

# Canola strategy targets increased production and utilization

**7 million tonnes  
a year by 2007**

"By 2007, the Canadian canola industry will achieve a sustained production and market demand base of 7 million metric tonnes," Canola Council of Canada President, Barbara Isman, announced at the conclusion of the Council's 36th annual convention in March.

She says this is the goal of the Canadian Canola Renewal Strategy developed by the Canola Council (see table below for a breakdown of utilization goals). The ambitious strategy sets objectives aimed at re-establishing canola as the most profitable crop choice for Canadian growers, and maintaining and expanding customer utilization domestically and in export markets.

"We've got to make sure people continue to invest in this industry at every level, from farmer to end user," declares Isman. That will require commercial innovation by private companies, co-operation on new initiatives by industry associations, and government regulation that is conducive to doing business, she adds.

These objectives are based on consultations with participants in every aspect of the canola industry, Isman explains. The main objectives are:

- a stable production of 7 million tonnes a year; and
- a stable utilization of 7 million tonnes a year by:
  - maintaining existing canola utilization for core markets;
  - boosting consumption in North America and specific existing markets; and
  - opening two or three new "hard core" export markets for canola.

The same themes were echoed during the convention by speakers who called for more industry-wide co-operation. They encouraged growers to produce high stability (specialty trait) canola—for a premium—because it has added value for end-use customers looking for a healthier alternative to hydrogenated oils.



**Brad Hanmer**

Canola grower Brand Hanmer, of Govan, SK urged other growers to begin looking at canola as a product instead of a commodity.



**Rick Watson**

Rick Watson, Vice-President of Oilseed Processing for Bunge, called on the federal government to institute fuel regulations that would promote the biodiesel industry and help fulfill the requirements of the Kyoto Accord. The Canadian Oilseed Processors Association and grower organizations have formed the Biodiesel Association of Canada to begin lobbying for mandatory inclusion of 2% biodiesel in all diesel fuel. If this is legislated, it could require as much as 400,000 tonnes of canola oil, 1,000,000 tonnes of canola seed to produce the oil and 2,000,000 acres to grow the canola, says Watson.

Each of the main objectives will be achieved by meeting these and other smaller objectives, Isman says. For example, the renewal strategy states that returning canola to its status as the most profitable crop for Canadian growers will first require increased adoption of higher-yielding hybrid canola varieties, increased use of risk reduction tools,

optimized production profitability, maximized market returns for traditional (and high stability) canola oil, and improved returns for meal.

To fulfill the objective of maintaining current utilization, the industry must reiterate its value as a healthy oil, but also develop new and improved functionality. Expanding the industrial uses holds big potential for maintaining and boosting canola utilization. At the same time, however, Canadian canola must be competitive with other oilseeds and canola produced elsewhere in the world.

Efforts to expand utilization in North America will focus on the frying and processed foods market, and emphasize alternate use markets, including the establishment of a Canadian biodiesel industry. For existing export markets like Mexico, efforts will be focussed on differentiating canola in the marketplace.

To expand export market utilization, the plan calls for two or three new "hard core" customer countries to take the equivalent of 500,000 tonnes of canola seed annually, she says.

One of the key overall tactics of the plan is to work hard to ensure Canadian canola achieves better market access through the elimination of tariff and non-tariff trade barriers.

Isman says she has confidence the canola industry can make the goal of 7 million tonnes of canola produced and sold each year because everyone will benefit.

"This is going to take the combined efforts of the entire industry. Farmers produce canola and companies sell it. You are responsible for this industry and we need you to use your very best people and your investments to ensure that we meet these objectives," says Isman. "When we make the decision to achieve a 7 million tonne production and utilization objective, we're seeing the efforts of thousands of people."

## 2007 Canola Utilization Goals

(expressed in tonnes of seed equivalents)

Maintain base consumption (Japan, Mexico, domestic crush)	4,300,000
Two or three new canola customers	500,000
Expand sales to Mexico	500,000
Expand U.S. oil consumption	1,000,000
Create industrial applications	700,000

## Did you know ...

The Canadian canola industry includes:

- 60,000 farmers;
- 2,800 people directly employed in highly skilled and professional jobs;
- thousands of indirect jobs;
- a value-added sector with 13 processing plants in five provinces; and
- value to the industry of \$5 billion or more from sales and value added.