear that the United States is a source whose supplies are used increasingly in years of scarcity. However, in years of abundant supplies, the data show that foreign consumers have been content to let their own stocks dwindle. This has caused extreme fluctuations in U.S. stocks, which in turn have had a substantial impact on prices both in the United States and abroad. It is not clear at this point to what extent foreign consumers will, in the light of their last experience with short supplies, seek to smooth out such fluctuations in the future by carrying a larger share of their own requirements in the form of stocks.

1974 Outlook. — Preliminary indications on the 1974 outlook indicate that world output should increase by a substantially above normal increment. Although precise forecasts for fish oil production and 1974 harvests in Southern Hemisphere countries are impossible at this early date, a number of substantial changes, on a net basis, are certain to boost 1974 oil output.

These increases are indicated in million metric tons (oil basis) as follows: 1973 U.S. soybean production at +1.32 tons; 1973 Indian peanut crop +0.50; 1973 Soviet sunflower seed crop +0.55; world palm oil production +0.25; total lauric acid oil output -0.10. Although less solid, we would expect a further expansion in Brazilian soybean output +0.20; some recovery in fish oil output +0.10; biennial upturn in olive oil +0.10; and some recovery in animal fats +0.15.

No significant change is expected in industrial oil output. Of course, production by a number of less important producers might change marginally either up or down, therefore, it cannot necessarily be assumed that world output will be increased by the above changes.

If these changes in output materialize, there should be enough oil to satisfy fully normal population and per capita demand expansion as well as to rebuild depleted inventories in the major markets and in the producer-exporter countries. The sharply above trend increase, of course, is the result of much higher prices which prevailed in 1973, paving the way for a greater increase in world exports. The resulting rise, when it occurs, will probably cause a strong downward reaction in prices which would be likely to retard growth in 1975 oil output.

CANADIAN SITUATION

August-October Marketings of Flaxseed and Rapeseed

Data recorded for the first quarter of the 1973-74 crop year, indicate that primary deliveries of flaxseed have amounted to 6.2 million bushels, 49 per cent above the 1972 comparable total of 4.2 million, but 2 per cent below the ten-year (1962-71) average for the period of 6.4 million. Marketings of rapeseed at 13.5 million bushels registered a 25 per cent increase over the corresponding 1972 figure of 10.8 million and sharply above the ten-year average of 7.7 million.

Exports of Flaxseed, Rapeseed and Soybeans

During the first three months of the 1973-74 crop year exports of Canadian flaxseed amounted to 3.4 million bushels, 40 per cent less than the 5.6 million bushels shipped during the comparable period of 1972 and 7 per cent below the ten-year (1962-71) average for the period of 3.7 million. The major markets for this oilseed with figures in millions of bushels were as follows: Netherlands 1.3, and Japan 1.1. The remainder was accounted for by relatively smaller shipments to Britain, Belgium and Luxembourg, Germany West, Czechoslovakia, Italy, Spain and France.

Exports of rapeseed from August 1 to October 31, 1973, at 11.5 million bushels, were 15 per cent below the comparable 1972 figure of 13.6 million but were in sharp contrast to the recent average of 2.8 million. Japan was the major importer, at 8.6 million, and accounted for 75 per cent of the three-month total while the remainder was imported by the Netherlands, Bangladesh, Italy, Germany West and Korea South.

Customs exports of soybeans during the first three months of the 1973-74 crop year amounted to 223 thousand bushels in contrast to 1,583 thousand the previous year.

Re: Order re Delivery
of Rapeseed and Flaxseed

The Canadian Wheat Board in its Instructions to the Trade No. 16 for rapeseed and No. 17 for flaxseed, as at October 15, 1973 for the 1973-74 Crop Year stated

that WHEREAS subsection (1) of section 17 of the Canadian Wheat Board Act provides in part that:

".....except with the permission of the Board, no person shall deliver grain to an elevator, and no manager or operator thereof shall receive delivery of grain unless

- (a) the person delivering the grain is the actual producer of, or is entitled as a producer to the grain;
- (b) at the time of delivery the person delivering the grain produces to the manager or operator a permit book under which he is entitled to deliver the grain in the crop year in which delivery is made;
- (c) the grain was produced in the crop year in which delivery is made on the lands described in the permit book or in any other crop year on any lands whatsoever;
- (d) the grain is delivered at the delivery point named in the permit book; and
- (e) the quantity of grain delivered, whether sold, or delivered for storage, together with all grain of the same kind previously delivered under the permit book during the crop year in which delivery is made, does not exceed the quota established by the Board for such delivery point for grain of the kind delivered at the time it is delivered."

AND WHEREAS the elevators referred to in the schedule to this Order have made application to the Board to be permitted to receive rapeseed from the producers thereof as hereinafter authorized, and have given to the Board appropriate assurances relating to the handling of such rapeseed.

AND WHEREAS the mills referred to in the schedule to this Order have made application to the Board to be designated as Special Quota Rapeseed Processing Mills and to be permitted to receive rapeseed from the producers thereof as hereinafter authorized, and have given to the Board appropriate assurances relating to the handling of such rapeseed.

NOW THEREFORE, The Canadian Wheat Board does hereby order:

- (1) Each mill referred to in the said schedule is hereby designated as a Special Quota Rapeseed Processing Mill.
- (2) Pursuant to subsection (1) of section 17 aforesaid, each producer who has quota acres assigned in his permit book for the delivery of rapeseed is hereby granted permission to deliver, and the manager or operator of each of the designated mills is hereby granted permission, subject to the terms of this Order to receive rapeseed from the producer thereof under special quotas for crushing plants established under authority of the Canadian Wheat Board Act authorizing the delivery of special quota rapeseed to the designated mills for processing into rapeseed products.
- (3) The manager or operator of each of the designated mills may receive delivery of and purchase such special quota rapeseed only from producers (a) to whom permit books have been issued under section 19 of the Canadian Wheat Board Act; and (b) who have quota acres assigned in their permit book for the delivery of rapeseed.
- (4) Upon completion of delivery of such rapeseed into the said mill pursuant to this Order, the manager or operator of the mill shall truly and correctly record and enter the net weight in bushels after dockage of the rapeseed so delivered on pages 41 to 44 in the permit book of the producer delivering the rapeseed (pages 39 and 40 in the permit book of the producer delivering the flaxseed).
- (5) This Order shall expire on the 31st day of July, 1974.

The same Instructions (No. 17) applied to flaxseed.

General Quotas 1973-74 as at Monday, December 10, 1973

	<u>A</u>	
Alberta Red Winter	5	All blocks
Soft White Spring	5	All blocks
Rye	20	All blocks
Flaxseed	15	All blocks
Rapeseed (other)	15	All blocks

Special Quotas as at Monday, December 10, 1973

Selected Soft White Spring wheat	Rail - 1 carlot (40 assigned acres) Truck - 50 bushels per assigned acre	All blocks
Selected oats	Rail - 1 carlot (60 assigned acres) Truck - 50 bushels per assigned acre	All blocks
Rye for distilleries	30 bushels per assigned quota acre	All blocks
Flaxseed for processors	20 bushels per assigned quota acre	All blocks
Rapeseed (low erucic acid)		
Rapeseed for crushers	25 bushels per assigned quota acre	All blocks
Two-Row barley	Extended to any additional carlots	All blocks
Six-Row barley	Extended to any additional carlots	All blocks

November Estimate
of Production of the
Principal Grain Crops
in Canada, 1973

This report is based on yields as indicated during the third week of October. By late October most of the 1973 Prairie grain and oilseed crops had been harvested with the exception of parts of Alberta. It is estimated that approximately 35 per cent of the crop in Northern Alberta is unharvested. Harvesting is virtually complete in Manitoba where yields were somewhat higher than in 1972. In Saskatchewan yields of the major crops also were higher than in 1972 although weathering has reduced the quality of wheat in the wet areas. Yields in Alberta were generally lower than in the previous year and quality was better in the southern areas than in the north.

November Estimate of the 1973 Production of Grain and Oilseed Crops
Canada, Compared with 1972

Province and crop	Area		Yield per acre		Production	
	1972	1973	1972	1973(1)	1972	1973(1)
	acres				bushels	
<u>CANADA</u>						
Winter wheat ...	365,000	375,000	43.5	39.5	15,878,000	14,812,000
Spring wheat(2)	20,984,700	24,385,700	24.7	25.2	517,410,000	613,926,000
All wheat	21,349,700	24,760,700	25.0	25.4	533,288,000	628,738,000
Oats for grain	6,104,000	6,698,000	49.2	48.8	300,208,000	326,880,000
Barley for grain	12,508,900 ^r	11,958,200	41.4	39.7	518,316,000 ^r	474,570,000
Fall rye	593,000	591,500	21.6	22.9	12,784,000	13,517,000
Spring rye	41,500	42,000	17.8	18.2	740,000	765,000
All rye	634,500	633,500	21.3	22.5	13,524,000	14,282,000
Mixed grains ...	2,064,900	2,001,500	50.5	48.5	104,285,000	97,013,000
Corn for grain .	1,327,000	1,286,000	75.0 ^r	84.7	99,538,000 ^r	108,941,000
Buckwheat	102,800	89,000	16.6	12.7	1,711,000	1,129,000
Peas, dry	67,600	68,600 ^r	23.5	24.0	1,587,000	1,649,000
Beans, dry	134,200	133,200 ^r	24.1 ^r	21.7	3,233,000 ^r	2,885,000
Flaxseed	1,321,000	1,450,000	13.3	13.4	17,617,000	19,400,000
Soybeans	405,000	470,000	34.0	31.0	13,770,000	14,570,000
Rapeseed	3,270,000	3,150,000	17.5	16.9	57,300,000	53,200,000
					pounds	
Mustard seed ...	180,000	335,000	842	782	151,500,000	262,000,000
Sunflower seed .	217,000	129,000 ^r	783	705	170,000,000	90,900,000

(1) As indicated on the basis of conditions on or about October 22.

(2) Includes durum wheat.

November 1973 Estimate
of Production of Oilseed
Crops by Provinces

The 1973 flaxseed crop, now estimated at 19.4 million bushels is 10 per cent above last year's outturn of 17.6 million but 18 per cent below the 1962-71 average of 23.7 million bushels. Acreage sown to this crop increased 10 per cent this year and average yields at 13.4 bushels per acre are slightly above last year's 13.3 bushels.

Rapeseed production in 1973 is estimated at 53.2 million bushels compared with 57.3 million last year and the ten-year average of 32.1 million bushels. Acreage seeded to this crop was some 4 per cent smaller than in 1972 and average yields of 16.9 bushels per acre are 3 per cent below last year.

Production of soybeans currently estimated at 14.6 million bushels is 6 per cent larger than last year's 13.8 million. The average yield per acre is estimated at 31.0 bushels compared with 34.0 bushels last year and the ten-year average of 28.6 bushels per acre.

The area sown to sunflowers this year, is placed at a revised 129,000 acres, compared with the 217,000 acres planted in 1972. The indicated yield at 705 pounds per acre is 10 per cent lower than the 1972 average of 783 pounds. Indicated total production at 90.9 million pounds, is 47 per cent below last year's crop of 170.0 million, but 86 per cent larger than the ten-year average of 48.9 million pounds.

The area in mustard seed, all of which is grown in the Prairie Provinces, at 335,000 acres in 1973, is up 86 per cent from the 1972 area of 180,000 acres but average yields at 782 pounds per acre are 7 per cent below those of last year. Total production is expected to amount to 262.0 million pounds, 73 per cent above the 151.5 million produced in 1972.

Acreage, Yield and Production of Oilseed Crops, by Provinces, Canada, 1972 and 1973

Crop and province	Acreage		Yield per acre		Production	
	1972	1973	1972 ^r	1973(1)	1972 ^r	1973(1)
	acres		bushels		bushels	
<u>Flaxseed</u>						
Ontario	1,000	. .	17.0	—	17,000	—
Manitoba	500,000	600,000	11.8	12.7	5,900,000	7,600,000
Saskatchewan	650,000	650,000	13.8	13.7	9,000,000	8,900,000
Alberta	170,000	200,000	15.9	14.5	2,700,000	2,900,000
Total	1,321,000	1,450,000	13.3	13.4	17,617,000	19,400,000
<u>Rapeseed</u>						
Manitoba	470,000	400,000	18.1	19.2	8,500,000	7,700,000
Saskatchewan	1,500,000	1,450,000	16.5	16.6	24,800,000	24,000,000
Alberta	1,300,000	1,300,000	18.5	16.5	24,000,000	21,500,000
Total	3,270,000	3,150,000	17.5	16.9	57,300,000	53,200,000
<u>Soybeans</u>						
Ontario	405,000	470,000	34.0	31.0	13,770,000	14,570,000
<u>Sunflower seed</u>						
Manitoba	190,000	125,000	800	700	152,000,000	87,500,000
Saskatchewan	23,000	2,500 ^r	652	800	15,000,000	2,000,000
Alberta	4,000	1,500 ^r	750	933	3,000,000	1,400,000
Total	217,000	129,000 ^r	783	705	170,000,000	90,900,000
<u>Mustard seed</u>						
Manitoba	15,000	40,000	833	800	12,500,000	32,000,000
Saskatchewan	140,000	225,000	821	800	115,000,000	180,000,000
Alberta	25,000	70,000	960	714	24,000,000	50,000,000
Total	180,000	335,000	842	782	151,500,000	262,000,000

(1) As indicated on basis of conditions on or about October 22.

November Estimate, in Metric Tons, of the 1973 Production of Grain and Oilseed Crops, Canada, Compared with 1972

Province and crop	1972		1973(1)	
	bushels	metric tons	bushels	metric tons
<u>CANADA</u>				
Winter wheat	15,878,000	432,100	14,812,000	403,100
Spring wheat(2)	517,410,000	14,081,800	613,926,000	16,708,600
All wheat	533,288,000	14,513,900	628,738,000	17,111,700
Oats for grain	300,208,000	4,629,800	326,880,000	5,041,100
Barley for grain	518,316,000 ^r	11,285,300 ^r	474,570,000	10,332,800
Fall rye	12,784,000	324,700	13,517,000	343,300
Spring rye	740,000	18,800	765,000	19,400
All rye	13,524,000	343,500	14,282,000	362,700
Mixed grains	104,285,000	2,128,700	97,013,000	1,980,200
Corn for grain	99,538,000 ^r	2,528,400 ^r	108,941,000	2,767,200
Buckwheat	1,711,000	37,300	1,129,000	24,600
Peas, dry	1,587,000	43,200	1,649,000	44,900
Beans, dry	3,233,000 ^r	88,000	2,885,000	78,500
Flaxseed	17,617,000	447,500	19,400,000	492,800
Soybeans	13,770,000	374,800	14,570,000	396,500
Rapeseed	57,300,000	1,299,600	53,200,000	1,206,600
	pounds		pounds	
Mustard seed	151,500,000	68,700	262,000,000	118,800
Sunflower seed	170,000,000	77,100	90,900,000	41,200
<u>PRAIRIE PROVINCES</u>				
	bushels		bushels	
Wheat(2)	513,000,000	13,961,800	609,000,000	16,574,500
Durum wheat	73,500,000	2,000,400	57,800,000	1,573,100
Oats for grain	238,000,000	3,670,400	273,000,000	4,210,200
Barley for grain	492,000,000	10,712,300	449,000,000	9,776,100
Rye	11,940,000	303,300	12,865,000	326,800
Flaxseed	17,600,000	447,100	19,400,000	492,800
Rapeseed	57,300,000	1,299,600	53,200,000	1,206,600

(1) As indicated on the basis of conditions on or about October 22.

(2) Includes durum wheat.

Summary of Weekly Stocks and Movement of Flaxseed, September 5 - November 21, 1973

No.	Week ending	Farmers' marketings	Country elevators		
			Receipts	Shipments	Stocks
			million bushels		
1	September 5, 1973 .....	.4	.4	.02	3.0
2	12 .....	.3	.3	.03	3.2
3	19 .....	.6	.6	.1	3.8
4	26	1.1	1.1	.1	4.7
5	October 3 .....	.8	.8	.2	5.2
6	10	1.1	1.1	.3	6.0
7	17 .....	.8	.8	.2	6.6
8	24 .....	.5	.5	.2	6.9
9	31 .....	.5	.5	.3	7.0
10	November 7 .....	.4	.4	.5	7.0
11	14 .....	.2	.2	.4	6.7
12	21 .....	.4	.4	.6	6.5

Summary of Weekly Stocks and Movement of Rapeseed, September 5 - November 21, 1973

No.	Week ending	Farmers' marketings	Country elevators		
			Receipts	Shipments	Stocks
			million bushels		
1	September 5, 1973	1.1	1.0	.1	10.2
2	12	1.6	1.3	.5	10.8
3	19	1.5	1.2	.6	11.4
4	26	1.6	1.4	.6	12.2
5	October 3	1.2	.9	.7	11.8
6	10	1.5	.7	.5	12.0
7	17	1.0	.7	.4	12.4
8	24	1.0	.7	.8	12.3
9	31 .....	.5	.4	.9	11.8
10	November 7 .....	.7	.4	1.0	11.1
11	14 .....	.3	.3	.7	10.7
12	21 .....	.9	.4	1.0	10.1

Summary of Weekly Stocks and Movement of Flaxseed, September 5 — November 21, 1973

Pacific Coast			Thunder Bay			Total overseas clearances	No.
Receipts	Shipments	Stocks	Receipts	Shipments	Stocks		
million bushels							
—	—	.3	—	.01	1.8	.01	1
.02	—	.3	.1	—	1.9	—	2
.2	.1	.4	.2	—	2.0	.1	3
.2	—	.5	.1	.2	1.9	—	4
.1	—	.6	.1	.1	1.9	.1	5
.1	.2	.5	.1	.5	1.5	.2	6
.1	.2	.4	.2	—	1.7	.2	7
.1	—	.5	.1	—	1.8	.4	8
.04	—	.5	.2	.6	1.4	.6	9
.1	.1	.5	.4	.2	1.6	.3	10
.1	.2	.4	.4	.02	1.9	.4	11
.1	.1	.3	.3	.5	1.8	.6	12

Summary of Weekly Stocks and Movement of Rapeseed, September 5 — November 21, 1973

Pacific Coast			Thunder Bay			Total overseas clearances	No.
Receipts	Shipments	Stocks	Receipts	Shipments	Stocks		
million bushels							
—	1.1	1.6	—	.3	2.5	1.4	1
.2	.3	1.5	.02	—	2.5	.3	2
1.0	.7	1.8	.2	.4	2.3	1.1	3
1.0	.6	2.1	.1	.4	2.0	.8	4
.9	.7	2.5	.2	.007	2.2	.7	5
.1	.2	2.0	.1	.5	2.4	1.0	6
.7	.2	2.5	.2	.1	2.5	.4	7
.7	.2	3.0	.2	.3	2.4	.7	8
.5	1.2	2.3	.2	.1	2.6	1.2	9
.5	.5	2.3	.3	.2	2.8	.5	10
.6	.8	2.2	.2	.03	2.9	.6	11
.7	.5	2.4	.1	.1	3.0	.5	12

Farmers' Marketings
of Flaxseed and Rapeseed

Marketings of flaxseed and rapeseed in the Prairie Provinces from the beginning of the current crop year to November 21 were more than the comparable deliveries of the previous year. Deliveries of flaxseed amounting to 7.2 million bushels were 34 per cent above the 5.4 million the previous year but 9 per cent less than the ten-year (1962-71) average for the period of 7.9 million bushels. Rapeseed marketings, at 15.4 million bushels, were 9 per cent above the 14.2 million marketed during the corresponding period of 1972 but substantially higher than the ten-year average of 9.6 million bushels.

Farmers' Marketings of Flaxseed and Rapeseed in the Prairie Provinces
1973-74 with Comparisons

Period or week ending	Flaxseed(1)			
	Man.	Sask.	Alta.	Total
	thousand bushels			
→ August 8, 1973	(2)	9	—	9
15	(2)	—	—	(2)
22	13	15	19	46
29	78	73	61	212
September 5	196	169	40	405
12	104	147	39	290
19	328	222	47	596
26	512	389	189	1,090
October 3	417	351	44	811
10	384	375	213	971
17	246	375	188	809
24	208	225	93	526
31	162	228	78	468
November 7	153	159	51	364
14	80	85	25	190
21	164	165	53	382
Total	3,044	2,987	1,139	7,170
Similar period 1972	1,928	2,607	824	5,359
10-year average similar period 1962-71	4,238	2,236	1,432	7,906
	Rapeseed(3)			
August 8, 1973	—	8	—	8
15	(2)	74	91	165
22	200	632	87	919
29	206	301	305	812
September 5	311	549	148	1,009
12	121	909	944	1,973
19	314	607	807	1,727
26	253	361	1,033	1,647
October 3	252	402	510	1,163
10	144	907	440	1,492
17	86	430	480	996
24	121	594	394	1,109
31	40	179	267	486
November 7	207	138	392	736
14	49	98	175	322
21	60	458	332	850
Total	2,363	6,647	6,403	15,413
Similar period 1972	2,069	5,596	6,493	14,159
10-year average similar period 1962-71	1,004	4,680	3,866	9,550

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

(2) Less than 500 bushels.

(3) Includes data from unlicensed facilities.

Marketings of Ontario Soybeans

Marketings of Ontario soybeans during the first month of the 1973-74 crop year amounted to 54,000 bushels, in sharp contrast to the comparable 1972-73 total of 108,000 and 21 per cent less than the ten-year (1962-63 - 1971-72) average of 69,000.

Marketings of Soybeans in Ontario(1) 1973-74 with Comparisons

Month	10-year average	1972-73	1973-74
	<u>1962-63</u> 1971-72		
		bushels	
August	68,644	108,128	54,305
September	134,007	69,018	
October	2,561,428	3,184,213	
November	1,429,339	2,560,945	
December	523,789	1,863,329	
January	435,738	3,365,254	
February	422,049	912,248	
March	375,301	662,810	
April	434,734	392,164	
May	406,686	403,361	
June	385,692	283,571	
July	208,177	139,740 ^r	
Total	7,385,583	13,944,781	

(1) Ontario Soybean Marketing Board.

Soybeans in Store at Eastern Transfer Elevators

At November 21, 1973 a total of 3,670,000 bushels of Canadian and United States soybeans were in store in eastern transfer elevators in sharp contrast to both the 544,000 bushels in 1972 and the 212,000 in 1971. Of the 3,670,000 bushels in store at November 21, 1973, some 1,475,000 were United States soybeans while 2,195,000 were Canadian eastern soybeans.

Canadian and United States Soybeans in Store at Eastern Transfer Elevators
November 21, 1973 Compared with Approximately the Same Date 1971 and 1972

Position	1971	1972	1973
	thousand bushels		
<u>Canadian</u>			
Port Colborne	—	—	246
Toronto	24	6	766
Montreal	—	—	114
Port Cartier	—	186	—
Sarnia	—	7	1,069
Sub-total	24	199	2,195
<u>United States</u>			
Sorel	—	—	786
Trois-Rivières	16	4	206
Quebec	—	341	—
Baie Comeau	172	—	483
Sub-total	188	345	1,475
Total	212	544	3,670

Commercial Supplies Total commercial supplies of Canadian flaxseed at November 21 of the current crop year, at 9.6 million bushels, were below the comparable 1972 level of 7.4 million but above the 12.6 million of 1971. Most of the increase was accounted for by larger supplies in country elevators, Thunder Bay, in transit rail (western division) and in Lower St. Lawrence and Maritime Ports.

Rapeseed supplies in commercial positions at November 21 of this year amounted to 18.4 million bushels, 18 per cent less than the 22.6 million of 1972 but 5 per cent above the 17.5 million at the corresponding date in 1971. The bulk of this grain was in country elevators (10.1 million). In addition decreases were registered at country elevators, Vancouver-New Westminster, in transit rail (western division), Lower St. Lawrence and Maritime Ports and in transit lake.

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

Position	1971	1972	1973
thousand bushels			
Primary elevators — Manitoba	861	1,265	2,140
Saskatchewan	4,161	2,285	3,119
Alberta	1,184	1,163	1,225
Sub-total	6,206	4,713	6,484
Process elevators	84	152	10
Interior terminals	732	527	204
Vancouver-New Westminster	1,584	699	349
Thunder Bay	2,747	644	1,762
In transit rail (western division)	587	613	625
Bay, Lake and Upper St. Lawrence ports	75	12	—
Lower St. Lawrence and Maritime ports	106	—	155
In transit lake	517	—	—
Total	12,638	7,360	9,589

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

Position	1971	1972	1973
thousand bushels			
Primary elevators — Manitoba	673	977	1,053
Saskatchewan	4,322	6,478	4,678
Alberta	2,800	5,778	4,370
Sub-total	7,795	13,233	10,101
Process elevators	783	760	867
Interior terminals	397	839	940
Vancouver-New Westminster	4,340	2,998	2,009
Victoria	450	—	—
Prince Rupert	—	—	408
Thunder Bay	2,165	2,114	2,967
In transit rail (western division)	1,390	1,491	1,137
Lower St. Lawrence and Maritime ports	116	451	—
In transit lake	94	723	—
Total	17,530	22,609	18,429

Grading of Flaxseed and Rapeseed 1973-74

Cars of flaxseed inspected by the Canadian Grain Commission during the first three months of the 1973-74 crop year amounted to 1,372 cars, 49 per cent less than the 2,691 cars of this oilseed inspected during the comparable period of 1972-73. Some 96.2 per cent of the August-October 1973-74 inspections of flaxseed graded No. 1 C.W., was slightly lower than the 97.2 per cent at the comparable period a year ago.

Cars of rapeseed inspected during August-October of the 1973-74 crop year, at 4,556 cars were 33 per cent below the 6,758 cars of this oilseed inspected in the first quarter of the previous crop year. The 95.0 per cent of the August-October 1973-74 rapeseed inspections which were graded No. 1 Canada represents a slight decline from the 98.9 per cent falling into this category in 1972-73.

Gradings of Flaxseed and Rapeseed Inspected(1)
August-October 1973-74 with Comparisons

Grain and grade	Crop Year		August-October			
	Average	1972-73	1972-73	1973-74		
	<u>1967-68</u> <u>1971-72</u>			cars	per cent	cars
		per cent	cars	per cent	cars	per cent
<u>Flaxseed</u>						
1 C.W.	82.5	95.7	2,616	97.2	1,320	96.2
2 C.W.	2.3	1.7	29	1.1	21	1.5
3 C.W.	1.0	0.7	11	0.4	15	1.1
4 C.W.	0.1	0.1	1	(5)	3	0.2
Tough(2, 3)	10.7	1.6	16	0.6	10	0.7
Damp(2, 4)	2.6	(5)	-	-	-	-
Rejected(2)	0.4	0.2	12	0.5	2	0.2
All others	0.5	0.1	6	0.2	1	0.1
Total	100.0	100.0	2,691	100.0	1,372	100.0
Bushel equivalent (approximately)			5,630,000		2,985,000	
<u>Rapeseed</u>						
1 Canada	95.3	91.0	6,681	98.9	4,327	95.0
2 Canada	1.7	2.5	10	0.2	115	2.5
3 Canada	0.5	1.3	12	0.2	40	0.9
Others	2.6	5.2	55	0.8	74	1.6
Total	100.0	100.0	6,758	100.0	4,556	100.0
Bushel equivalent (approximately)			16,198,000		11,666,000	

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

Lake Shipments from Thunder Bay Total shipments of flaxseed and rapeseed out of Lakehead terminals from the opening of navigation to November 21, 1973 amounted to 19.8 million bushels, considerably below the 30.9 million at the comparable date in 1972. The 1973 season opened on March 30 while the 1972 season opened on April 14. Shipments of flaxseed at 9.5 million, and rapeseed at 10.3 million bushels accounted for 49 per cent and 52 per cent, respectively, of the 1973 total.

Combined lake shipments of flaxseed and rapeseed from August 1 to November 21 of the current crop year, amounted to 7.9 million bushels, in sharp contrast to the 1972 figure of 16.0 million. During the period under review, shipments of flaxseed and rapeseed moved in smaller volume this year than last.

Lake Shipments of Canadian Oilseeds from the Opening of Navigation to November 21, 1972 and to Approximately the Same Date 1962 to 1972

Year	Flaxseed	Rapeseed	Total
		bushels	
1962	7,521,531	—	7,521,531
1963	6,057,585	—	6,057,585
1964	9,159,772	59,359	9,219,131
1965	10,632,775	1,337,317	11,970,092
1966	13,484,944	1,099,458	14,584,402
1967	10,092,115	928,921	11,021,036
1968	4,872,174	326,328	5,198,502
1969	7,865,206	2,033,887	9,899,093
1970	11,845,543	7,200,838	19,046,381
1971	15,437,390	14,751,994	30,189,384
1972	13,672,250	17,179,921	30,852,171
1973	9,524,875	10,267,510	19,792,385
	August 1 to November 21		
1972	6,600,259	9,428,057	16,028,316
1973	3,620,734	4,273,364	7,894,098

Rail Shipments from Thunder Bay Rail movement of flaxseed and rapeseed from the Lakehead during the first quarter of the 1973-74 crop year amounted to 191,000 bushels, in sharp contrast to the 65,000 bushels shipped during the comparable period of 1972-73.

Rail Shipments from Thunder Bay

Month	1972-73			1973-74		
	Flaxseed	Rapeseed	Total	Flaxseed	Rapeseed	Total
						bushels
August	—	—	—	—	99,158	99,158
September	64,772	—	64,772	—	44,600	44,600
October	—	—	—	—	47,148	47,148
Total	64,772	—	64,772	—	190,906	190,906

Domestic Crushings Crushings of three of the four major oil seeds (flaxseed, soybeans and sunflower seed) in Canada during the period August-October 1973, have accounted for a total of 256.3 million pounds, 28 per cent below the 358.5 million pounds for the same period of the previous year. Most of the current total was accounted for by crushings of some 228.6 million pounds of soybeans as against 299.7 million pounds during the comparable period of 1972. Crushings of flaxseed at 12.6 million pounds, represent a sharp decline from the comparable 1972 figure of 47.2 million pounds. Crushings of sunflower seed during the first three months of the current crop year amounted to 15.1 million pounds, 31 per cent above the 11.5 million at the comparable period the previous year. Data for rapeseed are not yet available.

Crushings of Vegetable Oilseeds and Production of Oil and Oil Meal, 1970-71 - 1973-74

	Crop Year			August-October	
	1970-71	1971-72	1972-73	1972	1973
	thousand pounds				
<u>Crushings</u>					
Flaxseed	158,313	173,657	147,466	47,255	12,637
Soybeans	1,406,242	1,398,837	1,350,434	299,714	228,598
Rapeseed	428,761	602,496	778,618	155,957	..
Sunflower seed	32,396	69,947	69,924	11,513	15,094
<u>Oil Production</u>					
Flaxseed	54,670	59,836	50,183	16,237	4,328
Soybeans	242,325	241,259	218,531	50,554	37,970
Rapeseed	169,892	234,286	295,342	58,128	..
Sunflower seed	12,571	28,950	28,681	4,831	5,907
<u>Meal Production</u>					
Flaxseed	99,564	109,959	92,676	29,757	7,683
Soybeans	1,098,351	1,088,701	1,064,764	234,927	178,280
Rapeseed	248,762	358,531	450,112	86,547	..
Sunflower seed	11,954	25,794	26,040	4,237	5,567

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

	Oil			Meal		
	1971	1972	1973	1971	1972	1973
	thousand pounds					
Flaxseed	8,317	11,251	4,072	3,729	4,878	2,526
Soybeans	15,194	5,244	6,381	22,249	21,145	39,791
Rapeseed	2,329	13,610	..	9,415	3,826	..
Sunflower seed	872	107	96	2,006	441	153

Historical Sunflower Seed Statistics

Crop year	Acreage	Yield	Production	Stocks	Exports	Supply
	acres						pounds
1944-45 ...	17,300	491	8,500,000			8,500,000
1945-46 ...	9,200	316	2,906,000			2,906,000
1946-47 ...	23,000	565	13,000,000			13,000,000
1947-48 ...	23,000	700	16,000,000			16,000,000
1948-49 ...	29,000	800	23,200,000			23,200,000
1949-50 ...	60,000	425	25,500,000			25,500,000
1950-51 ...	26,000	380	9,880,000			9,880,000
1951-52 ...	21,500	351	7,540,000	27,440		7,567,440
1952-53 ...	3,000	633	1,900,000	-	43,770	1,856,230
1953-54 ...	6,500	952	6,185,000	-	75,330	6,109,670
1954-55 ...	21,000	710	14,900,000	-	152,180	14,747,820
1955-56 ...	20,000	812	16,250,000	1,131,160	2,618,527	14,762,633
1956-57 ...	33,000	532	17,556,000	985,490	5,264,095	13,277,395
1957-58 ...	30,000	400	12,000,000	4,520	5,457,387	6,547,133
1958-59 ...	48,700	454	22,125,000	15,970	8,175,011	13,965,959
1959-60 ...	49,000	660	32,360,000	1,549,100	4,294,431	29,614,669
1960-61 ...	34,500	846	29,200,000	1,959,030	8,290,214	22,868,816
1961-62 ...	33,900	711	24,107,000	73,165	11,340,600	12,839,565
1962-63 ...	23,000	755	17,360,000	379,270	14,345,600	3,393,670
1963-64 ...	42,000	949	39,838,000	1,410	12,915,400	26,924,010
1964-65 ...	78,500	394	30,900,000	11,391,942	13,316,800	28,975,142
1965-66 ...	68,000	430	29,225,000	1,112,970	15,958,400	14,379,570
1966-67 ...	53,000	619	32,790,000	1,442,442	13,348,200	20,884,242
1967-68 ...	45,800	786	36,010,000	573,052	3,439,920	33,143,132
1968-69 ...	40,000	619	24,750,000	9,770,681	2,444,640	32,076,041
1969-70 ...	48,000	708	34,000,000	3,501,615	3,311,190	34,190,425
1970-71 ...	70,500	785	55,350,000	4,250,377	17,320,620	42,279,757
1971-72 ...	239,400	706	169,070,000	7,605,061	55,527,960	121,147,101
1972-73 ...	217,000	783	170,000,000	3,852,420	78,372,180	95,480,240
1973-74 ...	129,000	705	90,900,000	10,536,850		

Historical Sunflower Seed Statistics

Quantity crushed	Oil produced	Oil imports	Oil meal produced	Average farm price	Crop year
		pounds		\$ per pound	
2,033,100	790,490		1,105,940	0.050	.... 1944-45
8,533,900	1,717,515		2,501,700	0.050	.... 1945-46
10,915,327	2,332,897		2,826,160	0.050	.... 1946-47
13,660,614	3,537,524	18,968,800	4,218,140	0.060	.... 1947-48
28,725,183	8,743,448	-	9,481,950	0.060	.... 1948-49
27,601,770	8,060,057	11,045,300	8,729,400	0.038	.... 1949-50
10,716,370	2,663,695	21,730,100	3,944,500	0.039	.... 1950-51
6,741,130	1,696,175	-	2,429,730	0.037	.... 1951-52
1,428,671	380,870	2,370,100	519,900	0.048	.... 1952-53
5,234,230	1,457,752	679,300	1,794,200	0.043	.... 1953-54
12,735,010	3,561,735	-	4,087,700	0.040	.... 1954-55
11,284,570	3,067,210	-	3,332,500	0.042	.... 1955-56
12,883,655	3,274,170	-	3,931,100	0.043	.... 1956-57
6,766,890	1,659,300	-	2,142,900	0.045	.... 1957-58
6,835,010	1,867,530	400	2,093,700	0.052	.... 1958-59
7,722,450	2,077,420	-	2,293,300	0.035	.... 1959-60
16,832,810	4,777,185	-	5,441,720	0.043	.... 1960-61
6,133,883	1,843,934	220,500	1,974,090	0.044	.... 1961-62
2,692,945	797,005	694,500	916,130	0.053	.... 1962-63
14,643,011	4,669,683	-	4,811,460	0.045	.... 1963-64
23,464,845	7,935,255	-	8,648,580	0.049	.... 1964-65
13,605,464	4,790,847	-	5,194,220	0.059	.... 1965-66
14,053,590	5,561,010	13,501,700	5,394,490	0.060	.... 1966-67
24,401,035	9,966,861	39,351,600	8,598,820	0.045	.... 1967-68
24,245,578	9,449,015	42,674,100	9,149,600	0.050	.... 1968-69
21,227,941	8,583,260	23,407,200	8,621,075	0.055	.... 1969-70
32,396,500	12,570,638	6,969,500	11,954,000	0.061	.... 1970-71
69,947,405	28,950,071	4,603,500	25,794,200	0.055	.... 1971-72
69,924,040	28,681,223	479,900	26,039,990	..	.... 1972-73
					.... 1973-74

Flaxseed — Selected Statistics, 1970-71 — 1973-74

	Crop year			August-October	
	1970-71	1971-72	1972-73	1972-73	1973-74
thousand bushels					
<u>Flaxseed</u>					
Stocks at beginning of crop year	6,570 ^F	25,306 ^F	16,032	16,032	7,816
Production	47,966	22,387	17,617	17,617	19,400
Imports	—	—	3	—	—
Exports	21,194	25,741	19,640	5,631	3,403
Domestic crushing	2,827	3,101	2,633	844	226
cents and eighths per bushel					
<u>Prices(2)</u>					
August	269/2	234/6	305/7		878/7
September	272/3	226/7	325/4		885/6
October	263/5	243/2	357/7		898/6
November	253	238/4	353		
December	246/2	236/3	366/7		
January	244/6	248/7	436/4		
February	249/4	259	535/6		
March	251/4	277/6	483/3		
April	257/2	285	478		
May	248/7	271/2	552/6		
June	245/5	277/2	701/7		
July	242	288/1	895/6		
Yearly average	253/5	257/2	482/6		
thousand pounds					
<u>Flaxseed oil</u>					
Exports	25,598	32,892	23,444	9,127	2,237
Domestic production ...	54,670	59,836	50,183	16,237	4,328
tons					
<u>Flaxseed meal</u>					
Exports	14,859	22,641	14,038	4,068	—
Domestic production ...	49,782	54,980	46,338	14,878	3,841

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

Rapeseed — Selected Statistics, 1970-71 — 1973-74

	Crop year			August-October	
	1970-71	1971-72	1972-73	1972-73	1973-74

thousand bushels

Rapeseed

Stocks at beginning of crop year	3,683 ^r	11,029	43,139	43,139	20,383
Production	72,200	95,000	57,300	57,300	53,200
Exports	46,811	42,603	54,059	13,556	11,472
Domestic crushing	8,575	12,050	15,572	3,119	..

cents and eighths per bushel

Prices(1)

August	267/3	—	273/7	244/7	649/7
September	251/4	240/6	248/2	253/3	536/4
October		255/7	255/4	256/1	493/7
November		259	250/2	260/5	
December		269/2	238/3	295/5	
January		281/3	228	325/6	
February		302	231/4	374/4	
March		291/4	247/2	361	
April		302/3	269/5	376/2	
May		274	248	399/1	
June		290/4	234/7	537/7	
July		296/7	239/3	682/4	
Yearly average	278/1	247/1	364		

thousand pounds

Rapeseed oil

Exports	—	—	52,484	—	16,394
Domestic production ...	169,892	234,286	295,342	58,128	..

tons

Rapeseed meal

Exports	—	—	21,443	—	6,451
Domestic production ...	124,381	179,265	225,056	43,273	..

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

Soybeans — Selected Statistics, 1970-71 — 1973-74

	Crop year			August-October	
	1970-71	1971-72	1972-73	1972-73	1973-74
thousand bushels					
<u>Soybeans</u>					
Production	10,385	10,276	13,770	13,770	14,570
Imports	15,703	14,774	10,973	2,437	708
Exports	768	1,366	1,060	12	223
Domestic crushing	23,437	23,314	22,507	4,995	3,810
cents and eights per bushel					
<u>Prices(1)</u>					
August	276/3	326/1	340/7		1,040
September	277/6	304/7	325/6		(2)
October	291/4	308/3	310/5		548/7
November	293/1	299/2	342/2		
December	286	299/6	391/7		
January	294/2	297/2	428		
February	296/3	306/6	567/6		
March	296/4	325/7	617/5		
April	286	338/2	646/4		
May	295/2	335/5	882/4		
June	311/5	330/1	1095/7		
July	331/4	334/3	929		
Yearly average	294/6	316/7	573/2		
thousand pounds					
<u>Soybean oil</u>					
Imports	53,001	43,032	36,286	8,241	10,938
Exports	68,078	101,695	27,662	11,705	9
Domestic production ...	242,325	241,259	218,531	50,554	37,970
tons					
<u>Soybean meal</u>					
Imports	249,875	228,895	242,369	61,115	32,857
Exports	123,033	135,815	130,147 ^r	11,003	10,109
Domestic production ...	549,175	544,351	532,382	117,463	89,140

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

(2) No quotations available.

Monthly Prices of Oils(1) and Meals Crop Years 1971-72 — 1973-74

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>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
February	22.01	10.99	15.19	158.40	109.65	249.00
March	16.70	11.79	14.70	172.40	121.73	232.75
April	17.45	12.24	15.61	180.80	128.78	244.25
May	20.43	13.34	17.89	198.60	147.87	337.00
June	28.92	18.42	19.75	200.80	185.67	417.33
July	32.72	16.60	21.45	237.00	201.10	449.33
Yearly average	18.56	11.75	13.98	159.38	112.02	239.32
<u>1973-74</u>						
August	38.92	23.70	37.89	241.50	185.19	418.00
September	31.43	20.73	25.34	210.00	133.02	215.33
October	31.40	22.05	24.91	200.00	117.72	214.12

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

(2) Average retail prices to farmers.

Exports of Canadian Flaxseed(1) 1973-74 and 1972-73

Destination	August 1973	September 1973	October 1973	August - October	
				1973-74	1972-73 ^F
bushels					
<u>Western Europe</u>					
EEC:					
Belgium and Luxembourg .	248,574	—	—	248,574	230,379
Britain	254,000	—	—	254,000	378,944
France	38,000	—	—	38,000	158,103
Germany, West	—	—	208,800	208,800	717,663
Italy	54,000	—	—	54,000	124,780
Netherlands	494,604	120,000	688,185	1,302,789	1,587,620
Sub-total	1,089,178	120,000	896,985	2,106,163	3,197,489
Other Western Europe:					
Norway	—	—	—	—	157,500
Spain	45,098	—	—	45,098	301,986
Switzerland	—	—	—	—	422,787
Sub-total	45,098	—	—	45,098	882,273
Total	1,134,276	—	896,985	2,151,261	4,079,762
<u>Eastern Europe</u>					
Czechoslovakia	157,053	—	—	157,053	117,636
<u>Asia</u>					
Japan	516,338	56,099	522,429	1,094,866	1,106,988
Korea, South	—	—	—	—	88,578
Total	516,338	56,099	522,429	1,094,866	1,195,566
<u>Oceania</u>					
Australia	—	—	—	—	237,600
Total, all countries .	1,807,667	176,099	1,419,414	3,403,180	5,630,564

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

Exports of Canadian Rapeseed(1) 1973-74 and 1972-73

Destination	August 1973	September 1973	October 1973	August - October	
				1973-74	1972-73 ^F
bushels					
<u>Western Europe</u>					
EEC:					
France	—	—	—	—	1,239,241
Germany, West	199,360	—	—	199,360	186,108
Italy	312,838	235,200	—	548,038	295,870
Netherlands	1,050,958	—	125,115	1,176,073	188,498
Total	1,563,156	235,200	125,115	1,923,471	1,909,717
<u>Asia</u>					
Bangladesh	—	—	773,129	773,129	2,060,603
India	—	—	—	—	540,290
Japan	3,670,735	1,944,252	3,028,273	8,643,260	8,867,728
Korea, South	—	132,276	—	132,276	—
Total	3,670,735	2,076,528	3,801,402	9,548,665	11,468,621
<u>Oceania</u>					
Australia	—	—	—	—	174,048
Sub-total, all countries	5,233,891	2,311,728	3,926,517	11,472,136	13,552,386
United States(2) ..	—	—	—	—	3,632
Total, all countries .	5,233,891	2,311,728	3,926,517	11,472,136	13,556,018

(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 1973-74 and 1972-73

Destination	August 1973	September 1973	October 1973	August - October	
				1973-74	1972-73 ^F
bushels					
<u>Western Europe</u>					
EEC:					
Britain	—	185,762	—	185,762	749
Netherlands	—	—	—	—	4,875
Sub-total	—	185,762	—	185,762	5,624
Other Western Europe:					
Sweden	—	7,372	4,015	11,387	6,711
Sub-total	—	7,372	4,015	11,387	6,711
Total	—	193,134	4,015	197,149	12,335
<u>Asia</u>					
Japan	13,333	—	12,000	25,333	—
<u>Western Hemisphere</u>					
United States	—	—	25	25	—
Total, all countries .	13,333	193,134	16,040	222,507	12,335

UNITED STATES SITUATION

The following summary of the fats and oils situation in the United States has been taken from the November 15, 1973 issue of the Fats and Oils Situation published by the Economic Research Service, United States Department of Agriculture.

Summary Soybeans prices this fall probably are at the season's peak; a year ago they were at the season's low. Prices are expected to continue firm through December due to farmer holding. But when soybeans start to come to market later in volume, the supply will be large enough to reduce prices. Farm prices during September-October averaged \$5.72 per bushel, about \$2.50 above the same months in 1972.

Soybean output this year is up nearly 300 million bushels. The prospective 1973-74 increase in disappearance is forecast at about 120 million bushels. Consequently, carryover by next September 1 will be up sharply—possibly to around 225 million bushels, nearly 4 times this year's low level.

The 1973 soybean crop is estimated at a record 1,575 million bushels as of November 1, about 23 per cent more than in 1972. Acreage harvested at 56.2 million this year is up 23 per cent. Yield per acre is put at 28 bushels, the same as in 1972. With record soybean production and with farm prices estimated to average \$5 per bushel, the value of the 1973 crop is a record \$8 billion, almost a third above the 1972 crop value.

Supplies this year, including a small carryover of old-crop soybeans, total 1,635 million bushels, 21 per cent above last year and a new record high. Soybean demand in 1973-74 will continue strong with total disposition expanding to around 1.4 billion bushels, up from 1.3 billion last year. In September and October, soybean domestic use and exports lagged year-ago levels due to the small carryover combined with a delayed harvest.

Domestic crushings probably will rise to around 775 million bushels, some 50 million over the amount processed in 1972-73. There are adequate facilities to handle the projected crush as industry's annual processing capacity has expanded to an estimated 950 million bushels. Expanding domestic and foreign demand for soybean oil and meal will sustain the record soybean crush in prospect. The September 1973 crush was 20 per cent below a year earlier, but the crush in October probably increased to near year-ago levels.

Exports of soybeans are forecast around 550 million bushels in 1973-74 compared with 480 million last season. Soybean exports will increase to provide the meal for expanding demand for high-protein feeds and to replenish stocks. Soybeans inspected for export from September 1 through November 9 totalled 72 million bushels, some 23 million below last year mainly due to the shortage of beans late in the summer and early this fall. The export control program for soybeans, begun in July, was terminated the end of September. Exports are expected to pick up sharply over the rest of the marketing year.

A major uncertainty in the export outlook is the anchovy fishing situation in Peru, the world's major producer and exporter of fish meal. The Peruvian government has ordered a halt to all exports of fish meal and fish oil at the end of November presumably to conserve supplies for domestic use. Recently, fishing conditions reportedly had returned to normal and commercial fishing could be resumed early in 1974. Nevertheless, Peru's fish meal production in 1974 will likely continue to be substantially below normal, restricting exportable supplies.

U.S. soybean oil supplies are expected to total around 9.0 billion pounds, about 0.7 billion above 1972-73. Record domestic use (7 billion pounds compared with 6.7 billion last year) is expected due to rising demand for edible oils and sharply reduced supplies of butter and lard. Exports are projected at 1.1 billion pounds, about the same as in 1972-73. Soybean oil prices (crude, Decatur) averaged 23¢ per pound in October compared with 10¢ the same month a year ago. They probably hit their seasonal peak early this marketing year reflecting the low carryover, reduced early production, and a continuing strong demand for food fats. With the pickup in crush of soybeans, oil prices subsided to 20¢ in mid-November. Some further decline is likely as supplies increase and oil inventories are replenished. However, prices are likely to hold above pre-1972-73 levels.

Soybean meal supplies may total about 19 million tons, approximately 2 million above 1972-73. Domestic use is expected to increase to around 13 million tons, 1 million tons greater than last year. Exports may also rise a million tons from the 4.7 million in 1972-73. Some expansion in livestock and poultry production, more favourable feeding ratios, and higher feeding rates all point to increased requirements in 1973-74. Soybean meal prices (44 per cent protein, Decatur) have dropped sharply since late summer—from around \$200 per ton to about \$157 in mid-November. Some further decline may occur, although at current price levels, meal consumption should pick up. High soybean meal prices and short supplies in 1972-73, are undoubtedly hurting usage this year, and it will take a while at lower price levels to "buy back" that portion of the domestic market.

Cottonseed supplies for 1973-74 total 5.8 million tons about 2 per cent above last season. Prices received by farmers for 1973 crop cottonseed are averaging just under \$100 per ton, about double a year ago. This reflects the sharp increase in cotton linter prices along with strong demand for oil and meal. Cottonseed oil supplies total 1.8 billion pounds, up slightly from the year before. About 1.1 billion pounds are expected to be used domestically and half a billion exported.

Lard production in 1973-74 is expected to continue its downtrend and total 1.2 billion pounds—about 7 per cent below last season. Smaller hog slaughter and sinking lard yields per hog account for the reduction. In 1972-73, yields dropped to 16.4 pounds per hog, about 2 1/2 pounds below the previous year. Domestic use this year is likely to fall to around 1.1 billion pounds and exports to 0.1 billion. Lard prices (loose, Chicago) averaged 24¢ per pound in October and in mid-November were around 20¢. Prices probably will decline further along with the anticipated price reductions for other edible fats and oils.

Butter supplies for the marketing year started October 1 are estimated at 1,050 million pounds, about 8 per cent below a year earlier. This includes stocks on October 1 of 92 million pounds, creamery butter production forecast at 900 million pounds, and imports of 57 million pounds. The prospective drop in domestic output is due to reduced milk output and greater use in cheese manufacture.

On November 1, the President announced an increase in butter import quotas. Beginning November 1 and ending December 31, 1973, a total of 56 million pounds of butter and fresh or sour cream and 22.6 million pounds of butter substitutes and butter oil may enter the United States in addition to the now existing quotas. About 28.6 million pounds of the butter total has been allocated to New Zealand, about 24.6 million to EEC countries, and 2.8 million to other specified supplying countries. Prior to this action, U.S. butter imports were limited to 0.7 million pounds annually and butter oil to 1.2 million.

Looking forward to 1974-75, the anticipated large soybean carryover and lower prices relative to such competing crops as corn, cotton, wheat and rice, are expected to result in a substantial reduction in 1974 soybean acreage, some 5 to 10 per cent below this year's 57 million. However, if yields are on trend, supplies should be sufficient to meet all requirements. Cottonseed production should increase substantially as farmers respond to this year's high lint prices. The decline in lard production may be arrested while butter production is likely to continue to decline.

Acreage, Yield
and Production

A report released on November 9, 1973 from the Crop Reporting Board of the United States Department of Agriculture stated that soybean production is expected to total a record high 1,575 million bushels, down 1 per cent from the October 1 forecast but 23 per cent above the 1972 crop. The slight decrease from October 1 is mainly due to continued late season dry weather in Iowa and three States in the Southeast. The sharp increase over last year is due to expanded acreage for harvest which is 23 per cent above a year ago. Expected average yield for 1973, at 28.0 bushels, equals the previous record high set last year.

By November 4, 73 per cent of the Nation's soybean crop had been harvested, well ahead of the 60 per cent harvested a year earlier and the normal, 64 per cent. Soybean harvest progressed rapidly during the last half of October. Although harvest lagged behind last year at mid-month, unusually good harvesting weather during the next 2 weeks allowed farmers to harvest nearly one-half the acreage in the 2-week period. This pushed progress ahead of last year and normal.

In the important North Central region, 90 per cent of the crop had been harvested by November 4, well ahead of the 70 per cent complete last year and the normal average of 80 per cent. In Illinois, the Nation's leading soybean producer, harvest was virtually complete by the 4th. In second ranked Iowa, the harvest was nearly complete at 97 per cent while Indiana, the No. 3 State, had about 10 per cent of the crop still in the fields. About 40 per cent of the Southern and Atlantic soybean crop was harvested by November 4, slightly behind 1972.

Yields in the North Central region were unchanged from last month except for Iowa and Kansas which were down 1 and 2 bushels per acre, respectively. Dry conditions lowered yield expectations from a month ago in Iowa, while heavy rains and flooding during October lowered them in Kansas. Yields in Iowa, Illinois, and Ohio are expected to be lower than a year earlier. The Missouri yield will be the same as 1972 while Minnesota will set a record high at 29 and Indiana will be up 3.5 bushels.

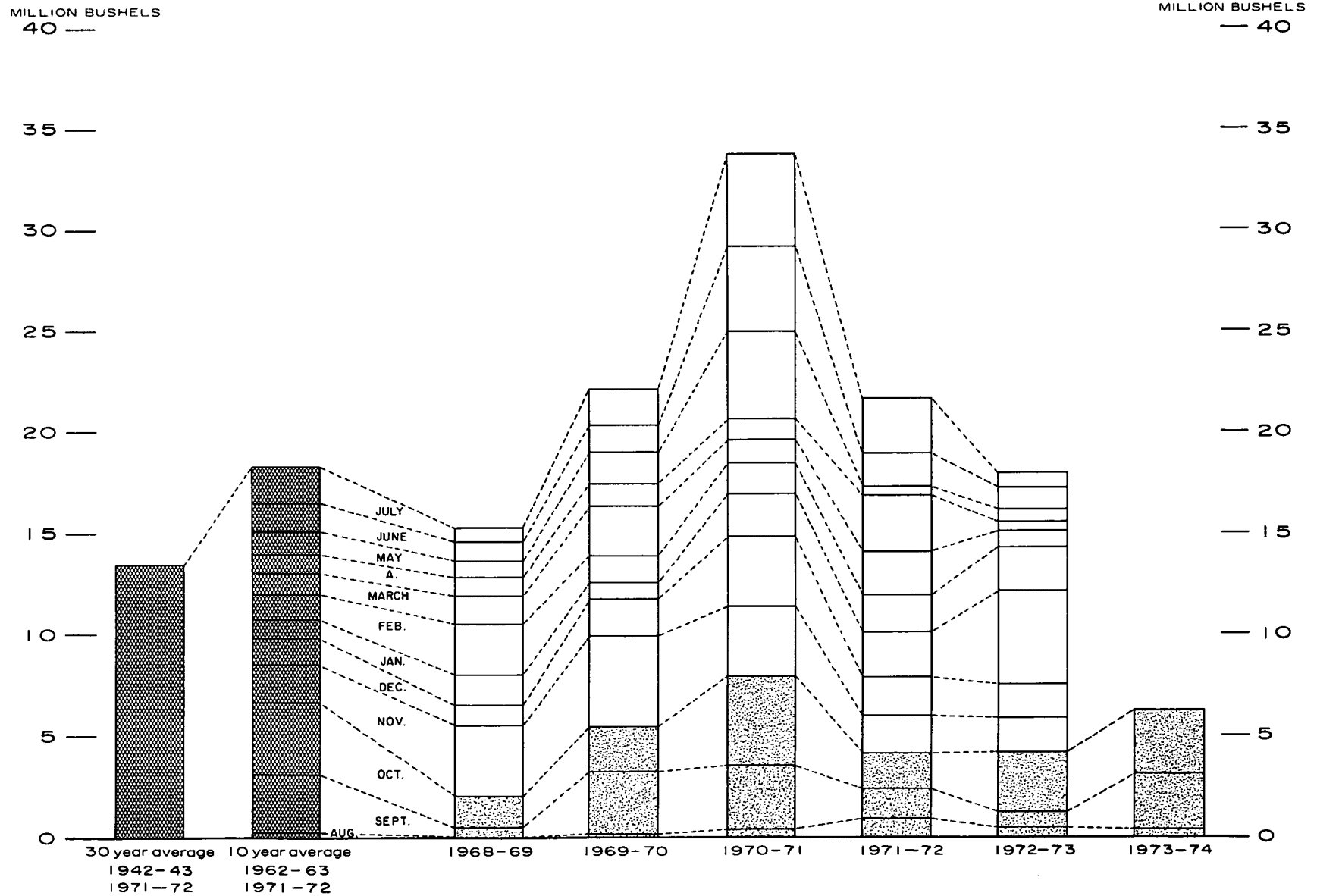
Yield expectations outside the North Central region were unchanged from last month except for Kentucky, Tennessee, and Georgia where yields declined by 1 bushel due to continued dry weather. However, yields in most of the Southern and Atlantic States will exceed last year.

Production changes between the November 1 forecast and the final estimate have averaged 20 million bushels during the past decade — ranging from 1 to 68 million bushels. During those 10 years the November 1 forecast has been above the final estimate 8 times by an average of 17 million bushels and below twice by an average of 34 million bushels.

SITUATION IN JAPAN

The following account of the current oilseed situation in Japan has been extracted from a report by Mr. W.K. Robertson, Commercial Secretary, (Agriculture), for Canada, Canadian Embassy, Tokyo, under date of October 8, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

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



EXPORTS OF CANADIAN FLAXSEED (SPECIFIED PERIODS)

MILLION BUSHELS
35 —

MILLION BUSHELS
— 35

30 —

— 30

25 —

— 25

20 —

— 20

15 —

— 15

10 —

— 10

5 —

— 5

0

0

30 year average 10 year average
1942-43 1962-63
1971-72 1971-72

JULY
JUNE
MAY
A
M.
FEB.
JAN.
DEC.
NOV.
OCT.
S.
AUG.

1968-69

1969-70

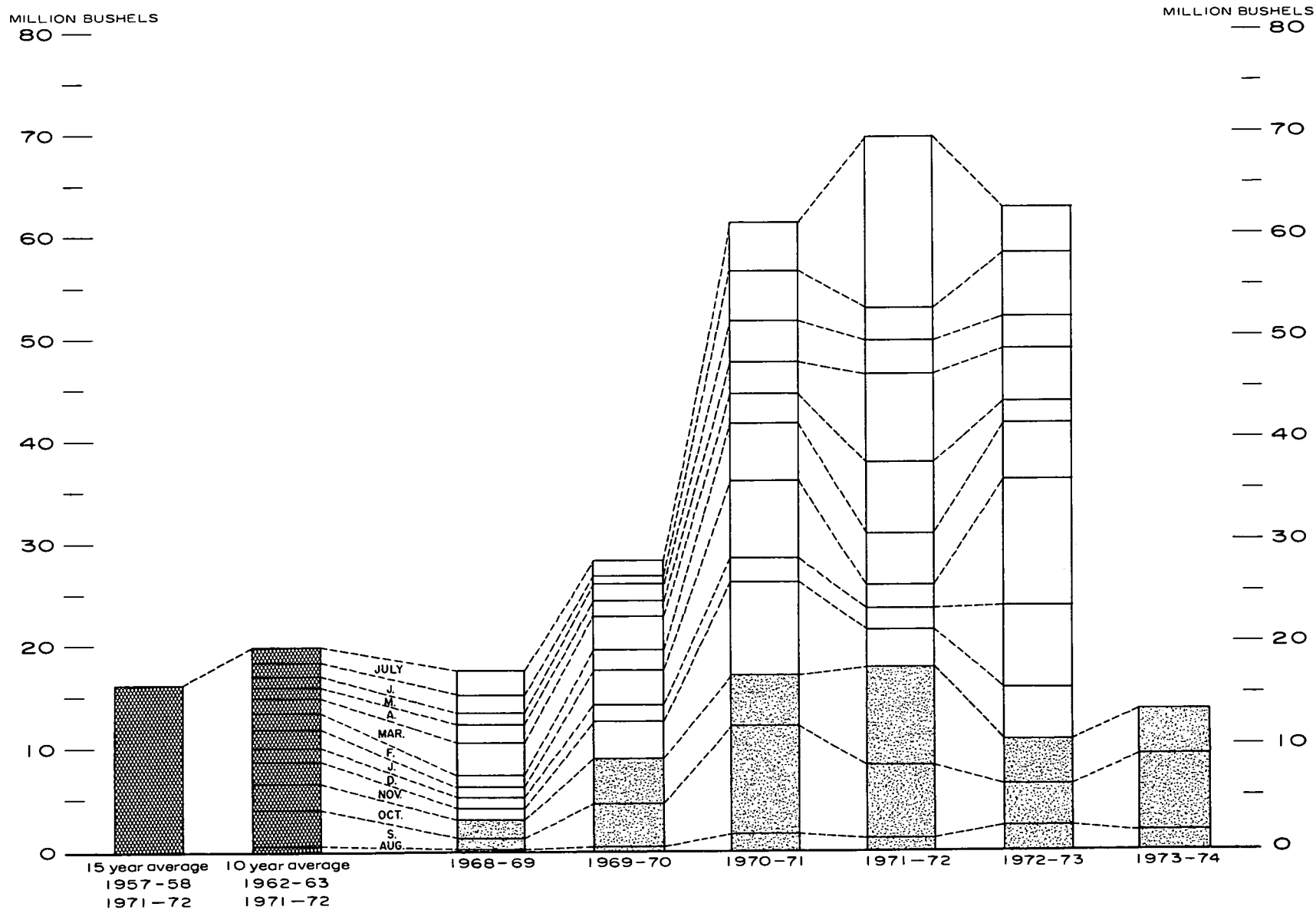
1970-71

1971-72

1972-73

1973-74

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



EXPORTS OF CANADIAN RAPESEED (SPECIFIED PERIODS)

MILLION BUSHEL
70 —

MILLION BUSHEL
70 —

60 —

60 —

50 —

50 —

40 —

40 —

30 —

30 —

20 —

20 —

10 —

10 —

0

0

25 year average

10 year average

1947-1948

1962-63

1971-1972

1971-72

1968-69

1969-70

1970-71

1971-72

1972-73

1973-74

J.
JUNE
MAY
APR.
MAR.
F.
JAN.
O.
NOV.
O.
S.
AUG.

The period between mid June and early September 1973 has been marked by confusion and rapidly rising prices in all sectors of agriculture in Japan. The most dramatic incident in this period was the introduction of export controls on protein material by the U.S.A. and other major supplying countries. Japanese reaction to these measures was one of shock and disbelief, and it is expected that these measures will have a permanent effect on Japanese procurement policies.

The immediate effect of these controls did not create the shortages that were anticipated as most of the Japanese importers had made extra purchases in anticipation of some form of export controls. The net effect is that total Japanese imports of soybeans in 1973 will likely reach 3.6 million metric tons (vs. 3.4 million metric tons in 1972) and rapeseed imports are expected to be between 650,000 and 700,000 metric tons (vs. 604,000 metric tons in 1972).

Current situation and forecast. - The annual consumption of edible oils in Japan is increasing at approximately 4 - 5 per cent per year. The usage of oil for cooking purposes will not increase substantially in the future as consumption is levelling off. However, consumption of vegetable oils for manufacturing margarine, shortening, mayonnaise, lard and confectionery will continue to increase. Rapeseed oil is especially suitable for mayonnaise and margarine, in addition to the more traditional use in salad oils.

Disposition figures of oils and fats reflect a shift from animal fats to vegetable oils, particularly in the edible oils classification. The usage of oils for technical purposes (soaps, synthetic detergents, etc.) is not expected to increase.

Japanese exports of oils and fats are principally soybean and rapeseed oil sold to Hong Kong and whale oil extracted in factory ships and sold in Europe. The latter export will decline sharply in the future as the whale resource is being depleted and a ban has been proposed on whale catching. The Japanese need stable supplies of soybeans and rapeseed to provide for increasing requirements of vegetable oil. Malaysian palm oil will provide part of this but palm oil and rapeseed oil are not completely substitutable.

It is expected that imports of soybeans will reach 3.6 million metric tons despite mid summer export controls of the U.S.A. Soybean imports from China are decreasing as the demand in China continues to rise. It is unlikely that China will become a major source of soybeans for Japan unless the Chinese decide for political or foreign currency reasons to increase their exports. The Chinese soybean is particularly suitable for use in Japanese food (miso, tofu, bean paste etc.).

Japan wishes to diversify her sources of soybeans and is very hopeful that Brazil will become a much larger exporter. In the "others" category Brazil now accounts for the majority of the supply. Japanese importers are very interested in importing soybeans from Canada for food purposes. Canadian exports to August 30, 1973 are in excess of 1,600 tons and one of the major trading companies has indicated a desire to buy 3,000 tons from the 1973 crop. Japanese buyers are pleased with the quality of Canadian soybeans and want to reduce their dependence on the U.S.A. so if production in Canada can be expanded, a promising market exists in Japan.

Japan's Imports of Soybean (by country)

	<u>U.S.A.</u>	<u>China</u>	<u>Canada</u> metric tons	<u>Others</u>	<u>Total</u>
1971 Quantity	2,926,530	283,398	150	1,490	3,211,568
Unit price per ton (Cdn. \$)	130	132	130		131
1972 Quantity	3,126,338	253,987	31	15,226	3,395,582
Unit price per ton (Cdn. \$)	139	149	145		140
1973 Quantity	2,329,665	170,105	29,677(1)	83,965	2,613,412
Unit price per ton (Cdn. \$)	194	183	249		193

(1) U.S. transshipment - estimated Canadian exports to August 30, 1,600 tons.

Since the liberalization of rapeseed imports in 1971, Japan has become almost totally dependent on Canada for supplies. The export control measures announced by Canada in late June caused some alarm among buyers here although most had covered their immediate requirements through forward contracts prior to the implementation of control mechanisms.

Japan's Imports of Rapeseed (by country)

	<u>Canada</u>	<u>Australia</u>	<u>China</u> metric tons	<u>Others</u>	<u>Total</u>
1971 Quantity	405,895			1,476	407,371
Unit price per ton (Cdn. \$)	136				136
1972 Quantity	590,217	11,310	2,239	145	603,911
Unit price per ton (Cdn. \$)	126	126	123		126
1973 to Aug. 30 Quantity	446,674	3,883		353	450,910
Unit price per ton (Cdn. \$)	158	247			159

Of greater concern was the reduced Canadian rapeseed acreage in 1973 and the fear that as a result of record high wheat prices, 1974 acreage will again be small. Every effort must be made to maintain Canadian rapeseed acreage at 3.5 to 4 million acres, if we are to provide the necessary continuity of supply.

It has been noted that Canadian exports of rapeseed oil have increased significantly in 1973. These purchases were made because Japanese buyers feared a soybean shortage could develop in mid summer. In order to maintain the desired balance between oil and meal it was necessary to purchase rapeseed oil. These rapeseed oil purchases are considered to be unusual and will likely not continue at this rate now that the oilseed market is beginning to return to more normal conditions.

The use of rapeseed meal for feed in Japan has increased substantially due to the high price of other meals, but is still only sparingly used in feed rations. Reliable trade sources advise that the use of rapeseed meal as fertilizer for citrus and tobacco crops is fairly constant at 150,000 metric tons and that the balance of approximately 210,000 tons was used for feed in 1972. The same ratio can be expected in the future.

1973 has been a very critical year for Japan for food procurement. The unusual combination of circumstances that led to the current grain shortage, compounded by the shortage of Peruvian fish meal and its immediate effect on other protein sources such as soybeans, which ultimately led to the export controls of major supplying countries, dramatically demonstrated the vulnerability of Japan food supplies.

Japanese buyers and to some extent government officials had previously felt secure in the knowledge that as one of the world's strongest cash buyers, their requirements could always be met. It is now apparent that in addition to the problem of skyrocketing costs of imported food and feed, Japan could periodically be faced with actual food shortages.

Reaction of Japanese Ministry of Agriculture and Forestry. — For reasons already mentioned the Ministry of Agriculture has prepared a series of budgetary measures to stabilize supplies, and diversify sources of food and feed stuffs. While these measures apply to the broad range of agricultural products, some programs relate directly to oilseeds. A brief analysis of these proposals can be made under the following headings.

Development and import schemes This plan applies principally to developing countries and includes direct assistance to foreign governments, (and if needed a floor price guarantee to ensure long term production increases), financial assistance to Japanese companies undertaking agricultural projects in developing countries, and the securing and training of technicians to carry out development programs. The implementation of these proposals must be carefully considered as the developing countries particularly in S.E. Asia are very sensitive to increased economic domination by the Japanese.

It is expected that the Japanese will increase their assistance to Brazil to develop soybean production there. One of the major obstacles to be overcome is the lack of adequate infrastructure. Transportation, handling methods, and port facilities must be improved if Brazil is to reach the 8.5 million ton soybean production target set for 1980. It is not expected that the "Develop and Import" scheme will apply to Canada but it is already apparent that we should expect more investment by the Japanese in the Canadian Oil Seed Industry.

Increased domestic production Japanese agricultural self sufficiency has been dropping steadily over the past few years and now stands at 3 to 4 per cent for soybeans and about 2 to 3 per cent for rapeseed. To offset this problem and to discourage a large scale return to rice production, various producer incentives have been proposed for 1974. Of special interest to the oilseed sector is the proposal to subsidize new soybean production to the extent of ¥2,500 (approx. \$9.50) per 60 kg. By 1974 the producer price of soybeans, including this subsidy will reach ¥10,000 per 60 kg. This compares to the current producer rice price of ¥10,401 per 60 kg. so it is hoped that soybean production will increase. However it is difficult to be too optimistic as the farm population is slow to respond to change, and in addition most producers prefer to produce

rice. The target for 1982 is to increase the level of self sufficiency in soybeans to approximately 10 per cent.

Increased domestic inventories It is also proposed that assistance be made available to the private sector to expand storage facilities and increase the inventory of grains. In addition it is hoped that through government assistance, a one month inventory of soybeans for food (50,000 tons) will be maintained at all times. It is not expected that the government will become directly involved in the purchase of grains (beyond the present activity of the Food Agency which handles only wheat, barley and rice).

Missions to food producing countries Through a series of food survey missions to major producing countries (the first mission was in Canada in late September), the Japanese Ministry of Agriculture and Forestry hopes to become more familiar with present production and potential expansion. The Ministry of Agriculture also hopes to increase the number of agricultural information officers and attaches.

In addition, the Minister of Agriculture, Mr. Sakurauchi, has just completed a visit to the U.S. and Canada. The major purpose of these visits was to discuss with U.S. and Canadian officials the feasibility of placing agricultural trade on a more stable, long-term basis. The main commodities of interest to Japanese are grains (oil seed), meat, and perhaps lumber.

SITUATION IN INDIA

The following account of the current grain situation in India has been extracted from a report by Mr. A.T. Eyton, Commercial Counsellor, Canadian High Commission, New Delhi, India under date of November 26, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

General situation. - The overall oilseeds crop production in the country during the year under report i.e., 1972-73 was not satisfactory. It was largely due to widespread drought that prevailed in a number of oilseed producing areas. However, the inflow of imports and using of other minor oilseeds have resulted in a slightly satisfactory supply situation. The prices of oilseeds continued to rise during the major part of the current season due to a very tight supply situation. This, in a nut-shell, is the Indian oilseeds scene.

Output trend. - The production of five major varieties of oilseeds, namely, groundnut (peanut in shell), sesamum, castorseed, rapeseed and mustard, and linseed is feared to have further declined by about 11.1 per cent as against the previous year. So far no official estimates for 1972-73 have been released, nonetheless, the aggregate production of five major oilseeds is estimated at 7.43 million metric tons as against 8.27 million tons during 1971-72. This shows a shortfall of 2.1 million tons against a target of 9.5 million tons during the Fourth Five Year Plan period for 1972-73 (During 1970-71, it was a record level of 9.2 million tons). The decline is largely due to widespread drought in a number of oilseeds producing areas.

An excellent monsoon this year has revived hopes of a "bumper" crop of oilseeds and it is estimated that during 1973-74 season, the output of five major oilseeds would be about 10 million tons as compared to previous record level of 9.2 million achieved during 1970-71.

Acreeage and Production

	Area			Production		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
	'000 hectares			'000 metric tons		
Groundnut	7,326.0	7,510.2	6,877.3	6,111.0	6,180.5	3,923.8
Castor	439.0	453.3	403.2	136.0	154.0	136.3
Sesamum	2,433.0	2,391.5	2,231.7	562.0	449.5	355.4
Rapeseed and mustardseed ...	3,323.0	3,613.9	3,390.1	1,975.0	1,432.8	1,853.2
Linseed	1,897.0	2,064.3	1,740.3	474.0	529.5	439.3
Total, oilseeds.	15,418.0	16,033.2	14,642.6	9,258.0	8,746.3	6,708.0

India is the largest groundnut producing country in the world. It has nearly 40 per cent of the world's peanut area and it produces approximately one-third of the world's supply. The main groundnut producing State is Gujarat. Other States that produce groundnut are: Andhra Pradesh, Bihar, Haryana, Kerala, Madhya Pradesh, Maharashtra, Mysore, Orissa, Punjab, Rajasthan, Tamil Nadu and Uttar Pradesh.

Of all the major oilseeds, groundnut is the most important oilseed of India and any changes in its production have a corresponding effect on India's overall oilseeds production. Next to this are the rapeseed and mustardseed.

The output of groundnut during 1972-73 declined considerably down 36.5 per cent from last year's production. The current output is 3.9 million tons as against 6.2 million tons during 1971-72. It is largely due to widespread drought in the States of Maharashtra, Gujarat, Rajasthan and parts of Andhra Pradesh, Mysore and certain other states. During 1973-74, because of excellent rains in September, the groundnut production is expected to be around 6 million tons.

The other oilseeds, except rapeseed and mustard, have also registered a decline in production.

During 1972-73, the production of castorseed is estimated at 136,300 tons as against 154,000 tons during 1971-72. The area under castorseed has declined 11.1 per cent to 403,200 hectares as against 453,300 hectares during 1971-72. However, the production is expected to increase during 1973-74 because of good monsoon.

Similarly, there appears to be 20.9 per cent decrease in the production of sesamum during the year 1972-73 over the last year's production. It is estimated that the current output is 355,400 tons as compared to 449,500 tons during 1971-72. However, it is expected to rise during next year.

During 1970-71, the production of rapeseed and mustard was approximately 2 million tons and it declined to 1.5 million tons during 1971-72. However, during 1972-73, it has registered an increase and estimates are placed at 2.1 million tons.

It is hoped that in 1973-74, it will certainly increase because of very favourable rainfall during this year.

The production of linseed during 1972-73 has declined by 90,200 tons from last year. The current output is estimated at 439,300 tons as against 529,500 tons during 1971-72. It is expected to rise during next year.

The government has taken several measures to increase the production of groundnut and other oilseeds. Under a Centrally Sponsored Scheme, a package programme of groundnut has been implemented over an area of about 2.5 million hectares. Efforts are being made to bring about 520,000 hectares of irrigated area under the summer groundnut crop. Plant protection measures on an area of 275,000 hectares have also been taken to save the crop from the attack of "aphids" which is a serious and widespread pest of the mustard crop.

The Ministry of Agriculture has taken initiatives for the cultivation of non-traditional oilseed crops such as sunflower and soybean. The development of sunflower on a commercial basis has also been taken up over an area of 180,000 hectares in the States of Andhra Pradesh, Mysore and Tamil Nadu under a Centrally Sponsored Scheme. For this purpose, 400 tons of seed of high yielding Russian variety of sunflower has been imported. Similarly, a Centrally Sponsored Scheme for soybean development on 34,000 hectares has also been implemented in the States of Madhya Pradesh, Maharashtra, Gujarat and Uttar Pradesh.

Vanaspati (hydrogenated vegetable oil) .- There are 122 units producing vanaspati and the licensed capacity of vanaspati industry now stands at 1.76 million tons. The installed capacity of 80 factories is 1.18 million tons and the balance 42 factories are at various stages of installation. The current demand for vanaspati is around 600,000 tons per year, and the anticipated demand by the end of the Fourth Five Year Plan is 650,000 tons per year. The targetted figure for the Fifth Five Year Plan is 800,000 tons per year.

Exports and imports of oils. - During 1972, India exported about 85,000 tons of groundnut extractions. In the 1973-74 budget, the import duty on tallow has been raised by 10 to 30 per cent.

The following table will show imports of vegetable oils such as rapeseed, mustardseed, soybeans from various countries:

	1970-71	1971-72	1972-73(1)
	metric tons		
Grand total	83,183	101,797	33,006
of which major suppliers are			
U.S.A.	78,956	101,506	8,348
Malaysia	527	291	24,126
German F. Republic	-	-	532
U.S.S.R.	3,700	-	-

(1) Nine month period, April - December.

The Ministry of Agriculture through its purchasing agency - The State Trading Corporation of India Ltd (Oils & Fats Division), imports its requirements for vegetable oils from abroad. The State Trading Corporation usually makes spot purchases but now the emphasis is on forward trading so that long-term arrangements are established with overseas suppliers in order to get assured and regular supplies in the future. During financial year 1973-74, the following orders have been placed on overseas suppliers by the STC for vegetable oils:

- (a) Malaysia 100,000 tons of palm oil
- (b) U.S.A./Europe/Brazil - 34,000 tons of soybean oil
- (c) Canada - 5,000 tons of rapeseed oil
- (d) Europe - 35,000 tons of rapeseed oil

This shows the magnitude of Indian market and the efforts to meet its demand from any source. India is in a desperate need for vegetable oils such as palm oil, rapeseed oil and soybean oil. At one time, the State Trading Corporation used to import its total requirements of about 100,000 tons of soybean oil for its vanaspati industry from the United States under aid. With the stoppage of United States aid, it has become a cash market. Although indigenous production of vegetable oils (e.g. peanut oil) is increasing, nevertheless demand is rising faster. Main suppliers of vegetable oils right now are Malaysia, the United States and Europe. An excellent possibility exists for sales of rapeseed oil to India. In 1973-74, Canada has earmarked \$15 million for India under Food Aid to buy rapeseed and/or rapeseed products from Canada. The State Trading Corporation has also a contract with Malaysia for 100,000 tons of palm oil for 1973-74 (for cash) of which 60-70,000 tons will be for the vanaspati industry and the balance for the soap industry. India is keen to enter into a long-term arrangement with any country who could supply vegetable oils especially rapeseed oil, palm oil and soybean oil.

SITUATION IN FRANCE

The following information relative to oilseeds in France is extracted from a report provided by Mr. J.L. Baron, Commercial Assistant (Agriculture), Canadian Embassy, Paris, under date of December 1, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

French oilseeds crops in 1973. - Listed below are the July 1 estimates, delivered by the French Department of Agriculture, regarding the French oilseeds crops for 1973.

	July 1 1972	1972 final figure <hr/> thousand hectares	July 1 1973
Winter rapeseed	261.9	289.3	292.2
Spring rapeseed	41.6	37.3	26.6
Total, rapeseed	<u>303.5</u>	<u>326.6</u>	<u>318.8</u>
Sunflower seed	50.4	47.4	42.3
Oil flaxseed	1.6	1.2	1.9
Poppyseed	1.3	1.3	2.1
Other oilseed	5.3	2.9	2.8
Total oilseeds	<u>362.1</u>	<u>379.4</u>	<u>367.9</u>

French Department of Agriculture also released the first estimates of production of winter rapeseed and poppyseed:

		<u>Cultivated area</u> '000 hectares	<u>Yield</u> metric ton per hectare	<u>Production</u> '000 metric tons
Winter rapeseed:	July 1, 1973	291.9	2.1	607.1
	1972	288.9	2.3	654.5
Poppyseed:	July 1, 1973	2.1	0.6	1.1
	1972	1.3	0.6	0.8

Oilseeds trade. - From January 1 to May 31, 1973, French rapeseed imports totalled 7,967 metric tons of which 3,956 tons came from Canada. Since we last reported, figures remained unchanged for purchases from Sweden 2,051 tons, from Eastern Germany 1,045 tons and a 500 ton import from Bangladesh has been noted.

Rapeseed shipments from France amounted to 82,241 tons on May 31, 1973, of which 69,329 tons went to the EEC and 12,912 tons to Third Countries. Among EEC members, Italy remained the key customer with 64,071 tons followed by Netherlands with 5,234 tons. Among Third Country buyers, Morocco imported 7,661 tons, Lebanon 3,299 tons and Norway 1,950 tons.

Sunflower seed imports totalled 20,981 tons for the first five months of 1973, of which 20,357 tons came from Canada. Out of the 4,515 tons sunflower seed exported during these five months, 4,458 tons were shipped to the EEC partners: Netherlands 2,085 tons and Italy 2,373 tons.

French Oilseeds Trade - January 1 to May 31, 1973

	<u>Imports</u>	metric tons	<u>Exports</u>
Peanuts, in shells	10,136		113
Peanuts, shelled	90,621		235
Copra	25,447		-
Palm, nuts & kernels	8,593		-
Soybeans	232,287		157
Flaxseed	17,469		3,009
Rapeseed	7,967		82,241
Sunflower seed	20,981		4,515
Total, all types	<u>433,184</u>		<u>91,962</u>

Trade in Oilseed Meals and Cakes - January 1 to May 31, 1973

	<u>Imports</u>	metric tons	<u>Exports</u>
Peanuts	181,970		7,973
Flaxseed	42,133		384
Soybean	527,109		14,773
Cotton seed	23,198		7
Rapeseed	5,431		33,832
Sunflower seed	25,972		545
Total, all types	823,010		62,679

Price situation for 1973-74. - For rapeseed averaging 10 per cent moisture, 2 per cent foreign material and 42 per cent oil content, basic intervention price at Gênes amounts to 113.58 francs per 100 kilos, while the target price is fixed at 116.97 francs. Among derivated intervention prices for France, the weaker averages 104.42 francs at Châteauroux and the higher 109.86 francs at Marseille. Intervention prices will be increased monthly by 1.11 francs during the seven months, from September 1 to March 1. Taxes to be paid by producers amount to 4.28 francs per 100 kilos.

For sunflower seed averaging 10 per cent moisture, 2 per cent foreign materials and 40 per cent oil content, basic intervention price at Gênes amounts to 114.69 francs per 100 kilos, while target price is fixed at 118.08 francs. Among derivated intervention prices established for French market, the lower reaches 105.31 francs at Bourges and the higher 114.41 francs at Marseille. Intervention price increases average 1.30 francs during the five months, from November 1 to March 1 included. Taxes to be paid by growers are 4.30 francs per 100 kilos.

Supply-Disposition January 1 to May 31, 1973 and 1972

Oilseeds meal and cakes	Production	Imports	Exports	<u>Total Consumption</u>	
				1973	1972
metric tons					
Peanut	41,695	181,970	7,973	215,692	160,884
Flaxseed	15,676	42,133	384	57,425	45,128
Copra, palm	11,775	8,611	311	20,075	17,666
Soybean	182,202	527,109	14,773	694,538	613,436
Rapeseed	121,649	5,431	33,832	93,248	75,972
Sunflower seed	22,860	25,972	545	48,287	28,229
Castor oil bean	3,410	4,932	134	8,208	11,422
Cotton, sesame and other	156	25,557	4,709	21,004	3,149
Total 1973	399,423	821,715	62,661	1,158,477	955,886
Total 1972	378,220	661,040	83,374	-	955,886

From January 1 to May 31, 1973, France imported 822,000 tons of cakes and exported 62,700 tons. Among imports, 527,109 tons were soya of which 404,986 tons from the U.S.A.; 181,970 tons were peanut; 42,133 tons were flaxseed. Among exports, 33,832 tons were rapeseed of which 32,317 tons went to the enlarged EEC partners.

During these first five months, total consumption compared to last year figures, increased by +21 per cent, corresponding with a +24 per cent increase of imports and with a +5.6 per cent development of domestic production.

Primor O Erucic seeds. - Production of Primor O erucic new variety is likely to be between 2,000 and 2,100 tons of seed, aimed at seeding the 320,000 hectares cultivated area usually devoted to rapeseed. Seeding at the normal rate of 8 kg/ha is not possible (lack of around 400 tons). As it is prohibited to sow anything but Primor, growers will have to sow the new crop with only 6 kg/ha., but they may also sow remaining old seeds.

New crushing plant at Brest. - The SOJA-FRANCE group, which is already yearly crushing 500,000 tons of seeds at the Saint Nazaire's plant since 1970, announced plans for a new plant located at Brest. Work will begin during 1974 and investment costs will reach 40 to 50 million francs. Production of 300,000 tons is forecasted during the first year, yearly capacity then increasing up to 500,000 tons. With 33,800 square meters, and 70 workers, the plant would be the most up-to-date in Europe.

Port of Brest traffic will increase up to 33 per cent and a new regular sea-line Brest-USA will be established in 1974.

SITUATION IN ARGENTINA

The following information relative to the oilseeds in Argentina has been taken from a report prepared by Mr. R.F. Place, Commercial Officer (Agriculture) for Canada, Canadian Embassy, Buenos Aires, under date of December 4, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

There has been no change in the foreign exchange market since our last report. Grain exporters continue to exchange 74 per cent of their foreign earnings on the financial market and the remainder on the commercial.

Under the terms of Decree 643/73 of August 16 all exports of oilseed by-products with the exception of flax were banned as from August 28. These products may be exported however provided that twice the quantity to be shipped has been sold for processing of balanced poultry feed. Proof of this must be given to the Trade Ministry, which will later authorize them. The animal feed industry is presently working under the price freeze instituted several months ago and therefore is forced to purchase raw materials at government controlled frozen prices.

This ban, together with the newly implemented system, evidently tends to favour the balanced feed industry, but at the same time seriously affects the costs of edible oils since the lower prices this industry will obtain for by-products will increase the difficulties arising out of the establishment of maximum sales prices for oil. During the period January-September 1973 exports of oilseed by-products

amounted to:

Exports of Oilseed by-products

	metric tons
<u>Pellets</u>	
Flax	-
Sunflowerseed	282,773
Peanuts	70,885
Cotton	47,197
Soy	12,926
<u>Expellers</u>	
Flax	194,459
Sunflowerseed	-
Peanuts	4,972
Cotton	-
Soy	-
Total	613,212
<u>Oils</u>	
Flax	73,480
Sunflowerseed	58,959
Peanuts	54,251
Cotton	-
Olive	6,516
Soy	6,877
Tung	21,132
Total	221,215

Sunflowerseed. - The first official estimate of sunflowerseed sowings for the 1973-74 crop shows a remarkable decrease with respect to previous seasons. The latest estimate, including sowings upon stubble fields from the fine grain harvests, amounts to 1,445,000 hectares, or a decline of 12.6 per cent from last year. The first estimate for the 1972-73 period amounted to 1,560,000 hectares, subsequently reduced to 1,485,000 hectares in the second estimate and later increased to 1,532,700. The final estimate for the 1972-73 period was 1,652,400 hectares.

The drop in sowings can be attributed partly to poor weather conditions early in the season. In some provinces such as Santa Fe where the decline in sowings was by as much as 95,000 hectares or 29.2 per cent under last year's. Severe losses and poor soil conditions caused by last year's floods were also greatly to blame. The government's promotion of soybean cultivation has no doubt caused a transfer of area put down to that crop.

Not all the blame can be laid on the early poor climatic conditions, otherwise the seeded area should have increased greatly in recent weeks which according to the trade has not been the case.

The reason for this decrease must therefore be looked for elsewhere. Farming circles feel that in heavily promoting certain other crops, the government policies

have tended to dampen the enthusiasm for sunflowerseed sowings. If this were so, it could only be considered momentary as domestic supply for the production of oils has been somewhat short in recent months and the extraordinary demand from abroad would certainly counsel the stimulation of sunflower production in order to manufacture as much edible oil as could possibly be exported.

On December 4 sunflowerseed was quoted at 130.00 pesos per 100 kilos f.o.r. Buenos Aires. On the Futures Exchange it was quoted at 136.00 pesos for January delivery and 138.00 for February.

Peanuts .- The seeding of the peanut crop is only now just beginning, the official estimates not being expected for some time yet. Trade circles however report that good weather conditions have been helpful in preparing the soil and that the good impression caused by the marketing of the last crop will certainly cause an increase in the area sown to peanuts during the 1973-74 season.

On December 4, peanuts were quoted at 200.00 pesos per 100 kilos f.o.r. Buenos Aires.

Flaxseed .- The second official estimate of area sown to flax, issued on October 2 by the Department of Agriculture, has been much questioned in private circles. The figure now given is 385,000 hectares, or a drop of 5.6 per cent on the first estimate and of 24.3 per cent on the final estimate that was made for the 1972-73 season. Private estimates place the area at a much higher figure, rising even to 450,000 hectares.

The official report gives no reason whatsoever for the expected decline. However, the real problem would seem to rest in the actual facts of weather conditions and rain that has been lacking lately in certain areas. In Entre Rios, for instance, the seeded area is privately estimated at 150,000 hectares of which 60,000 could have been lost due to lack of rain, although late rainfall may have improved the situation. At any rate the remainder is still nearly 24,000 hectares over the official estimate of 66,100 and on this basis the countrywide figures would work out around 409,000 hectares.

In the province of Buenos Aires where the seeded area is reportedly greater than the official estimate, recent rains completely altered the picture and the same was probably the case in Santa Fe, where private estimates place the seeded area at not less than 70,000 hectares.

It is to be remembered that in both Santa Fe and Entre Rios the 1972-73 harvest recorded satisfactory economic yields whereas this season's early sowing period was hampered by flooding, though not outstanding in these two provinces, certainly serious in other zones.

A gentleman's agreement was made between the linseed oil and local paint industries for the overcoming of their difficulties regarding the scarcity of linseed. The paint industry is to purchase up to 14 per cent of the supply from the 1973-74 output at a fixed price of 1,950 pesos per ton and the industry will reserve for export the remaining 86 per cent at market prices which in view of reduced harvests in the States and Canada, coupled to the small crop forecasted for Argentina, should rise steadily.

On November 7 the minimum price for flaxseed was increased from 80.00 pesos per 100 kilos to 94.00

On December 4 flax was quoted at 185.00 pesos per 100 kilos f.o.r. Buenos Aires. On the Futures Exchange it was quoted at 191.99 pesos per 100 kilos for January delivery and 188.50 for February.

Soybeans .- Although no official figure is yet available, the Permanent Committee for the Development of Soybean Cultivation has announced that the area seeded to soybeans for the 1973-74 season has been estimated at 343,000 hectares, 102 per cent higher than last year.

The government recently announced a plan to boost soybean sowings in two different areas: Misiones-Corrientes and Tucuman-Salta-Jujuy. The plan calls for 170,000 hectares to be sown. In this way a three-fold increase over actual production is expected. The yield foreseen for these areas would be 2,000 tons per hectare therefore resulting in a crop of over 350,000 tons in these provinces alone. The promotion plan provides for greater credit facilities, improved efficiency of state utilities connected with soy production and greater coordination between state entities and private producers.

At first official announcements indicated that there would be sufficient seed stocks to carry out this promotion plan as well as other regular sowings in traditional provinces, mention being made to the effect that some small lots were going to be imported in order to acclimatize new varieties. This situation has now been unexpectedly modified as, while stocks dwindled during the sowing season, it became suddenly apparent that they were nowhere near sufficient to cover requirements. The Customs Department then reported large scale smuggling of soybean seed to Brazil through the northeast border of Argentina. The resulting shortage has prompted the Argentine authorities to import 125 tons of seed from the States. This seed was earmarked for sowings in the provinces of Misiones, Tucuman, Santa Fe and Corrientes. Although it was initially expected that this amount would cover present requirements, the Department of Agriculture announced in local newspapers that more seed is to be imported in the near future. This is due to a heavier demand than expected from farmers who in many areas are still sowing.

All these factors plus prevailing excellent weather conditions lead us to believe that this year's soy crop will exceed last year's 272,000 tons by well over 130 per cent.

On December 4 soybeans were quoted at 150.00 pesos per 100 kilos f.o.r. Buenos Aires.

SITUATION IN SWEDEN AND FINLAND

The following information concerning oilseeds in Sweden and Finland has been extracted from a report by Mr. J.L. Swanson, Commercial Councillor for Canada, Canadian Embassy, Stockholm, under date of December 7, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Long periods of intensive heat and drought in Sweden during growing period effected spring oilseeds negatively; furthermore, in certain districts spring oilseeds were seriously attacked by insects and fungus diseases.

In autumn oilseeds, the total autumn turnip rapeseed crop was unusually good, ripened evenly and early and with a high per hectare yield. In autumn rapeseed the

per hectare yield is, however, not estimated to be as high as last year's. The oil content of the above two seeds was, like in 1972, fairly low.

The forecast for autumn rapeseeds and autumn turnip rapeseeds sown in 1973 for harvesting in 1974 is pessimistic. Heavy rains during the sowing period followed immediately by a long period of drought and heat have given the autumn seeds a bad start with poor growing. Only if very favourable weather conditions prevail up to harvesting time, a crop above the average can be obtained in 1974.

Crop estimate as of August 1, 1973(1)

	<u>1972</u>	<u>1973</u>
		tons
Autumn rapeseed	123,400	131,300
Spring rapeseed	90,600	87,000
Autumn turnip rapeseed	50,800	61,400
Spring turnip rapeseed	62,400	59,500
Sub-total	327,200	339,200
Other oilseeds, mainly white mustard	1,100	800
Total oilseeds	328,300	340,000

(1) 18 per cent moisture content.

Yield per hectare

	<u>1972^r</u>	<u>1973 (estimate)</u>
		kilograms
Autumn rapeseed	2,920	2,800
Spring rapeseed	1,890	1,730
Autumn turnip rapeseed	2,210	2,090
Spring turnip rapeseed	1,570	1,490
Other oilseeds	1,140	1,360

Imports January - September, 1973

	tons	Value in '000 Sw. Crs.
Rapeseed/turnip rapeseed ..	54	78
Mustard seed	687	1,258
Flaxseed	146	205
Soybeans	887	1,026
Copra	38,833	32,472
Sunflower seed	1,287	1,274

Exports January - September 1973

	<u>tons</u>	<u>Value in '000 Sw. Crs.</u>
Rapeseed/turnip rapeseed	120,960	80,453
Mustard seed	104	210

Foreign Trade in Oils and Fats January-September

	<u>Imports</u>		<u>Exports</u>	
	1972	1973	1972	1973
	metric tons			
Animal (incl. fish) oils, fats	31,107	29,470	10,670	10,475
Vegetable oils and fats	57,101	61,948	25,709	26,928
Prepared oils, fats and waxes (animal and vegetable)	19,485	18,798	21,588	23,301

No other oilseeds are growing in Finland than rapeseed and turnip rapeseed. No autumn rapeseed is grown in Finland because of its poor wintering capabilities; also the varieties developed in autumn rapeseed have ripened about 10-15 days later in Finland than autumn turnip rape. The latter is grown successfully and varieties like Rapido II and Rapido III from Svalov are being used. Recently developed Finnish variety, Kulata, from Jockeis has also proved to resist hard winterings.

Because of some wintering problems encountered in autumn turnip rapeseed in recent years, oilseed growers have been encouraged to commence growing spring turnip rapeseed. Despite the fact that the latter is not as high yielding as autumn turnip rapeseed (about 20 per cent less), it is recommended for cultivation. Varieties used are Bele and Torpe from Svalov. In spring rapeseed the yield is much bigger but as it ripens much later than the spring turnip rapeseed, the growing is confined to South Finland only.

Oilseed sown area

	<u>1972</u>	<u>1973</u>
	hectares	
Winter turnip rapeseed	4,200	4,800
Spring turnip rapeseed	insignificant	5,500

Total Finnish oilseed crop

	tons	
Oilseed crop	5,500	8,600

Yield per hectare

	kilograms	
Oilseed acreage	1,310	1,780

Price for 1973: Fmks. 1.00 per kg, assuming 98 per cent purity, 9 per cent water.

Imports - January - September 1973

	tons	Value in '000 Fmk.
Rapeseed/turnip rapeseed ..	5,473	3,416
Mustard	300	587
Flaxseed	4,494	3,530
Soybeans	52,272	51,742
Copra	5,820	4,914

Finnish imports of oil plants all types amounted to 77,312 tons for the period January-September 1973. Estimates submitted with our report of June 12 Finnish imports to be about 110,000 tons for 1973. In view of the increased prices it is not likely that this figure will be reached. Imports will probably stop around 100,000 tons. No exports reported.

Foreign Trade in Oils and Fat January-September

	<u>Imports</u>		<u>Exports</u>	
	1972	1973	1972	1973
	metric tons			
Animal (incl. fish) oils, fats	1,560	3,176	245	49
Vegetable oils and fats	3,605	2,468	261	177
Prepared oils, fats and waxes (animal and vegetable) ..	2,706	3,045	7,380	8,067

SITUATION IN ITALY

The following information relative to the oilseed situation in Italy has been extracted from a report from Mr. A. Contini, Commercial Division, Canadian Embassy, Rome, under date of December 7, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Domestic production of oilseeds other than rapeseed and sunflower is of no significance to the crushing industry. Although some peanut, sesame and soybean are grown, the quantity crushed is negligible as production is largely destined to other uses such as confectionary and baking. Food industry by-products such as grapeseeds, corn germ and tomato seed are more important than oilseeds, both in terms of tonnage crushed and oil produced. Oil production from all domestically produced oil bearing materials (except olives) is still of minor importance and in 1972 accounted for 9.0 per cent of the total seed oil requirement in Italy.

Production

	1971	1972
	tons	
Rapeseed	11,000	18,000
Sunflowerseed	13,050	21,000

Source: Assitol, the association of oilseed crushers.

There appears to be a considerable interest by Italian farmers to increase sunflower production. Favourable climatic conditions in several parts of Italy and aid granted (and that contemplated) by the EEC are providing an incentive and may result in greater interest on this crop in the next few years.

Importance of Imports .- Italy's crushing industry is heavily dependent on foreign sources for oilseed supplies. In 1972 imports accounted for 82 per cent of the materials crushed and 87 per cent of the oil produced. Soybeans and rapeseed are the main materials. Imported rapeseed produced slightly more oil than soybeans, but soybeans are more important overall due to the much higher volume and the higher meal yield.

Production and Availability of Seed Oils in Italy in 1972

Oil Produced in Italy from:

	<u>Imported</u> <u>Oilseed</u>	<u>Domestic</u> <u>Oilseed</u>	<u>Total oil</u> <u>Produced</u>	<u>Oils</u> <u>Imported</u>	<u>Oils</u> <u>Exported</u>	<u>Total</u> <u>Seed Oils</u> <u>Available</u>
			metric tons			
Peanut	40,985	—	40,985	15,108	76	56,017
Rapeseed	147,934	7,200	155,134	56,818	421	211,531
Coconut	20,794	—	20,794	21,265	89	41,970
Cottonseed	—	170	170	12	—	182
Corn germ	—	21,820	21,820	—	10,000	11,820
Rice germ	—	624	624	—	—	624
Sunflower	20,652	7,980	28,632	2,315	2,585	28,362
Flaxseed	6,800	—	6,800	12,508	1	19,307
Palm	250	—	250	67,900	842	67,308
Tomato seed ...	—	480	480	—	—	480
Castor seed ...	1,410	—	1,410	5,481	59	6,831
Sesame	19,644	—	19,644	—	—	19,644
Soybean	139,169	—	139,169	12,297	11,653	139,813
Grapeseed	—	18,200	18,200	—	—	18,200
Others	1,164	—	1,164	6,570	4,807	2,926
Total	398,803	56,474	455,277	200,274	30,533	625,017
Per cent	63.8	9.0	72.8	32.0	4.8	100.0

Source: ASSITOL

Major sources for the 1972 oilseed imports were the United States for soybeans (573,412 metric tons) and shelled peanuts (24,591 metric tons); Brasil for soybeans (192,512 metric tons); France for rapeseed (221,110 metric tons); Australia for sunflower (17,133 metric tons); and the Sudan for sesame (25,760 metric tons).

Production of seed oils (from both domestic and imported materials) accounts for more than 1/3 of Italy's requirements. Imports of seed oils, however, at 1/3 are quite important and represent at times strong competition to domestic crushing.

Imports of Oilbearing materials

	<u>January to August</u>	
	1972	1973
	metric tons	
Peanut	81,336	53,343
Rapeseed	227,639	173,472
Copra	25,286	13,381
Sunflower	34,255	28,656
Flaxseed	12,373	14,575
Castor seed	1,802	2,406
Sesame	33,780	36,424
Soybean	568,075	584,089
Others	4,605	4,376
Total	989,151	910,722

Imports to August 1973 were 8 per cent lower than the previous year. The decline was due mainly to a decrease in rapeseed and peanut imports.

Imports of rapeseed, by country of origin

	<u>January to August</u>	
	1972	1973
	metric tons	
France	147,103	107,356
West Germany	21,726	9,800
Canada	49,526	53,665
Others	9,284	2,651
Total	227,639	173,472

Rapeseed imports to August 1973 were 24 per cent lower than the previous year. While imports from France and West Germany declined substantially, imports from Canada were up slightly.

Imports of flaxseed, by country of origin

	<u>January to August</u>	
	1972	1973
	metric tons	
Belgium-Luxembourg	1,696	946
Rumania	3,374	428
Canada	6,733	12,210
Others	570	991
Total	12,373	14,575

A sharp increase in imports from Canada has more than offset declines from other sources, resulting in an overall rise in imports to August 1973.

Current market situation .- After last summer's upheaval in the international oilseed market which brought the Italian market almost to a stop, activity in this market has resumed in the last two months, though on a reduced scale. The market has been more active for soybeans than for other seeds. Due also to substantial forward purchases made earlier for fall delivery, it appears that soybean supplies available to Italian crushers are close to normal. At present soybean is more competitive than rapeseed in the Italian market. With regard to rapeseed, it appears that few purchases were made in October-November and have involved mainly French and German production. Purchases made during the first half of the year were also limited and, therefore, deliveries are believed to be down substantially. The market for rapeseed has to some extent been affected by the uncertainty surrounding the erucic acid legislation, for which a decision is expected at the end of January 1974. Currently, French rapeseed is selling more competitively than Canadian; the greater ease of shipment, particularly for small lots (smaller than a shipload) favours French rapeseed over Canadian seed.

Short-term trade outlook for rapeseed .- Because of the uncertainty about the erucic acid question it is still difficult to make forecasts as to prospective imports of rapeseed for the 1973-74 marketing year (Aug 1, 1973 to July 31, 1974) and to indicate the probable breakdown of imports by country of origin. The trade's opinion in this regard is as follows:

- i) If the law limiting to 10 per cent the content of erucic acid in edible oils is enforced, only a small amount of rapeseed will be sold, largely low erucic acid varieties from Canada. Italian crushers would limit purchases to the minimum amount necessary to blend rapeseed oil with soybean oil to produce an acceptable mix to consumers. Assuming a production of 180,000 tons of soybean oil and a mix of one part of rape oil to three parts of soybean oil, the rape oil required would amount to 60,000 tons, which would correspond to 150,000 tons of rapeseed. This is subject to the possibility of procuring rapeseed with a content of erucic acid low enough to result in a mix containing no more than 10 per cent of erucic acid at the one to three ratio indicated above.
- ii) If the law is further postponed or altogether repealed, additional sales of 100,000 tons could be expected, with the bulk coming from France.

Prospects for sales of Canadian rapeseed could be improved if a guarantee as to the low content of erucic acid would be provided. Some people in the trade feel that Italian crushers would be willing to pay a premium for low erucic acid rapeseed from Canada if such a guarantee was given. The trade argues that at present low erucic acid varieties are not properly segregated, and in fact are mixed in varying proportions with the old varieties. This also results in inconsistencies in erucic acid content of lots of rapeseed received.

Outlook for flaxseed .- Italian import requirements of flaxseed for the 1973-74 season are now estimated at 20-25,000 tons, most of which traditionally comes from Canada. Linseed oil imports of 12-15,000 tons will continue to come mainly from Argentina.

Longer term prospects for rapeseed .- The Italian crushing industry needs another oilseed, in addition to soybean, available in quantity. Rapeseed and sunflower are the only major products that could fill this need. It is not possible at present to count on availability of sunflowerseeds consistently and in quantity in the international market, particularly with Russian supplies uncertain.

Production of both sunflower and rapeseed is likely to increase within the EEC as a result of new efforts and incentives to fill the Community's deficit for oils. Competition from European rapeseed will become keener as seed with low erucic acid content becomes available. It is inevitable, however, that the EEC will need to import oilseeds and in particular Italy will have to continue to depend on oilseed supply sources outside the EEC.

There is a tendency in developing countries which have traditionally been suppliers of oilseed to Europe to encourage the crushing of seed at home and export oils (instead of seed) in order to get the benefit of the higher value added. Consequently, Italian crushers are concerned about the reduced access to sources of raw material and feel that they have to count increasingly on two seeds, soybean and rapeseed, being produced in industrial countries. For this reason Italian crushers have noted with some concern production of rapeseed — as well as flaxseed — decline in Canada last year, as they are interested in ensuring this source of supply.

Oil consumption .— Italy has the highest consumption of oils in Europe. Per capita consumption of seed oils appears to have stabilized (kg 8.5 in 1972) and is unlikely to grow further unless there is a reduction in consumption of olive oil. The price ratio between the two types of oil is more advantageous now to seed oils, and this may affect consumption in the current year.

Margarine production and consumption in Italy remains low in comparisons to other European countries. Present output is estimated in the area of 60,000 metric tons, of which about 1/3 is consumed at home, the rest being utilized by the confectionary and bakery industry. There are signs of some growth in this sector, due partly to permission given in 1972 to use new flavours and ingredients which have improved the quality of margarine for table use and have widened the opportunities for use in food processing. Further expansion might be anticipated if EEC regulations for margarine, now in preparation in Brussels, are implemented.

SITUATION IN AUSTRALIA

The following information relative to the Australian oilseed situation has been extracted from a report from Mr. C.V. Hiltz, Third Secretary (Agriculture) for Canada, Melbourne, under date of November 27, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

General .— The 1973-74 total Australian oilseeds crop will be down in area sown for the second consecutive year. The exception to this is a large increase in soybean and safflower acreages. Large decreases are estimated for rapeseed and sunflower acreage. However, the total tonnage harvested will be larger than last year because of the generally good growing conditions.

Rapeseed sowings are estimated to be no more than 30 per cent of last season's due mainly to the loss of interest in this crop in Western Australia where about 11,500 acres are expected compared to 104,200 acres last year. The 1972-73 Western Australian production was reduced by about 75 per cent due to the severe outbreak of the disease "black-leg" and this no doubt influenced growers' decision to reduce acreage for 1973-74. In Queensland indications are for a small decrease in sunflower and a large increase in soybeans with other crop sowings remaining at about last season's level. The position in New South Wales indicates a doubling of safflower, soybean and linseed acreage and a reduction in sunflower, rapeseed and cottonseed acreage.

Indications for Victoria, the third largest oilseed producing State, are for increases in all oilseeds acreage with the exception of rapeseed and here a 50 per cent reduction is forecast. South Australia which is a minor oilseed producing State expects its acreage to remain about the same as last year with the exception of a doubling of linseed acreage to about 1,500 acres.

Estimated Oilseed Production

	<u>1972-73</u>		<u>1973-74</u>	
	<u>Acreage</u>	<u>Production</u>	<u>Acreage</u>	<u>Production</u>
	'000 acres	'000 metric tons	'000 acres	'000 metric tons
Safflower	13.1	2.7	46.2	15.8
Rapeseed	178.9	25.2	50.0	19.8
Flaxseed	34.2	9.96	46.4	19.8
Soybean	79.9	48.6	153.2	70.0
Sunflower	509.4	90.1	382.3	100.4
Cottonseed	107.7	52.9	99.0	72.0

Contrary to earlier expectations, it is now estimated that the 1973-74 safflower acreage will be more than triple that sown last year. All three producing States have increased acreages but the largest increase occurred in Queensland with an estimated 34,600 acres compared to last season's 7,000 acres.

Seasonal conditions favoured safflower planting in Queensland and these conditions prevailed throughout the season although continued wet weather at this stage could reduce expected yields. Likewise, growing conditions were favourable in New South Wales and Victoria up until October when continued wet weather set the crop back to some extent. If it remains dry in these two States for the next month then a reasonably good crop will be harvested.

At the beginning of the season the guaranteed minimum contract price for safflower was \$112.00 per metric ton so this must have proved a sufficient incentive for growers to increase acreage. Safflower is reported to be in demand at present so that this price could easily increase by harvest time.

The 1973-74 Australian rapeseed crop is estimated to be only 50,000 acres, a 72 per cent drop from last year's estimated 178,900 acres. This is the second consecutive drop in Australian rapeseed acreage. This large drop in acreage is due to the disease problem particularly in Western Australia, the largest producing State and until new disease resistant varieties are developed it can be expected that Australian production will decline even further. Already it is expected that plantings in Western Australia will be negligible next year.

Plantings in New South Wales, Victoria and South Australia are not estimated to be as large as was originally thought they would be. This is attributed to the high prices being paid for alternative crops which are easier to grow. The earlier seeded crops had progressed well but the recent wet weather will reduce yields to some extent. Average yields are expected to be around 800 pounds per acre.

The 1973-74 Australian linseed crop is estimated to be 46.4 thousand acres, a 35 per cent increase over last year's estimated 34.2 thousand acres. However, last year's dramatic reduction in acreage was mainly due to the drought at sowing time. Nevertheless, this year's acreage follows the trend of the last few years

of decreasing yearly acreage. This trend however, is expected to level off at close to this acreage which is expected to be sufficient to meet domestic requirements.

The crop has experienced good growing conditions in all States and a better than average yield is expected. Wet weather of late could reduce yields to some extent if it continues. The main problem experienced this year has been with heliothis and several spray treatments have been necessary to control this insect.

The 1973-74 Australian soybean crop is estimated to be 153.2 thousand acres which is almost double last year's estimated 79.9 thousand acres which in turn was almost double the 1971-72 crop. Production from this year's crop is expected to reach 70 thousand metric tons which should be slightly in excess of domestic requirements which are estimated to be between 50 and 65 thousand long tons of beans per year. In addition industry leaders are predicting that acreage will double again within the next five years thus putting the country in an export position.

The high interest in this crop is probably a result of the favourable returns the crop is attracting. Contractors were offering growers A \$180.00 per metric ton delivered Sydney or Brisbane at the beginning of the season but have since had to reduce this price to A \$160.00 per metric ton because of the revaluation of the Australian dollar. Prices have increased by almost 75 per cent since 1968-69 when the price at that time was A \$106.00 per metric ton. It is further expected that prices will not fall back in future and could easily increase.

Estimated sunflower sowings for the 1973-74 season are anticipated to reach only 382.3 thousand acres; a drop of about 25 per cent over last year's estimated 509.4 thousand acres and a drop of 52 per cent over the 1971-72 crop of 728.1 thousand acres. Up until last year sunflower production was increasing rapidly and last year's drop can mostly be attributed to the drought conditions at sowing time. However, the further large drop for this year is thought to be for quite different reasons. These include competition from other higher priced summer crops which yield heavier under irrigation and the poor average yields obtained during recent years even under irrigation. In addition, last year growers experienced more than the usual amount of disease problems which further indicates that new high yielding, disease resistant varieties must be developed to encourage grower interest in this crop.

Approximately half the crop has been sown to date. Crops seeded in August and September have progressed well and are now flowering. A break in seeding has occurred during the past month because of wet conditions and a period of dry weather is needed to permit ground preparation for December-January sowings. Some insect problems have developed but to date no major disease problems have been encountered.

The 1973-74 cottonseed acreage is expected to reach 99 thousand acres, slightly less than last year's 107.7 thousand acres and equal to the 1971-72 acreage. Most of the crop has been planted but wet soil conditions may prevent growers from reaching acreage intended.

Planting of the 1973-74 peanut crop has yet to begin but acreage will probably be slightly less than last year's 80 thousand acres.

Australian Exports of Vegetable Oilseeds, Oils and Meals

	<u>1971-72</u>	<u>1972-73</u>	<u>July-August</u>	
			<u>1972-73</u>	<u>1973-74</u>
	metric tons			
<u>Oilseeds</u>				
Sunflower	(1)	33,419	15,809	43
Rapeseed	(1)	(1)	(1)	1,640
Soybean	129	1,189	68	2,339
Cotton	6,845	6,293	—	—
Linseed	6,085	315	312	—
Other (N.E.S.)	90,105	7,070	4,260	144
Total	103,164	48,286	20,449	4,166

Oils

Fixed Vegetable Oils

and Fats, Soft fluid

or solid crude, refined

or purified (2) 1,195

177

48

140

Other Fixed Vegetable

Oils and Fats, fluid

or solid crude, refined

or purified (3) 56

142

28

153

Total 1,251

319

76

293

Meals

Rapeseed

(1)

6,461

914

—

Soybean

54

115

12

8

Other oilseed meals

and flour

4,145

12,734

2,384

104

Total 4,199

19,310

3,310

112

(1) Included in other.

(2) Includes soy, cotton, peanut, sunflower, rape, etc.

(3) Includes linseed, safflower, etc.

SITUATION IN POLAND

The following information relative to the oilseeds situation in Poland has been extracted from a report from Mr. S.H. Lang, Commercial Secretary, Canadian Embassy, Warsaw, under date of December 5, 1973, and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Summary .- Following a rather poor rapeseed production in 1972, it is expected to be 60 per cent higher, although slightly below GOP planned goals. Strong GOP emphasis on expansion of rapeseed production. Total imports of oil meals, cake,

seed, margarine components and technical fats are up. Lard imports have been discontinued; lard exported for the first time since 1968. Rapeseed oil exports up 140 per cent. Slow but steady increase of vegetable oil fat consumption seems to be a lasting trend. Official statements confirm that GOP is willing to continue large imports of protein components regardless of high world market prices.

Oilseed Production (including acreage) and State Purchases .- Official rapeseed production figure in 1972 is 430,000 metric tons due to winterkill and a poor harvest on an area of 257,700 hectares (of which 152,800 is on private farms) at an average yield of 15.6 quintals per hectare; one of the lowest since 1969. Production of other vegetable oil crops totalled 10,000 metric tons (540,900 in 1971) and were valued at 1,661 million zlotys, 97 per cent of supplies were covered by contracts.

Our preliminary estimate of 1973 crop of rapeseed production is 750,000 metric tons, state purchases to reach 687,800 metric tons according to what has been contracted.

The purchase quantity contracted by GOP for 1974 crop production is indicated at 850,000 metric tons, 20 per cent above 1973 goals. Rapeseed, prevailingly a winter crop, has been sown early this year, which is favourable for its resistance to winterkill. As of the present time, sprouts look excellent all over the country.

Import .- Peanut oil imports more than doubled in 1972 and were 695 metric tons compared to 309 metric tons in 1971. Imports of oils which are margarine components were up; coconut oil was up from 13,584 metric tons in 1971 to 14,958 metric tons in 1972 (10.1 per cent); sunflower oil was up from 21,010 metric tons to 31,083 metric tons. These oils are used in the production of new margarine brands. Soybean oil imports were down from 13,483 metric tons to 7,197 metric tons (down 44.6 per cent) and published statistics for this item are incomplete. Imports of cottonseed oil were also down from 11,068 metric tons in 1971 to 3,018 metric tons in 1972 (down 72.7 per cent).

Imports of soybeans were up 41.8 per cent from 67,331 metric tons in 1971 to 95,474 metric tons in 1972. Statistics for 1972 show that 1,519 metric tons came from Switzerland. This means however that payment was made through Switzerland. Peanut imports were up from 4,946 metric tons in 1971 to 6,652 metric tons in 1972, an increase of 34.5 per cent. About 50 per cent of the peanuts came from India. Sesame seed imports were down 55.1 per cent from 6,718 metric tons in 1971 to 3,016 metric tons in 1972.

The 1972 imports of linseed oil were 14.3 per cent up over 1971, from 33,852 metric tons to 38,693 metric tons. Imports of technical tallow were 67.7 per cent down, from 30,134 metric tons in 1971 to 9,738 metric tons in 1972. Raw castor oil imports were 8.9 per cent up in 1972, from 4,743 metric tons in 1971 to 5,166 metric tons in 1972. Lard imports were down 90.9 per cent from 34,447 metric tons in 1971 to 3,135 metric tons (all USSR) in 1972.

Exports .- Rapeseed oil exports in 1972 were 240.3 per cent up, from 17,149 metric tons in 1971 to 58,351 metric tons in 1972, 20 per cent of Polish rapeseed oil went to the USSR. This was the first Polish rapeseed oil export to this country, 6,063 metric tons of lard were exported in 1972, for the first time since 1968. GOP statistics for 1971 showed no rapeseed exports, and there were possibly none, or in very insignificant quantities.

Production, Domestic Supplies and Consumption of Vegetable Oil Products

	<u>1971</u>	<u>1972</u>	<u>January-June</u>	
			1972	1973
	metric tons			
Margarine production	168,019	171,859	79,402	86,706
Total supplies of edible vegetable oil fats	171,400	173,600	80,800	87,900
	kilograms			
Annual per capita consumption				
Total fats	20.8	21.2	—	—
Vegetable oil fats	6.7	6.8	—	—
Animal fats	7.8	7.9	—	—
Butter	6.3	6.5	—	—

No figures are published on stocks of commodities covered in this report.

Prices .— No price changes reported in vegetable oil consumer products as the 1971 price freeze of all food is still valid until December of 1973. Prices, it is anticipated, may change after this freeze is over. The average price paid to producers of rapeseed in zlotys per quintal was 797 in 1972 (regardless of whether contracted or not) compared to 805 zlotys in 1971 and 793 zlotys in 1970.

Government Policies and Programs .— The soaring domestic demand for rape is being strongly emphasized in connection with the world shortage of protein components. Quoting an official statement: "Rape, which has been produced earlier almost exclusively for use by the food industry, is now, above all, a protein component of industrial feeds". The contract goal for 1974 is 850,000 metric tons of rapeseed, which at average yields would require an area of 500,000 hectares, a 3.4 per cent of total arable soil (1.9 per cent in 1972). Statements made by high GOP officials say that GOP shall continue large imports of protein components regardless of high world prices.

SITUATION IN PERU

The following account of the current oilseed situation in Peru has been extracted from a report by Mr. H.R. Wilson Commercial Secretary, Canadian Embassy, Lima, under date of December 12, 1973, and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Domestic Production (metric tons)

	<u>1971</u>	<u>1972</u>	<u>1973(1)</u>	<u>1974(1)</u>
Sesame	106	130	150	340
Cotton seed	128,200	133,000	114,000	151,069
Safflower	4	—	—	—
Castor bean	52	—	—	—
Linseed	22	—	—	—
Peanut	4,653	1,000	1,300	2,780
Soybean	817	4,000	5,500	15,070
Rapeseed	—	—	70	1,800

(1) estimated.

Domestic Crude Oil and Fat Production

	<u>1972-73</u>	<u>1973-74(1)</u>
	metric tons	
Cotton Seed	20,000	25,000
Soybean	200	1,000
Peanut	300	400
Olive Oil	200	300
Modified Liquid Fish Oil	24,000	30,000
Lard	7,800	8,000
Tallow	5,000	5,000

(1) estimated

Total crude fish oil production was 225,000 metric tons in 1972 and 39,000 tons in 1973 but only non-hydrogenized modified oil was used for human consumption.

Imports

	<u>1972</u>	<u>1973</u>
	metric tons	
Soybeans	40,000	19,400
Soybean Oil	68,500	70,000
Grease	14,100	15,000
Tallow	5,400	6,000
Coconut Oil	1,300	1,500
Oilseed Cakes	19,800	20,000

All soybeans and soybean oil plus most animal fats were imported from the United States in 1972 and 1973. The oilseed cakes came from Colombia.

SITUATION IN THE UNITED KINGDOM

The following information relative to oilseeds in Britain has been extracted from a report received from Mr. G.D. Cooper, Commercial Officer (Agriculture) for Canada, London, under date of December 6, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

General outlook . - The Commonwealth Secretariat in their latest commodity review on vegetable oils and oilseeds, forecast an improved outlook for world soybean and groundnut supplies in the 1973-74 season. Last summer witnessed an acute shortage of oilseeds, oilcakes and vegetable oils on world markets but an improvement is anticipated with the record United States soybean harvest of some 43 million long tons predicted. Improved groundnut output is also expected with flaxseed production remaining unchanged but the outlook for rapeseed is somewhat depressed.

The Commonwealth Secretariat estimate that although an approximate 13 per cent increase in soft oil production is feasible in 1973-74 with larger oilseed production anticipated, it is unlikely that all supplies will be processed for various reasons including availability and freight difficulties. It is, therefore, more likely that soft oil production will be around 22 million long tons (oil equivalent), i.e. 6 per cent greater than last season's production which was 20.7 million long tons (oil equivalent).

United Kingdom imports .- Imports of the major vegetable oils and oilseeds in United Kingdom in the nine months January to September 1973 rose by some 4 per cent from 575,000 to 598,000 long tons (oil equivalent). The chief increase was in soybeans which rose from 309,000 long tons to 566,000 long tons although imports of soybean oil decreased from 56.8 to 10.5 thousand long tons. Rapeseed imports at 71,000 long tons were 4,000 long tons lower than during the same period of the previous year but rapeseed oil imports rose from 5.4 to 7.5 thousand long tons. The principal sources of supply of rapeseed were:-

<u>Country</u>	<u>Long tons</u>
Sweden	42,000
Netherlands	8,000
France	8,000
East Germany	7,000
West Germany	2,000
Canada	1,000

There was also an increase in palm kernel oil imports from 43,200 to 58,500 long tons and of palm oil from 156,600 to 165,100 long tons. Imports of flaxseed fell slightly from 44,000 to 41,000 long tons and of linseed oil from 20,300 to 19,400 long tons.

United Kingdom crushings .- During the period January to September 1973, the total crushings in the United Kingdom of all oilseeds amounted to 740,000 long tons as against 480,000 long tons during the same period of the previous year. Consequently, the total oil output also rose from 133,800 to 178,500 long tons. Soybean crushings accounted for 548,000 long tons against 288,000 long tons the previous year with an increase in oil output from 50,300 to 95,000 long tons. Rapeseed crushings also rose from 79,000 to 83,000 long tons and rapeseed oil output from 31,600 to 33,600 long tons. Crushings of copra were down from 31,000 to 28,000 long tons and output of coconut oil decreased from 19,800 to 18,200 long tons. Crushings of palm kernel also fell from 23,000 to 20,000 long tons with palm kernel oil production down from 10,800 to 9,000 long tons. There was also a fall in flaxseed crushings from 46,000 to 42,000 long tons and of linseed oil output from 15,800 to 14,600 long tons.

Rapeseed production .- As already reported, the Ministry of Agriculture's returns indicate that some 30,000 acres of oilseed rape were grown in this country this year. Yields have been variable and a large number of growers are reporting a return of more than 20 long cwt. per acre. Last year winter-sown oilseed rape crops averaged almost 20 long cwt. per acre and 16 to 17 long cwt. per acre for spring-sown crops. The bulk of the 1973 crop was spring sown although the production of the rapeseed crop that is winter-sown is increasing. Last season's prices were \$105.30 to \$117.00 per long ton but this year's prices are expected to be \$46.80 to \$58.50 per long ton more. These higher prices are indicative of the price support arrangements for oilseeds under the Common Agricultural Policy of the EEC whereby domestic prices for rapeseed and sunflower seed are supported by subsidies paid to the oilseed crushers on EEC produced and processed seeds.

Tariff suspensions - oilseed meal and cake .- An order which initially came into force on August 13th, 1973, suspending United Kingdom duties on oilseeds and oilseed meal and cake from all sources until October 31, 1973, has now been extended to become effective until December 31, 1973.

Markets .- Concern over the fuel situation and its adverse implications for freight is a predominant factor on the oilseed market. Considerable world demand for soybeans and vegetable oils has occasioned a significant increase in the prices of the majority of commodities. Soybeans, sunflower and palm oils have predominated in the overall increase in vegetable oil prices but supplies for early delivery are limited.

SITUATION IN THE EUROPEAN ECONOMIC COMMUNITY

The following account of the current oilseeds situation in the E.E.C. has been extracted from a report received from the Mission of Canada to the European Communities, Canadian Embassy, Brussels, under date of December 14, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Due to a rise in International prices of protein materials and United States export control measures, the council of Agriculture Ministers at its July 16-17 meeting requested the Commission to prepare a report on protein materials in the enlarged EEC commissions. Report together with ensuing proposals contained in the review are summarized below:

During the past 10 years total meat production in the original Member States increased by an average of 3.9 per cent per year, beef 2.3 per cent, pork 3.9 per cent, poultry 9.1 per cent. During the same period use of compound feeds increased at a rate of 9.7 per cent per year (oilseed cakes 10.5 per cent). Growing importance of compound feeds is primarily due to continuous structural rationalization of community agriculture. The degree of community self-sufficiency in high protein materials is steadily declining. Enlarged community self-sufficiency was estimated at 20.6 per cent for 1971-72, meaning the community must import approximately 80 per cent of its protein material requirements. (Note cereals are considered as an energy and not a protein material). Oilseed cakes are by far the most important of the various high protein materials used in compound feeds.

In 1971-72 community utilized 14,231 million tons of oilseed cakes (of which soybean 7,323 metric tons) self-sufficiency in oilseed cakes during 1971-72 was 4.3 per cent. Community demands for meat will continue to rise during the next 5 years. The trend towards greater use of compound feeds will continue. Demand for protein materials will increase by 3 per cent per year. However, the report noted that in 1973 due to change in protein/cereals price ratio, a lower percentage of high protein materials was used in livestock feeds. If this ratio continues curtailment of use of protein materials could also continue.

The Commission believes that demand for oilseed cakes will increase at a greater rate than in United States, Eastern Europe and Japan than in EEC. There may be enough protein to cover world demand in 1973-74. It may be difficult to meet world demand after 1973-74. Expansion of sunflower seed production in Eastern Europe and soybean production in Brazil will largely be consumed domestically. Satisfying increasing world requirements for protein will depend largely on soybeans and an increase in United States soybean production is dependent upon prices of corn and cotton which compete with soybeans for the same area. Based upon the above observations the Commission believes the EEC should endeavour to prevent excessive increase in dependence on imports during the next five years. However, the report notes that any extension of area under high protein crops would reduce area under cereals.

Proposals for oilseeds outlined in the Common Agriculture Policy review memo: Increase price of sunflower seed relative to that of rapeseed. Objective is to increase sunflower seed production to 200,000 metric tons, and extend support system currently applied to rape and sunflower seed to soybeans. This could increase soybean production to 100,000 tons in 1977-78. (Representing only 1.7 per cent of community requirements). Other proposals included setting up a program to develop and distribute new varieties of seed and elimination of financial aids to Italian rapeseed processors. The above proposals if implemented would have only very modest impact on community production and imports of oilseeds. It should be noted that before proposals are implemented they must be presented by the Commission to council as draft regulations and then approved by council. The latest estimate puts community's 1973 rapeseed production at 1,104,200 tons as compared to 1,092,200 tons in 1972. Rapeseed production by country in thousands of metric tons (1972 figures in brackets) is estimated at: Germany 245.0 (246.7); France 700.0 (721.9); Italy 12.0 (6.4); Netherlands 42.2 (45.2); Belgium 5.0 (2.9); Luxembourg N/A; UK 20.0 (15.0); Ireland N/A; Denmark 80.0 (52.2). Sunflower seed production for 1973 is estimated at with 1972 figures in brackets: 83.0 thousand tons (73.4) in France; 25.0 (18.2) in Italy; and 108.0 (91.6) in EEC.

SITUATION IN PORTUGAL

The following information relative to oilseeds in Portugal is extracted from a report provided by Mr. M. Lima, Commercial Officer, Canadian Embassy, Lisbon, under date of December 4, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Portugal's position as practically a non-producer of oilseeds has shown little change over recent years and the country continues to be dependent on imports. Mention should be made, however, that an increased interest is being shown presently in the production of sunflower and carthamus as a result of the irregular domestic production of olive oil (the country's principle edible oil of consumption) and consequently an increased utilization of sunflower and carthamus oils.

Imports in 1972 of oilseeds and oleaginous vegetable products totalized 189,109 metric tons, nearly 8 per cent higher than in the previous year. Of particular interest was the fact that by the first time substantial quantities of sunflower (19,100 metric tons) and carthamus (11,000 metric tons) were imported from abroad, reflecting the above noted increased utilization of the oils of these products. Imports of ground-nuts rose to 74,773 metric tons, nearly 30,000 metric tons higher than in 1971 while a decline of some 16,000 metric tons was noted for soybeans, apparently due to difficulties experienced by USA, Portugal's main soybean supplier. The sources of supply for ground-nuts were still USA followed by Niger, Portuguese Overseas Provinces and Brazil.

As mentioned in previous reports, all of these products are still under import control licences. The only change which took place was that the former Oilseeds and Vegetable products Board has been taken over by a new Government organization, namely "Institute of Olive Oil and Oleaginous Products", from which the subject licences are granted. With respect to the rapeseed position, although rapeseed meal might eventually become in the future an accepted commodity in this country to be incorporated into livestock diets, at the present only very limited quantities are imported for experimental purposes. Import licences situation for soybeans remains the same. These licences are only granted when soybeans are to be used for animal

feed industry and for conversion into some foodstuffs, such as margarine. Soybean oil may not be sold as a compound cooking oil. During 1972, some 32,000 metric tons of vegetable oils (not included olive oil) were imported, the major share of which was supplied by the Portuguese Overseas Provinces, as there are, with rare exceptions restrictions to import these products from any international source.

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 December 11, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Production. — There have been some problems in assessing the size of the 1973 Dutch rapeseed crop. First indications placed it at about 47,000 metric tons, official first estimates changed the figure to 42,000 tons but according to final estimates, Dutch rapeseed production totalled 40,600 tons in 1973.

Imports January - October

	<u>1973</u>	<u>1972</u>
	metric tons	
Coprah	102,400	62,800
Palm kernel	87,000	191,900
Rapeseed	34,200	15,700
Soybeans	1,057,300	1,304,200
Flaxseed	44,000	41,600
Other	22,400	5,900
Total	<u>1,347,300</u>	<u>1,622,100</u>

Prices. — Following are Rotterdam quotations as on December 10 — U.S. \$ per metric ton c.i.f. -

Rapeseed (Cdn)

January-February	322.00
February-March	329.00
March-April	332.00
April-May	302.00
May-June	300.00
June-July	298.00

Flaxseed (Cdn)

December-January	457.00
January-February	—
March-April	467.00
April-May	—
June-July	422.00
July-August	419.50

Soybeans (US)

December	262.50
January	—
April	263.00
May	265.00

Soybeans (Brazilian)

June-July-August	261.00
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Market situation. — Crushing has since July 1973 been confined to Dutch and other European rapeseed. Soybeans will be used as soon as the rapeseed has been processed. No Canadian rapeseed is expected to be crushed until some time in the second half of April, if any. Despite the high prices, some flaxseed crushing was resumed recently chiefly by a local Unilever mill on the instructions of Unilever Germany.

ROTTERDAM LINOIL STOCKS

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

Rotterdam Linoil Stocks, August 25 — December 1, 1973 with Comparisons at Approximately the Same Date in 1972

Week ending		1972	1973	1972	1973
		metric tons		thousand pounds	
August	25	39,501	19,466	87,084	42,915
September	1	39,253	17,144	86,537	37,796
	8	37,389	20,072	82,428	44,251
	15	38,188	20,446	84,189	45,075
	22	37,149	20,493	81,899	45,179
	29	37,155	18,307	81,912	40,360
October	6	36,348	27,152	80,133	59,859
	13	35,991	25,209	79,346	55,576
	20	37,242	26,193	82,104	57,745
	27	36,696	23,579	80,900	51,982
November	3	37,469	20,495	82,604	45,183
	10	34,793	22,200	76,705	48,942
	17	35,518	21,369	78,303	47,110
	24	39,419	17,440	86,903	38,448
December	1	39,005	16,856	85,990	37,161

CALENDAR OF OILSEED EVENTS

November 16 Based on conditions at October 22, production of Canada's principal grain and oilseed crops in 1973 was estimated as follows, in millions of bushels, with 1972 figures in brackets: all wheat, 628.7 (533.3); oats for grain, 326.9 (300.2); barley for grain, 474.6 (518.3); all rye, 14.3 (13.5); corn for grain, 108.9 (99.5); buckwheat, 1.1 (1.7); flaxseed, 19.4 (17.6); rapeseed, 53.2 (57.3); and soybeans, 14.6 (13.8).

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