DISCUSSION PANEL ON RAPESEED MARKETING

Panel members:

Importer	Japan	Mr. Y. Sakaguchi
Importer	Italy	Dr. B. Funduklian
Importer	United Kingdom	Mr. E. Taylor
Exporter	Canada	Mr. R. Dawson
Crusher	Canada	Mr. J.J. Banfield
Feed Manufacturer	Canada	Mr. A. Walberg

JAPANESE RAPESEED IMPORTS

By Y. Sakaguchi
President, Nisshin Oil Mills Ltd.
Tokyo, Japan

I deem it a great honour to be present here today at this Convention as president of the Japan Oilseed Processors Association also as president of Nisshin Oil Mills, the largest buyer in Japan of Canadian rapeseed, to exchange information with you who have a keen interest in rapeseed and are here today from all over the world.

With production of Canadian rapeseed suddenly and greatly increased, rapeseed today has become one of the most important oilseeds in the world. The volume of rapeseed trade has likewise increased.

The production of Canadian rapeseed this year is reported to be 1.8 million metric tons which is more than double that of last year. It is predicted that the production will further increase in future years.

The consumption of edible oils and fats in Japan has increased annually about 10% during the years 1950 through 1965. In 1966 per capita consumption of edible oils and fats in Japan including animal fats was 7.7 kilograms and thereafter it increased by 6% annually and in 1969 it came up to 9 kilograms. Compared with the consumption of animal fats, the consumption of vegetable oils has been larger during these few years. When taking vegetable oils alone, the rate of increase for 1970 is expected to be around 10%. However, consumption in Japan when compared with those of the United States of America and of European countries is still less than half of those countries. With the diet of the Japanese people becoming more and more westernized, salad oils, margarine and mayonnaise will be eaten. Vegetable oils

will thus play an important role in the Japanese food industry with consumption expected to increase continuously by approximately 8% annually. Among various vegetable oils consumed in Japan rapeseed oil has been most favorably accepted by the Japanese people for many, many years. This is because Japan was short of oilseeds, and for many years rapeseed had been the only important oilseed for crushing. In 1960 production of Japanese domestic rapeseed was 264,000 metric tons and together with 30,000 tons of imported rapeseed, rapeseed oil occupied 30% of our total edible vegetable oil supply. Since then production of domestic rapeseed has sharply decreased and in 1969 production was only 48,000 tons. For many years the Japanese people have been used to eating rapeseed oil. Therefore, to take care of the needs of our Japanese people, the crushers have had to import rapeseed from Canada and other countries. Thus Japan has now become the largest importer of rapeseed.

However, the role rapeseed oil plays among all vegetable oils has become smaller. In 1969 it accounted for 16.3% and in 1970 according to the estimate by the Ministry of Agriculture and Forestry for 18.3% of all vegetable oils. The reason for this decrease in the ratio of rapeseed oil is due to the increase in the crushing of soybeans to meet the demand for soybean meal in mixed feeds, and also, due to the import quota system for rapeseed. However, study and research into the use of rapeseed meal in feeds has been conducted. To a certain extent, rapeseed meal is now used in feeds. Thus, if rapeseed meal will become a steady source both, from the viewpoint of quantity and price, it will be widely used for feed purposes. Again, rapeseed meal which has been used for many years as a fertilizer especially for the citrus, vegetable and tobacco crops will continue to be used for these purposes.

The Japanese Government has decided to liberalize import of rapeseed by the end of 1971. With little hope to increase production of domestic rapeseed, Japanese crushers will have to depend upon the supply of rapeseed from other countries. Consequently, the volume of rapeseed imports into Japan especially from Canada will greatly increase during the coming few years. Here, I wish to say a word about Canadian rapeseed production, which is increasing and has become one of the important crushing seeds. In spite of the fact that Canadian rapeseed production has greatly increased and the quality has improved giving it a bright future; unfortunately and very disappointingly, various matters connected with the export of Canadian rapeseed are lagging behind. For example, 1) the restriction of rapeseed transportation from the area of production to the port of loading, 2) the limited storage space at Vancouver, 3) the insufficient facilities for cleaning and drying at Vancouver. All of these contribute to the handicap in buying rapeseed,

particularly for immediate shipments. As the result, cash premiums increase. Exporters speculate and the loading of shipments is crippled. All of these create complicated troubles and are hampering smooth business. Under these circumstances, as long as this situation continues, Japanese buyers will feel greatly concerned and dissatisfied when planning to buy Canadian rapeseed.

To expand your export market and to see Canadian rapeseed grow to become one of the most important world oilseeds, I sincerely hope that these shortcomings will be overcome as quickly as possible. As I previously stated, import of Canadian rapeseed into Japan is at present controlled under a quota system, but by the end of next year, this is going to be liberalized. Import from Canada will no doubt increase, but as long as the present situation remains unchanged, I feel concerned whether business will be conducted smoothly.

In general, because of great fluctuation in prices, it is extremely difficult for crushers to make a profit. To ensure prosperity and expansion of business in rapeseed and to enhance friendship, I sincerely hope and emphasize the necessity for the good cooperation by the Canadian Government and others connected with the rapeseed industry. Last, but not least, I wish to express my gratitude for the kind invitation sent to me by the Government of Canada and the Rapeseed Association. I hope that this meeting will be a great success. Thank you.

MARKETING OF RAPESEED IN ITALY

By Bedros Funduklian
Chiari+Forti, Treviso, Italy

1. STATISTICAL DATA

First of all, I am calling to mind some statistical data relating to the supplies of rapeseed and its derivatives available in Italy and to the total consumption of fats in our country.

	1968	1969
a) SEED		
- rapeseed crushed	154,115 t/yr.	172,202 t/yr.
- % of total seeds crushed	10.67%	11.84%

	1968	1969
b) OIL (CRUDE AND REFINED)		
- rapeseed oil available (produced and imported)	87,520 t /yr.	100,068 t /yr.
- amount imported	23,482 t /yr.	27,850 t /yr.
- as %	26.83%	27.83%
c) MEAL		
- production of rapeseed meal	84,849 t /yr.	94,791 t /yr.
- amount exported	30,852 t /yr.	32,798 t /yr.
- rapeseed meal used in Italy	55,766 t /yr.	61,900 t /yr.

This country has reached a fat consumption level of about 21 kg per capita. Since the population numbers about 54,000,000, the total annual consumption of fats is roughly 1,100,000 tons.

The tonnage is divided up as follows:

- olive oil	9.0 kg per capita
- vegetable oils (without industrial uses)	8.3 kg per capita
- butter	1.9 kg per capita
- lard	1.9 kg per capita

It should be noted that the consumption of table margarine (included under vegetable oils) is negligible.

2. PROBLEMS RAISED BY THE GROWING STOCKS OF RAPESEED AVAILABLE IN THE EEC

Rapeseed has gained considerable importance in our country because it is the only oilseed crop available in large (and still growing) quantities in the EEC and especially in France.

The seed, which is rich in oil, competes with regard to crushing primarily with sunflowerseed and possibly with peanuts.

Nevertheless, from the standpoint of extraction technology and of refining the crude oil obtained, there are some differences worth underlining.

	SUNFLOWERSEED	RAPESEED
CRUSHING	Dehulling. Meals with differing protein levels.	No dehulling. Meals with a single protein level.

	SUNFLOWERSEED	RAPESEED
CRUSHING (Cont'd)	Capacity of extraction plants: good.	Capacity of extraction plants: not so good.
OIL REFINING	Degumming. Neutralization. No refining. Bleaching: about 0.5% of earth. Winterization. Rapid removal of odour.	Degumming. Neutralization. Re-refining. Bleaching: about 2.5% of earth. No Winterization. Removal of odour slow and difficult.
BY-PRODUCTS	Acid oils, with a high iodine value, for paint. Oils recovered in bleaching: about 0.5%.	Acid oils rich in erucic content and more limited in use. Oils recovered in bleaching: about 2.5%.

3. RAPESEED OIL AND ITS USES IN TABLE OILS

Production of oil in metal containers comprises by far the largest outlet for vegetable oils. According to research carried out (unofficially), utilization of table oil is as follows:

- deep frying: about 100% of consumers
- cooked dishes: about 65% of consumers
- seasoning: about 35% of consumers

In the manufacture of mixed table oils, rapeseed oil enters into competition with all the other oils such as sunflowerseed oil, corn oil, grapeseed oil, soybean oil, etc.

It should, however, be pointed out that, according to Italian standards of appraisal, rapeseed presents defects which are also found in soybean oil, and are probably due to the presence of an appreciable quantity of linolenic acid. The defects concered are:

- development of an unpleasant odour (something like the odour of fresh grass) during frying and continuation of this odour after frying;
- reversion of the oil, with a tendency to a fishy taste.

These defects depend a great deal on the quality of the rapeseed oil used.

If it was obtained from the start from well-preserved top quality seed and if, too, it was put through the refining process with all possible precautions, an oil of quite good quality will be obtained, especially when fresh.

This grade can be used in the following approximate proportions in table oils, when kept away from light (in tin containers) and remain fresh for an average of 6 to 7 months:

- For secondary brands (average quality) of table oils:

  up to 60-70%, without soybean oil

- For primary brands (good quality):

  up to 25-35%, without soybean oil.

With regard to the problem of quality differences, and according to Italian standars of appraisal, it can be said that a good rapeseed oil is as a rule of slightly better quality than good soybean oil, as is revealed by its price which is slightly higher than that of soybean oil.

4. OILSEED MEALS

Although an importer of oilseed meals (205,000 tons in 1969) and particularly of soybean meal, the country exports substantial quantities of rapeseed meal.

The limited quantiy of meal usage in cattle feed is in no way the result of legislation which is actually very liberal, but rather results from a "bad" reputation amongst cattle feed manufacturers and likely amongst breeders.

Also, it is probably true that good results have not always been obtained with rapeseed meal, a fact which can perhaps be traced to a certain lack of experience in the use of this meal.

Nevertheless, rapeseed meal is generally included only in cattle formulations and often even in limited quantities (problem of bitter taste, toxicity, etc.).

In the attached table, a comparison is made of the prices based on the starch unit (net energy for cattle) in soybeans, sunflowerseed and rapeseed on the Italian market. Theoretically, starch unit should almost always have the same value when equal quantities of digestible proteins are present.

In actual fact, it is found that on the Italian market the prices of the starch unit for soybeans and sunflowerseed are fairly close.

On the other hand, the price of the starch unit in rapeseed amounts to about 23% less than that of the starch unit in soybeans.

The explanation for this anomaly is twofold:

- first, it contains a smaller quantity of digestible proteins per starch unit and
- second, there is a preference, when prices are equal, for meals other than rapeseed.

It should be remembered, too, that the various prices mentioned above would have been very much higher had there not been large exports of rapeseed meal.

OILSEED MEALS	DIGESTIBLE PROTEINS PER KG. DRY MATTER	NET ENERGY: STARCH UNITS PER KG. DRY MATTER	GRAMS OF DIGESTIBLE PROTEINS PER STARCH UNIT (CALCULATED FROM DRY MATTER)	INDICATIVE PRICES FOR OILSEED MEALS IN LIRE PER KG. DRY MATTER	AVERAGE PRICE PER STARCH UNIT, IN LIRE
Rapeseed	334 g	0.665	500	50.5	76
Soybean	494 g	0.803	610	79.5	99
Sunflower-seed (41.5% proteins)	389 g	0.627	620	64.0	102

RAPESEED IN THE UNITED KINGDOM

By E.B. Taylor,
Bibby Food Products Ltd.,
Liverpool, England.

Mr. Chairman, Ladies and Gentlemen: Jim McAnsh asked me to be on a Discussion Panel, and I now find that Discussion Panel in Scottish means being a speaker. I guess it is Gaelic, I am not sure. But I thought I would today talk to you about a dying industry in the U.K.

A few years ago seed crushing was quite a big industry. We were doing over a million tons a year. Now I guess there will be under a half a million tons crushed a year. There are four plants left. One of them is a very old one. One is run by Unilever on the East Coast of England. In other words, it is near the Continent, and near the E.E.C. So it could be subject to pressures from exports from the E.E.C. As for the other two plants, one is in Scotland which is known as the Clyde Extraction Plant, which is a subsidiary of a Danish company, the East Asiatic Company. My own Company is situated in Liverpool. There is a fourth company situated in Hull, near again the E.E.C., called Premier Oil and Cake Mills. All these companies run extraction plants, and in the U.K. we are very flexible. Each one of these extraction plants can process rapeseed. I may talk about the flexibility of crushing in the U.K. by just reading out to you a list of figures of the seeds crushed during the last six months of 1970. We crushed 128,000 tons of soybean, 17,000 tons of cottonseed, 10,500 tons of peanuts, 41,000 tons of rapeseed, 4,000 tons of Shea Nuts, 29,000 tons of palm kernels, 27,000 tons of linseed, 5,000 tons of castor beans and something called others which made a total 285,000 tons, of which about 40,000 tons was rapeseed. Knowing that this meeting is mainly about rapeseed I thought I should tell you that the U.K. also imports rapeseed oil and rapeseed meal.

In 1967, we imported 40,000 tons of seed, we imported 20,000 tons of oil and 80,000 tons of meal. In 1968, we imported 79,000 tons of seed, 11,000 tons of oil and 87,000 tons of meal. In 1969, we did 77,000 tons of seed, 12,000 tons of oil and 62,000 tons of meal. Now we come to 1970, and the shadow of the soybean. We only expect to do about 40,000 tons of rapeseed this year. We have processed 22,000 tons the first half of the year. The amount of oil that will come in will be only 8,000 tons and the amount of meal coming in will be about 22,000 tons.

In 1967 we used 20,000 tons of oil and 105,000 tons of meal. In 1968 we used 45,000 tons of oil and 137,000 tons of meal. In 1969 we used 47,000 tons of oil and 110,000 tons of meal. Coming to 1970 we again went down to 34,000 tons of oil and 72,000 tons of meal. We can play the market and we can use soya oil or rape oil, and for the present moment we use soya oil. When you come to Canadian rapeseed versus other sources of rapeseed, we have great difficulty getting rapeseed from Canada into the U.K. because of the freight difficulties. It is far easier for people in the U.K. to buy rapeseed from the European countries, because we are only small importers of rapeseed. We do not want large amounts, so we can get shipments directly from Poland and Sweden without having to bring it all the way from Rotterdam, as we have to do with Canadian.

There is a small amount of rapeseed grown in the U.K. and this is expanding. It seems very, very small when we talk about the Canadian figures. We have grown 5,000 tons of seed and the farmer is not subsidized, I suppose the Canadians will be very pleased to hear. We hope, provided the erucic acid business does not develop too much of a problem that there will be more rapeseed grown in the U.K. Talking about Canadian rapeseed, we had difficulties at the beginning of this year. As you have already heard, Poland had a very poor crop in 1969, and Sweden's crop was not very good, so exports were not very good. Therefore, we were not able to get European seed. We had to buy, I am sorry to say we had to buy, but this is the impression, we had to buy Canadian seed. And here I am trying possibly to stir up things a bit, maybe to get a few questions. In the U.K. we bought Canadian seed on what we call a shipped analysis basis. For those who do not know how you buy rapeseed, you buy rapeseed on an oil content basis. We buy this seed on a 42% basis, and if it is one percent more, i.e., if it comes at 43% we give 1¼, and if it comes at 41%, we get paid 1¼ on the price. Therefore, the analysis of the seed is very important. Well, this year we bought Canadian seed on a shipped analysis basis. When we got the material into the U.K., we found on analyzing it, that we were getting 3½ percent less oil in the seed, than the Canadians were saying we were getting. But we were paying for this. It is not only the U.K. that found this difficulty. The same difficulty arose in France. The French were also finding that they were getting Canadian seed on a shipped analysis basis, and when analyzing the seed when arriving in France, it was about 3% lower than it was supposed to be on a shipped analysis basis. So, if we buy Canadian seed in the future, we shall buy on what we call "Landed Analysis Basis", in other words, we want to know what we are buying.

This problem has been presented to the International Association of Seed Crushers. The Japanese Seed Crushers are in it. I think most crushers around the world belong to it. They are

taking up this problem, but as buyers we bought on a contract we have not a leg to stand on. I mention this as a factor that is being turned against the Canadian seeds. We have done some work to find out why these analyses are so peculiar. We collected samples in the U.K. and distributed them to other laboratories in the U.K. We distributed them to laboratories in Canada. Unfortunately, they all came back with the same result. The analytical technique, therefore, was not wrong. As far as we can see now, possibly it was the sampling technique at the source in Canada. The Canadian Grain Research Laboratory states in its booklet that the oil content of the 1969 crop was 43.6% on a moisture-free basis. This means on a moisture basis, in other words put in about 8.5%, the oil content of Canadian seed was about 40.2%. All the seed that we got from Canada on a shipped analysis basis was around about 43%, so we do not know how the Canadian Grains Research people got 40%, and when they shipped it to poor old U.K. and France it went up to 43%. Well, I hope, Ladies and Gentlemen, I have not been too rough on the Canadians, but I got a wee bit of a reputation of stating the facts, and I hope I may have stimulated you a little bit.

Thank you very much.

MARKETING CANADIAN RAPESEED

By R.L.M. Dawson,
Cargill Manitoba Co. Ltd.,
Vancouver, B.C.

In some ways this is a difficult year in which to be asked to talk about the marketing of Canadian Rapeseed. There have probably been more discussions on the subject this year than in the past decade.

In other ways it presents an opportunity. I believe this is the first fully international-scale conference devoted specifically to rapeseed.

The whole structure of the Canadian grain marketing system is undergoing intensive study — and the general tone of that study has not been in favour of the status quo. You can say that the winds of change are blowing across the Prairie.

We in Canada, therefore, have a tremendous responsibility, particularly to the Canadian farmer, to make our proper contribution in developing a marketing structure for rapeseed that can be interwoven with the Prairies grain marketing system. We must find ways to fit this young growing crop into the picture in full cooperation with the movement of other grains and not in constant argument with them.

If I want to do anything in the next few minutes, it is to give in particular the non-Canadians present, a feeling of the background to these changes and to leave them with the message that we desperately need their contribution and their feedback, if we are to establish rapeseed as a regular and healthy competitor in the world oilseed crushing business.

You have already heard from Mr. Porteous an excellent review of the numbers — the growth of Canadian rapeseed production and marketing. You do not need more figures from me.

The parallel has been made before, namely, that Canadian rapeseed in 1970 is about where U.S. soybeans were in 1950, but there are some important differences which we had better take good note of, if rapeseed is to enjoy anything like the success story that took the soybean crop from 5 million tons to 25 million in those twenty years.

The soybean crop grew up in a marketing environment that still exhibits today most of the advantages of freedom of choice, and its great strength and growth owes much to that flexibility.

Rapeseed is trying to grow from a very different and misunderstood background.

The government of Canada has been heavily involved in the Prairies since the beginnings of settlement. It was in large part a Government sponsored settlement area.

Where the Government did not help the farmers, they quickly helped each other. Survival by cooperation, and they found great strength in unity. Certain periods of economic history have left deep scars on their memory. It taught them to have no particular love for the so-called free market system. That may have been exaggerated, but we still must not underestimate it.

To build the kind of rapeseed marketing structure that will be successful we have to satisfy its three major participants:

- the producer,
- the overseas crusher,
- the domestic crusher.

Our major marketing role is to bring those three together:

a) at the lowest possible cost: from producer to consumer,

b) with a reliability of production, supply and quality,

c) with price swings sufficient only as far as necessary to keep rapeseed competitive against the many competing oilseeds.

It is the extreme range of these price swings that in past years has earned the animosity of the farmer. He is obviously getting hurt financially in the big price dips, and he finds that extreme price rises all too often are technical and he is unable to benefit from them. Yet every year he takes more risks than any of us.

We have so far failed to convince him that many of these serious technical marketing problems which distort the true price picture are partly caused by restrictive controls and marketing regulations which rapeseed has inherited primarily from wheat, e.g., delivery quotas and box car allocations. The Vancouver Market in particular, suffers from out-of-date restrictions.

The producers themselves built and supported that rigidly controlled marketing system. For them its advantages outweighed its disadvantages.

If we are to re-gain the farmers trust by building a less rigid marketing system, that will be a fast and sensitive barometer of the complex world oilseed markets, we must understand these backgrounds and approach each other constructively. There is no more responsive hourly market barometer than the futures market. The traditional Prairie concept of "Orderly Marketing", which finds its optimum application in the regular movement of large long-term wheat contracts, will not be sensitive enough to keep pace with the daily changes in world oilseeds around the globe.

The most valuable information we can possibly give to the farmer is the most accurate daily reading of the world value of his product. If we fail in this, we will be misleading him to either overproduce or underproduce.

The farmer must recognize the dangers of a too stable price system, which leaves his crop uncompetitive. We have to convince him that some moderate fluctuations are in fact necessary and healthy, but we must narrow the violent price swings and feed back a lot more market information and guidance.

A great deal has been done already. Following the urgent recommendations of the Canadian Rapeseed Association Trade Mission to Europe, a Thunder Bay future market is now well established. It is developing into exactly the essential hedging medium demanded of that Mission by many European buyers, some of whom are present here. The Rapeseed Association itself is fulfilling a tremendous role in closing the agri-business information gap.

Progress at Vancouver has not been so good. Indeed export business has already been missed because of insufficient flexibility in the handling of rapeseed through that port.

For the domestic crushing industry the market structure seems, in fact, to have taken a major step backwards with even more difficult quota controls than last year.

There is much more to be done.

As I said earlier, I want to stress particularly to the overseas visitors that we need their help to make rapeseed grow through the seventies. We must enlist their factual support in our submissions for change that will make for a better and growing rapeseed market.

Perhaps, this talk has been a bit too subjective, but everyone here in the Canadian industry is determined to see this rapeseed crop expand, and I just felt that it would be worthwhile to try and provide a feel of Canadian market background as I see it.

THE CANADIAN OILSEED CRUSHER'S VIEW

By J. J. Banfield
Western Canadian Seed Processors
Lethbridge, Alberta

I would like to congratulate those people responsible for this Conference, which I'm sure will be, as they planned it to be, an important milestone in the development of the rapeseed industry.

The assignment given to me is that of the role of a crusher on this panel dealing with marketing. It will be recognized that a rather large book could be written about the marketing of rapeseed products. In the circumstances I feel some review of the background of the marketing situation from our point of view, along with the Industry as a whole, together with some observations, might be appropriate here.

During the late nineteen fifties, through the middle nineteen sixties, emphasis was placed on the acceptance and utilization of the oil and meal within the confines of the domestic market. This was a giant sized marketing problem. Very little, if any, consideration was given to the export side.

While our crushing plant is equipped to handle other types of oilseeds, rapeseed, in our view, held out the greatest promise for availability in commercial quantity on a continuing basis. Although at the outset rapeseed was not widely grown in Alberta, in the late fifties it was already an established crop in our neighbouring province of Saskatchewan. In considering the problem that faced us in those years, three factors emerged as being of paramount importance. These were:

1. Establishment of a direct contact with producers.
2. The encouragement of suitable seed varieties.
3. The need for product as well as agronomic research.

Through our particular contractual arrangements with growers, we supplied the seed and provided agronomic services to augment the services of other agencies. This policy assisted us in obtaining regular supplies of seed that would meet the requirements of a number grade and, in particular, we were assured of a product that was lower in the undesirable elements.

Product research at the University and Government research level was responsible for removing the legal limitations which originally existed on rapeseed meal and for increasing the percentage of use in animal and poultry feeding. These sources also provided essential data on the quality and use of the oil.

With all the information and data assembled from these authoritative sources, feed manufacturers, refiners and end-use manufacturers increased their own evaluation programs.

Another area of the marketing function that had to be worked out was the need to establish standards relative to the quality of the oil. Variations in quality caused considerable difficulty in refining. Standards were agreed to between the refiners and crushers and were published by the Canadian Government Specifications Board, Ottawa, in the fall of 1965.

The establishment of futures contracts on the Winnipeg Grain Exchange for rapeseed, also in the fall of the same year, provided an answer to the crushers for hedging raw material purchases, enabling the industry to make forward sales.

As the crushing industry as a whole approached the middle nineteen sixties, the inherent obstacles impeding the marketing of the products within our domestic market began to lessen. With increased acceptance and wider utilization began a steady growth in the volume of domestic crushing. Total crushing increased from 2.2 million bushels in the crop year 1964-65 to 7.0 million bushels in 1968-69. Currently the crush is running at a rate of about 7.5 million bushels. For this dramatic growth of more than 200 percent in a five-year period, we have the combined efforts and talents of a lot of people to thank.

With the growth in the market at home seemingly well established, began the probe of the market abroad. Crushers utilized the services of brokerage firms and participated in overseas missions sponsored by the Federal Government, as well as the Rapeseed Association of Canada. While sales have been, and continue to be made, there are difficulties to be overcome if we are to be an established entity in the overseas markets. In most instances these difficulties are similar to those we have experienced at home.

Seminars and discussions held by our animal and poultry nutritionists in several countries have had positive results. In Japan rapeseed meal for many years was used only as a fertilizer. In March of this year, as a direct result of the

seminars and discussions held in Japan the previous two years by our nutritionists, Japan commenced allocating through their import authority licenses for the importation of rapeseed meal. The first allocation being in the order of 4,000 metric tons. It is clear, from contacts made with several nations, that sizeable markets exist for rapeseed oil. However, to meet the potential available for both the oil and the meal, proper facilities must be established for the handling of these products at our ports, and must be supported by competitive transportation rate structures to these export positions. These are essential matters which require serious consideration immediately, particularly in view of the increased crushing capacities that will be available within the next few months.

A broadening of hedging protection for crushers and buyers, both at home and overseas, will be needed. A start has been made with the establishment of rapeseed futures contracts for delivery at the Lakehead and consideration is being given to a study with respect to futures trading in rapeseed oil and rapeseed meal. It is expected that with the liaison that now exists between a number of European countries and the industry through the Rapeseed Association of Canada, a certificate basis for trading oil and meal on the international markets will be instituted before long.

Communications with overseas customers needs to be broadened and maintained. Keeping abreast of trends is an absolute necessity. What happens elsewhere to-day could surely be on our doorstep to-morrow. Events and decisions which take place throughout the world do have a profound effect on us and we had better, therefore keep a watchful eye on what is going on in the market places.

The reports submitted by our overseas missions have not been shelved, nor have the recommendations they contain. Some of the recommendations were acted upon before the final drafts reached the printers; some are under active consideration and some might take a little while to work out.

I am satisfied that in Canada we are undoubtedly well equipped to meet the needs, changes and challenges of our industry, both at home and abroad, and in closing may I leave with you the thought expressed by that old cliché - "Problems" are but "Opportunities" in disguise.

MARKETING OF RAPESEED MEAL

By A.O. Walberg,
United Co-operatives of Ontario,
Weston, Ontario.

In my role as a feed manufacturer and representing the Canadian Feed Manufacturers Association on the Rapeseed Association's Board of Directors, it has been my aim and purpose to promote the use of rapeseed meal in feeds manufactured in Canada for two important reasons:

1) Canada is a large importer of soybeans, and soybean meal from the United States. There has not been any appreciable increase in the production of soybeans in Canada for several years. It would appear that considerable research in the area of genetics is necessary, whereby more early varieties suitable to Canadian conditions could be developed. Also the return per acre favours corn and other crops. Rapeseed can be grown in large quantities in Western Canada. Meal and oil from rapeseed can replace to a large extent soybean meal and oil and other similar products, thus conserving Canadian dollars and improving our trade balance.

2) Another good reason is a selfish one too, namely, in rapeseed meal we have another feed ingredient that can exert influence on keeping other feed ingredients more competitive. This present crop year we anticipate large supplies of rapeseed meal to be marketed in Canada. As any feed manufacturer can tell you, we are presently seeing extremely high prices for feed ingredients. The appearance of a large Canadian supply of rapeseed can help to maintain reasonable prices in many of the proteins on the domestic market.

Our nutritionists will be discussing the many excellent nutritional qualities of rapeseed meal and the advances that have taken place in recent years.

Some of the things a feed manufacturer looks for in a product, such as rapeseed meal, are as follows:

AVAILABILITY

A constant supply must be available at competitive prices at all times. Most feed manufacturers using any quantity of

rapeseed meal handle the product in bulk. Therefore, a storage bin and/or a supply bin must be available for the product. If material is in short supply, a substitute must be used and these bins made available for other ingredients. When the supply situation improves, the feed manufacturer is hesitant to resume the use of the product. Generally a lower price is required to induce him to begin using the product again. Up until quite recently there has been either a feast or famine in the availability of rapeseed meal. However, better market planning has taken place and the feed manufacturer can book his meal firmly for near future positions, basing the size of purchases on availability of product and requirement in feed. With increased production of rapeseed meal, it should soon be possible to buy spot rapeseed meal.

HOPPER CARS

Presently most of the rapeseed meal is produced in Western Canada and requires 10 days for delivery. Delivery is in bulk, and the feed manufacturer prefers in most cases to get the meal in hopper cars. This is most important because workmen do not like working in the dust. The meal has a bitter taste. In recent months the dust factor has improved, in that part of the oil or foots is in the meal. Some feed manufacturers would like to see rapeseed meal in pellets. This could be an important factor on the export market.

PRICING OF MEAL

Pricing of rapeseed meal is tied directly into the near future Chicago market. In most cases this has worked to the advantage of rapeseed meal and the computer brings it into formulation at maximum levels. In our organization we have a maximum limit of 5% in our rations. I understand Western Canada and Eastern Canada (Quebec and Maritimes) go as high as 10%. The pricing arrangement favours these two markets. We have had rapid rises in the soybean market in recent weeks, and rapeseed meal in many cases has been rejected by the computer. Unless all other proteins follow the rapid upward trend of soybean meal, it is possible to get this rejection. What I am trying to convey to you is that good judgement must prevail in pricing — otherwise rapeseed meal usage could suffer.

We are all aware of the tremendous advances in technology of rapeseed meal manufacture. My early experience with rapeseed meal goes back to the early 1940's. At that time proteins and feed ingredients were rationed to the feed manufacturer by the Feeds Administrator, according to their previous usage of the product. Our Company was relatively new in the feed business and did not have a very high quota. With a growing business it became difficult to manufacture feeds particularly concentrates.

In those early days Senator J. Gordon Ross was pioneering the use of this oilseed in Western Canada and particularly in the Saskatoon area. The Saskatchewan Wheat Pool processed this material and we were one of the companies willing to use rapeseed meal. With practically no other proteins available we used large quantities in cattle and hog feeds. Unfortunately, this did not go over too well in hog feeds. We also learned early that it took an adjustment period for cattle to eat it.

Great strides have been made in recent years to improve the product. The Rapeseed Utilization Assistance Program has done much to get Canadian scientists familiar with the product and to create enthusiasm for further improvements. The restrictions on usage of rapeseed meal previously put in effect by the Plant Products Division of the Department of Agriculture, have been eliminated.

We have been most fortunate in having scientists like Dr. J.M. Bell, Dr. D.R. Clandinin, Dr. J. Bowland and many others devote a large part of their time and talent in developing a crop suitable to Western agriculture. The Rapeseed Association is greatly appreciative of the fine work these scientists and others have done in the many missions to Japan, Europe and other countries.

Symposia and seminars have been held in Eastern and Western Canada, and all leading agriculture journals have devoted much space to inform the feed manufacturers on the merits of rapeseed meal. I believe the Feed Manufacturers of Canada are ready to help you market Canada's largest crop of rapeseed.

I would welcome an opportunity to discuss matters of mutual interest, particularly with reference to rapeseed meal and its utilization with feed manufacturers from other countries.

SESSION II

NATURE AND CAUSES OF VARIATION IN RAPESEED QUALITY

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