

1996 Canola Production - A Grower's Perspective

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As growers, we breathed a sigh of relief as we took this year's canola crop off. Despite a very late harvest due to delayed spring seeding, we did not encounter any serious frost damage. That was very good news because there certainly was potential for a green seed problem due to the overall immaturity of the crop as fall approached. We are very pleased to be able to offer the market place a good quality crop.

The lateness of the harvest season did mean, though, that some of the crop was not taken off before winter set in. Industry sources estimate that between two and four percent of the crop, or up to 150,000 tonnes, is still in the fields in Western Canada. How much of that will be harvested next spring remains to be seen. There is no consensus on how well canola overwinters. Shattering and the resulting loss of seed are the concerns.

As was predicted earlier this year, acreage was down substantially from last year - by some four million acres. However, the average yield was up considerably. This no surprise because in the past we have pretty consistently seen yields increase when acreage drops. This is simply because the less experienced growers and those producing the crop in non-traditional areas drop out of the picture in years of lower acreage.

This was certainly the case in both Manitoba and Saskatchewan. In Manitoba, we saw considerably less canola planted in the south-western part of my home province. This is a drier area that is traditionally cropped to wheat. In Saskatchewan, the relatively new canola growing areas in the drier region south of the Trans Canada Highway moved out of canola in 1996.

1996 Canola Yield. Statistics Canada's
November estimate (1)

	1996 estimate bu/ac	1995 actual bu/ac
Ontario	40,0	33,3
Manitoba	29,9	23,3
Saskatchewan	25,0	19,0
Alberta	24,7	24,5
British Columbia	20,8	23,5
Canada	25,8	21,8

(1) The following numbers are based on Statistics Canada's November Estimate of Production report released on December 5, 1996.

Also contributing to Manitoba's near record yield of 29,9 bushels per acre in 1996 was the general lack of any insect pests or disease problems, unlike the previous year when sclerotinia, diamond back moths and Bertha army worms were widespread. In Saskatchewan, good growing conditions overall helped boost that province's average yield to 25,0 bushels per acre from 19 bushels per acre in 1995.

Alberta did not show a significant change in yield between 1995 and 1996 because that province has a more stable base of growers with far fewer jumping in and out of production. The slight change in yield to 24,7 bushels per acre occurred also because growing conditions were not quite as good as those in the eastern prairies. In the Peace River part of British Columbia, yields were down to 20,8 bushels per acre from 23,5 bushels per acre, due largely to very wet harvest conditions that resulted in a considerable amount of the crop being left in the field.

Statistic Canada's November estimate of production report put the overall Canadian yield at a very respectable 25,8 bushels per acre, which helped offset a portion of the crop in acreage. In fact, the production resulting from the increase in yield is equivalent to the production from about one million acres at last year's yield levels. Canadian production is down about 22 percent from last year.

1996 Canola Production. Statistics Canada's November estimate (1)

	1996 estimate million tonnes	1995 actual million tonnes
Ontario0454	.068
Manitoba	1.0501	1.227
Saskatchewan	2.2453	2.631
Alberta	1.6783	2.449
British Columbia	0.0175	.061
Canada	5.0366	6.436

(1) These numbers are based on Statistics Canada's November Estimate of Production report released on December 5, 1996.

As we look towards the next growing season, I anticipate we will see a substantial increase in canola acres. There are several reasons for this. Cereal prices are no longer as attractive as they were last year when growers were making planting decisions. The reduction in canola acreage in 1996 provided a rotational break for many growers, making them feel

more comfortable about increasing the acres planted to canola in 1997. This fall we saw fall work left undone in many areas with growers unable to put down canola herbicides. Ordinarily, a situation like this would affect growers' decisions to plant canola the following spring. However, we now have access to herbicide-tolerant transgenic canolas. Growers who planted Liberty Link and Round-up Ready varieties in 1996 were generally happy with their performance. There is keen interest in these canolas, and I predict many farmers will take a serious look at them for next year's crop, particularly where fall work was not completed.

On the marketing side, there was general discontent on the part of growers this fall when canola prices dropped nearly \$50 per tonne between the onset of harvest and its completion. Prices had come back some \$20 per tonne by the end of November, returning some optimism to the farming community. There is a general belief among farmers that canola is in short supply and that there will be demand for their crop. Regardless of world oilseed prices or the competitive position of soy oil, I believe you will see Canadian canola growers withholding their seed from the market until canola prices reach what farmers believe to be a reasonable price. In Manitoba that means in the range of \$9.50 per bushel. Growers across the West are certainly for higher prices than what we are seeing currently.