CANOLA PRESENTATION

COLFAX, WASHINGTON
JANUARY 26TH, 2012
PERFECT TIME......
PERFECT CROP?
WHY WE GROW CANOLA:

- winter and spring canola.....prevented planting acres
- since 1993 yields have doubled in spring canola.....hybrids..... RR
- early seeding/ broadcast seeding/cold tolerant
- does relatively well under stressful conditions
- problems with pursuit carryover (bedstraw) especially in lentils
- Roundup Ready 100% control …no carryover

- SU sensitive….. beware of pursuit carryover!!!!!

- harvestability….tap root…clean fields following year
Biotech Impact on Midwest Corn/ Soybean Profitability

- RR ready/ disease and pest resistance / short season / drought tolerance / end use quality / nitrogen efficiency

- genetically modified crops PROTECT yield

- resulting in higher seed cost…… but less herbicide / insecticide / fungicide

- spectacular yields and profitability

- driving land costs up!!!
- 2008 125 million hectares in biotech crops (74 fold increase since 1996)

- although not there yet … same dynamic in place for canola!!!!

- unfortunately wheat industry ignored trend
Biotech + Land + Livestock + Biofuel + Processing + Transportation =
Corn Yield Trend Line
Global Oilseed Demand

... it’s not going away!!!
Average Annual Growth
Real terms change in GDP, 2010-2050

Source: PwC projections
The Perfect Oilseed

- bio-diesel domestic mandates (European automobiles run on diesel)

- high quality edible oil for processing and cooking

- high quality meal for livestock, poultry and dairy

- healthier than soybean or palm oil (omega 9) Eco-health niche

- canola is a perfect fit for emerging market demand BRIC
The Biggest Challenge Farmers Face ????
Selling the Crop

- market volatility requires risk management tools
- hedging canola via futures and options….HTA’s
- multiple year hedging/cross hedging canola
- CRC Insurance
Build it . . . and the acres will come!

- $200,000,000 per year
- 300,000,000 pounds of canola oil
- 2.4 million pounds of canola processed per day
Conclusion:

- biotech will be the yield driver in the future

- world demand for oilseeds is not going away

- managing volatility in your marketing plan is critical

- canola acres in the PNW will increase to match processing capacity
Things haven't been the same around the county since TWA merged with Ed's Crop Dusting Service.