

Canola/Rapeseed Weekend Market Report

The Source for Canola/Rapeseed Information

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Statistics Canada (STC) raises 2014/15 canola output

As expected, STC increased 14/15 canola production in their December report, released on Thursday. However, their estimate of 15.55 mmt., was well above the average guesstimate, a large 10% increase over the October government estimate. In fairness to the government, the farm survey for the October estimate was poorly timed, with a very

small amount of the crop harvested, and a great deal of uncertainty as to the actual yield outcome.

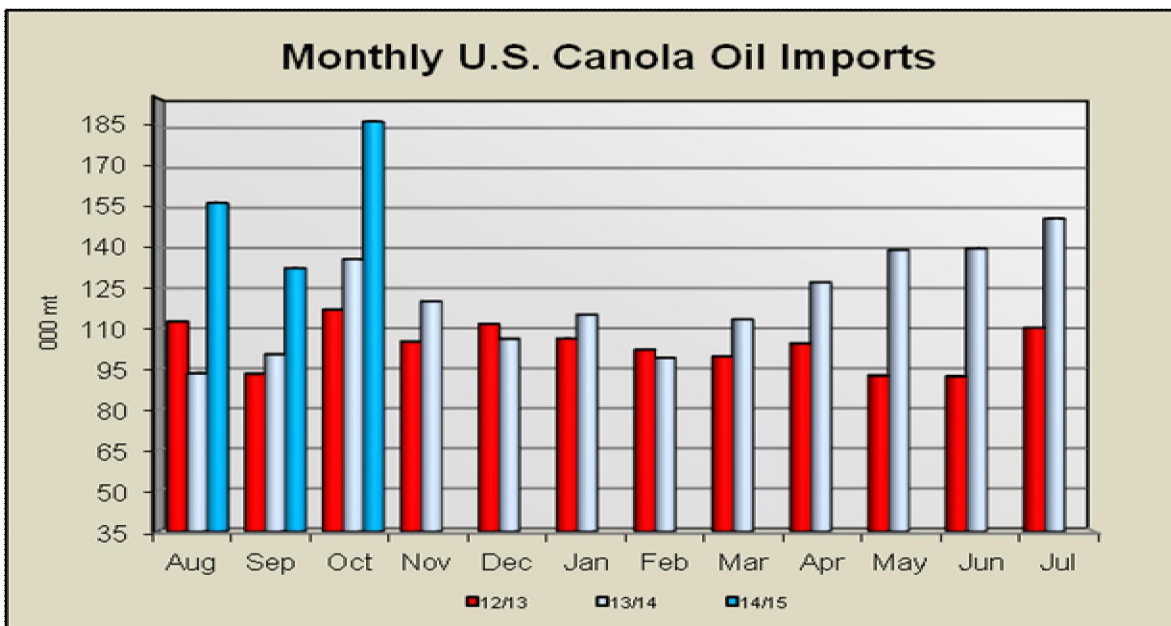
Market discounts STC production estimate

The market expected that the government would add back in the neighbourhood of 500,000 mt-750,000 mt. of production in their December report. The increase of 1.55 mmt., initially caught the market off-side, with the major increase from an

improvement in Saskatchewan canola yield, Canada's largest canola producing province. However, the market quickly absorbed the production number, as traders' re-worked their balances. With exports for the first 4 months (August-November) running 13.5% of last year and the crush pace up 6.5%, rationalizing the higher output is not that difficult, if off-take remains strong. Crush margins had been improving going into the report, reaching levels achieved

Canadian canola supply & demand

	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Area Harvested (000 ha)	4,938	5,283	5,238	6,280	6,494	6,376	6,677	7,470	8,792	8,007	8,075
Yield (kg/ha)	1.57	1.83	1.72	1.52	1.88	2.02	1.99	1.94	1.55	2.24	1.93
Opening stocks	609	1,586	2,010	1,820	1,549	1,597	2,272	2,198	914	602	2,248
Production	7,728	9,652	9,000	9,538	12,193	12,899	13,273	14,494	13,673	17,960	15,555
Imports	108	140	263	175	225	105	260	150	115	142	100
Total supplies	8,444	11,378	11,273	11,533	13,967	14,601	15,806	16,842	14,702	18,704	17,903
Food Use	0	0	0	0	0	0	0	0	0	0	0
Feed,Seed,Waste	415	536	377	173	250	325	193	200	350	350	300
Crush	3,031	3,423	3,650	4,150	4,277	4,856	5,894	6,999	6,700	6,962	7,450
Exports	3,412	5,409	5,426	5,661	7,843	7,148	7,184	8,729	7,050	9,144	8,800
Total usage	6,858	9,367	9,453	9,984	12,370	12,329	13,608	15,928	14,100	16,456	16,550
Ending Stocks	1,586	2,010	1,820	1,549	1,597	2,272	2,198	914	602	2,248	1,353
Stock/Use	23.13	21.46	19.26	15.52	12.91	18.43	16.15	5.74	4.27	13.66	8.17



in late September, therefore the crush appears to have been already pricing in the higher production.

China will now be key to absorbing higher production

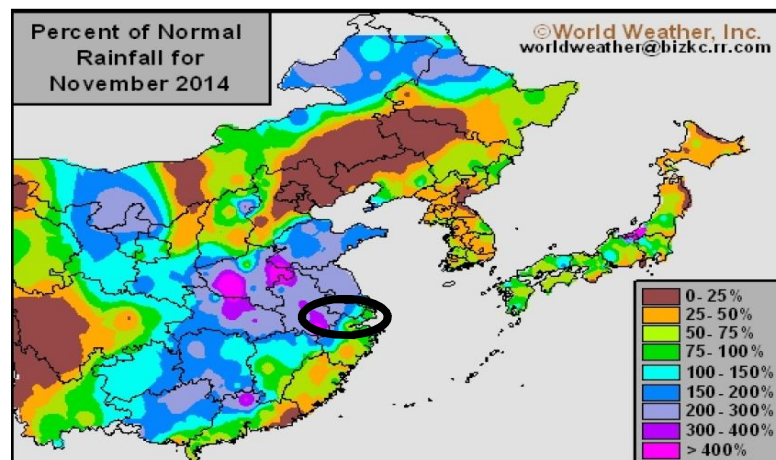
We believe that the crush will remain on the current pace, eclipsing last year's volume by 6%-7%. Louis Dreyfus will become very aggressive once their plant is back in operation (heard they are frantically re-building) which could expand the crush percentage. However, the push will have to come from the export side, and from Chinese demand. Based on the higher production, we have increased our total exports to 8.80 mmt., of which Chinese disposals will be 3.80 mmt., from Canada. When combined with Australian, we are now estimating that China will take similar total canola import to last year.

Our numbers suggest that Canada will ship close to 2.0 mmt to China by the end of December, with the remaining 1.80 mmt., shipped over the January-July period. (essentially 4 Panamax size cargos a month). We understand that due to wet/cool conditions in the Yangtze River Region, the Chinese rapeseed crop is not off to a desirable start. This is after a less than average rapeseed crop harvested in May/June. The Chinese rapeseed crush needs canola imports to supplement declines in domestic production.

Therefore, we would expect that the lion's share of the imports in the January-July period will be back end loaded.

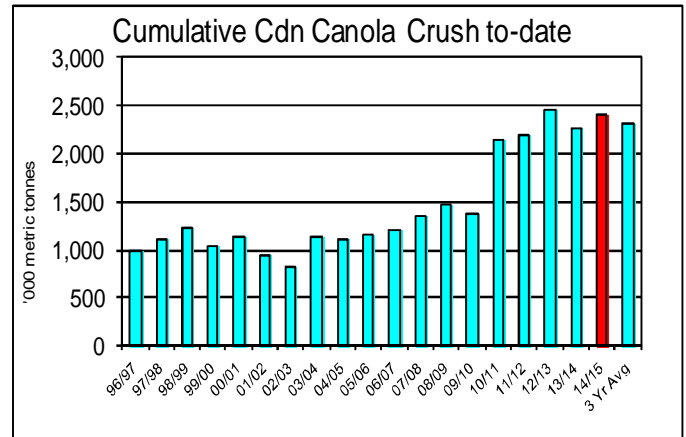
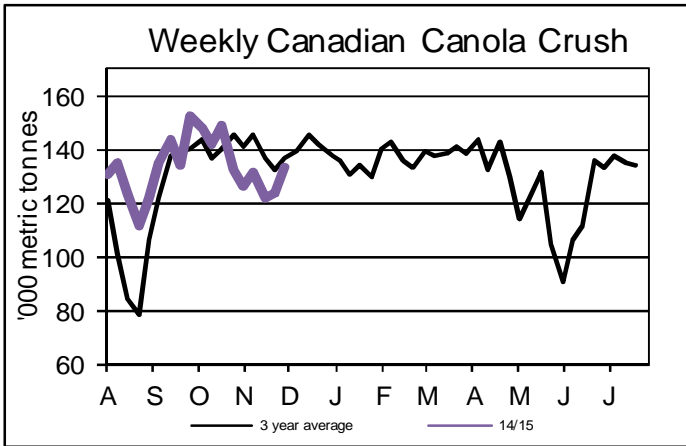
U.S. monthly canola oil imports for October reach record

Census data released on Friday pegged U.S. canola imports for October, at a monthly record level of 186,300 mt., 41% ahead of September's imports. Crop year to date, (August-October) U.S. canola oil imports are a record 475,000 mt., 44% above last year's pace for the 3 same months, and 40% above the 3 year average.



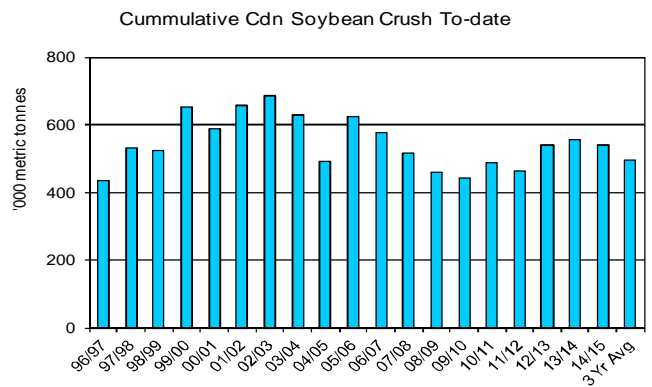
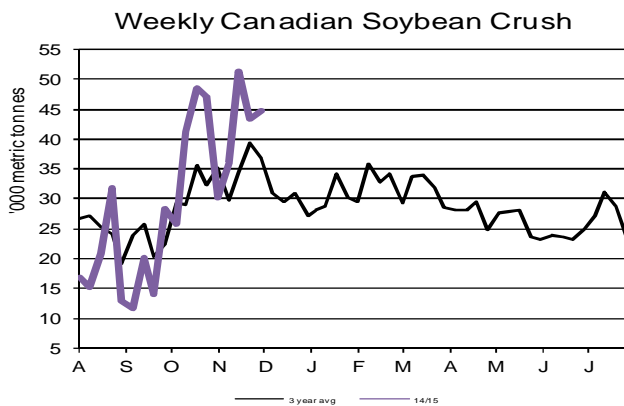
Weekly Canadian Canola Crush

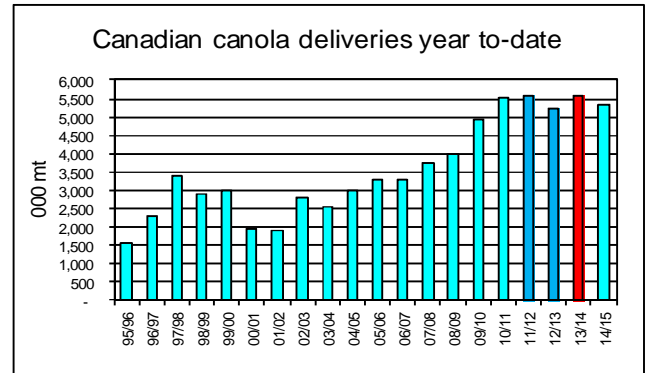
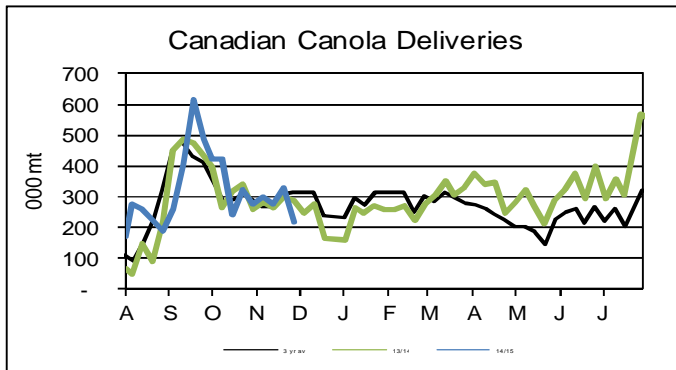
Weekly Canola Crush						Cumulative Canola Crush					
Week	11/12	12/13	13/14	14/15	3 Yr Avg	Week	11/12	12/13	13/14	14/15	3 Yr Avg
12-Nov	131	154	152	132	146	12-Nov	1,801	2,075	1,828	2,024	1,901
19-Nov	132	138	142	122	137	19-Nov	1,933	2,213	1,970	2,145	2,039
26-Nov	133	125	140	124	133	26-Nov	2,066	2,338	2,110	2,270	2,171
03-Dec	131	132	148	133	137	03-Dec	2,197	2,470	2,258	2,403	2,308



Weekly Canadian Soybean Crush

Week	11/12	12/13	13/14	14/15	3 Yr Avg	Week	11/12	12/13	13/14	14/15	3 Yr Avg
12-Nov	27.2	31.5	30.3	36.0	29.6	12-Nov	381.9	422.9	423.5	400.8	403.9
19-Nov	27.8	34.2	41.0	51.4	34.3	19-Nov	409.7	457.1	464.5	452.2	434.6
26-Nov	25.4	46.2	46.4	43.4	39.3	26-Nov	435.1	503.3	510.9	495.6	466.0
03-Dec	29.9	37.5	43.3	44.8	36.9	03-Dec	464.9	540.9	554.1	540.4	497.3



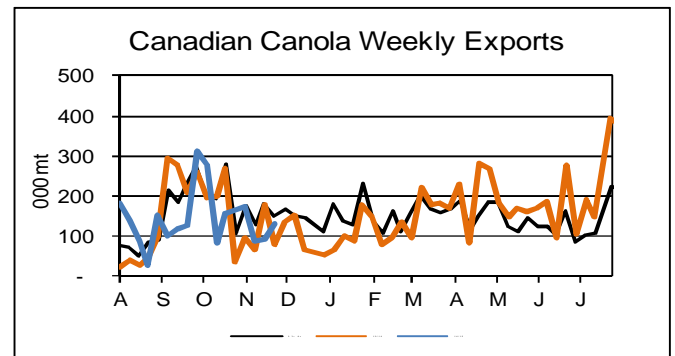
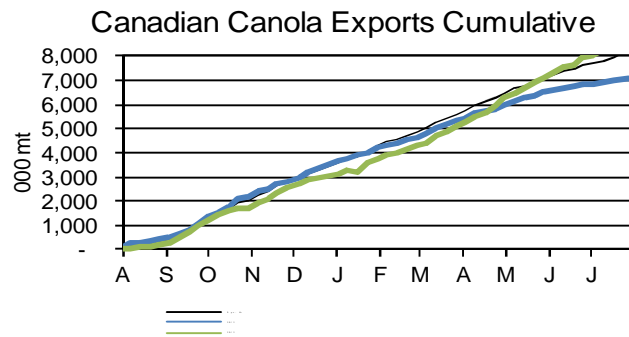


Weekly Canola Deliveries

Week	11/12	12/13	13/14	14/15	3 Yr Avg
09-Nov	297.0	222.0	282.1	298.3	267.0
16-Nov	284.3	263.3	265.7	279.2	271.1
23-Nov	314.9	310.9	297.8	329.7	307.9
30-Nov	350.1	304.8	288.6	221.2	314.5

Cumulative Canola Deliveries

Week	11/12	12/13	13/14	14/15	3 Yr Avg
09-Nov	4,561.0	4,711.5	4,281.6	4,719.7	4,485.3
16-Nov	4,845.0	4,977.7	4,566.0	5,045.9	4,755.2
23-Nov	5,160.7	5,289.1	4,869.3	5,376.3	5,041.3
30-Nov	5,510.8	5,594.6	5,214.4	5,597.7	5,349.0

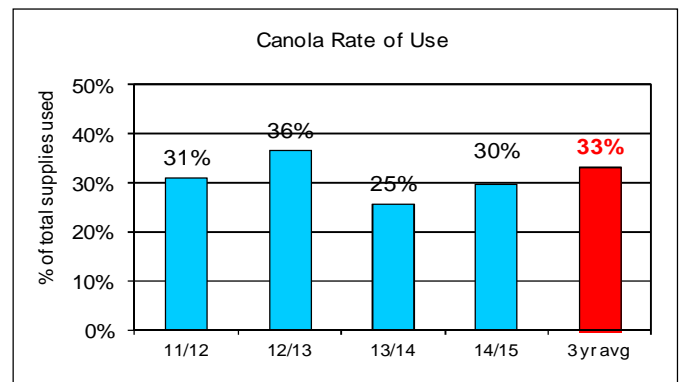
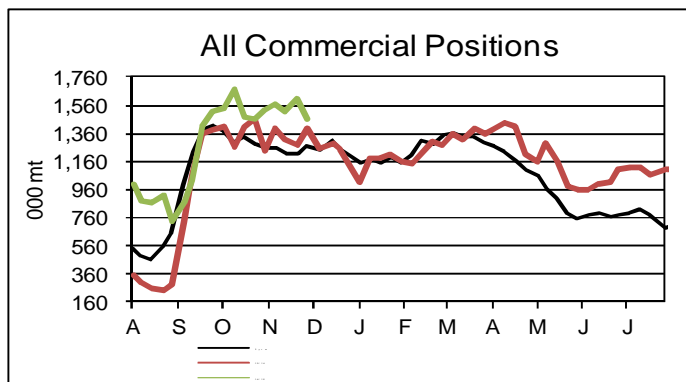


Weekly Canola Exports

Week	11/12	12/13	13/14	14/15	3 Yr Avg
09-Nov	179.0	257.6	96.4	174.8	177.7
16-Nov	219.4	107.1	65.2	88.9	130.6
23-Nov	148.0	219.6	179.7	91.9	182.4
30-Nov	291.7	75.5	81.2	131.8	149.5

Cumulative Canola Exports

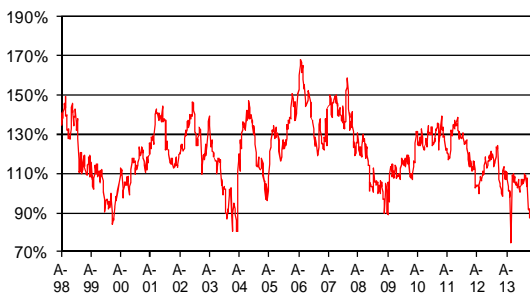
Week	11/12	12/13	13/14	14/15	3 Yr Avg
09-Nov	2,673	2,532	2,078	2,488	2,428
16-Nov	2,808	2,752	2,322	2,669	2,627
23-Nov	3,099	2,830	2,546	2,761	2,825
30-Nov	3,297	3,003	2,750	2,892	3,016



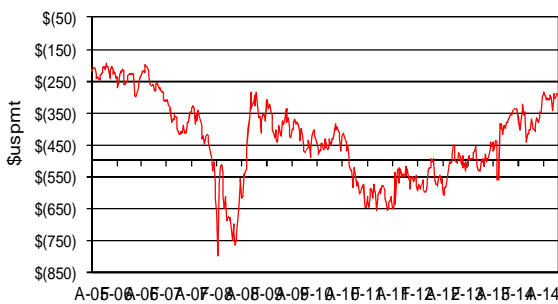
	WCE/CBOT		WCE/MATIF		MATIF/CBOT		WCE/CBOT	
	Canola/ Soyb'n Sprd	Canola % Soyb'ns	Canola/ Rape Sprd	Canola % Rapeseed	Rapeseed / Soyb'n Sprd	Rapeseed % Soyb'ns	Soyoil/ Canola sprd	Canola % Soyoil
	Previous Years							
09-Dec-11	85	121%	-72	87%	157	139%	598	45%
07-Dec-12	64	112%	-12	98%	75	114%	523	54%
06-Dec-13	-45	91%	-71	86%	26	105%	451	49%
21-Nov-14	1	100%	-37	91%	38	110%	340	53%
28-Nov-14	-2	99%	-48	89%	46	112%	341	52%
05-Dec-14	-12	97%	-49	88%	37	110%	338	52%

Long-term

MATIF Rapeseed as a % CBOT Soybeans

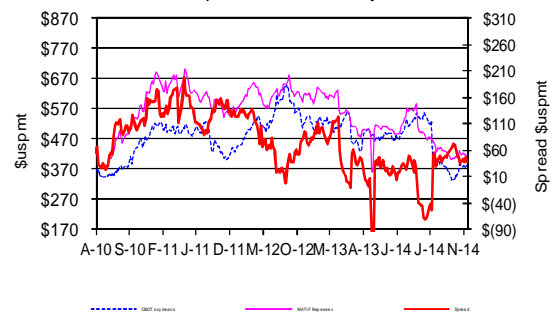


MATIF Rapeseed/CBOT Soyoil

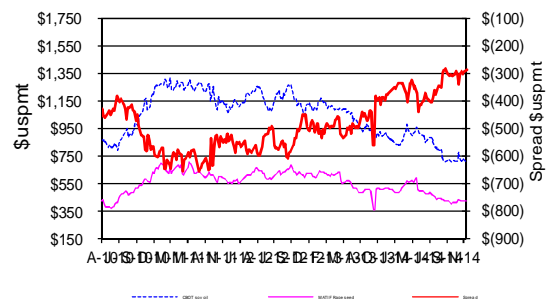


Short-term

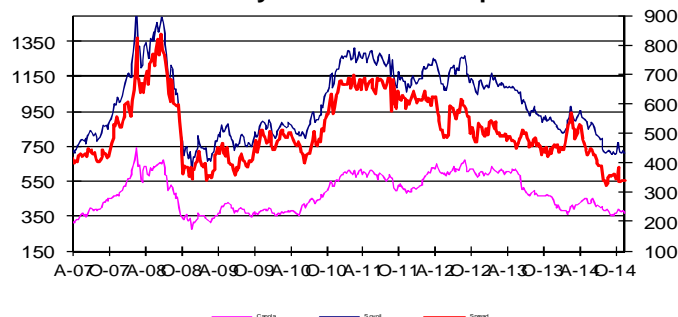
MATIF Rapeseed/CBOT soybeans



MATIF Rapeseed/CBOT Soyoil

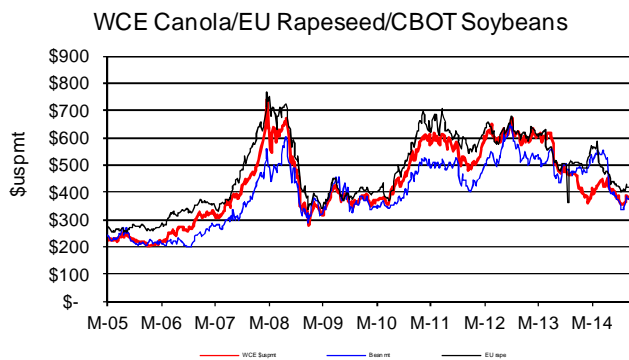


CBOT Soyoil/WCE Canola Spread

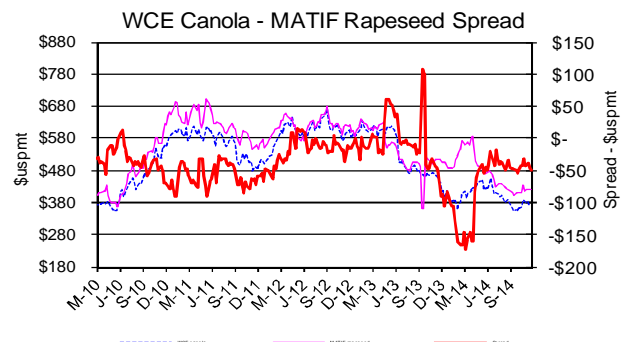
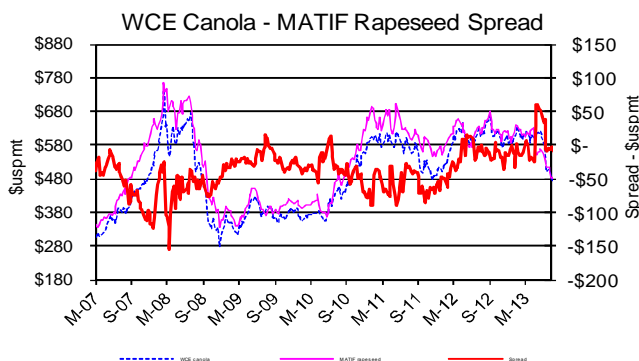
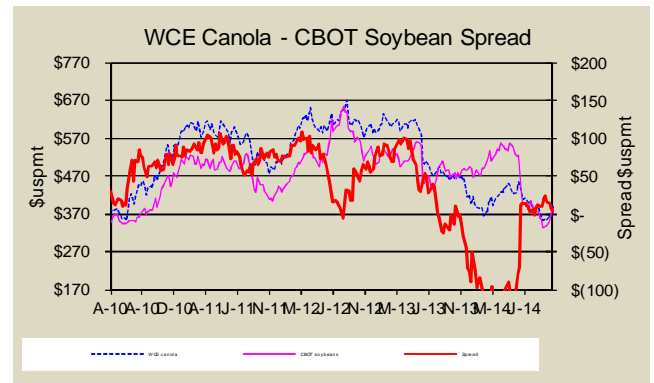
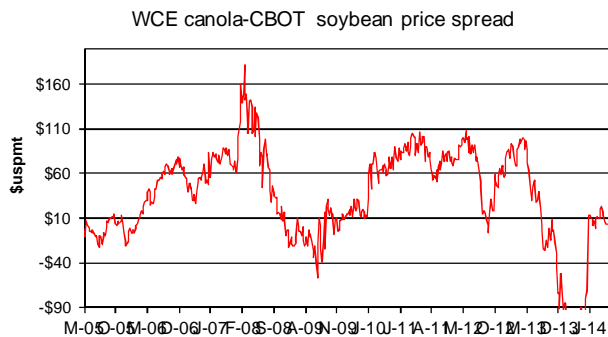
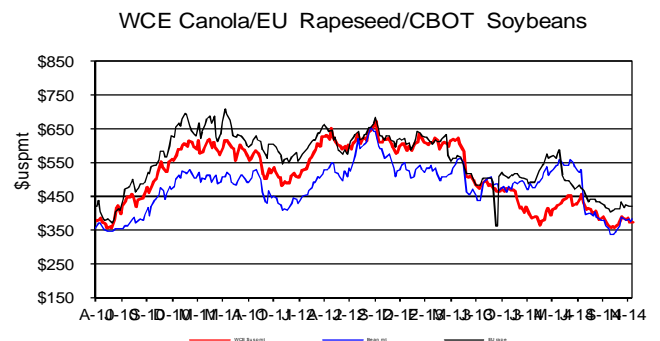


	Wpg		CBOT		MATIF	K.Lumpur	CBOT/CBOT	
	Canola	Soybeans	Oil	Meal			Rapeseed	Palm Oil
Previous Years								
09-Dec-11	489	404	1,088	304	561	955	684	37%
07-Dec-12	605	541	1,127	488	616	712	586	48%
06-Dec-13	442	487	893	471	513	821	406	55%
21-Nov-14	383	382	723	405	420	668	341	53%
28-Nov-14	371	373	712	404	419	643	339	52%
05-Dec-14	369	381	707	404	418	625	327	54%

Long-term



Short-term

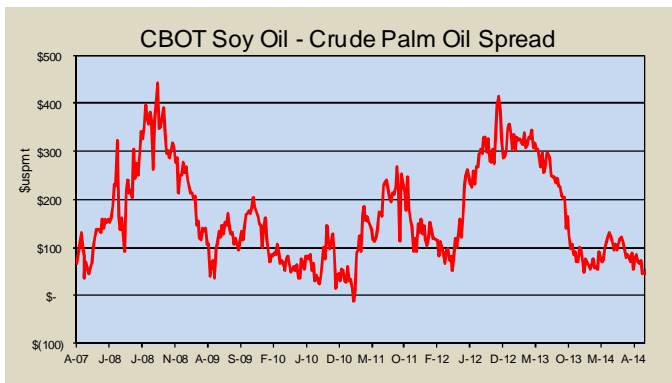


	MATIF/CBOT Soyoil		CBOT/K Lumpur		WCE	CBOT	CBOT	CBOT
	Rapeseed/ Soyoil sprd	Rapeseed % Soyoil	Soyoil/Palm Spread	Soyoil % Palm oil	Cdn Crush mgn	U.S. Crush mgn	CBOT Soyoil % of crush 18/80%	CBOT Soyoil % of crush 42/60%

Previous Years

09-Dec-11	-526	52%	133	114%	110	41	45%	71%
07-Dec-12	-511	55%	416	158%	85	62	34%	62%
06-Dec-13	-380	57%	71	109%	138	60	30%	57%
21-Nov-14	-351	56%	88	108%	96	58	32%	59%
28-Nov-14	-301	59%	56	111%	102	65	30%	57%
05-Dec-14	-506	53%	286	113%	102	40	33%	60%

Long-term



Short-term

