

Rapeseed in the U.K.

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Rapeseed in the UK is a crop which attained a remarkable **balance** in a number of important respects.

From small beginning when UK joined EEC in the early 1970's, the crop expanded to an area of 445,000 hectares at its zenith. Rendement runs close to 3 tonnes/hectare from modern varieties so that a crop of 1,350,000 was achieved at harvest in 1991.

The crushing capacity running at full speed of 110/ 120,000 tonnes per month will just about crush a crop of this magnitude. Crop and crush are therefore in **balance**.

Refined rapeseed oil consumption has progressed steadily since the Low Erucic varieties were available and it finds its way into almost every form of edible use : - margarine, bakery fats, cooking oils, soups, etc. although very little is sold pure and labelled as Rapeseed Oil. Consumption is about 450,000 tonnes per annum, which is very close to what would be achieved from a crop of 1,350,000 tonnes of seed. Crop, crush and oil consumption are therefore in **balance**. Being very high in mono-unsaturates, the aspects to health are as good as with any other oil albeit rapeseed oil has never had the benefits of the massive promotional efforts which have boosted Sunflower oil on health grounds (even though it is lower in unsaturates than Rapeseed Oil).

The Rapeseed meal produced as a by-product to the oil when the seed is crushed has proved a reliable source of protein for cattle feeds and has been very readily incorporated to between 15 and 25% of the diet. At the lower end of the

range, the 800,000 tonnes of Rapeseed meal would satisfy the demand. Once again we have achieved **balance**.

On pure arable farms in the UK, Rapeseed fits very neatly into crop rotation systems of once every four to five years and agronomically provides the ideal entry to winter wheat for the following crop. If the rotation becomes tighter, i.e. down to one in three, the spectre of disease raises its head. If the rotation is less frequent, the need to grow second wheats increases which becomes less than optimal. At its height in 1991, Rapeseed had expanded to the point where it was being planned at the optimal frequency in the rotation. In the agronomic sense, therefore, it had achieved **balance**. In the cash return per hectare to the grower it has been in **balance** with wheat.

Commentators will assert that Rapeseed and Rapeseed Oil take much too much support from the EEC to be grown economically in the UK. Closer examination of the equation ,however, reveals that, whilst EEC support is the difference between the World Price, and the farm gate price, and sometimes half what the farmers gets consists of World Price and half of EEC support, the World Price has been very low for the greater part of the past 15 years.

The World Price is influenced by the Production/Consumption **balance** of **all** oilseeds and the fact that there have been surpluses has had more to do with increasing soya production in South America and Palm Oil production rising in Malaysia/Indonesia than it has with rising production in EEC which still consumes more oil than it grows.

What is also misunderstood is that oil prices in times of plenty are very low (£200 per tonne), but in times of scarcity are very high (treble - £600 per tonne).

Under the EEC system, the housewife always buys at World Price so that for 15 years her cooking oil has been cheap. Admittedly, she would pay more if scarcity occurred but the *raison d'être* of EEC support for the crop has as much to do with ensuring supply for the housewife as it does with supporting production at farm level. The EEC support is therefore well conceived providing that essential balance between producer and consumer.

Nowhere else in the EEC do we see this balanced harmony between production and consumption. Grain is heavily over-produced and because oilseeds compete for the same arable land as cereals they have been dragged into the same process of CAP Reform and as all Arable Land, including Oilseeds, is now subjected to 15% Set-aside cut, the balanced harmony we have seen in the UK is disturbed. The perceived cash return from Oilseeds for 1993 harvest was seen as being lower than wheat and the plantings are likely to be as low as

320,000 hectares yielding a crop of about 900,000 tonnes, which is of course significantly below the balanced needs. Actually, the return may be a lot better than expected at planting.

The GATT problems which were made to focus so blindingly in Oilseeds are unlikely to have further negative impact and we foresee the crop settling down around 375,000 hectares or about 1,000,000 tonnes. The implications are not entirely clear yet however.

In terms of lower overall production, Rapeseed in UK is still going to be a very important and worthwhile crop. Nevertheless, the balanced position so painstakingly achieved over the last 10 years has been lost at a stroke and at a direct unsubsidised cost to the UK Economy of £50 m and direct and indirect cost of perhaps £400 / £500 m when the knock-on effects in the economy are taken into account. British Prime Minister, John Major, took the position that (in his words) «a handful of Oilseeds» should not stand in the way of a GAAT Agreement, but as always in these situations what has been given away is in reality more than has been gained.