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RAPESEED AND RAPESEED PRODUCTS
IN CANADA'S ECONOMY

by The Honorable Otto Lang
Minister in Charge of the Wheat Board
Ottawa

INTRODUCTION

This is a particularly timely meeting and one which is particularly appropriate to hold in Canada. I am delighted to be here and to indicate to the 400 businessmen, scientists and technologists from 20 countries, the support of our government for your objectives in this Conference, in this beautiful setting in the Laurentian Mountains. I am sure that this concentration of talent will lead to meetings which will satisfy all of your expectations.

Our growing interest in the international scene of rapeseed is indicated not only by this Conference being held in Canada, but by such things as the recent visit of Professor Clandinin during this past summer to Europe. Professor Clandinin is, of course, one of Canada's outstanding nutritionists in the field of poultry feeding, and he has spent this past summer particularly in Europe, at conferences in major centres in a large number of countries, arranged through the Department of Industry, Trade and Commerce, in extolling the virtues of rapeseed meal in animal feeding. These meetings gave Professor Clandinin an opportunity to discuss with millers and representatives of the feed industry, his work and the experience of Canadian scientists and the Canadian feed industry with regard to the use of rapeseed meal for all classes of livestock and poultry. The response was one of keen interest and enthusiasm as people broaden their view of the possible uses for rapeseed meal which they had long regarded as limited mainly to cattle feeding. They were able to learn of the nutritional advantages in the feeding of this meal to poultry and swine as well.

RAPESEED AND THE DIVERSIFICATION OF WESTERN CANADIAN AGRICULTURE

Canadian rapeseed has become an important crop in the Prairie Provinces. After a modest beginning and slow progress to one million acres, the crop doubled in terms of area planted and production in each of the last two years. In 1970 more than 36 million acres were seeded in total to grains and oilseeds. As you will know by now, rapeseed's share of nearly 1/4 million

acres accounts for 11% of the seeded acreage. In terms of volume, grains and oilseeds grown in the Prairie Provinces will total about 1.2 billion bushels. Rapeseed's share will be close to 80 million bushels, which is equivalent to about 1.8 million metric tons. Based on current prices the rapeseed crop is worth about \$200 million.

I believe that there can be little doubt that this growth, though not necessarily in geometric progression, will continue. Rapeseed thus has become a major crop for the Canadian West, and we must adjust our system of handling and transporting grain to meet the new need.

Past experience has taught the Canadian farmer how to handle this crop, so that he can deliver a top grade of rapeseed. He is now keenly interested in the complexities of the world oilseed and fats and oils markets. He knows that better knowledge of product uses and better methods for handling the crop at home will both be required to justify his continued diversification into rapeseed.

We are following very closely the handling and delivery situation with determination to ensure the free and easy movement of our rapeseed crop.

The problem of the efficient handling and moving of rapeseed is part of Canada's struggle to cope with the vast distances from the points of production to the points of consumption. More timid souls may feel concerned about the increase of the rapeseed crop from $3/4$ of a million tons in 1969 to the expected 1.8 million tons this year. In fact the large crop is needed to gain the advantage of most economic methods of storage and transportation.

We have been in direct touch with all segments of the industry, and only recently obtained a report from a special group on the marketing of oilseeds. James McAnsh, well known as the director of the Rapeseed Association of Canada and Forrest Hetland and Paul Babey, two men who are farm leaders and rapeseed producers did this important study for us.

Following the study, the Wheat Board has opened quotas for rapeseed and after discussions with the Canadian crushing industry, adjusted the quota levels to meet their particular needs. Following the report as well, the Winnipeg Grain Exchange opened new futures based on Thunder Bay, to assist the flow of the crop to European and Eastern Canadian markets.

The Japanese market continues to be extremely important to us, but we are diversifying here as well, as the larger crop requires a broader view of the world market.

This Conference offers the opportunity to continue discussions with those closest to the rapeseed industry. In fact, the presence of so many distinguished experts from across the world brings here the varied experience, which is bound to fertilize all our thinking and action. I, therefore, appreciated and gladly accepted your invitation to participate in this endeavour.

RAPSEED AND ITS MARKET

In the course of this Conference you will have heard many times the most important figures regarding the place of rapeseed in the world production of fats and oils. You will have heard about the factors affecting the growth of the rapeseed sector, whether they be the demand for oil and protein or the support policies of governmental agencies.

Looking at the total world production of all fats and oils, experts seem to agree that it reached a level of about 40 million metric tons in 1969. The growth rate - and with all its fluctuations influencing market prices - has been in line with the increase of world population. Among the various types of oils and fats, the edible vegetable oils occupy the first place with 19 million tons. They also account for about two-thirds of the increase in world production during the past 10 years. In other words, the production of oilseeds is the most flexible part of world fats and oils production. Rapeseed oil has fully shared in this growth.

The crop year 1970-71 will witness an expansion of world rapeseed production to 6.5 million metric tons from 5.3 million tons in 1969-70. The bulk of this sharp increase will be due to the one-million ton expansion in Canada. Moreover, the total estimated increase will occur in the main exporting countries. As a result an additional 500,000 metric tons of rapeseed oil will compete for a share of the world edible oil market.

Normally world consumption of fats and oils (excluding butter) rises by about 800,000 tons annually. 1969 was a year of stagnation, while the current year is expected to see a return to the normal growth pattern. However, there is one important difference. The availability of rapeseed oil from Canada, and this will be in the form of rapeseed, will represent the largest individual contribution to the increased world supply.

The supply of none of the other edible oils is expected to rise to a similar extent.

It is anything but trite to state that Canada faces the greatest challenge in her short history as an oilseed producer. After subtracting dockage etc., we shall have a total supply of at least 70 million bushels or 1.6 million metric tons. It is conceivable that domestic crushers will process more than 10 million bushels of rapeseed in 1970-71, which is equivalent to at least 200 million pounds of rapeseed oil. Rapeseed oil is thus on the threshold of taking over the first place from soybean oil on the domestic market.

After meeting the domestic requirements, the bulk of the crop, that is, between 50 and 60 million bushels, or in the neighbourhood of 1.3 million metric tons will be available for export. During the past crop year we exported 22.2 million bushels or 500,000 tons. This year we are aiming to more than double our exports.

Can this objective be achieved?

How can it be achieved?

Canada's rapeseed producers are fully competitive with oilseed growers in other countries. Average farm prices have ranged from about \$2.00 to \$2.50 per bushel in recent years. There is no government subsidy supporting the grower. Except where tariff and non-tariff barriers interfere with the pricing and free flow of this commodity, it will be possible to market even a large crop on the basis of good quality and a competitive price. It is the policy of our Government to work towards the reducing of these barriers.

However, there is a great deal more, that both, private industry and government can do and have done to market this crop.

Many of these efforts will be reviewed at this Conference. The attitude of the Federal Government and of the various Departments involved in the promotion of rapeseed and its products has been positive, expansionist and service-oriented.

On the marketing side, the Department of Agriculture as well as the Department of Industry, Trade and Commerce, have published pertinent literature to acquaint the customers with the properties of rapeseed oil and meal.

Quality standards have been developed for rapeseed and rapeseed oil, which assure the consumer of a uniform as well as high quality. We have sponsored trade and technical missions to Europe and Asia. Similarly, foreign buyers have paid visits to producers and processors in Canada. It is our intention to continue these efforts. Particular attention will be paid to the development of hitherto untapped markets.

Many established overseas markets possess adequate processing facilities to take care of the expanding rapeseed crop. Others, however, need new facilities, which in turn would help to consolidate the continuity of the rapeseed market. Consideration should, therefore, be given to joint ventures in these countries.

This market development requires the back-up of the ever-growing knowledge and experience of Canadian processors and scientists.

As a result of the excellent work of Canada's scientists and technologists, rapeseed oil and meal have become an integral part of our food and feed economy. The oil is widely used in all margarines, shortenings, salad and cooking oils. The meal goes into all rations for livestock and poultry.

The Government has cooperated closely with private industry in sharing this knowledge with our customers abroad. Canadian scientists and technologists will continue to provide advice to our overseas customers in the area of rapeseed utilization.

Plant breeders in the Canada Department of Agriculture and in Universities have gained world renown through their successes in breeding rapeseed varieties which are tailor-made to meet the demands of the market. Our scientists are enabling farmers and processors to produce seed, oil and meal, capable of meeting the demands of an expanding and changing market.

It is pertinent here to add a comment on the recent announcement of my colleague, the Minister of National Health and Welfare. As a result of feeding tests with rats of rapeseed oil high in erucic acid it was considered prudent to gradually replace existing rapeseed varieties by new varieties free of erucic acid. As you will have read, the oil was fed at relatively high levels and there is no evidence of any harm to human health.

It is completely clear that there is no need for any precipitous action. The gradual change-over is consistent with the scientific evidence, and current varieties can be used safely

until the change-over has been completed.

Our plant breeders and those of other countries will continue to develop suitable varieties to meet this need. It is expected that commercial quantities of erucic acid-free rapeseed will become available in Canada in 1971-72.

Oil chemists at the National Research Council and animal nutritionists in many Canadian Universities and Government laboratories are continuing their basic and applied research in the area of rapeseed utilization. The Department of Industry, Trade and Commerce has been funding the Rapeseed Utilization Assistance Program, which is administered in cooperation with the Rapeseed Association. This Research and Development Program has been developed and is carried out in close cooperation with all sectors of the rapeseed industry. All results are presented to the industry to assist in the improvement of its operations and in market development. Twenty research contracts are currently underway in Universities across Canada.

WHERE DO WE GO FROM HERE?

- Canada's rapeseed crop has grown in 1970 to be the equivalent of 700,000 tons in terms of rapeseed oil, i.e. 1.7% of the total world fats and oils supply.
- In view of the limited growth expected for competing fats and oils, a ready market should exist for increase of 400,000 tons of available rapeseed oil supply from Canada.
- It will be necessary to remove the many barriers which impede the flow of rapeseed to the Canadian and overseas markets. Swift action is needed, if we want to meet our objectives.
- It will also be necessary to accelerate our market development effort. A two-pronged approach should be taken. The salesmen will have to explore and exploit all opportunities, without which even this ready market will not materialize. Technical and scientific service will have to go hand in hand with the salesman, in order to ensure the maintenance of high quality and customer satisfaction.

Canada is prepared to cooperate with all rapeseed producing and consuming countries. Technical and scientific knowledge knows no boundaries, and must be utilized for the benefit of all concerned. I am very happy to be able to welcome here on behalf

of the Government of Canada, the representatives from 20 nations. You are contributing to the improvement of the food supply and well-being of mankind. I wish you full success in your endeavour.

SESSION III

RAPSEED OIL CHARACTERISTICS
AND UTILIZATION

CHAIRMAN: Dr. B.M. Craig,
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Saskatoon, Saskatchewan.

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