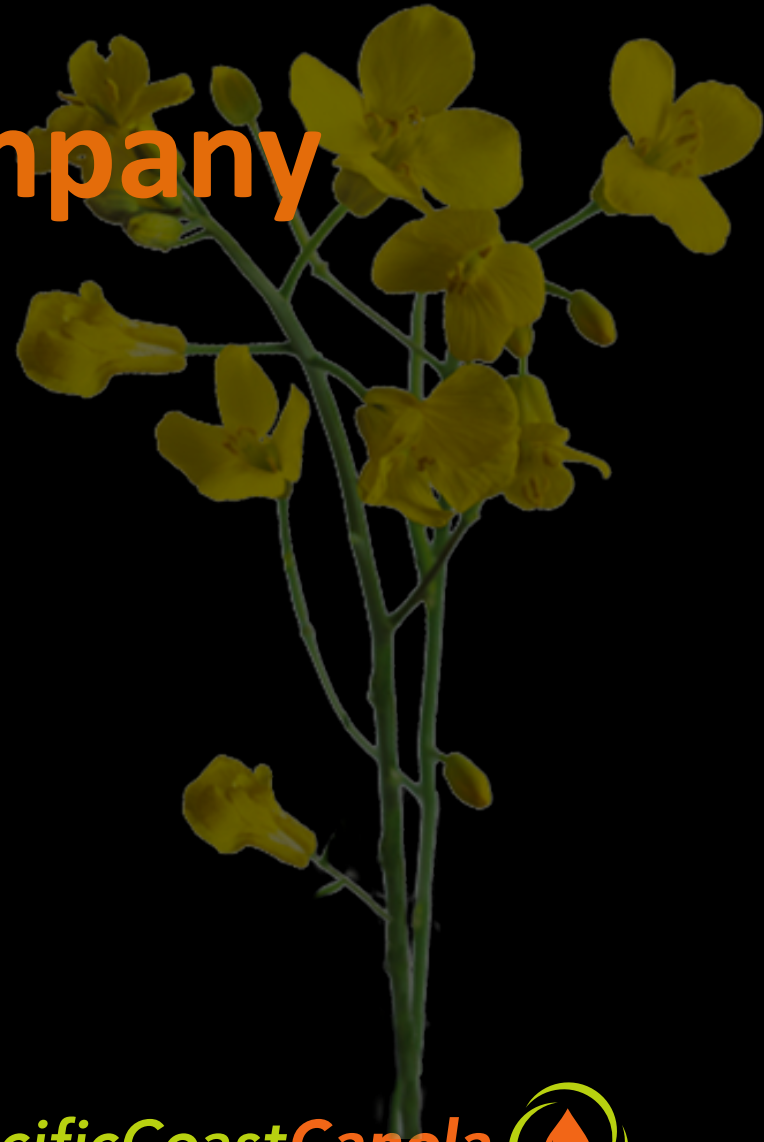


# The Scoular Company

Canola Marketing for  
the US Grower  
January 22, 2015



# Why Specialty Crops?

- I mean, Really? What is the big deal?



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# Why Canola?

- It can and will work in your rotation.



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- It can and will work in your rotation.
- World wheat demand is increasing at a decreasing rate from 2.5% to 1.5% over the next 30 years.
- Fats & oils are increasing at an increasing rate 3.3% to 5%



# The World Wants Twinkies Too...

- The Western diet is seeing duplication throughout the developing world.

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- Think China...

# The World Wants Twinkies Too...

- The Western diet is seeing duplication throughout the developing world.
- Think China...
- Now think “Dog Chow”

# Canola Market Movers

- C-A-N-A-D-A: It's more than just hockey and polite people in flannel.

# Canola Market Movers

- C-A-N-A-D-A - It's more than just hockey and polite people in flannel.
- The U.S. grows 2 million acres of canola.

# Canola Market Movers

- C-A-N-A-D-A - It's more than just hockey and polite people in flannel.
- The U.S. Grows 2 million acres of canola.
- Canada grows 20 million.

# Canola Market Movers

- Vegetable Oil Markets



# Canola Market Movers

- Vegetable Oil Markets
  - Palm from Malaysia





# Canola Market Movers

- Vegetable Oil Markets
  - Palm from Malaysia
  - Rape/Canola from Europe



# Canola Market Movers

- Vegetable Oil Markets
  - Palm from Malaysia
  - Rape/Canola from Europe
  - Soy from North and South America



# Canola Market Movers

- Vegetable Oil Markets
  - Palm from Malaysia
  - Rape/Canola from Europe
  - Soy from North and South America
  - Flax, cotton, corn, sunflower, safflower and etc.....

# Canola Market Movers

- The “Crush” Formula



# Canola Market Movers

- The “Crush” Formula
- Value of canola meal (local basis + CBOT Soy Meal) PLUS



# Canola Market Movers

- The “Crush” Formula
- Value of canola meal (local basis + CBOT soy meal) PLUS
- Value of canola oil (local basis + CBOT soy oil) MINUS

# Canola Market Movers

- The “Crush” Formula
- Value of canola meal (local basis + CBOT soy meal) PLUS
- Value of canola oil (local basis + CBOT soy oil) MINUS
- (Value of ICE Canola +basis) times the C\$

# The Loonie is Getting Looney

- Currency trade is crazy complicated.





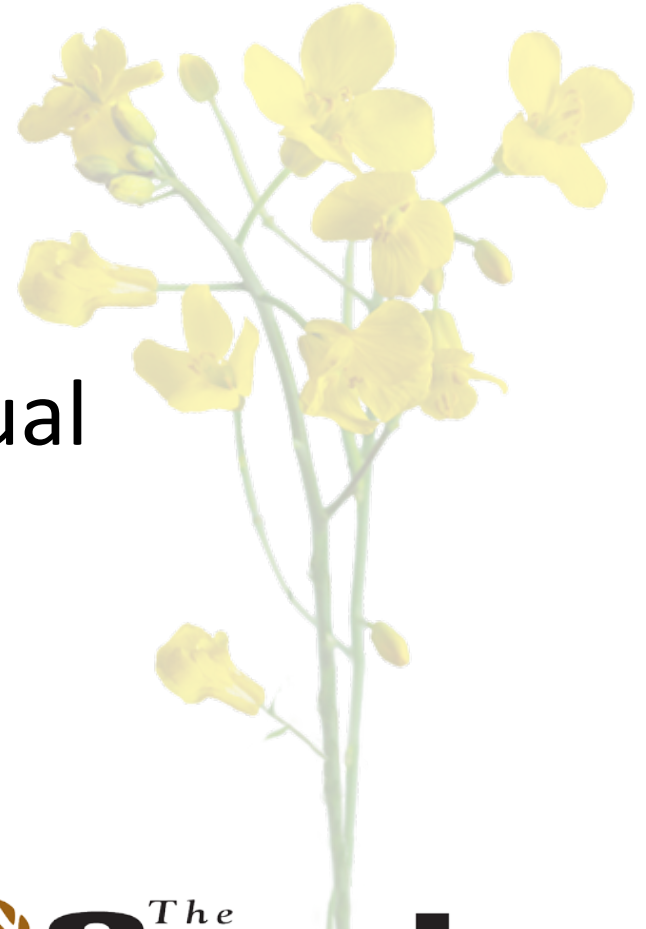
# The Loonie is Getting Looney

- Currency trade is crazy complicated.
- Correlation does NOT equal causation



# The Loonie is Getting Looney

- Currency trade is crazy complicated.
- Correlation does NOT equal causation
- But.... Look at this:



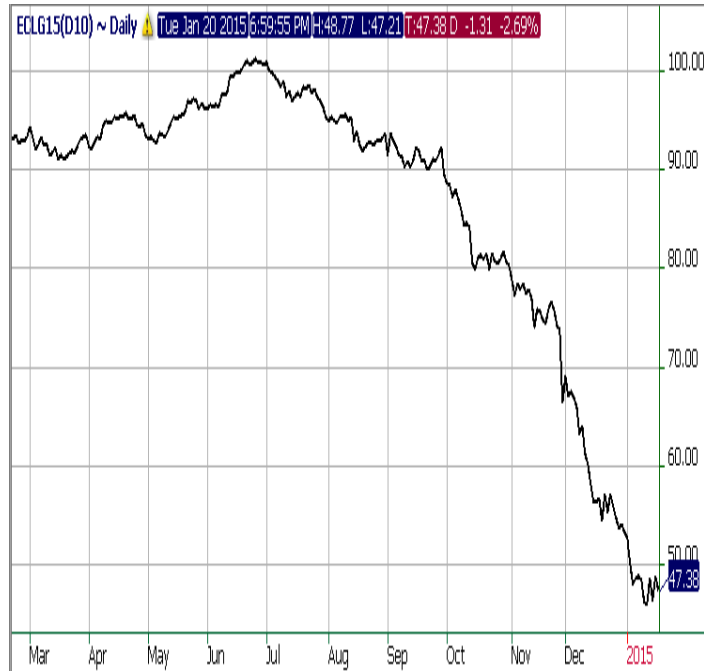
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# The Loonie is Getting Looney



# The Loonie is Getting Looney



# Basics

- This crop has a lot of moving parts.



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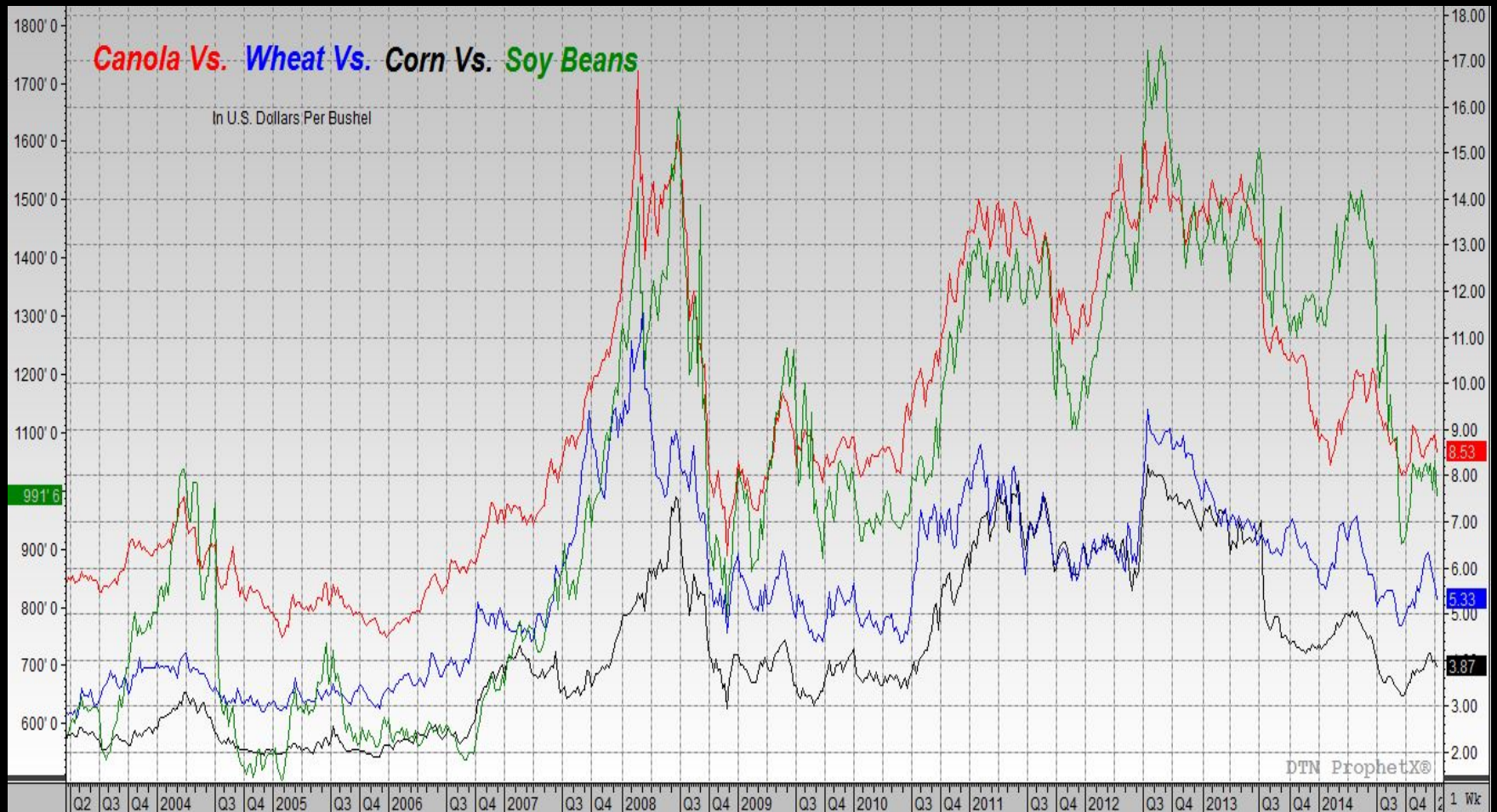




# Basics

- This crop has a lot of moving parts.
- Veg oil, veg oil, veg oil
- Loonie, loonie, loonie
- Marsha, Marsha, Marsha!

# Canola vs. Major Grains



# Talk to me...

- Mike Conklin
- 509-349-8463
- [mconklin@scoular.com](mailto:mconklin@scoular.com)



# Questions?

