

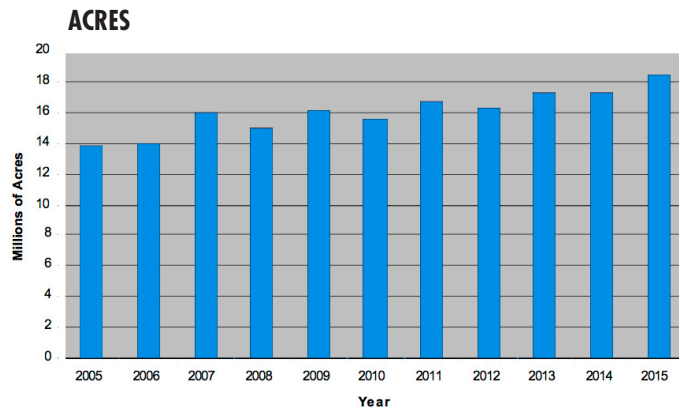
# Bigger North American canola crops mean more canola oil for food and fuel to 2015

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*Canola Council predicts market signals will increase production and use*

## North American growers will plant more canola

In general, canola acres are expected to increase over the short and mid-term with annual adjustments to reflect local or seasonal conditions such as soil moisture, input costs, and commodity price fluctuations.



Canola commodity prices will continue to be supported by strong vegetable oil demand, which is expected to continue to grow through increased use as both food and fuel.

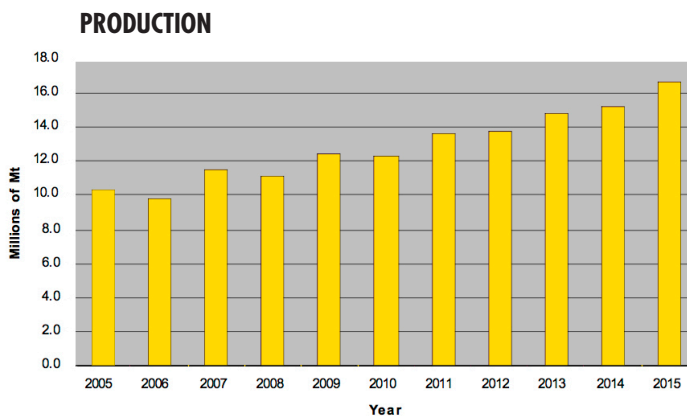
Wheat prices are expected to remain relatively flat over the next several years.

This will create a favorable environment for growers to continue to choose canola as part of their rotation. It is

also assumed that there will be no major changes to U.S. farm bill programs that would significantly shift acres to or away from canola.

## Canola plants will yield more seed

Yields will continue to improve as growers choose more hybrids; as new higher yielding varieties with



new input traits are introduced; and production practices improve.

Improved yields coupled with higher acres will result in higher canola production levels.

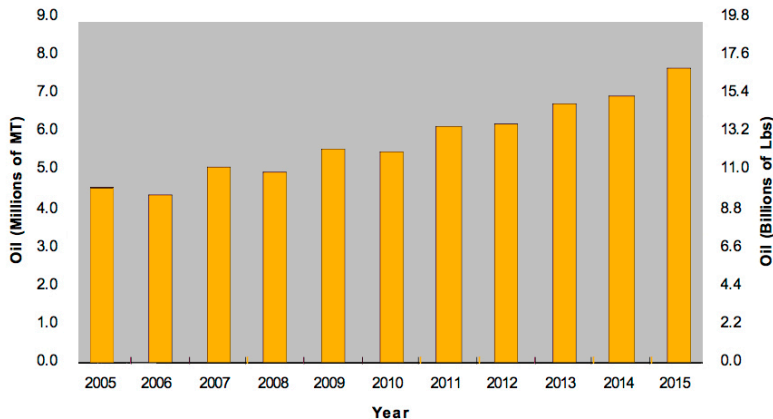
## Canola seed will produce more oil

Total oil output will rise faster than production due to increased oil content of the crop.

Oil content has been increasing over time and could be further accelerated through the adoption of higher oil content varieties.

Changes to the variety registration standards in Canada will increase oil content requirements for new varieties by 1.2% over the next five years. This will also influence oil content in the U.S. crop which will ultimately increase the oil content of the total harvested crop.

### OIL PRODUCTION



### Food will be major market for canola oil

Food will continue to be the main use for canola over the mid to long term period. Food use of canola oil in North America, of both traditional and high stability oil profiles, will show significant increases.

Investment is being made in the domestic crushing industry that will increase capacity by almost 3 million tonnes over the next two years from the

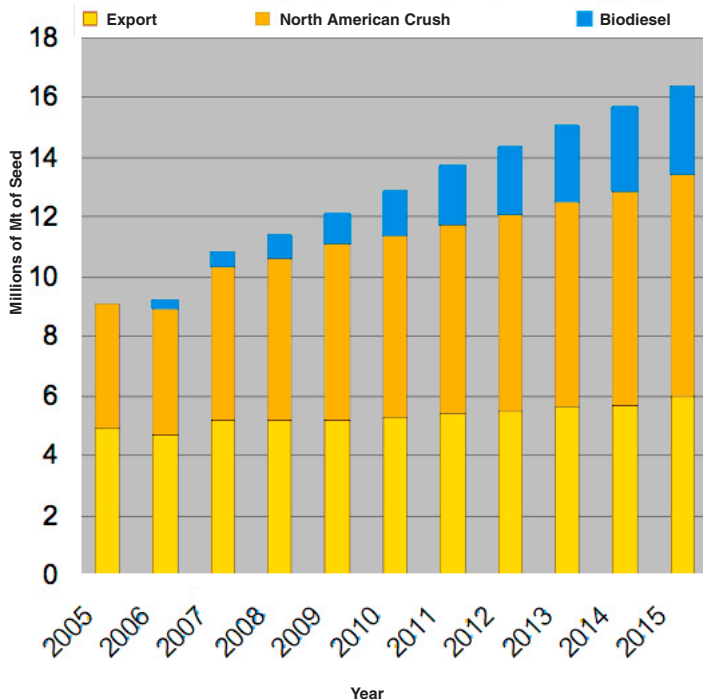
current 4.7 million tonnes.

Use of canola for biodiesel fuel will grow steadily over this period but demand in this segment will not supercede that from food. The rate of growth of this sector will depend on energy policies put in place in North America and the European Union.

Additional crushing capacity is also planned as part of several proposed biodiesel plants.

Export sales of seed will also increase over this period but growth will be limited by transportation capacity constraints plus tariff and non-tariff barriers to trade.

### UTILIZATION



For more information about canola production and supply visit [www.canola-council.org](http://www.canola-council.org) or call 1.866.479.0853

