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GRAS status opens up new markets for canola oil

Canada's canola industry has an added ability to expand its markets because of a recent decision by the United States Food and Drug Administration. On January 28 the FDA granted GRAS, generally regarded as safe, status to canola oil, meaning that canola oil can now be utilized as a vegetable oil in the United States.

Allan Earl, president of the Canola Council, says the FDA decision will allow Canada's canola to compete for a share of the vegetable oil market in the United States. The new development gives Canada access to a market 18 times the size of the Canadian domestic demand for canola oil used in salad and cooking oils, margarine, and other processed foods and baking products. An added bonus is the potential demand in other countries that formally or informally follow the American guidelines.

Bob Broeska, executive director, Canola Crushers of Western Canada, says new demand from a dozen other countries, such as Egypt, Iraq, Peru and Venezuela, which use US food safety recommendations, could result in increased sales.

"We have tried to make a dent in the large Middle East and South American vegetable oil markets," says Broeska. "The FDA approval will help, but the big American market is our best bet because we have so much in common in the way of doing business and in proximity, compared with shipping halfway around the world."

Despite the oil's popularity in Canada, it was necessary to go through a petition and approval process with the United States agriculture department to open the American market to the product.

"It was an intensive six year struggle on the part of Agriculture Canada," said Wally Pigden, an Ottawa agriculture and food consultant who worked on the project for Agriculture Canada.

Canola meal has already been in use in the northern parts of the United States and so has a tiny amount of oil for specialized uses. But the FDA decision, made after assessing international data on the use of the edible oil expands the possibilities considerably.

The seven most northwesterly states, including

the Dakotas, will provide the most immediate target market areas because they lie just as close to Canadian canola supplies.

"They have a combined population of 10 million, nearly half as many as the total of all Canada," says Allan Earl.

Another possible market for canola oil is the frozen french fry industry in Washington, Oregon and Idaho, where about half the french fries in the United States are produced.

Broeska can foresee some short-term problems for Canadian crushers if US oilseed crushing plants near the prairie provinces' border switch from sunflowers to canola and lure supplies away from Canadian crushing plants.

"But it is good news for the long run," he adds. "Expanding use in the US will provide a much larger overall market to compete in. The talk about Canada/US free trade holds promise for better things to come."

Canola analysts admit that US farmers might serve as an alternative source for the Japanese crushing industry by growing canola themselves. The Canadian farmers, however, have won abroad one-third of the Japanese edible oil market in severe competition with US.

"The new development gives Canada access to a market 18 times the size of the Canadian domestic demand for canola oil."

"We may not win every race now that the Americans allow us to run with them, but we will have that extra track to compete on and the Canadian industry has a good track record," Allan Earl says.

Winnipeg Commodity Exchange spokesman, King Kearns, says the approval would encourage farmers to plant more canola and the added volume of business would boost the futures trade.

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1985 convention plans to capture Japanese lifestyle, business practices

The sights, sounds, and tempo of Japan will be very much in evidence during the annual convention of the Canola Council of Canada at the Westin Bayshore, Vancouver, March 18-20. Japan, the canola industry's largest export customer, will play a dominant role in the conference ranging from Japanese entertainers to speakers from major corporations, from tasty Japanese dishes to films on the Japanese way of life. The Japanese theme will be reflected in the Japanese signs and decorations throughout the hotel.

The convention kicks off on a futuristic note on Monday with an afternoon session on biotechnology. Speakers include, Graham Strachan, Allelix Inc. whose topic is "Biotechnology: A Global Overview". He will be followed by Dr. Wilf Keller, Agriculture Canada, Ottawa, whose topic is "What Does Biotechnology Offer Canadian Canola Research?". A speaker from Calgene Inc. in California will describe that company's biotechnology activities and address what these efforts mean to Canada. Dr. Keith Downey, Agriculture Canada, Saskatoon, will be speaking on "Biotechnology's Vital Role in the Development of Markets for Canola".

The following day, Walter Paszkowski will introduce the morning session on the Grow With Canola program. The two speakers are Ben McEwen, deputy minister, Alberta Agriculture, whose topic is "Grow With Canola: Why for the world?" and Dick Santo, director, grain procurement, CSP Foods Ltd., "Grow With Canola: Why for Canada?".

The keynote speaker at the luncheon will be John Oliver, president, Elanco, whose topic is entitled "The Maple Leaf has Four Petals". During the afternoon session, there will be three Japanese speakers. They are Mr. E. Umemoto, XCAN Far East, Tokyo whose topic is "Working in Two Worlds"; Mr. K. Katakura, Japanese Consulate, Vancouver, will speak on "The Importance of Canada/Japan Trade"; and Mr. I. Takahashi, C. Itoh & Co, Tokyo, on "The Canada/Japan Canola Trade".

"We are attempting to increase the profile of Japan and make people more aware of the importance of the Japanese market to Canadians."

A Japanese banquet is planned for the evening and will feature entertainers from Japanese cultural groups in Vancouver.

The Wednesday morning program will highlight the Japanese oilseed, feed, oil and fats industries. The speakers include: Mr. H. Higashimori, JOPA, Tokyo, on "The Japanese Oilseed Crushing In-

dustry"; Mr. N. Haga, National Mayonnaise Association Tokyo on "The Japanese Mayonnaise and Salad Oil Industry and Mr. Sakata from the Japan Margarine, Shortening and Lard Industries Association, Tokyo who will speak on "The Japanese Margarine and Shortening Industry".

The Japanese theme for the 18th annual convention reflects the sizeable trade in canola between our countries. It is also designed to be a tribute to the close ties between Canada and Japan.

The convention will attempt to capture the dynamic industrial development, the culture, the lifestyle and the action-oriented ways of doing business in Japan.

"We are attempting to increase the profile of Japan and make people more aware of the importance of the Japanese market to Canadians," says Lorne Clapson, convention chairman.

Canola growers elect new executive

Canola growers associations in the three prairie provinces have elected new slates of officers. In Saskatchewan Lorne Christopherson was named president of the Saskatchewan Canola Growers Association. The new president, who hails from Weldon, is backed by Dale Smart, first vice-president, Keith Lewis, second vice-president, Lorne Veikle, treasurer and Dave Maxwell, secretary.

Dick Groundwater was elected president of the Alberta Canola Growers Association. The members of his executive are: Henry Vos, vice-president; Lloyd Mercer, treasurer; and executive members Dean Jacula and Wayne Oxtoby.

The Manitoba Canola Growers Association named Max Polon as president. On his executive are: Tom Dobson, vice-president; Charlie Froebe, secretary/treasurer; John Boerchers, memberships and Gordon Thompson, ex-officio.

GRAS status cont.

Documents supporting the steps were displayed in the Federal Registry Archives in Washington, D.C. on January 28, 1985. The US ruling makes no reference to the word canola. The FDA instead referred to LEAR oil, which stands for low erucic acid rapeseed oil.

The FDA stipulates an upper limit of two percent erucic acid content, which is stricter than the traditional international LEAR oil definition of five percent. The lower limit will have no impact on Canadian canola oil which averages under one percent, but could keep out European rapeseed, which is in the two to five percent range.