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Canada

Oilseeds and Products Annual

2012

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Report Highlights:

The expectation that Canadian farmers will again seed a record amount of canola in 2012/2013 is forecast to boost Canada's total oilseed production (canola, soybeans and sunflowers) to over 20.0 million metric tons, nearly 7% above 2011/2012 production. Large crops and strong prices are expected to keep crush levels high. Total crush for 2012/2013 is forecast to reach 8.2 MMT. High production will support meal and oilseed exports in 2012/2013. Exports for total oilseeds are forecast to decline slightly in 2012/2013 due to tightening domestic supplies in canola and soybeans.

Executive summary:

- The expectation that Canadian farmers will again seed a record amount of canola in 2012/2013 is forecast to boost Canada's total oilseed production (canola, soybeans and sunflowers) to over 20.0 million metric tons, nearly 7% above 2011/2012 production.

- Crush in 2012/2013 is forecast to increase to 8.2 MMT due to large crops, crush capacity and attractive domestic crush margins. This represents an increase of 2.5% above already high year 2011/2012 expected levels of 8.0 MMT.

- Canadian oilseed exports are expected to fall slightly in 2012/2013 to 11.4 MMT from expected 2011/2012 levels of 11.5 MMT. This slight decrease is due to exports in canola and soybeans being limited due to tightening domestic supplies in 2012/2013.

- Canola and soybean crush in 2012/2013 is expected to remain high due to the large crops and strong prices. Total meal production in 2012/2013 is forecast at 5.0 MMT, slightly above year 2011/2012 expected levels of 4.8 MMT.

- Similarly, total oils production in 2011/2012 is expected to continue at the high levels being experience in 2011/2012. Total oil production in 2012/2013 is forecast at 3.4 MMT, slightly above year 2011/2012 expected levels of 3.3 MMT.

- Total meal and total oils exports in 2012/2013 are forecast to rise to 3.4 MMT and 2.8 MMT, slightly above year 2011/2012 total meal and oil expected exports levels.

OILSEEDS

Total Oilseeds

Canada’s total oilseed production, which includes canola, soybeans, flax, and sunflower seed is set to expand further in 2012/13 to a forecasted 20.0 million metric tons (MMT). Increases in production are anticipated in all oilseeds crops - canola, soybeans, sunflower seed and flax. Total oilseeds production forecasted for 2012/2013 represents an increase of more than 6% over year 2011/2012 production levels and is being driven by attractive prices relative to other crops. Crush is also forecast to rise again in 2012/2013 to 8.2 MMT due to the larger crop and the increased domestic canola crush capacity that has been built up over the past 5 years. This represents a 2.5% increase over the previous year's levels. Total oilseed exports in 2012/2013 are forecasted at 11.4 MMT, a marginal decrease from year 2011/2012 expected levels. Despite the increased oilseed crop, exports in 2012/2013 will be limited due to lower supplies resulting from low carry-in stocks in canola, flax and sunflower seed. Low stocks are anticipated to keep total oilseed import levels unchanged in 2012/2013.

Canada's total oilseed production rebounded in 2010/2011 after 2009/10 crops were down primarily due to an unusually wet and cold summer that was not completely offset by an extended fall growing season. Total oilseed production reached 18.8 MMT, an increase of over 6% above 2009/2010 production levels. The increase was driven by increases in canola production which more than offset the slight decreases in soybean, flax, and sunflower seed production. On the trade front, Canada’s total oilseed exports are expected to rise in 2011/2012 due to the increased crop size. Total oilseeds exports are expected to reach 11.5 MMT, an 8% increase over 2010/2011 export levels. Crush is anticipated to rise to 8.0 MMT due to the increased crop size. Despite buying power buoyed by the stronger Canadian dollar, higher domestic availability is expected to pull total oilseed imports down to about 360,000 tons in 2011/2012.

Canada: Total Oilseeds

2010/2011	Canola (Rapeseed)	Soybean	Flax	Sunflower Seed	TOTAL
Area Harvested	6,514	1,477	353	51	8,395
Production	12,773	4,345	423	68	17,609
Crush	6,310	1,448	0	0	7,758
Imports	224	266	8	33	531
Exports	7,207	2,906	404	46	10,563

2011/2012	Canola (Rapeseed)	Soybean	Flax	Sunflower Seed	TOTAL
Area Harvested	7,471	1,542	273	14	9,300
Production	14,165	4,246	368	20	18,799
Crush	6,600	1,400	0	0	8,000
Imports	125	200	5	30	360
Exports	8,400	2,700	350	35	11,485

2012/2013	Canola (Rapeseed)	Soybean	Flax	Sunflower Seed	TOTAL
Area Harvested	8,050	1,629	295	43	10,017
Production	15,400	4,200	370	65	20,035
Crush	6,800	1,400	0	0	8,200
Imports	125	200	5	30	360
Exports	8,400	2,600	325	50	11,375

All data in 1,000 hectares and 1,000 metric tons.
Marketing year: Aug/July except soybeans which is Sept/Aug.

RAPESEED (CANOLA), OILSEED

Although the Statistics Canada seeding intentions were not available at the time of this report, strong prices and attractive yields are forecast to push canola production in 2012-2013 to record highs. Canola production is anticipated to reach 15.4 MMT, an increase of almost 9% above year 2011/2012 levels. Despite record production expected, exports in 2012/2013 are forecast to remain flat as exports will be limited by supplies. Canola supply is forecast not to rise significantly due to very low carry-in stocks. In 2011/2012, exports are expected to reach 8.4 MMT due to strong demand and high supplies. Domestic crush in 2012/2013 is forecast to increase 3% from 20122/2012 expected levels of 6.6 MMT. Domestic crush will be limited by tighter domestic supplies resulting from low carry-in stocks.

The Canadian biodiesel mandate came into force on July 1, 2011. The mandate requires 2% renewable fuel content in diesel fuel and heating oil. Canola is a good feedstock for biodiesel in Canada due to its performance in Canada's cold weather conditions. Much of the canola-based biodiesel used to meet the Canadian mandate is from canola that is exported to the United States, processed into biodiesel and then re-exported to Canada. Investment in increasing biodiesel plant capacity in Canada has been slow.

In the fall of 2011, the United States Environmental Protection Agency (EPA) approved the Government of Canada's petition to use the aggregate approach for approval of Canadian feedstocks, including canola, for biodiesel production in the United States. The decision provides secure access for

Canadian canola as a sustainable feedstock for U.S. biodiesel markets under the Renewable Fuels Standards 2 (RSF2) regulations.

The Canadian government has been very active in its trade missions to Asia and has brought about several promising developments for the Canadian canola industry. In February 2012, a Memorandum of Understanding on a joint canola research between Canada and China was signed. The full re-opening of this market is important to Canadian canola growers. China had placed import restrictions on Canadian canola shipments due to concerns of a disease known as blackleg. The Canadian government was able to work out some transitional measure that would allow canola shipments that tested positive with black leg into a limited amount of facilities located in areas where Chinese rapeseed is not grown. Trade in Canadian canola exports to China in calendar year 2011 was 1.3 MMT, down more than 12% from the previous year. The Canadian canola industry was also pleased with the announcement of negotiations for a Canada-Japan Economic Partnership Agreement. Japan is one of the largest markets for Canada canola. Trade in Canadian canola exports to Japan in calendar year 2011 was 7.9 MMT, up nearly 6% from the previous year.

Production, Supply and Demand Estimates:

Oilseed, Rapeseed Canada	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,500	**6,806**	7,475	**7,633**		**8,250**
Area Harvested	6,500	**6,514**	7,471	**7,471**		**8,050**
Beginning Stocks	2,263	**2,263**	1,727	**1,718**		**700**
Production	12,773	**12,773**	14,165	**14,165**		**15,400**
MY Imports	224	**224**	130	**125**		**125**
MY Imp. from U.S.	224	**217**	130	**125**		**125**
MY Imp. from EU	0	**19**	0	**0**		**0**
Total Supply	**15,260**	**15,260**	**16,022**	**16,008**		**16,225**
MY Exports	7,207	**7,207**	8,000	**8,400**		**8,400**
MY Exp. to EU	275	**297**	200	**210**		**210**
Crush	6,300	**6,310**	6,650	**6,600**		**6,800**
Food Use Dom. Cons.	0	**0**	0	**0**		**0**
Feed Waste Dom. Cons.	26	**25**	250	**308**		**175**
Total Dom. Cons.	6,326	**6,335**	6,900	**6,908**		**6,975**
Ending Stocks	1,727	**1,718**	1,122	**700**		**850**
Total Distribution	**15,260**	**15,260**	**16,022**	**16,008**		**16,225**
1000 HA, 1000 MT						

SOYBEAN, OILSEED

Canadian soybean production in 2012/2013 is expected to decrease marginally from year 2011/2012 levels due to a return to normal yields. Production is forecast at 4.2 MMT. Exports in 2012/2013 are forecast to remain strong due to steady demand. Domestic crush in 2012/2013 is expected to remain at levels similar to those expected for 2011/2012 due to limited supplies. This is still well above the 5-year average.

Production, Supply and Demand Estimates:

Oilseed, Soybean Canada	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	1,500	**1,483**	1,550	**1,550**		**1,660**
Area Harvested	1,477	**1,477**	1,542	**1,542**		**1,629**
Beginning Stocks	175	**300**	153	**301**		**300**
Production	4,345	**4,345**	4,246	**4,246**		**4,200**
MY Imports	246	**266**	300	**200**		**200**
MY Imp. from U.S.	225	**245**	275	**195**		**195**
MY Imp. from EU	0	**0**	0	**0**		**0**
Total Supply	**4,766**	**4,911**	**4,699**	**4,747**		**4,700**
MY Exports	2,946	**2,906**	2,880	**2,700**		**2,600**
MY Exp. to EU	1,408	**1,370**	1,000	**1,045**		**1,010**
Crush	1,337	**1,448**	1,300	**1,400**		**1,400**
Food Use Dom. Cons.	0	**0**	0	**0**		**0**
Feed Waste Dom. Cons.	330	**256**	366	**347**		**450**
Total Dom. Cons.	1,667	**1,704**	1,666	**1,747**		**1,850**
Ending Stocks	153	**301**	153	**300**		**250**
Total Distribution	**4,766**	**4,911**	**4,699**	**4,747**		**4,700**
1000 HA, 1000 MT						

SUNFLOWER SEED, OILSEED

Production, Supply and Demand Estimates:

Oilseed, Sunflowerseed Canada	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	72	**55**	72	**14**		**45**
Area Harvested	72	**51**	72	**14**		**43**
Beginning Stocks	42	**42**	49	**29**		**5**
Production	115	**68**	115	**20**		**65**
MY Imports	33	**33**	25	**30**		**30**
MY Imp. from U.S.	31	**31**	25	**0**		**0**
MY Imp. from EU	0	**0**	0	**0**		**0**
Total Supply	**190**	**143**	**189**	**79**		**100**
MY Exports	46	**46**	45	**35**		**50**
MY Exp. to EU	0	**0**	0	**0**		**0**
Crush	0	**0**	0	**0**		**0**
Food Use Dom. Cons.	6	**26**	6	**20**		**20**
Feed Waste Dom. Cons.	89	**42**	90	**19**		**20**
Total Dom. Cons.	95	**68**	96	**39**		**40**
Ending Stocks	49	**29**	48	**5**		**10**
Total Distribution	**190**	**143**	**189**	**79**		**100**
1000 HA, 1000 MT						

OILMEALS

Total Oilmeals

With canola and soybean crush forecast to continue to remain at high levels experience in 2011/2012, total meal production is forecast to increase to nearly 5.0 million metric tons (MMT). This is an increase of nearly 3% over year 2011/2012 expected levels, and is significantly above the 5 year average. This trend towards increased crush is reflective of the increased crush capacity that has been built up in Canada over the last 5 years. The increase in meal production forecasted for 2012/2013 is being driven by the increase in canola crush as the soybean crush is forecasted to remain at year 2011/2012 expected levels. Increased production and continued strong demand will fuel total meal exports in 2012/2013. Exports are forecast to increase in 2012/2013 to 3.4 MMT, almost 4% above year 2011/2012 expected levels. Meal imports in 2012/2013 are forecasted to remain at 2011/2012 levels due to ample domestic supplies.

Canada: Total Oilmeals

	Canola (Rapeseed)	Soybean	TOTAL
Crush	6,310	1,425	7,735
Production	3,568	1,122	4,690
Imports	33	1,028	1,061
Exports	2,989	126	3,115

	Canola (Rapeseed)	Soybean	TOTAL
Crush	6,600	1,400	8,000
Production	3,736	1,100	4,836
Imports	30	1,040	1,070
Exports	3,200	100	3,300

	Canola (Rapeseed)	Soybean	TOTAL
Crush	6,800	1,400	8,200
Production	3,876	1,100	4,976
Imports	30	1,040	1,070
Exports	3,300	125	3,425

All data in 1,000 metric tons.Marketing years: Aug/July.

CANOLA (RAPESEED) MEAL:

Production, Supply and Demand Estimates:

Meal, Rapeseed Canada	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,300	**6,310**	6,650	**6,600**		**6,800**
Extr. Rate, 999.9999	1	**1**	1	**1**		**1**
Beginning Stocks	175	**78**	144	**74**		**40**
Production	3,650	**3,568**	3,850	**3,736**		**3,876**
MY Imports	33	**33**	25	**30**		**30**
MY Imp. from U.S.	33	**33**	25	**30**		**30**
MY Imp. from EU	0	**0**	0	**0**		**0**
Total Supply	3,858	**3,679**	4,019	**3,840**		**3,946**
MY Exports	2,989	**2,989**	3,140	**3,200**		**3,300**
MY Exp. to EU	0	**0**	0	**0**		**0**
Industrial Dom. Cons.	0	**0**	0	**0**		**0**
Food Use Dom. Cons.	0	**0**	0	**0**		**0**
Feed Waste Dom. Cons.	725	**616**	750	**600**		**600**
Total Dom. Cons.	725	**616**	750	**600**		**600**
Ending Stocks	144	**74**	129	**40**		**46**
Total Distribution	3,858	3,679	4,019	3,840		3,946
1000 MT, PERCENT						

SOYBEAN MEAL

Production, Supply and Demand Estimates:

Meal, Soybean Canada	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1,337	**1,425**	1,300	**1,400**		**1,400**
Extr. Rate, 999.9999	1	**1**	1	**1**		**1**
Beginning Stocks	20	**13**	21	**14**		**25**
Production	1,055	**1,122**	1,025	**1,100**		**1,100**
MY Imports	1,076	**1,028**	1,050	**1,040**		**1,040**
MY Imp. from U.S.	1,069	**1,023**	1,045	**1,035**		**1,035**
MY Imp. from EU	1	**4**	0	**2**		**2**
Total Supply	**2,151**	**2,163**	**2,096**	**2,154**		**2,165**
MY Exports	210	**126**	175	**100**		**125**
MY Exp. to EU	51	**0**	25	**0**		**0**
Industrial Dom. Cons.	0	**0**	0	**0**		**0**
Food Use Dom. Cons.	0	**0**	0	**0**		**0**
Feed Waste Dom. Cons.	1,920	**2,023**	1,900	**2,029**		**2,020**
Total Dom. Cons.	1,920	**2,023**	1,900	**2,029**		**2,020**
Ending Stocks	21	**14**	21	**25**		**20**
Total Distribution	**2,151**	**2,163**	**2,096**	**2,154**		**2,165**
1000 MT, PERCENT						

OILS

Total Oils

Total oils production in 2012/2013 is expected to continue at the high pace being experienced in 2011/2012. Crush is up significantly from the 5 year average due to the increased crush capacity that has been built up in Canada over the last 5 years, large crops and strong demand for vegetable oils. Crush is expected in increase another 2.5% in 2011/2013 above 2011/2012 expected crush levels of 8.0 MMT. Production in 2012/2013 of oils is forecasted at 3.3 MMT, almost 3% above 2011/2012 expected levels. High production will keep imports relatively flat in 2012/2013 compared to 2011/2012 levels. High production is expected to pull down imports in 2011/2012. Increased production and continued strong demand will fuel exports. Exports in 2012/2013 are expected to reach 2.76 MMT, a 3.76% increase over 2011/2012 expected levels of 2.66 MMT.

Canada: Total Oils

	Canola (Rapeseed)	Soybean	TOTAL
Crush	6,310	1,425	7,735
Production	2,768	265	3,033
Imports	124	32	156
Exports	2,432	66	2,498

	Canola (Rapeseed)	Soybean	TOTAL
Crush	6,600	1,400	8,000
Production	3,000	255	3,255
Imports	100	30	130
Exports	2,600	60	2,660

	Canola (Rapeseed)	Soybean	TOTAL
Crush	6,800	1,400	8,200
Production	3,090	257	3,347
Imports	100	30	130
Exports	2,700	60	2,760

All data in 1,000 metric tons.Marketing years: Aug/July.

CANOLA (RAPESEED) OIL

Production, Supply and Demand Estimates:

Oil, Rapeseed Canada	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6,300	**6,310**	6,650	**6,600**		**6,800**
Extr. Rate, 999.9999	0	**0**	0	**0**		**0**
Beginning Stocks	114	**114**	53	**82**		**110**
Production	2,645	**2,768**	2,790	**3,000**		**3,090**
MY Imports	124	**124**	175	**100**		**100**
MY Imp. from U.S.	124	**120**	175	**95**		**95**
MY Imp. from EU	0	**0**	0	**0**		**0**
Total Supply	**2,883**	**2,963**	**3,018**	**3,182**		**3,300**
MY Exports	2,420	**2,432**	2,420	**2,600**		**2,700**
MY Exp. to EU	83	**143**	75	**130**		**130**
Industrial Dom. Cons.	35	**30**	125	**30**		**30**
Food Use Dom. Cons.	375	**419**	380	**442**		**450**
Feed Waste Dom. Cons.	0	**0**	0	**0**		**0**
Total Dom. Cons.	410	**449**	505	**472**		**480**
Ending Stocks	53	**82**	93	**110**		**120**
Total Distribution	2,883	**2,963**	3,018	**3,182**		**3,300**
1000 MT, PERCENT						

SOYBEAN OIL

Production, Supply and Demand Estimates:

Oil, Soybean Canada	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1,337	**1,425**	1,300	**1,400**		**1,400**
Extr. Rate, 999.9999	0	**0**	0	**0**		**0**
Beginning Stocks	13	**4**	8	**3**		**13**
Production	244	**265**	236	**255**		**257**
MY Imports	32	**32**	31	**30**		**30**
MY Imp. from U.S.	32	**32**	31	**30**		**30**
MY Imp. from EU	0	**0**	0	**0**		**0**
Total Supply	**289**	**301**	**275**	**288**		**300**
MY Exports	66	**66**	57	**60**		**60**
MY Exp. to EU	0	**0**	0	**0**		**0**
Industrial Dom. Cons.	0	**0**	0	**0**		**0**
Food Use Dom. Cons.	215	**232**	210	**215**		**220**
Feed Waste Dom. Cons.	0	**0**	0	**0**		**0**
Total Dom. Cons.	215	**232**	210	**215**		**220**
Ending Stocks	8	**3**	8	**13**		**20**
Total Distribution	**289**	**301**	**275**	**288**		**300**
1000 MT, PERCENT						

PEANUTS:

Canada Peanut Import Statistics in-shell basis; in thousand metric tons							
October - September					October - January		
Partner Country	Unit	Quantity			Quantity		
		2010/2011	2011/2012 (e)	2012/2013 (f)	09/10	10/11 (e)	% change
World	TMT	139	135	136	50.1	41.8	-17%
United States	TMT	111	109	109	38.3	31.5	-18%
China	TMT	16	15	16	6.9	5.8	-16%
Others	TMT	11	11	11	4.9	3.9	-20%

(e): estimate
(f): forecast