

SUMMER 2010

CRUSHINGS – 2009/10 CROP YEAR

Canadian **canola crushings** for the 2009/10 crop year were a **record** 4.8 million tonnes, up 12% from the previous record crush of 4.3 million tonnes set in 2008/09. Canola oil production was 2.1 million tonnes and canola meal production was 2.7 million tonnes in 2009/10.

Canola crushings in July 2010 were 497.2 thousand tonnes. Canola crushings for the period Jan-July were 3.1 million tonnes, up 25% from same period the previous year.

OILSEED CRUSHINGS

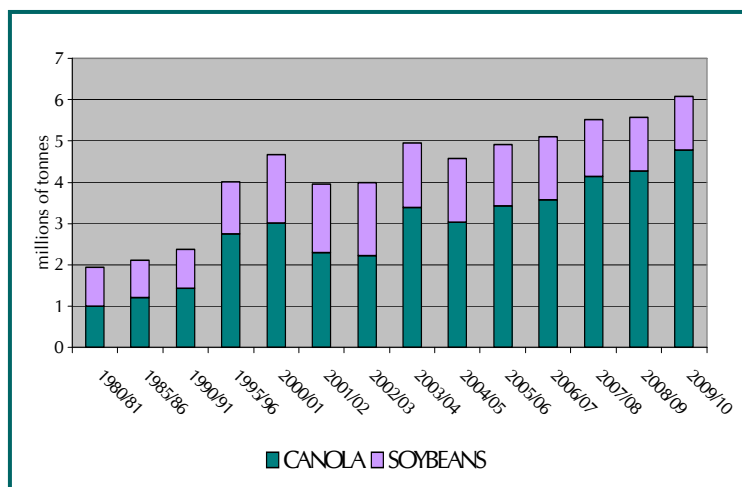
	Crushings	Oil Produced	Meal Produced
		'000 tonnes	
CANOLA			
Aug/09-July/10	4 787.8	2 107.2	2 682.8
Aug/08-July/09	4 279.9	1 838.8	2 487.1
Aug/07-July/08	4 144.4	1 738.7	2 495.0
July/10	497.2	221.4	276.6
Jan-July/10	3 083.0	1 362.0	1 718.4
Jan-July/09	2 464.4	1 065.6	1 422.0
Jan-Dec/09	4 169.2	1 810.8	2 386.4
Jan-Dec/08	4 217.7	1 782.3	2 516.6
Jan-Dec/07	3 771.7	1 610.6	2 239.3
SOYBEANS			
Aug/09-July/10	1 291.0	231.9	1 018.9
Aug/08-July/09	1 281.8	238.7	1 007.1
Aug/07-July/08	1 376.6	264.5	1 056.9
July/10	117.3	20.7	91.6
Jan-July/10	763.7	135.9	601.9
Jan-July/09	747.7	138.7	591.4
Jan-Dec/09	1 274.9	234.7	1 008.4
Jan-Dec/08	1 296.4	247.6	997.6
Jan-Dec/07	1 460.8	271.1	1 138.4

Sources: Statistics Canada and COPA

Canadian **soybean crushings** for the 2009/10 crop year were 1.29 million tonnes, up slightly from the previous year. Soy oil production was 0.23 million tonnes and soy meal production was 1.02 million tonnes in 2009/10.

Soybean crushings in July 2010 were 117.3 thousand tonnes. Soybean crushings for the period Jan-July were 763.7 thousand tonnes, up 2% from the same period the previous year.

CUMULATIVE MONTHLY CRUSHINGS



PRODUCTION ESTIMATES

According to Statistics Canada's July 31 production estimates, total 2010 production of canola, soybeans and flaxseed is down 5% from 2009. **Canola production** for 2010 is estimated at 10.9 million tonnes, down 8% from last year's production and down 14% from the record production of 12.6 million tonnes set in 2008, the result of a drop in yields.

Flaxseed production is expected to decrease by 39% to 0.6 million tonnes in 2010, due to a decrease in harvested area and a drop in yields.

Soybean production in 2010 is estimated at a record 4.0 million tonnes, up 13% from last year's previous record production of 3.5 million tonnes. Harvested areas and yields were higher in Quebec, Ontario and Manitoba.

JULY 31 PRODUCTION ESTIMATES

	Harvested Area		Production	
	2009	2010	2009	2010
	'000 acres		'000 tonnes	
Canola	15 084.7	15 609.7	11 825.4	10 867.1
Soybeans	3 418.1	3 578.8	3 506.8	3 951.2
Flaxseed	1 540.0	1 002.0	930.1	570.3
TOTAL	20 042.8	20 190.5	16 262.3	15 388.6

Source: Statistics Canada

TRADE

Canola oil exports in January-June 2010 were 996.5 thousand tonnes. Exports of canola oil to the US were 535.7 thousand tonnes, accounting for 54% of total exports. Other canola oil importers were China 398.9 thousand tonnes (40% of total exports), Germany 18.2 thousand tonnes (2%), Hong Kong 15.0 thousand tonnes (2%), South Korea 11.5 thousand tonnes (1%) and Taiwan 5.2 thousand tonnes, Mexico 4.3 thousand tonnes and Japan 4.0 thousand tonnes (less than 1% each).

Canola meal exports in January-June 2010 were 1038.7 thousand tonnes. Exports of canola meal to the US were 570.2 thousand tonnes (55% of total exports). Other canola meal importers were China that imported 312.5 thousand tonnes (30%), Mexico 100.8 thousand tonnes (10%), South Korea 22.5 thousand tonnes (2%), Vietnam 15.6 thousand tonnes (2%) and Indonesia 7.3 thousand tonnes, Thailand 5.8 thousand tonnes and Taiwan 4.1 thousand tonnes (less than 1% each).

CANADIAN EXPORTS

	2009 (Jan-Dec)			2010 (Jan-June)		
	US	Other	Total	US	Other	Total
	'000 tonnes					
Canola	658.6	7163.7	7822.3	361.7	3259.1	3620.8
Soybeans	319.8	1708.2	2028.0	207.5	438.0	645.5
Canola oil	1002.4	546.0	1548.4	535.7	460.8	996.5
Soy oil	43.6	2.5	46.1	27.2	0.6	27.8
Canola meal	1468.2	283.3	1751.5	570.2	468.5	1038.7
Soy meal	54.5	--	54.5	50.7	0.3	51.0

Sources: Statistics Canada and COPA

In January-June 2010, canola imports were 43.8 thousand tonnes, soybean imports were 167.2 thousand tonnes and soy meal imports were 497.7 thousand tonnes.

CANADIAN IMPORTS

	2009 (Jan-Dec)			2010 (Jan-June)		
	US	Other	Total	US	Other	Total
	'000 tonnes					
Canola	134.1	7.6	141.8	39.0	4.8	43.8
Soybeans	399.6	12.1	411.7	162.1	5.1	167.2
Canola oil	150.3	5.4	155.8	107.4	0.2	107.6
Soy oil	76.9	0.3	77.2	35.0	0.2	35.2
Canola meal	2.5	0	2.5	0.1	0	0.1
Soy meal	1128.1	1.6	1129.7	495.9	1.8	497.7

Source: Statistics Canada

JUNE AREA ESTIMATES

According to the Statistics Canada June survey, producers have seeded an increased area to canola and soybeans and a decreased area to flaxseed.

Canola producers estimate they have planted 17.9 million acres this year, up 1.7 million acres or 10.5% from last year's record area of 16.2 million acres. The 2010 area is up 6% from the previous estimate of 16.9 million acres reported in March.

Soybean producers in 2010 seeded a record 3.7 million acres, an increase of 276 thousand tonnes or 8% from last year's previous record of 3.4 million acres.

Flaxseed area in 2010, at 1.3 million acres, is down 25% or 425 thousand acres from 2009. The record flaxseed area of 2.2 million acres was set in 1998.

	2009	2010	2010/2009
	Seeded Area	Seeded Area	
	'000 acres		%
Canola	16 199.7	17 894.7	110.5
Soybeans	3 448.0	3 723.8	108.0
Flaxseed	1 710.0	1 285.0	75.1

Source: Statistics Canada

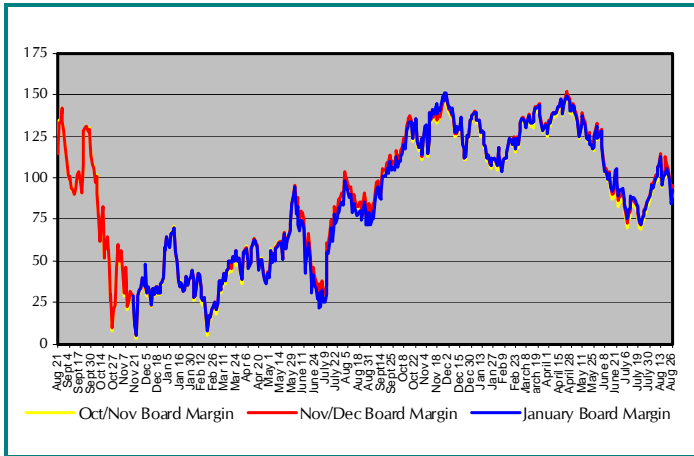
CRUSH CAPACITY UTILIZATION

The utilization of crush capacity in Canada declined for canola and improved for soybeans in 2009/10 compared to the previous year. Utilization of crush capacity was 83.1% for canola and 59.3% for soybeans.

	Canola	Soybeans
2003/04 Aug/July	85.5%	77.1%
2004/05 Aug/July	82.9%	74.3%
2005/06 Aug/July	89.5%	68.8%
2006/07 Aug/July	93.6%	70.1%
2007/08 Aug/July	96.2%	63.3%
2008/09 Aug/July	96.4%	58.9%
2009/10 Aug/July	83.1%	59.3%

CANADIAN CANOLA BOARD MARGIN INDEX

During the period June-August 2010, the Canadian canola board margin index fell by 26% based on the Nov/Dec contract period. Over the period oil prices rose 4%, meal prices rose 20% and canola seed prices rose by 21%.



US SOYBEAN BOARD MARGINS

During the period June-August 2010, the US soybean board margin rose by 18% for the Nov/Dec contract period. Over the period oil prices rose 4%, meal prices rose 20% and soybean prices rose by 12%.

