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Canada

Oilseeds and Products Annual

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Report Highlights:

Canada's oilseed production (canola, soybeans and sunflowers) for 2015/2016 is forecast to increase a marginal two percent, assuming normal yields, to 22.1 million metric tons (MMT). Total crush is forecast to reach 9.2 MMT, a nearly six percent increase over 2014/2015 anticipated crush level, largely driven by an anticipated increase in domestic crush capacity. Despite more international competition anticipated for 2015/2016, strong domestic supplies, a depreciated Canadian dollar and a recovering U.S. livestock industry will support meal and oilseed exports in 2015/2016. Exports for total oilseeds and meal are forecast to increase one percent and two percent above 2014/2015 anticipated levels of 12.65 MMT and 3.84 MMT, respectively.

Executive summary:

- Total oilseeds production is forecast at 22.12 million metric tons (MMT), a two percent increase in production over 2014/2015 levels.
- Movement along north-south corridors has improved compared to the past few years due to lower supplies and less competition on the rails from the oil industry.
- Crush in 2015/2016 is forecast to increase to 9.2 MMT due to increased canola crush capacity and healthy supplies. This represents an increase of 6 percent above already high year 2014/2015 expected levels of 8.7 MMT.
- Canadian oilseed exports are forecast to increase marginally in 2015/2016 to 12.655 MMT from expected 2014/2015 levels of 12.645 MMT. A depreciated Canadian dollar and strong domestic supplies will support Canadian oilseed exports in 2015/2016.
- Total meal production in 2015/2016 is forecast to reach 5.56 MMT, 5 percent above year 2014/2015 expected levels of 5.26 MMT, due to increased domestic crush capacity.
- Similarly, total oils production in 2015/2016 is forecast to increase to 3.625 MMT, 6 percent above 2014/2015 anticipated production levels of 3.410 MMT.
- Total meal exports in 2015/2016 are forecast to rise to 3.93 MMT, a 2 percent increase from 2014/2015 anticipated levels.
- Total oils exports are forecast to reach 2.70 MMT, a 2 percent increase over 2014/2015 levels.

OILSEEDS**Canada: Total Oilseeds**

2015/2016	Canola (Rapeseed)	Soybean	Sunflower	Seed	TOTAL
Area Harvested	8,100	2,280		39	10,419
Production	15,550	6,500		70	22,120
Crush	7,600	1,600		0	9,200
Imports	125	300		25	450
Exports	8,500	4,100		55	12,655

2014/2015 (e)	Canola (Rapeseed)	Soybean	Sunflower	Seed	TOTAL
Area Harvested	8,075	2,235		29	10,339
Production	15,555	6,049		55	21,659
Crush	7,100	1,600		0	8,700
Imports	75	300		25	400
Exports	8,700	3,900		45	12,645

2013/2014	Canola (Rapeseed)	Soybean	Sunflower	Seed	TOTAL
Area Harvested	8,009	1,860		28	9,897
Production	17,966	5,359		52	23,377
Crush	6,979	1,539		0	8,518
Imports	66	343		25	434
Exports	9,174	3,471		49	12,694

All data in 1,000 hectares and 1,000 metric tons.

Marketing year: Aug/July except peanuts which is Oct/Sept.

Total Oilseeds:

Canadian grain and oilseed farmers were delaying planting decisions this year according to seed sales made by mid-February. The dependence of Canadian grain and oilseed farmers on the export markets means that they are watching world production and supplies closely. While large world supplies of oilseeds are forecast in 2015/2016, the depreciation of the Canadian dollar against the American dollar which will help support exports, a return to more average carry-in stocks levels, and attractive prices relative to other western crops are expected to support a small, two percent increase in oilseeds production over the previous year's production. Assuming average yields, total oilseed production in Canada is forecast to rise to 22,120 thousand metric tons (TMT).

Crush in 2015/2016 is forecast to rise to 9.20 MMT, six percent from 2014/2015 estimated crush of 8.70 MMT. This increase is expected to be driven by strong domestic stocks, good crush margins and anticipated increased crush capacity due to Cargill's Camrose, Alberta crush facility being online. The

facility will be able to crush 2,500 tonnes of canola per day when working at capacity. The plant will begin operations in 2015, and has begun accepting deliveries of canola as of March 20; however a date by which the plant would be operating at full capacity has not yet been given. Crush for 2014/2015 is anticipated to reach 8.70 MMT due to strong supplies and attractive prices for meal and oil.

Despite increased competition internationally, a depreciated Canadian dollar and strong domestic supplies are anticipated to keep total oilseeds export levels close to the five-year average. Decreases in canola exports, in part due to more going to domestic crush, is forecast to be off-set by increases in soybeans exports. Total exports are forecast to reach 12.665 MMT in 2015/2016, a marginal increase over 2014/2015 anticipated export levels. In 2014/2015, strong international prices, high domestic supplies, improved flow along north and south corridors (compared to the previous year) and a depreciated Canadian dollar are driving exports of total oilseeds. Year to date data show a large export push in the first quarter of the marketing year, but this pace has slowed as more international competition comes onto the market. Total oilseeds imports are forecast at 450 TMT due to reduced domestic supplies resulting from a smaller carry-over than in previous years. Year to date trade data suggest that total oilseed imports for crop year 2014/2015 will be pulled down to 400 TMT from 434 TMT in 2013/2014 due to strong domestic availabilities combined with a depreciated Canadian dollar.

Policy Developments:

Transportation:

Deficiencies in rail capacity continue to be a topic widely studied and debated. A return to relatively lower supplies compared to previous years, in addition to less competition from the oil industry due to significantly lower oil prices, will help transportation flows and velocity along all corridors in 2015/2016. In addition, mandatory grain volume movements to ports imposed on Canada's two main railways, Canadian National Railway and Canadian Pacific, which some believe were resulting in poor service to north to southern transportation corridors expired on March 28, 2015, and are not expected to be an issue for the 2015/2016 forecast year.

The Canada government has undertaken a review of the Canada Transportation Act to review its current policies and study what needs to be amended in order to address its future needs. The dependence of Canada's agricultural sector on export markets means that the grain and oilseed industry has been very active on providing information on what reforms should be made. The report is expected to be presented to the Canadian Parliament by December 2015. There has also been an increased effort from the federal government (through funding) as well as the grain, oilseed, and special crop industry as well to render public information on railway performance. New weekly and monthly reports will be available at www.grainmonitor.ca. In addition, weekly reporting by corridor on rail car supply is being made available by the Ag Transport Coalition.

Bee Health:

Bee Health continues to be a going concern to the agricultural industry in Canada, especially in Eastern Canada (Ontario and Quebec) where production of corn and soybeans is most prominent. Pollinators are an important factor in canola production. The province of Ontario is proposing changes to the

pesticide regulation, under the Pesticides Act, to address the impact that they believe pesticide exposure is having on pollinator health. The Ontario government has proposed new regulatory requirements to reduce the number of acres planted with neonicotinoid corn and soybean by 80 per cent by 2017. The regulatory proposal is available for public comment until May 7, 2015. If approved, it will take effect on July 1, 2015.

Also on the issue of pollinator health, the National Bee Health Roundtable held its third workshop in March 2015. The objective of the group is to develop a National Bee Health Action Plan with key objective to address factors factor affecting bee health.

RAPSEED (CANOLA), OILSEED**Production, Supply and Distribution Estimates:**

Oilseed, Rapeseed Market Begin Year Canada	2013/2014		2014/2015		2015/2016	
	Aug 2013		Aug 2014		Aug 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	8,010	8,070	8,075	8,225	0	8,225
Area Harvested	8,009	8,009	8,075	8,075	0	8,070
Beginning Stocks	588	588	2,363	2,363	0	2,018
Production	17,966	17,966	15,555	15,555	0	15,550
MY Imports	66	66	100	75	0	125
MY Imp. from U.S.	60	60	100	75	0	125
MY Imp. from EU	0	0	0	0	0	0
Total Supply	18,620	18,620	18,018	17,993	0	17,693
MY Exports	9,173	9,174	8,600	8,700	0	8,500
MY Exp. to EU	5	64	5	65	0	0
Crush	6,979	6,979	7,200	7,100	0	7,600
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	105	104	139	175	0	175
Total Dom. Cons.	7,084	7,083	7,339	7,275	0	7,775
Ending Stocks	2,363	2,363	2,079	2,018	0	1,418
Total Distribution	18,620	18,620	18,018	17,993	0	17,693
1000 HA, 1000 MT						

Statistics Canada seeding intentions were not available at the time of this report. However, discussions with industry revealed much uncertainty with regards to planting decisions at a time of year when these decisions are usually nearly completed. Canola is highly dependent on the export markets with between fifty and sixty percent of the production going to export markets. Despite large world supplies anticipated for the 2015/2016 marketing year and the prospect of relatively flat prices or perhaps even negative prices compared to the current marketing year, the resilience of the crop remains very appealing to producers. In addition, the prospects of an early spring which is favorable to canola planting, a return to more average carry-in stock levels and attractive prices relative to other crops is forecast to push area planted above the five year average of 7.6 million hectares to 8.225 million hectares, which matches the previous year's levels. Production, assuming normal yields, it expect to reach 15.6 MMT. While profitability and the resilience of the crop continue to result in increasing area seeded to canola, there have been some rotation issues being reported with canola due to tight rotations. At this time these are not generalized and so have not yet had an impact on planting decisions on average. While the official position of the Canola Council of Canada is that canola rotations with other crops may be reduced to every two years from four years, they emphasize that this be done only if appropriate good agricultural practices and soil management techniques are followed.

Lower domestic supplies combined with high world supplies and more seed going to domestic crush due to increased crush capacity are forecast to result in canola exports falling to 8.5 MMT for marketing year 2015/2016. This represent a two percent decrease from expected 2014/2015 export levels of 8.7 MMT. High supplies, strong demand and a depreciated Canadian dollar are expected to push 2014/2015 canola exports well above the five year average of 7.9 MMT. In marketing year 2013/2014, top markets for canola seed were China (51% share), Japan (23% share), Mexico (15% share), the United States (11.6% share) and the UAE (3% share).

Seed going to domestic crush is forecast to rise to 7.6 MMT in 2015/2016 from an estimated 7.1 MMT in 2014/2015 due to an increase of domestic crush capacity. Domestic crush capacity is expected to increase to 9.5 MMT with the Cargill crush facility in Camrose Alberta coming on line fully by crop year 2015/2016. Canola stocks are forecast to be drawn down in 2015/2016 due to the forecast increase in production being too small to offset the lower carry-in stocks and increase in domestic usage for crush.

Policy Developments:

Industry Targets Set: The Canola Council continues to promote its 2025 Strategic Plan which sets targets that the industry should strive to reach by 2025. The plan calls for Canadian oilseed producers to increase canola production to 26 MMT by 2025. This is an increase of 44% over 2013/2014 production levels of 18 MMT. The plan calls for most of this increase to be done through yield improvements. The goal is to reach yield levels of 52 bushels per acres, up from 2013/2014 yield levels of 40 bushels per acres. The Canola Council plan sets export (seed) targets of 12 MMT by 2025, up 40 percent from 2013/2014 levels. They also want domestic processing to nearly double by 2025 increasing from 7.5 MMT to 14 MMT.

Canola Council Strategic Plan Highlights			
	Current (2013/2014)	Target in 2025	Increase
acres (in millions)	19.8	22.0	11%
yield (in bushels per acre)	31.2	40.0	28%
production (in MMT)	18	26.0	44%
domestic processing	7.5	14.0	87%
exports (seed, in MMT)	8.5	12.0	41%

Canola producers continue to develop premium markets for identity preserved (IP) crops. Some of the existing markets for growers to produce IP canola with specific characteristics include: canola containing omega-3 fatty acids, high-oleic canola, and non-genetically engineered. Currently, 15.5 percent of canola acres are seeded to high oleic and specialty canola varieties. The Strategic Plan calls for one third of canola acreage to be seeded to high oleic and specialty oils by 2025.

More information on the Canola Council Strategy for 2025 can be found at the following URL address: <http://keepitcoming.ca/wp-content/uploads/Keep-it-Coming-2025-The-Strategy.pdf>

Canada-South Korea Free Trade Agreement: The Canada-South Korea Free Trade Agreement came into force on January 2015. It is too early to determine the impact that the free trade agreement has had on South Korea/Canada trade in oilseeds. Canola seed, oil and meal is now able to enter the Korean market tariff-free, and it is anticipated that will allow Canada to significantly increase export sales to South Korea.

<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/korea-coree/index.aspx?lang=eng>

SOYBEAN, OILSEED**Production, Supply and Distribution Estimates:**

Oilseed, Soybean Market Begin Year Canada	2013/2014		2014/2015		2015/2016	
	Aug 2013		Aug 2014		Aug 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	1,860	1,869	2,240	2,251	0	2,300
Area Harvested	1,860	1,860	2,235	2,235	0	2,273
Beginning Stocks	178	158	282	243	0	442
Production	5,359	5,359	6,050	6,049	0	6,500
MY Imports	340	343	300	300	0	300
MY Imp. from U.S.	291	339	285	285	0	285
MY Imp. from EU	0	2	0	0	0	0
Total Supply	5,877	5,860	6,632	6,592	0	7,242
MY Exports	3,471	3,471	3,700	3,900	0	4,100
MY Exp. to EU	975	1,185	1,100	1,100	0	1,100
Crush	1,537	1,539	1,675	1,600	0	1,600
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	587	607	600	650	0	650
Total Dom. Cons.	2,124	2,146	2,275	2,250	0	2,250
Ending Stocks	282	243	657	442	0	892
Total Distribution	5,877	5,860	6,632	6,592	0	7,242
1000 HA, 1000 MT						

While soybeans have been grown in Canada for more than 60 years, it is only in the last ten years that area seeded to soybeans has shown significant growth in provinces outside Quebec and Ontario. This growth is mainly due to new varieties being developed for Western Canadian climates. Like canola, the resilience of the crop and the profitability of the crop, as well as high oilseed prices have led to increasing interest in soybeans by Western Canadian farmers. Manitoba production of soybeans currently accounts for 20% of total soybean production in Canada, and has been steadily increasing largely due to the development of early maturing, high yielding soybeans with good protein, combined with good climatic and agronomic conditions found in the Red River Valley and the Mississippi region. Total area seeded to soybeans is expected to grow another two percent in 2015/2016, and, with a return to average yields, soybean production is forecast to reach 6.5 million metric tons. This represents a seven percent increase over the previous year's production levels. Another reason for producer interest in soybeans is the fact that the soybean has a different disease profile than canola and wheat so fits well in the crop rotation.

As Canadian soybean production has increased, an increasing proportion of production has gone to export markets. For 2015/2016, exports are forecast to increase to 4.1 MMT, which represents a 5 percent increase over the previous year's anticipated export level of 3.9 MMT. China has proven to be a large importer of Canadian soybeans in 2014/2015 and is expected to remain so in 2015/2016.

While there are discussions of the value of building a soybean crush facility in the Canadian Prairies, there are no current plans to expand soybean crush capacity in year 2015/2016. Current soybean crush capacity is 3.2 MMT. Domestic crush in 2015/2016 is expected to remain at 1.6 MMT, the same level expected for 2014/2015.

The top five export market for soybeans in 2013/2014 were China (22% share), the United States (18% share), the Netherlands (12% share), Japan (11% share) and Belgium (6% share). There are 4 key export segments for Canadian soybeans: GM soybeans for crush (US market), soybeans for food (Asia), non GM for crush (EU) and non-GM food grade (Japan, Asia and the EU). In 2014/2015, non-GMO soybeans accounted for the 17% of the total soybean production. Non-GM soybeans can compensate producers by paying premiums ranging from \$.60 to \$7.00 per bushel.

Policy Developments:

Creation of SoyCanada: In 2014, a national voice for the soybean industry was created with representation from across the value chain. Soy Canada's mandate is to address industry challenges and opportunities from a national perspective. In particular, its activities will focus on maintaining and expanding market access, opening new markets, increasing the industry profile, and strengthening relationships among stake holders. More on Soy Canada can be found at the following URL address: www.soycanada.ca

Responding to Product Differentiation: Canadian soybean producers are increasingly focused on capturing premiums through the identity-preserved program which is managed by the Canadian Grains Commission. Three quarters of soybean exports to Asia are now classified as identity preserved (IP). Canadian Identity Preserved Recognition System (CIPRS), which is operated by the Canadian Grain Commission, is a rigorous, fully traceable program that covers all aspects of soybean production and processing from seed to export. Canadian oilseeds producers are well positioned to be able to meet the new interest in quality assurances that is being requested by consumers.

More information on the CIPRS can be found at the following website: www.grainscanada.gc.ca .

SUNFLOWER SEED, OILSEED**Production, Supply and Distribution Estimates:**

Oilseed, Sunflowerseed Market Begin Year Canada	2013/2014		2014/2015		2015/2016	
	Aug 2013		Aug 2014		Aug 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	28	28	29	30	0	40
Area Harvested	28	28	29	29	0	39
Beginning Stocks	18	18	8	5	0	5
Production	52	52	55	55	0	70
MY Imports	25	25	25	25	0	25
MY Imp. from U.S.	25	22	25	22	0	22
MY Imp. from EU	0	3	0	3	0	3
Total Supply	95	95	88	85	0	100
MY Exports	49	49	45	45	0	55
MY Exp. to EU	0	1	0	1	0	1
Crush	0	0	0	0	0	0
Food Use Dom. Cons.	8	11	8	10	0	10
Feed Waste Dom. Cons.	30	30	30	25	0	30
Total Dom. Cons.	38	41	38	35	0	40
Ending Stocks	8	5	5	5	0	5
Total Distribution	95	95	88	85	0	100
1000 HA, 1000 MT						

The National Sunflower Association of Canada estimates that approximately 65 percent of national production is of the confectionary type processed in the shell or dehulled for the snack market and/or the baking industry. As a result, the United States is the primary supplier of sunflower seed oil to Canada which is a preferred oil in fryer use in food manufacturing and restaurants due to its nutritional composition and longevity in fryer utilization. High-oleic sunflower oil is commonly used in cosmetics given its long stable shelf life. Given the higher price point of sunflower seed oil, many food manufacturers in recent years have adapted recipes to use a blend of sunflower and other oils, mainly canola oil, in fryer applications to gain some of the benefit of fryer longevity and nutritional value at a lower cost.

OILMEALS**Canada: Total Oilmeals**

2015/2016(f)	Canola (Rapeseed)	Soybean	Total
Crush	7,600	1,600	9,200
Production	4,300	1,260	5,560
Imports	12	1,000	1,012
Exports	3,690	240	3,930

2014/2015 (e)	Canola (Rapeseed)	Soybean	Total
Crush	7,100	1,600	8,700
Production	4,000	1,260	5,260
Imports	12	950	962
Exports	3,585	250	3,835

2013/2014	Canola (Rapeseed)	Soybean	Total
Crush	6,979	1,539	8,518
Production	3,966	1,206	5,172
Imports	11	933	944
Exports	3,425	113	3,538

All data in 1,000 metric tons.

Marketing year: Aug-July

Canola crush is forecast to rise in 2015/2016 due to increased domestic capacity, while soybean crush is forecast to remain at levels similar to those expected for 2014/2015. As a result, total meal production is forecast to increase to 5.56 MMT, an increase of 5 percent above year 2014/2015 anticipated levels of 5.26 MMT. This trend towards increased crush is reflective of the increased crush capacity that has been built up in Canada over the last 5 years, high domestic supplies and good crush margins. Exports of meal and domestic consumption of meal will be influenced by the outcome of the dispute settlement panel on Country of Origin Labelling (COOL) as it may impact the flow of livestock across the border and therefore affect feed demand. At this time, increased meal production and the depreciation of the Canadian dollar supports an increase in total meal exports in 2015/2016 to 3.93 MMT from 2014/2015 anticipated export levels of 3.84 MMT. Meal imports in 2015/2016 are forecasted to remain close to 2014/2015 levels due to ample domestic supplies.

CANOLA (RAPESEED) MEAL**Production Supply and Distribution Estimates:**

Meal, Rapeseed Market Begin Year Canada	2013/2014		2014/2015		2015/2016	
	Aug 2013		Aug 2014		Aug 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	6,979	6,979	7,200	7,100	0	7,600
Extr. Rate, 999.9999	0.5639	0.5683	0.5639	0.5634	0	0.5658
Beginning Stocks	101	101	128	128	0	55
Production	3,925	3,966	4,060	4,000	0	4,300
MY Imports	11	11	10	12	0	12
MY Imp. from U.S.	9	9	8	9	0	9
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4,037	4,078	4,198	4,140	0	4,367
MY Exports	3,424	3,425	3,450	3,585	0	3,690
MY Exp. to EU	40	21	40	25	0	25
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	485	525	587	500	0	500
Total Dom. Cons.	485	525	587	500	0	500
Ending Stocks	128	128	161	55	0	177
Total Distribution	4,037	4,078	4,198	4,140	0	4,367
1000 MT, PERCENT						

The Canola Council sees adding value to the canola meal as an opportunity to increase the profitability of the industry as a whole. The industry has been working on how canola could be used as a partial substitute for soybean meal. Canola meal has shown a great deal of success with increasing milk productivity in dairy cows; however, dairy in Canada is limited due to policies which restrict supply. In addition, high beef prices have meant that more Canadian cattle have been moving to export markets at a younger age resulting in fewer cows to feed. For these reasons, domestic usage for feed is expected to fall slightly in 2014/2015 and remain flat in 2015/2016. While there may be an opportunity to use canola meal as a substitute in animal feed, success in this will depend on Canada's ability to convince consumers of the value of canola meal in animal feed. Nearly all canola meal is exported to the United States and has been growing year over year. Strong domestic supplies and a depreciated Canadian dollar is expected to support canola meal exports in 2015/2016. Canola meal exports are forecast to reach 3.69 MMT, an increase over 2014/2015 anticipated export levels of 3.59 MMT.

SOYBEAN MEAL**Production Supply and Distribution Estimates:**

Meal, Soybean Market Begin Year Canada	2013/2014		2014/2015		2015/2016	
	Aug 2013		Aug 2014		Aug 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	1,537	1,539	1,675	1,600	0	1,600
Extr. Rate, 999.9999	0.7872	0.7836	0.7881	0.7875	0	0.7875
Beginning Stocks	37	37	18	113	0	33
Production	1,210	1,206	1,320	1,260	0	1,260
MY Imports	982	962	975	950	0	1,000
MY Imp. from U.S.	968	950	975	950	0	950
MY Imp. from EU	0	2	0	0	0	0
Total Supply	2,229	2,205	2,313	2,323	0	2,293
MY Exports	241	204	250	250	0	240
MY Exp. to EU	75	77	75	100	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,970	1,888	2,040	2,040	0	2,040
Total Dom. Cons.	1,970	1,888	2,040	2,040	0	2,040
Ending Stocks	18	113	23	33	0	13
Total Distribution	2,229	2,205	2,313	2,323	0	2,293
1000 MT, PERCENT						

Soybean meal produced in Canada is for the most part consumed by the domestic livestock industry. Domestic consumption in 2015/2016 is forecast to remain close to anticipated 2014/2015 levels due to the fact that there is little indication that provincial policies in Western Canada restricting hog expansion are likely to change soon. The degree of uncertainty (COOL outcome, recovery of US hog industry) is making Canadian livestock producers in other provinces very cautious about expanding, despite attractive hog prices. For 2014/2015, export data to date (August to January) suggests soymeal exports are well above average, reflective of the depreciated Canadian dollar and the recovering hog industry in the United States.

OILS**Canada: Total Oils**

2014/2015(f)	Canola (Rapeseed)	Soybean	Total
Crush	7,600	1,600	9,200
Production	3,335	290	3,625
Imports	80	35	115
Exports	2,600	110	2,710

2013/2014(e)	Canola (Rapeseed)	Soybean	Total
Crush	7,100	1,600	8,700
Production	3,120	290	3,410
Imports	80	35	115
Exports	2,550	110	2,660

2012/2013	Canola (Rapeseed)	Soybean	Total
Crush	6,979	1,539	8,518
Production	3,041	278	3,319
Imports	83	31	114
Exports	2,348	92	2,440

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

Increased domestic crush in canola is expected to lift total oils production in 2015/2016 to 3.625 MMT from estimated 2014/2015 levels of 3.41 MMT. This is nearly a 6% increase over 2014/2015 levels and is reflective of the trend toward increased crush capacity that has been built up in Canada over the last 5 years. High production and supplies will keep imports relatively flat in 2015/2016. Increased production and a depreciated Canadian dollar will help support exports in 2015/2016. Exports in 2015/2016 are forecast to reach 2.70 MMT, a two percent increase over anticipated 2014/2015 levels of 2.660 MMT.

CANOLA (RAPESEED) OIL**Production, Supply and Distribution Estimates:**

Oil, Rapeseed Market Begin Year Canada	2013/2014		2014/2015		2015/2016	
	Aug 2013		Aug 2014		Aug 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	6,979	6,979	7,200	7,100	0	7,600
Extr. Rate, 999.9999	0.4382	0.4357	0.4389	0.4394	0	0.4388
Beginning Stocks	71	71	211	164	0	54
Production	3,050	3,041	3,160	3,120	0	3,335
MY Imports	83	83	80	80	0	80
MY Imp. from U.S.	78	78	80	80	0	80
MY Imp. from EU	0	4	0	3	0	3
Total Supply	3,204	3,195	3,451	3,364	0	3,469
MY Exports	2,348	2,348	2,650	2,550	0	2,600
MY Exp. to EU	0	17	0	20	0	20
Industrial Dom. Cons.	85	123	90	200	0	240
Food Use Dom. Cons.	560	560	570	560	0	560
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	645	683	660	760	0	800
Ending Stocks	211	164	141	54	0	69
Total Distribution	3,204	3,195	3,451	3,364	0	3,469
1000 MT, PERCENT						

An increase in domestic crush capacity and therefore domestic canola oil supplies is expected to result in exports of 2.60 MMT in 2015/2016. Year to date export data suggest that canola oil exports will reach 2.55 MMT in marketing year 2014/2015. The top 5 markets for canola oil in 2015/2016 were the United States, China, Chile, South Korea, and Mexico.

The increase in domestic industrial usage of canola oil in marketing year 2014/2015 and again in 2015/2016 is due to new, canola-based Canadian biodiesel production coming on-line in 2014. Canada's biodiesel production is estimated to reach 300 million liters in 2014 (calendar year) and forecast to reach 395 million liters in 2015 (calendar year), but will remain below the level needed to meet the federal mandate. Canola oil as a feedstock for biodiesel is estimated to account for nearly 56 percent of Canadian biodiesel production in 2014 and 66 percent by 2015.

Marketing Efforts: The Canola Council of Canada has been putting significant marketing efforts into educating the public on how canola oil can be healthy oil. A growing middle class is looking for healthy oil that is low in saturated fat. The Canola Council is working on educating consumers in Asian markets on how canola differs from other rapeseed oils. The indication from the U.S. FDA that intends to work to remove all trans fats from the American diet may mean that demand for high oleic canola oil will grow significantly as the food service industry will have to move to adjust. The high oleic canola oil offers the benefits of high stability and a long shelf life. High oleic canola oil is also popular in Japan due to the fact that it is odorless. Anticipated increases in demand for high oleic canola oil has prompted the Canola Council to set aggressive targets to increase production of high oleic canola oil. The Canola Council has set a target that 33% of the target 22 million canola acres in 2025 be seeded to high oleic or specialty oils canola varieties.

EU Trade Deal: The Canadian canola industry is looking forward to the implementation of the Canada-Europe Comprehensive Economic and Trade Agreement which is expected to be implemented by 2016. The industry sees two main benefits from the agreement – the elimination of oil tariffs and provision to reduce biotechnology related non-tariff barriers. Tariffs on canola oil will be eliminated immediately upon implementation and the industry estimates that this could provide exporters the opportunity to increase sales by up to 90 million dollars.

SOYBEAN OIL**Production, Supply and Distribution Estimates:**

Oil, Soybean Market Begin Year Canada	2013/2014		2014/2015		2015/2016	
	Aug 2013		Aug 2014		Aug 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	1,537	1,539	1,675	1,600	0	1,600
Extr. Rate, 999.9999					0	
Beginning Stocks	5	5	7	7	0	8
Production	278	278	303	290	0	290
MY Imports	31	31	33	35	0	35
MY Imp. from U.S.	31	31	33	35	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	314	314	343	332	0	333
MY Exports	92	92	110	110	0	110
MY Exp. to EU	0	10	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	215	215	223	214	0	215
Feed Waste Dom. Cons.	0	0	0	0	0	0
-	0	0	0	0	0	0
Total Dom. Cons.	215	215	223	214	0	215
Ending Stocks	7	7	10	8	0	8
Total Distribution	314	314	343	332	0	333
1000 MT, PERCENT						

Demand for soybean oil from export markets is expected to remain relatively stable in 2015/2016, and is forecast to remain close to 2014/2015 export levels of 110 TMT. The biodiesel market is reaching maturity in the United States, Canada's number one export market in 2013/2014 with nearly an 80% share of total soybean oil exports.

PEANUTS**Production, Supply and Distribution Estimates:**

Oilseed, Peanut Market Begin Year Canada	2013/2014		2014/2015		2015/2016	
	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	3	3	3	3	0	3
Production	0	0	0	0	0	0
MY Imports	130	163	135	149	0	156
MY Imp. from U.S.	105	115	110	115	0	115
MY Imp. from EU	0	130	0	130	0	130
Total Supply	133	166	138	152	0	159
MY Exports	0	8	0	10	0	9
MY Exp. to EU	0	0	0	0	0	0
Crush	0	0	0	0	0	0
Food Use Dom. Cons.	130	155	135	139	0	147
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	130	155	135	139	0	147
Ending Stocks	3	3	3	3	0	3
Total Distribution	133	166	138	152	0	159
1000 HA, 1000 MT						

Peanut production in Canada is constrained by climatic conditions. Agriculture extension reports indicate that a minimum of 3,000 corn heat units is required for normal growth and development. Peanuts grown in areas with fewer heat units will not reach optimum maturity and generally the yield is too low to justify commercial production. As a result, minor peanut production is limited to a few farms in southern Ontario that plant in the range of 200-400 hectares. As a result, Canada is a net importer of peanuts with the United States and China being the top suppliers.