



Bi-weekly Bulletin

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OVERVIEW: WORLD OILSEED SECTOR AND CANADIAN MARKETING OPPORTUNITIES

The world oilseed sector is projected to grow significantly over the medium-term, continuing its nine-fold expansion since 1964. This worldwide growth is fuelled by the increased demand for vegetable oils and protein meals resulting from rising incomes, larger populations and food safety concerns creating the need to replace animal meal in livestock rations. Similarly, the world trade in oilseeds, vegetable oils and protein meals has increased sharply, and by volume exceeds world trade in wheat or corn. The Canadian oilseed sector has also grown sharply, with Canada becoming a net exporter of oilseeds and a significant trader in protein meals and vegetable oils. Over the medium-term, the Canadian oilseed sector is expected to diversify into novelty oilseeds for specific end uses, specialty oils and protein meal isolates in a move to capture niche-market premiums. This volume of the *Bi-weekly Bulletin* provides a brief overview of the world oilseed sector and highlights developments in the Canadian oilseed industry.

WORLD OILSEED PRODUCTION

History

Oilseeds' origins (defined for this article as soybeans, cottonseed, peanuts, sunflowerseed, canola/rapeseed, copra and palm kernel) extend to the beginnings of human agriculture. Records of soybean cultivation in China and Japan date back more than 5,000 years. The first recorded uses of flax come from Southern Mesopotamia where flax was grown as long ago as 5,000 BC. In the succeeding millennia, flax spread across Europe, Africa, Asia and finally to North America. Similarly, the origins of other oilseeds such as peanuts or cottonseed precede recorded history although these crops were considered to be minor compared to the production of cereals which were processed as food or as feed for livestock rations. For example, rapeseed was historically grown for its oil which was used as a lubricant and was not consumed by humans. Therefore, rapeseed had limited value as a commercial food crop.

World Oilseed Production Growth Rate Surpassed Grain

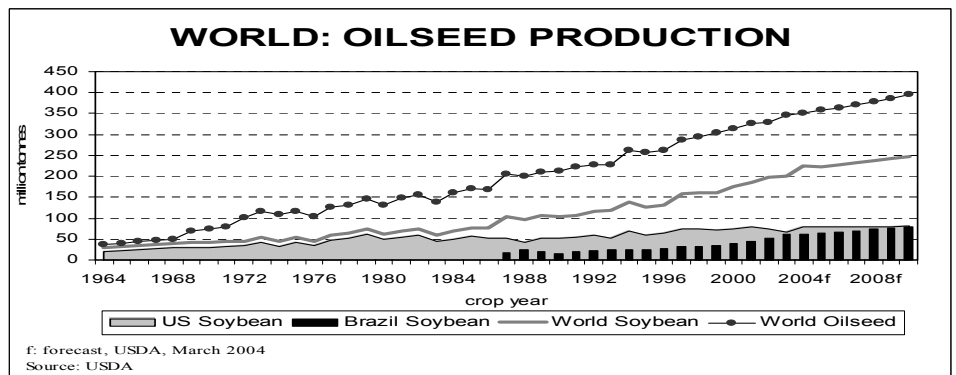
Since the early 1960s, the production of oilseeds has grown sharply and continues to grow at a far faster rate than for any other crops. In 1964, the world output of

oilseeds was 38 million tonnes (Mt) versus the 346 Mt projected for 2003-2004- a growth rate of 910%. By comparison, world production of wheat and coarse grains (corn, sorghum, barley, oats and rye) grew by 208% and 204% respectively over the same time period, to the 553 Mt and 883 Mt forecast for 2003-2004.

Past Growth Driven by US Soybean Expansion

From the 1960s to the late 1990s, much of the growth in world oilseed production has been driven by the expansion of the US soybean crop. In 1964, total world production of soybeans was 29 Mt, or about three quarters of the total oilseed production. By 2004, the total soybean output is expected to be 199 Mt with

soybeans' share dropping to slightly under 60% of the total world oilseed production. Soybean area in the US gradually expanded north and westwards from the Mississippi Delta and South Eastern United States (US) into the Central and Midwest Plains. This expansion was driven by a number of factors. The first was the success of plant breeders who developed lower heat unit, disease and insect tolerant and drought tolerant soybean varieties. A second factor in the 1990's was the release of herbicide tolerant soybean varieties which were highly adaptable to the zero-till management practices which reduced input use and made more efficient use of moisture in grain crops. A third factor was the change in government policy with the passage of the Federal



Agricultural and Industrial Reform Act in 1996 which extended marketing loan, loan deficiency payments and the acreage reduction program benefits to soybeans. The provisions of the Act, the marketing loan rates in particular, provided price support for soybeans during a period of weak market prices and maintained US production at an artificially high level. These provisions were adjusted but maintained with the passing of the Food Investment and Rural Security Act of 2002. Since 1990, US soybean production has increased by 50% from 52 Mt to a high of almost 79 Mt in 2001. Production has declined since due to lower yields as a result of drought.

For 2003-2004, US soybean production declined to about 66 Mt as a consequence of the extremely dry growing conditions across the US. Demand for US soybeans remained strong with domestic crush and exports remaining higher than expected, due to increased Chinese buying, higher soybean prices and uncertainty over a ban on animal meal in livestock rations in the US. As a result, the on-farm price of soybeans is forecast at US\$7.15-7.55 a bushel (/bu), up from the US\$ 5.53/bu in 2002-2003 but below the high of US\$7.47/bu set in 1996-1997.

Soybean Growth Switches to Brazil

In the late 1990s, the growth in soybean production shifted from the US to South America, particularly Brazil with the development and release of high-yielding tropical soybean varieties in the 1990s. Since 1990, soybean output has increased by 330% from 16 Mt to almost 53 Mt for 2002. This growth was further supported by the combination of the devaluation of the real, attractive export prices, ample public and private agriculture financing and the availability of large tracts of low-cost land. Most of this increase occurred in the extensive interior savannah region known as the *Cerrado*. This expansion in soybean area occurred at the same time that the Brazilian government enacted a number of political and economic reforms. The Brazilian government also invested heavily in improved roads, bridges and waterways to lower transport costs by 30% to 50% from the interior of the country to port and barge facilities located on the Amazon and Atlantic. The Amazon River remains comparatively underutilized with the potential to load large ocean vessels up to 1,800 kilometers within the Brazilian mainland.

For 2003-2004, soybean production in Brazil is projected to rise sharply, to almost 60 Mt and the country is projected to become the world's largest exporter of soybeans at a record 26.7 Mt. The expansion of soybean area has created some concerns over possible environmental degradation to the Amazon region, but development is expected to continue in the estimated 136 million hectare (Mha) *cerrado* region. Brazil currently grows about 21 Mha of soybeans across the entire country. In Brazil, differential export taxes favour the export of soybeans at the expense of soymeal and soybean oil, impeding the expansion of the domestic processing sector. However, large multinational companies continue to invest in new soybean crush plants. Over the medium-term, the area seeded to soybeans in Brazil could conservatively expand by another 40 Mha through the conversion of pasture lands and continued improvements in highway, rail, river and ocean port infrastructure which could lower transport costs by US\$10 to US\$20 a short ton (/st).

Soybean Growth Switches to Argentina

Since 1990, Argentina has tripled its annual production of soybeans which now accounts for 18% of world output. This expansion resulted from the conversion of pasture land into field crops following the disbanding of the National Grain Board (Junta Nacional de Granos – JNG) and the deregulation of soybean marketing in the mid-1990s. Since 1990, the production of soybeans has increased by 317% from 12 Mt to 36 Mt for 2002-2003. The output of soybeans expanded sharply in the local 2001-2002 crop year spurred by the devaluation of the peso and by the relative profitability of growing soybeans compared to other crops. Due to the favourable export tax rates for exporting soybean oil and meal, compared to raw soybeans, about 70% of the Argentine soybean crop is crushed domestically and most of the oil and meal is exported. For 2003-2004, Argentine soybean production is estimated at 36.5 Mt, while soymeal and soybean oil output reach 19.4 Mt and 14.6 Mt, respectively. Of this, slightly under one-third of Argentina's soybeans, along with almost all of its soymeal and soybean oil, will be exported into Europe and Asia.

Output of other oilseeds remains stable

While important, the production of cottonseed, peanuts, sunflowerseed, canola/rapeseed, copra and palm kernel have in aggregate remained relatively

stable since 1990. This is the result of several factors. Oilseeds such as cottonseed are a by-product with the plant mainly grown for its fiber. Other plants such as peanuts are grown and consumed domestically and are not significantly affected by world prices. The growth of other oilseeds, such as canola/rapeseed has been limited by climatic and geographic constraints, as the crop is ideally suited to temperate and moister climates. Over the medium-term, these crops are expected to make up about 40% of worldwide oilseed production and will continue to be an important source of protein meals and vegetable oils. The demand for oilseeds is derived from the demand for vegetable oils and protein meal.

WORLD OILSEED CONSUMPTION

Oilseeds consumed as vegetable oils and protein meals

The majority of oilseeds are not consumed directly by humans but are crushed to produce the intermediate products of vegetable oils and protein meals. The exception occurs in Asia where 40% of soybeans may be consumed in soybean products such as tofu, soymilk, miso and natto. The vegetable oils produced through crushing typically undergo additional processing in order to become the main feedstock in one of four product subcategories: baking or frying fats, margarines, salad or cooking oils or other edible products. For example, in the US where data is readily available, about one-half of all vegetable oils are used to produce salad or cooking oils, about 40% is used in baking or frying fats, 10% in margarine and a negligible amount is used in other edible products.

By contrast, the residual meal left over from the crushing process is high in protein and is used in livestock rations to increase the protein content. This in turn increases feed use efficiency and rate of gain or milk production for livestock. The largest consumers of protein meals are hogs, poultry, beef and dairy cattle and with the rapid expansion in aquaculture, fish.

Rising incomes and population growth drive consumption growth

The consumption of vegetable oil products, along with milk and meat, are highly sensitive to prices and consumers incomes. According to US Department of Agriculture, this is especially true in low and middle income countries where for every 1% increase in incomes, consumers

will spend an additional 0.55% and 0.40% of their food budget, respectively on fats and oils. For meat, consumers in poor countries will spend an extra 0.78% on meat for every 1% increase in income, while consumers for middle income countries will spend an extra 0.64% on meat for every 1% rise in income.

Because of its high sensitivity to prices and disposable incomes, oilseed consumption was largely concentrated in North America and Europe during the 1960s and 1970s. The consumption of oilseeds began to diversify during the 1980s with the growth in disposable incomes worldwide.

Since the early 1990s, disposable incomes have increased sharply across most of Asia leading in turn to a significant increase in vegetable oil and meat consumption.

Sharp Growth Since 1964

In 1964, world consumption of oilseeds was less than 40 Mt or about one-sixth of the amount of wheat consumed. By 2004, world oilseed consumption has increased to 347 Mt, almost two-thirds the level of wheat, of which 288 Mt is expected to be crushed to produce vegetable oil or protein meal. The remaining 59 Mt is consumed directly or becoming feed, waste and dockage.

Consumption by Country

By country or region, China, the European Union (EU), the US and India are the largest consumers of vegetable oils and protein meals in 2003-2004.

For 2003-2004, **China** is expected to consume 38 Mt of protein meals and 18 Mt of vegetable oils, equivalent to almost one-fifth of world usage for each commodity respectively. To support this level of consumption, China is expected to import about 22 Mt of soybeans and over 5 Mt of vegetable oils, making up one-third and 14% of the world trade in these commodities. China supports the import of soybeans versus vegetable oil and protein meal through the use of differential import taxes. Consumption of vegetable oils continues to grow sharply, having increased by almost 60% since 1999-2000, while the usage of protein meals has risen by over 40% during the same time period.

By contrast, the consumption of major protein meals and vegetable and marine oils in the **US** has remained stable at about 31 Mt to 33 Mt and 9 Mt to 10 Mt,

respectively since 1999-2000. The US is regarded as a mature market with further growth in oilseed or oilseed product consumption occurring due to population growth. As a high-income country, the American consumers are concerned with potential health issues surrounding the replacement of animal meals and the consumption of edible oils. The US Food and Drug Administration (FDA) is amending its regulations on nutrition labelling, effective January 1, 2006, requiring that *trans* fatty acids be declared on the nutrition label of conventional foods and dietary supplements on a separate line under the line for the declaration of saturated fatty acids. This is expected to heighten consumer awareness and concerns over health concerns associated with fats and vegetable oils.

The **EU** consumes about 42 Mt to 46 Mt of protein meals and 12 Mt to 15 Mt of vegetable oils annually. With the EU Common Agricultural Policy largely focussed on supporting cereal grain production within the Union, the EU is required to import between 15 Mt to 20 Mt of soybeans and 17 Mt to 21 Mt of soymeal annually.

India consumes about 8.0 Mt to 9.0 Mt of protein meals annually. For its size, per-capita consumption of protein meals is low due to the wide-spread vegetarian practices across the country. However, India consumes between 10 Mt-11 Mt of vegetable oils annually of which 5.0 Mt are imported. By comparison, India exports about 2.5 Mt to 4.0 Mt of protein meals on a yearly basis.

Consumption growth to occur in developing countries over the medium-term

Over the medium-term, the growth in world consumption of oilseeds is expected to largely occur in developing countries due

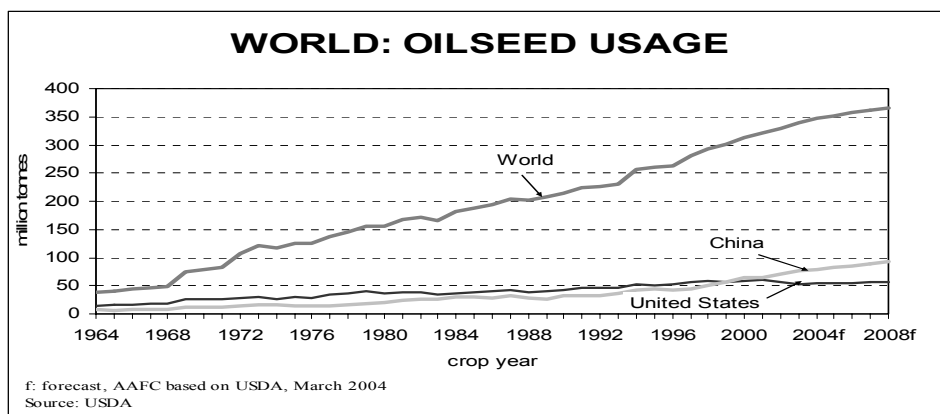
to rising incomes and population growth. The largest growth is expected to occur in Asia which is projected to grow from just 3% of the world's gross national product (GNP) in 1971 to 12% of the world's GNP by 2013. By contrast, oilseed consumption in North America and Europe is expected to grow slowly. However, the rate of growth in world oilseed usage will be tempered by an aging population across Asia, North America and Europe and by the slowdown in population growth.

China is expected to have the fastest rate of growth in oilseed consumption over the medium-term. Due to the growth in consumption and increased competition, the Chinese oilseed sector is expanding and consolidating with the opening of large-scale, world-class, processing plants. This is part of the trend of shifting the oilseed crushing sector away from mature markets where the processing plants tend to be older and smaller, technology more dated and regional production is stable. Instead investment in oilseed processing is occurring in countries with low input and labour costs. China is choosing to import its soybeans to support its crushing sector and capture value added instead of importing vegetable oils and protein meals.

WORLD TRADE

Oilseeds Exported to Europe and Asia

Since 1964, world trade in oilseeds and oilseed products has increased by almost 900% from 9 Mt to a projected 80 Mt for 2003-2004. During the 1970s and 1980s, most of the international trade consisted of exports from the US into the EU where the oilseeds were crushed and consumed locally or transhipped to third countries. During the 1990s, most of the growth in world trade has occurred with the expansion of soybean production in North and South America to supply Asian demand in the Pacific region.



Higher World Trade Growth in Oilseeds than Protein Meals

Over the medium-term, strong income and population growth in developing countries is expected to result in increased demand for vegetable oils for food consumption and for protein meals used in livestock production. This in turn is expected to increase trade. Many countries that are unable to expand oilseed production are expected to invest in oilseed crushing capacity, for example, China, some parts of North Africa, the Middle East and South Asia. Consequently, international trade in oilseeds is expected to expand at a faster rate than for protein meals. However, strong competition in international protein meal markets is expected to pressure crushing margins and shift some of the import demand for oilseeds to less-expensive protein meals.

Trade in Vegetable Oils Dominated by Palm Oil

World trade in vegetable oils has increased by 1,800% since 1964, from about 2 Mt to an expected 37 Mt for 2003-2004. Global trade in vegetable oils has expanded by over 25% since the 1999-2000 crop year, led largely by the expanded trade in palm oil. While palm oil in terms of production is the second largest oil produced, it is expected to make up over one-half of the oil traded worldwide in 2003-2004. By contrast, soyoil makes up one quarter of total world vegetable oil trade. For 2003-2004, world trade in vegetable oils is forecast at slightly over 37 Mt, of which 20 Mt are palm oil, almost 10 Mt is soyoil and only slightly over 1 Mt is canola/rapeseed oil.

Soybean Meal Most Important Protein Meal

World trade in protein meals has grown

from 6.0 Mt in 1964 to an expected 60 Mt for 2003-2004. About four-fifths of this trade currently consists of soybean meal which originates from Argentina, the US and Brazil and is shipped into the EU or China. Canola/rapemeal makes up about 4% of the world trade in protein meals. Every year, Canada exports about 0.8 Mt to 1.2 Mt of canola meal largely to the US.

China to Influence Composition of World Trade

Because of its sheer size, China's policy of expanding domestic crushing capacity, instead of importing vegetable oils and protein meals, will influence the composition of world trade and increase the demand for oilseeds at a faster rate than otherwise would be the case.

One of China's commitments to entering the World Trade Organization (WTO) was the adoption of tariff rate quotas (TRQ) for vegetable oils. An increasing amount of vegetable oil will be imported at a preferential in-quota tariff of 9%, while out-of-quota imports face a tariff of 41.6%. The TRQ system will be terminated on January 1, 2006 and at that time, the tariff on all vegetable oil will be reduced to 9%.

China is expected to account for over 70% of the world's growth in soybean trade by 2013-2014. Import demand from the rest of Asia is expected to decline over the same time period as the Pacific regions switch from importing feedstuffs to importing meat and other livestock products.

Prices Drop, then Strengthen Slowly over the Medium-Term

In the short-term, soybean prices are expected to drop significantly as the supply-demand situation improves with the

harvesting of the South American crop.

Over the medium-term, prices for oilseeds, protein meals and vegetable oils are forecast by USDA to strengthen as rising production and income growth support additional vegetable oil and meal consumption. The benchmark US on-farm price for soybeans is projected to drop sharply from 2003-2004 levels of US\$7.35/bu to the low US\$5.00/bu and rise slowly over the medium-term. Similarly, soyoil prices are expected to fall from an expected US\$0.31 a pound (/lb) in 2003-2004, to US\$0.28/lb before rising slowly. The benchmark US soybean price is expected to fall from a high of US\$255/st in 2002-2003 to about US\$218/st before rising slowly over time.

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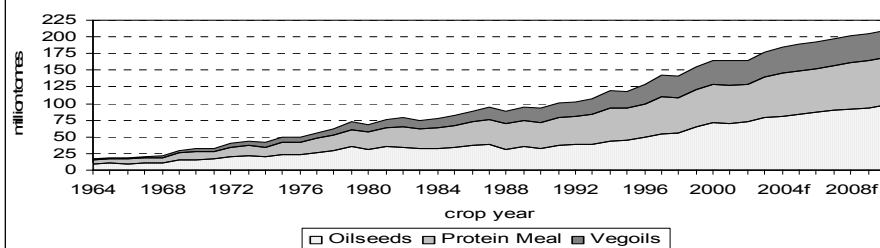
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f: forecast, AAFC based on USDA Medium Term Outlook, March 2004
Source: USDA

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CANADA: MARKET OPPORTUNITIES

Overview of Canadian Oilseed Sector

Canola, flaxseed, and soybeans make up 95% of total oilseed production in Canada. Canola and flaxseed are mostly grown in western Canada, while soybean production is concentrated in eastern Canada. The area seeded to the three major oilseeds in Canada increased from a low of 3.7 Mha in 1990-1991 to 6.5 Mha in 2003-2004.

About one-half of the oilseeds in Canada are exported as seed, while the other half is crushed domestically for oil and meal. Roughly one-half of the oil is processed in Canada, while the other half is exported. Although some meal is exported, Canada is a net importer of protein meal.

Canola

Canola makes up about two-thirds of the oilseeds produced in Canada. Saskatchewan, Alberta, and Manitoba represent about 44%, 32%, and 22%, of total output respectively, with a small amount grown in British Columbia, Ontario, and Quebec. Canola area has ranged from a low of 2.9 Mha in 1989-1990 to a high of 5.6 Mha in 1999-2000. The expansion in seeded area is largely due to the favourable returns for canola versus the relative returns for competing crops, the need for cash flow and the need for producers to diversify into more profitable crops. Genetically modified (GM) canola was introduced in the mid-1990s, and by 2003 accounted for 68% of the area seeded to canola with Round Up Ready canola at 45% and Liberty canola at 23%.

Canola production increased from a modern day low of 3.2 Mt in 1989-1990 to a high of 8.8 Mt in 1999-2000 before dropping to 6.7 Mt for 2002-2003. Most of the canola produced is the longer season Argentine variety (95%), with some Polish canola production occurring in short growing regions. Canada is the second largest producer of canola in the world and the largest exporting country.

Canada crushes about one-half of its canola crop. Canola typically produces about 42% oil which varies slightly from year to year depending on growing conditions. Canola oil is prized for its low levels of saturated fats compared to other vegetable oils. It is high in monounsaturated fat, which has been shown to reduce serum cholesterol levels and has moderate levels of polyunsaturated fat which is essential to human diet.

Canola oil is used in salad oils, shortening, margarine, coffee whiteners, cookies, breads and fried snacks and it is also used in a number of inedible products such as cosmetics and printing inks. Canola meal is used as a protein supplement in livestock rations and is popular in dairy rations for its ability to "bypass" the rumen on its way to the little intestine. This increases the protein availability to the milk cow.

About 70% of the canola oil and 62% of the canola meal are exported with the US being major destination. The other half of canola crop is exported as seed for crushing, with Japan, China and Mexico currently making up the largest markets.

Soybeans

Soybeans are the second largest oilseed crop produced in Canada. Soybean area expanded from under 0.5 Mha in 1990-1991 to over 1.0 Mha for 2003-2004, due to the crop's profitability compared to wheat or corn. The expansion in area was aided with the release of new lower heat unit and herbicide tolerant varieties, which worked well with the adoption of zero-till practices. Soybeans are mostly grown in Ontario, followed by Quebec, Manitoba and the Maritimes. Production in the more northern and eastern regions of Ontario and Quebec increased during the 1990s and began expanding into Manitoba during the early 2000s. GM soybeans were commercially introduced in the mid-1990s. The adoption of GM soybeans has proceeded quickly, and by 2002, approximately 45% of the soybean area was seeded to Round Up Ready soybeans. It is estimated that about 50-55% of the soybean area in Canada was seeded to GM soybeans in 2003.

About two-thirds of the soybean crop is crushed domestically to produce soybean meal and soybean oil. Most of the soybean oil and soybean meal is consumed domestically, with limited exports occurring to the US. About one-third of the soybeans are exported, mostly to South Asia, Western Europe and the US. Exports are focused on food quality soybeans and largely consist of clear hilum and specialty varieties. Due to the good premium for organic, clear hilum and non-GM soybeans, Canadian producers have also aggressively pursued these niche markets. Soybean exporters have been pioneers in the adoption of Identity Preserved (IP) based marketing, allowing exporters to provide specific characteristic soybeans to the customer and consumer.

Flaxseed

Flaxseed accounts for about 9% of total oilseed production in Canada. The area seeded to flaxseed increased from a modern day low of 0.25 Mha in 1992-1993 to over 0.60 Mha for 2003-2004. Saskatchewan, Manitoba, and Alberta produced 65%, 32%, and 3%, respectively, of total flaxseed production in Canada during 1997-2001.

Most flaxseed is exported to the EU where it is crushed to produce linseed oil. Linseed oil is used in paints, stains and to produce linoleum flooring. Because it is used in industrial products, flaxseed and linseed oil prices tend not to trend vegetable oil prices too closely.

Whole flaxseed is also used in baking and in livestock rations because it provides health benefits for humans. For example, by feeding full-fat flaxseed in hen laying rations, producers have created an Omega-3 fatty acid enriched egg. The food market is a small, but growing market as people increasingly become concerned about health issues. Canada is the world's largest producer and exporter of flaxseed.

Medium-Term Outlook

Over the medium-term, the area seeded to oilseeds in Canada is projected to remain steady and range between 6 and 7 million hectares. Reflecting improved yields, total production is forecast to increase steadily and exceed 12 Mt by 2013. Similarly, over the medium-term, exports are projected to grow at a faster pace than the domestic processing industry. In part this is a reflection of the tariff structure in importing countries that favours imports of oilseeds over vegetable oils and in part this reflects the expansion of the oilseed processing sector across Asia.

Canada: Market Opportunities

The Canadian oilseed industry is facing increased competition from the world wide growth in oilseed output and the expansion of oilseed processing in low-cost countries. Additionally, consumers in high income countries are becoming increasingly health conscious and concerned about the nutritional content of their food.

Canola: Trans-fat labelling regulations spurring innovation

On July 11, 2003, the US Food and Drug Administration announced that it would amend its regulations on nutrition labelling to regulate that *trans* fatty acids be declared in the nutrition labelling of conventional foods. This regulation would become effective January 1, 2006. In response to this regulation and the perceived market opportunities it may create, the Canadian oilseed industry is embarking on a multi-prong initiative. The canola producers and processors are promoting the low-saturated fat content of current conventional varieties, while private canola breeding companies in Canada are breeding high-oleic, low-linolenic, canola varieties. These specialty oil varieties do not require hydrogenation, a process which partially hardens a vegetable oil and creates trans-fats. The high-oleic, low-linolenic canola oil can also be used in deep frying allowing canola oil to diversify out of the salad or cooking oil segment of the edible oil market where it is now mostly consumed.

Soybeans: Diversify into Niche Markets

The Canadian soybean industry is focusing on human consumption of soybeans and is producing and marketing specialty soybeans for the tofu, miso and natto markets in Asia. A recent marketing trip by Canadian soybean exporters discovered that Hong Kong was producing tofu for export into Europe, using soybeans imported from North America.

Flaxseed: Research in Health Benefits

The flaxseed industry continues to investigate and promote the health benefits of flaxseed with the latest initiative exploring possible improvements in feed efficiency and antibiotic response in feedlot cattle consuming minor quantities of flaxseed. This follows on research investigating the health benefits of Omega-3 fats and the nutraceutical benefits of flaxseed.

Vegetable Oil: Expanding Industrial Use

While vegetable oil is mostly consumed in human diets, the Canadian oilseed industry is working to expand the industrial market. In 2003, the Biodiesel Association of Canada was formed to promote the industrial use of vegetable oils as diesel. The Association's mission is to promote the development of a Canadian biodiesel industry and the key activities are working to harmonize the policies and regulations affecting the industry, expand demand for biodiesel, and maintain an information centre on biodiesel.

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CANADA: OILSEED SUPPLY AND DISPOSITION			
<i>August-July crop year</i>	2002 -2003	2003 -2004f	2004 -2005f
million tonnes.....		
Carry-in Stocks	1.61	1.17	1.05
Production	7.19	9.69	11.22
Imports	<u>0.92</u>	<u>0.90</u>	<u>0.59</u>
Total Supply	9.72	11.76	12.86
Crush	3.99	4.75	4.95
Exports	3.69	4.88	5.30
Other Use	<u>4.86</u>	<u>5.83</u>	<u>6.03</u>
Total Consumption	8.55	10.71	11.33
Carry-out Stocks	1.17	1.05	1.52
f: forecast, AAFC, April 2004			
Source: AAFC			