

# Marketing Canola

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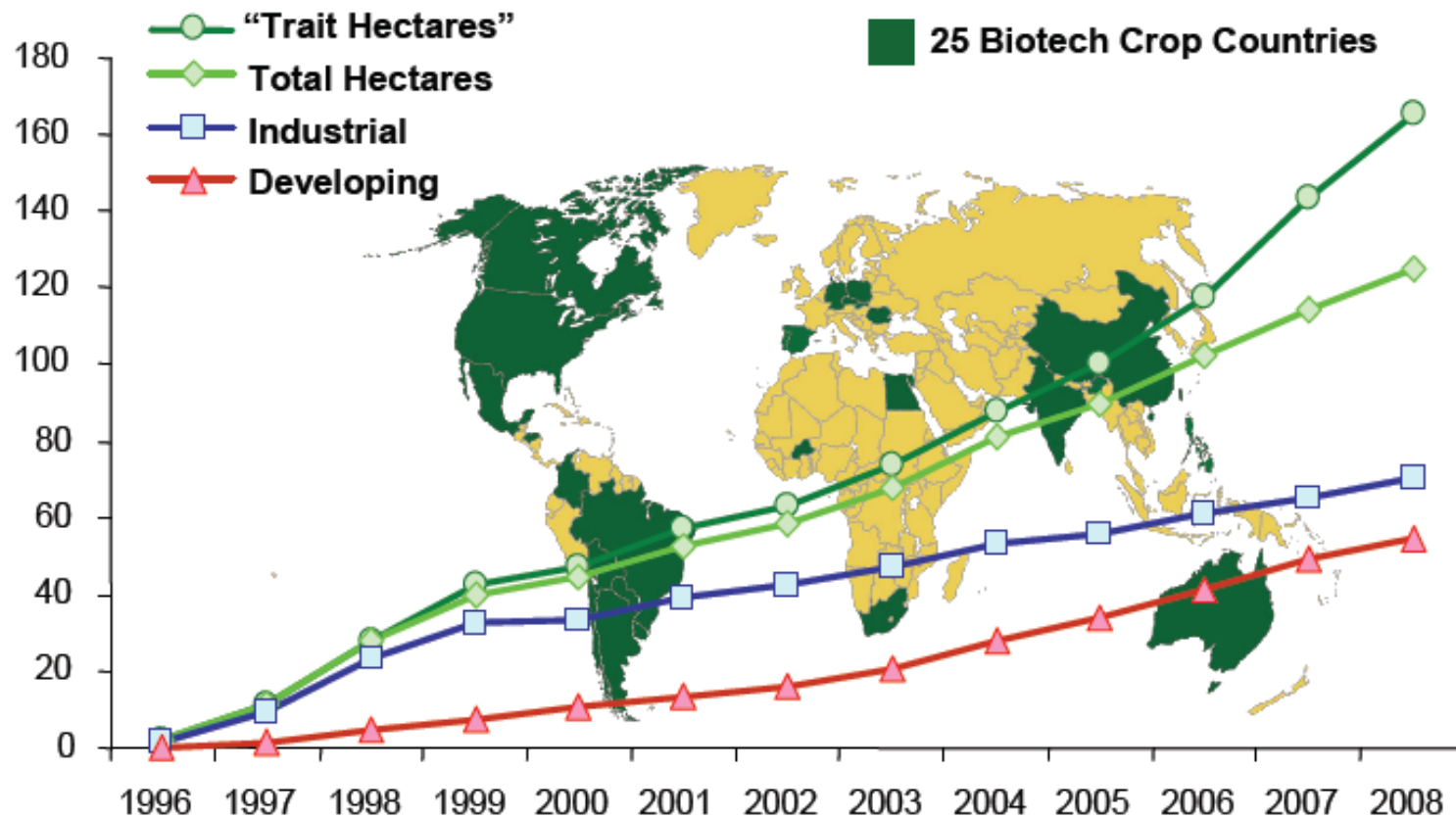
General Manager

Australian Grain Accumulation



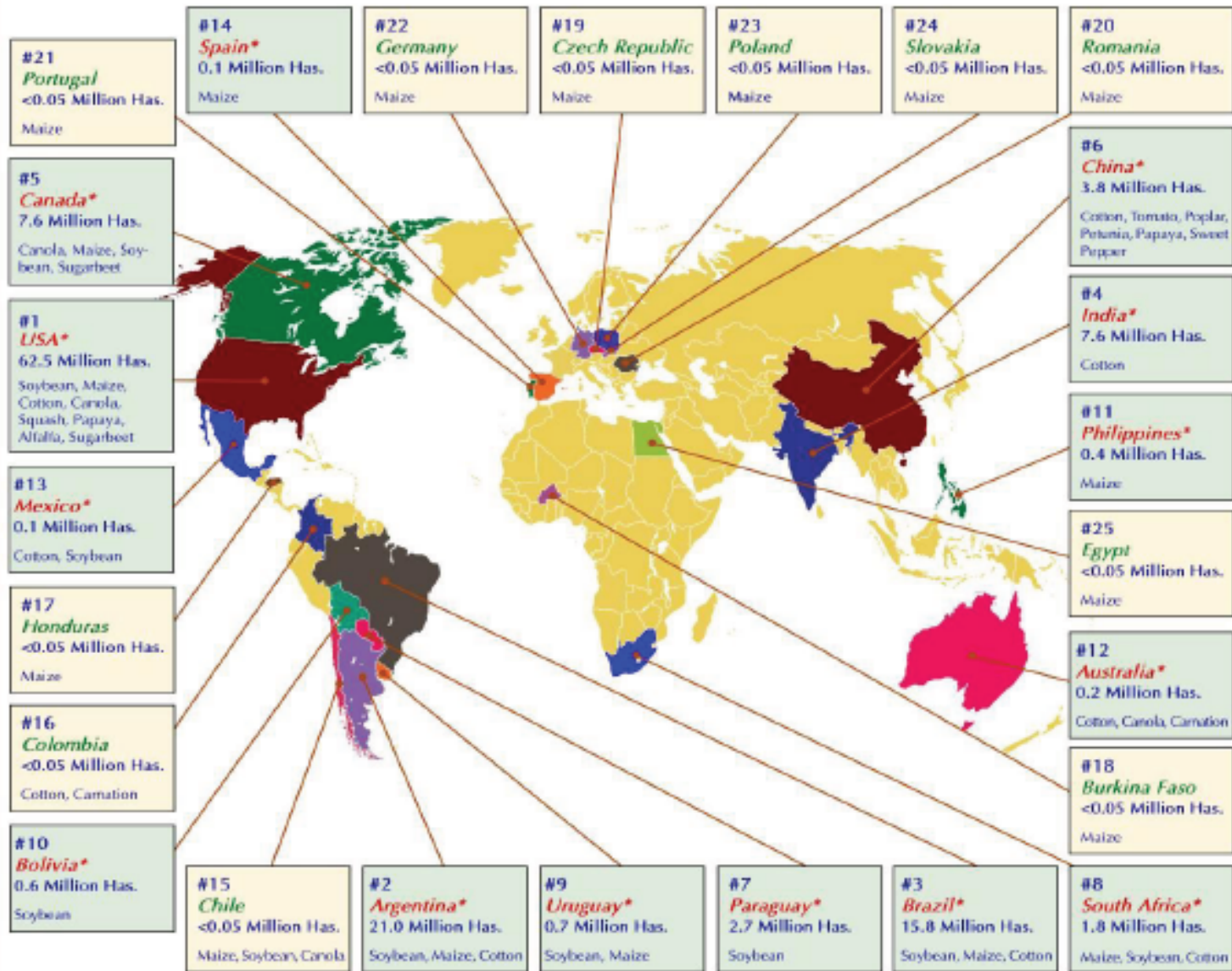


## GLOBAL AREA OF BIOTECH CROPS Million Hectares (1996 to 2008)



*An “apparent” increase of 9.4% or 10.7 million hectares between 2007 and 2008, equivalent to a “real” increase of 15% or 22 million “trait hectares”*

## Biotech Crop Countries and Mega-Countries\*, 2008



\* 14 biotech mega-countries growing 50,000 hectares, or more, of biotech crops.

Source: Clive James, 2008.

# Global Area of Biotech Crops, 1996 to 2008: By Crop (Million Hectares, Million Acres)



M Acres

173 70

148 60

124 50

99 40

74 30

49 20

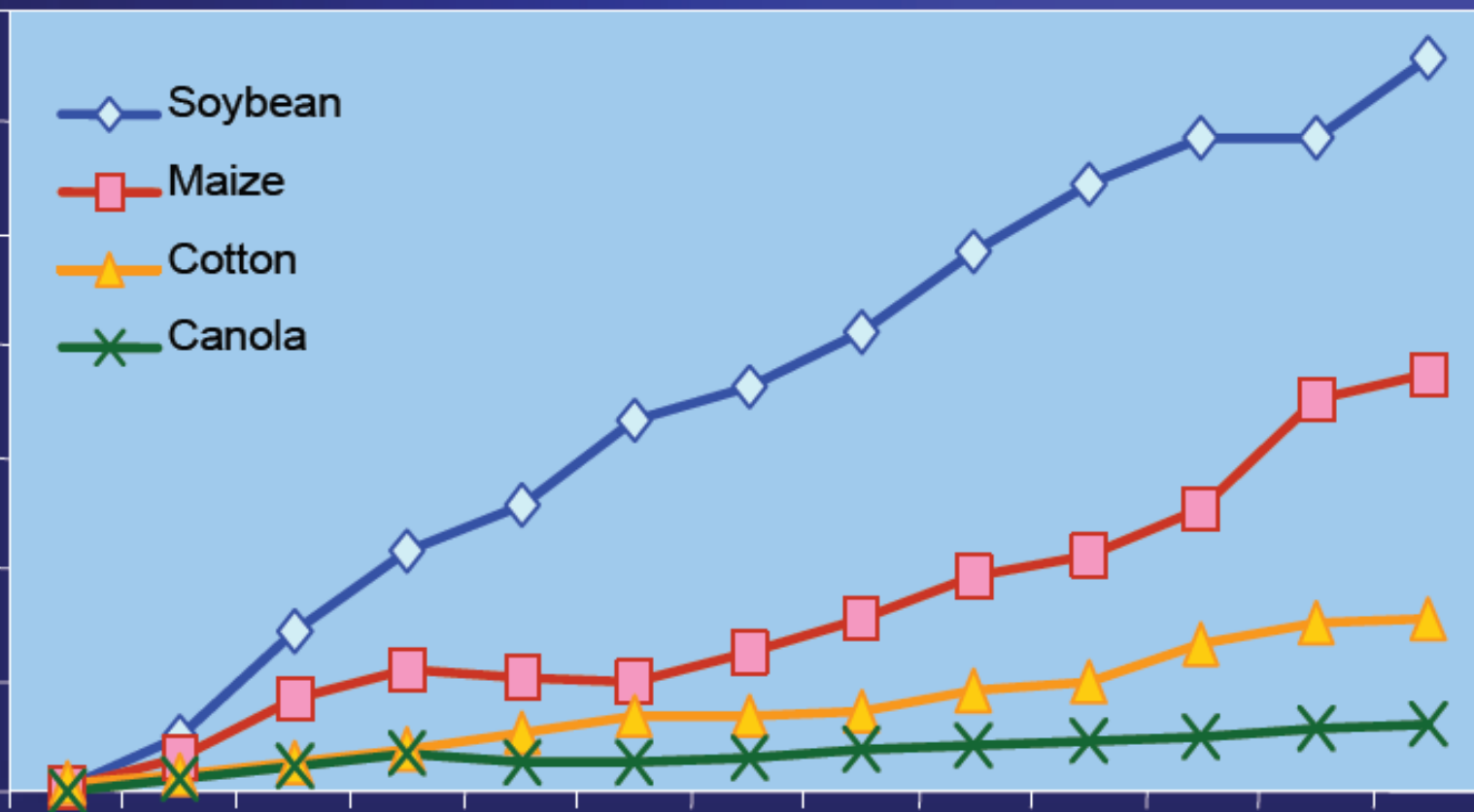
25 10

0 0

- ◆ Soybean
- Maize
- ▲ Cotton
- ✕ Canola

1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

Source: Clive James, 2009



# More Farmers choosing Biotech Crops

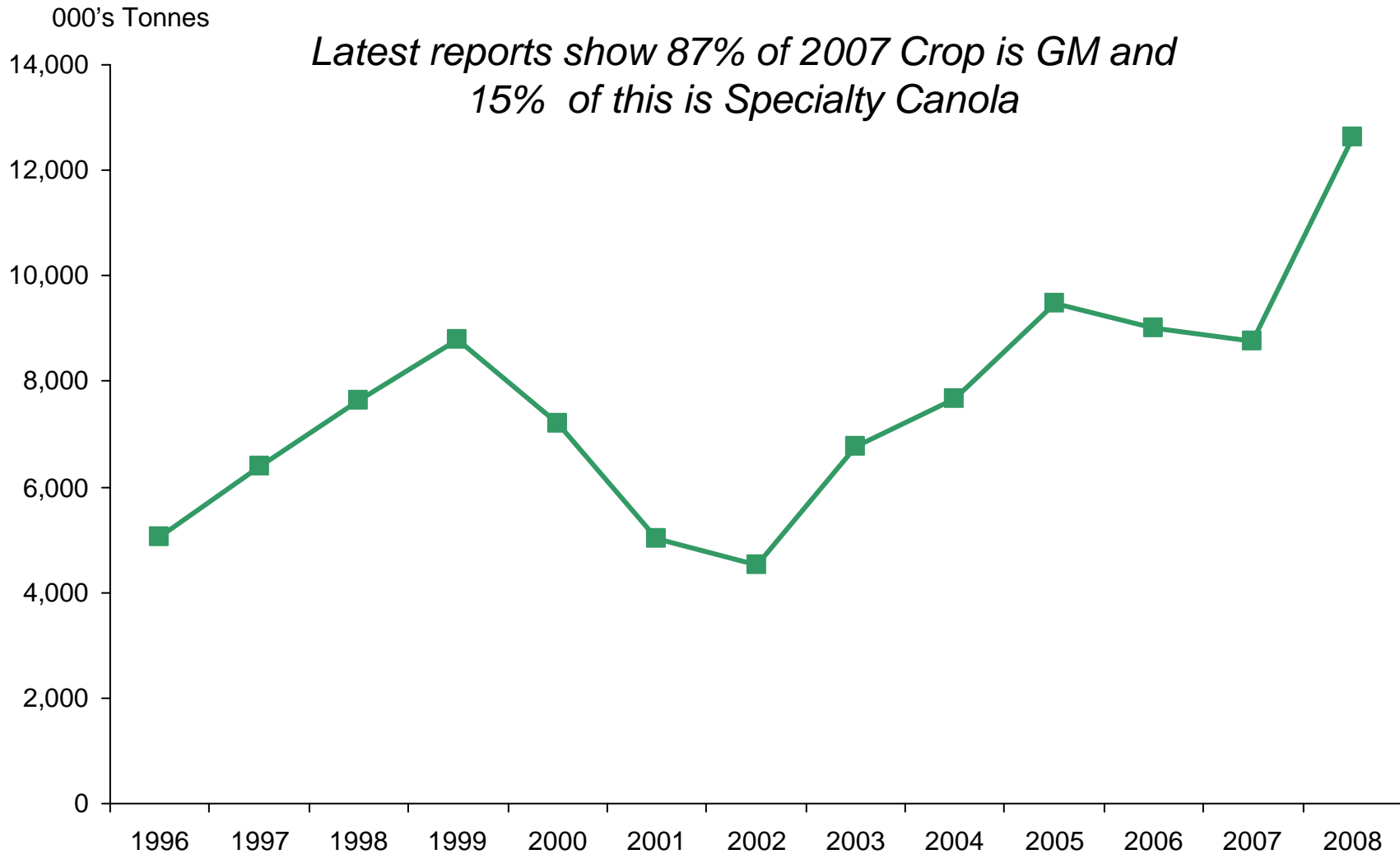


- A record 13.3 million farmers in 25 countries are using this science today and this trend continues to grow. 90% (12.3 million) of these are resource poor farmers in developing countries.
- In 2008 adoption of biotech soybeans reached 92%, adoption of biotech cotton reached 86% and biotech corn 80%.
- A total of 309 million acres of Biotech crops were planted in 2008 compared to 282 million in 2007.

# Canadian Canola Production

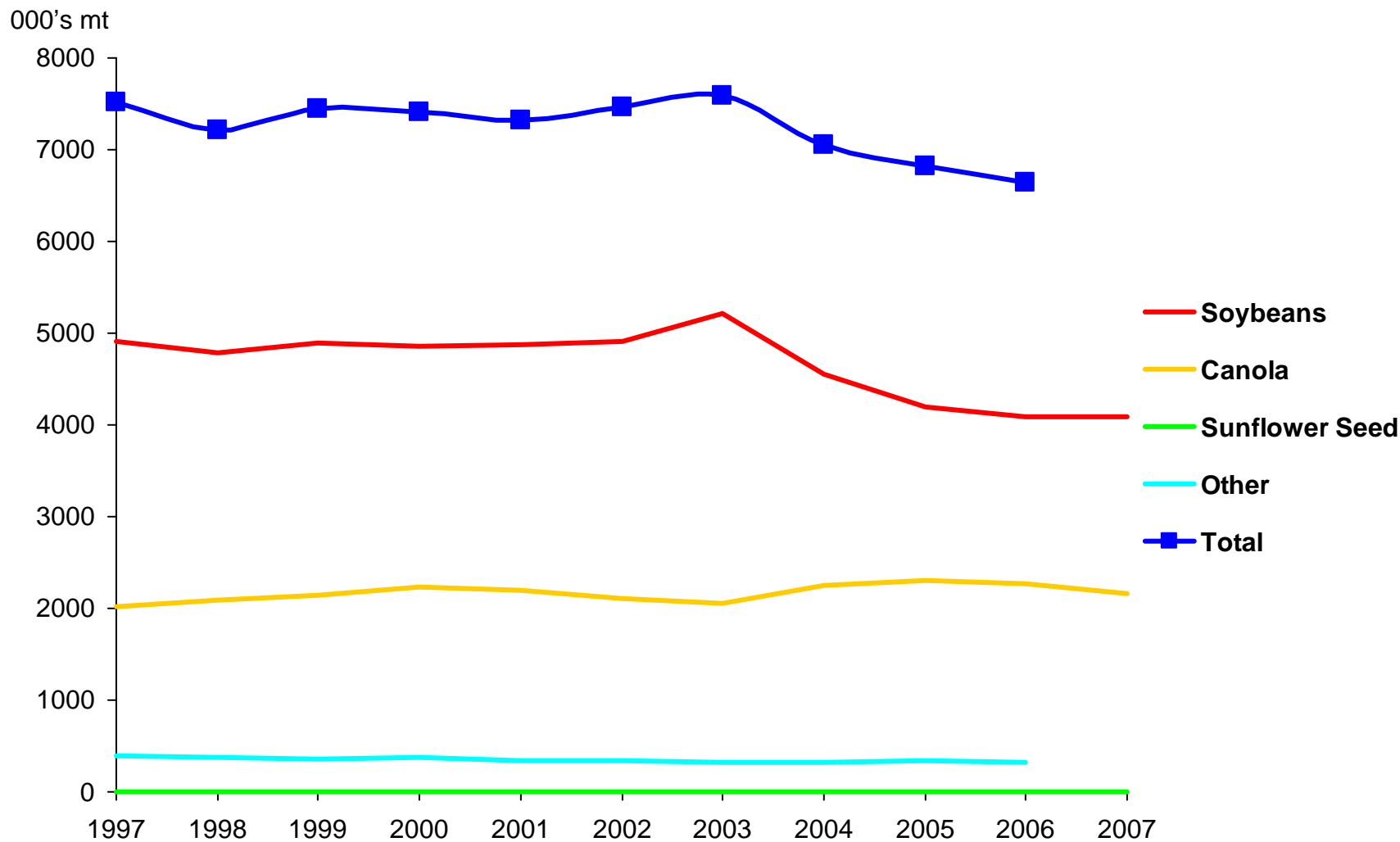


## Canadian Canola Production 1996-2008



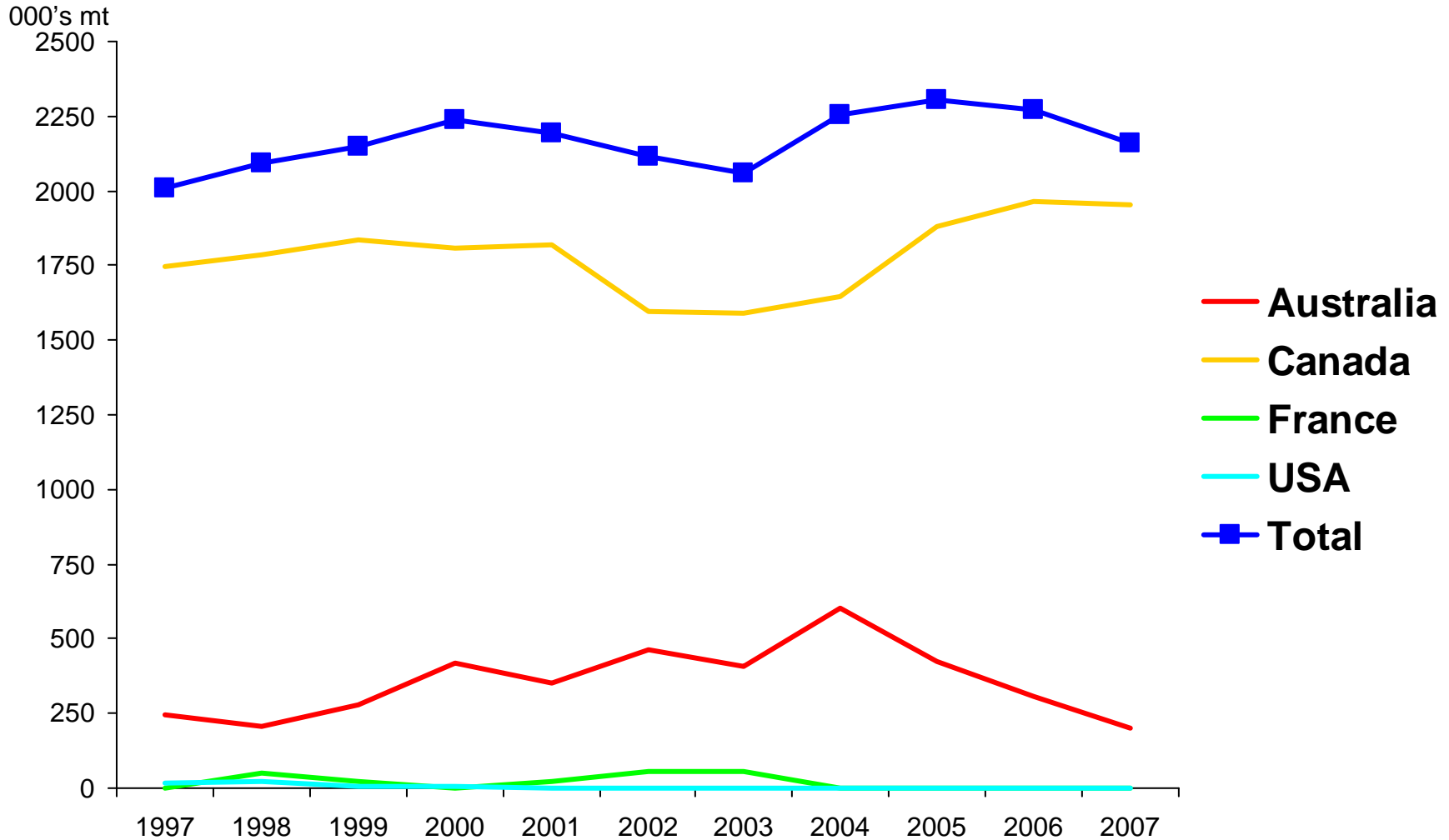
Source: Field Crop Reporting Series - Statistics Canada

# Japanese oilseed imports by type 1997-2007



Source: Global Trade Information Services Inc

# Japanese canola seed imports by 1997-2007

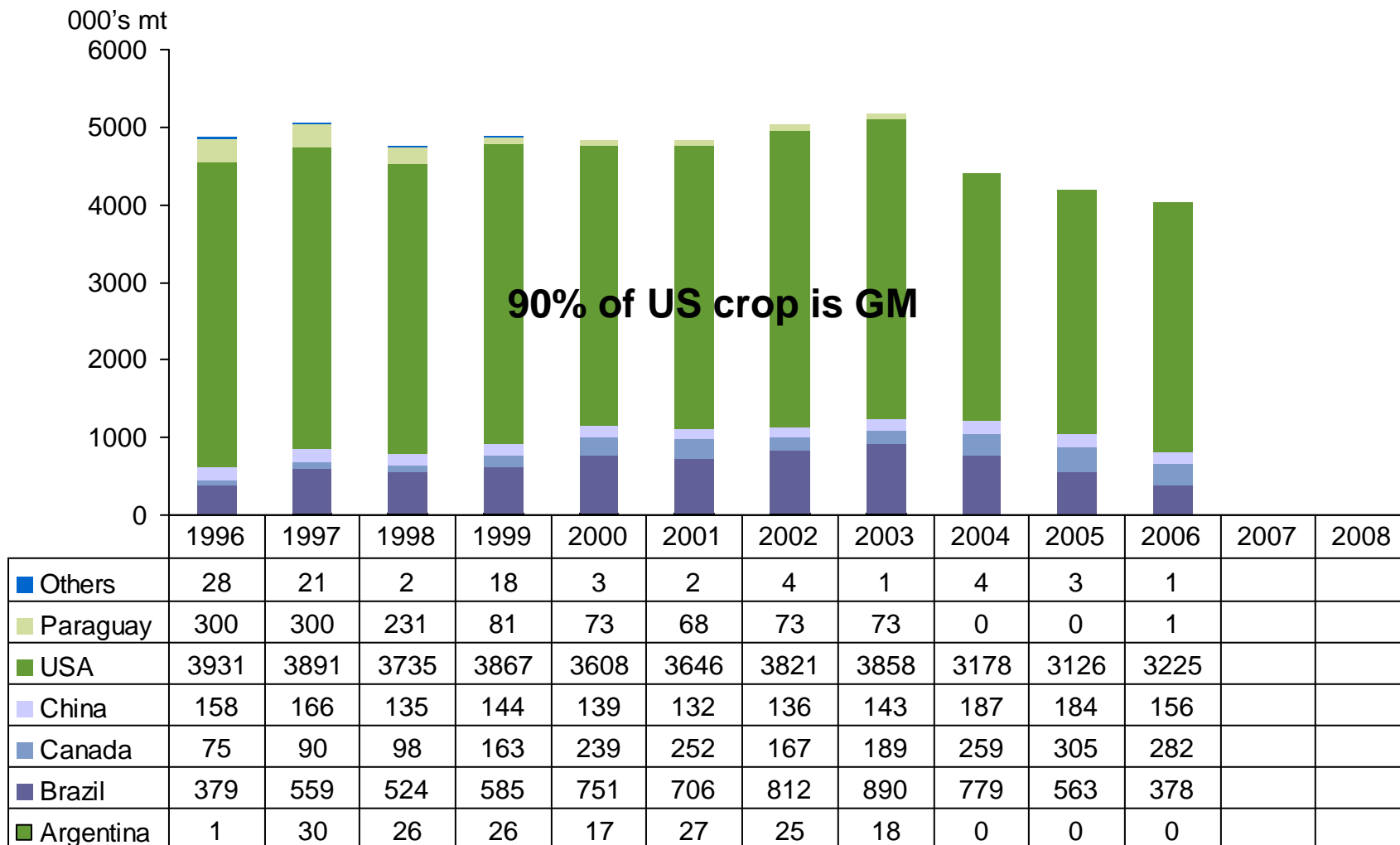


More than 80% of Canadian Seed is GM

Source: Global Trade Information Services Inc



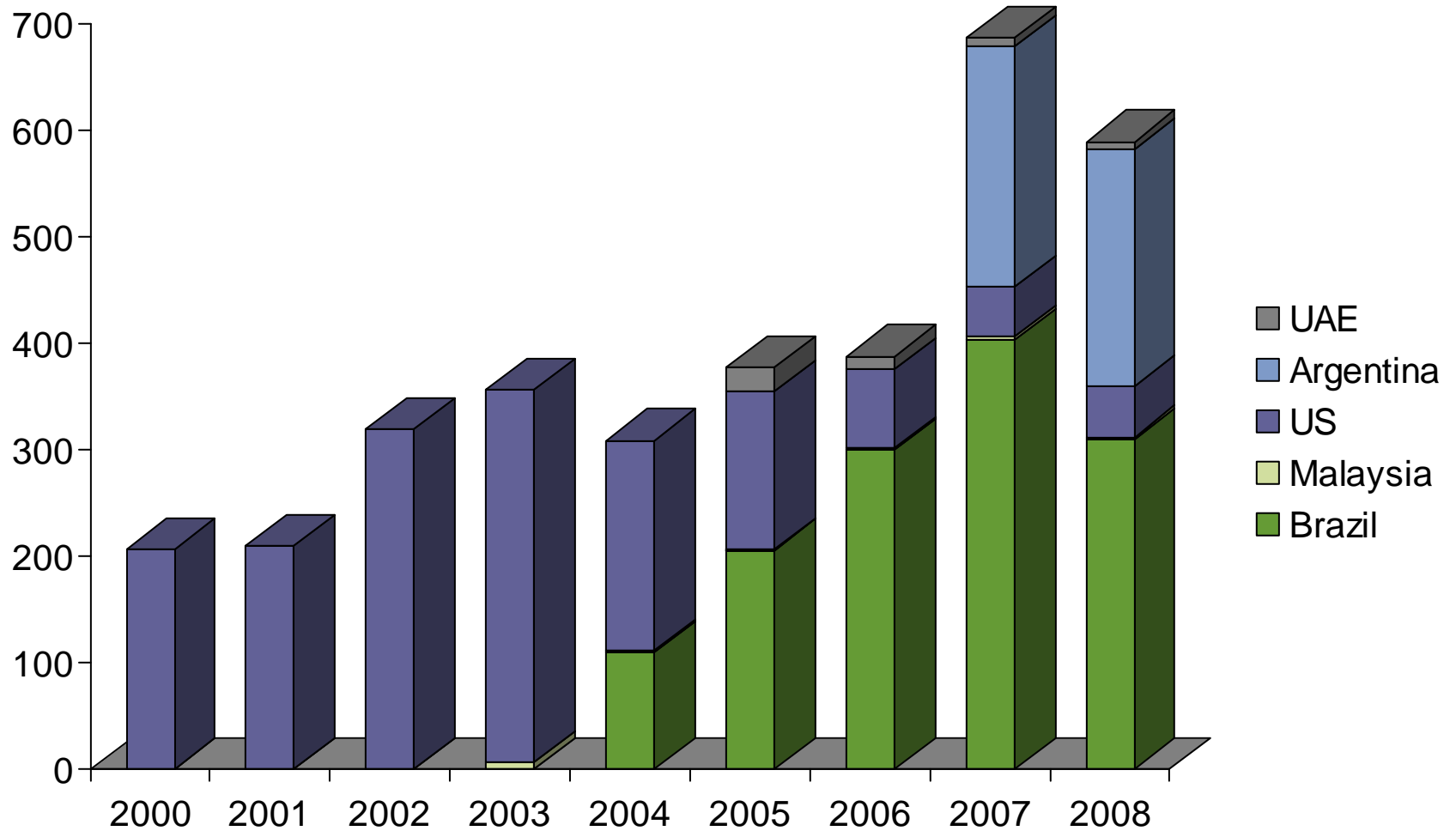
# Soybean imports into Japan



**77% of Soybean imports are from the US**

Source: Global Trade Information Services Inc

# Soybean Meal Imports by Origin into Australia



Source: Global Trade Information Services Inc

# Fats & Oils

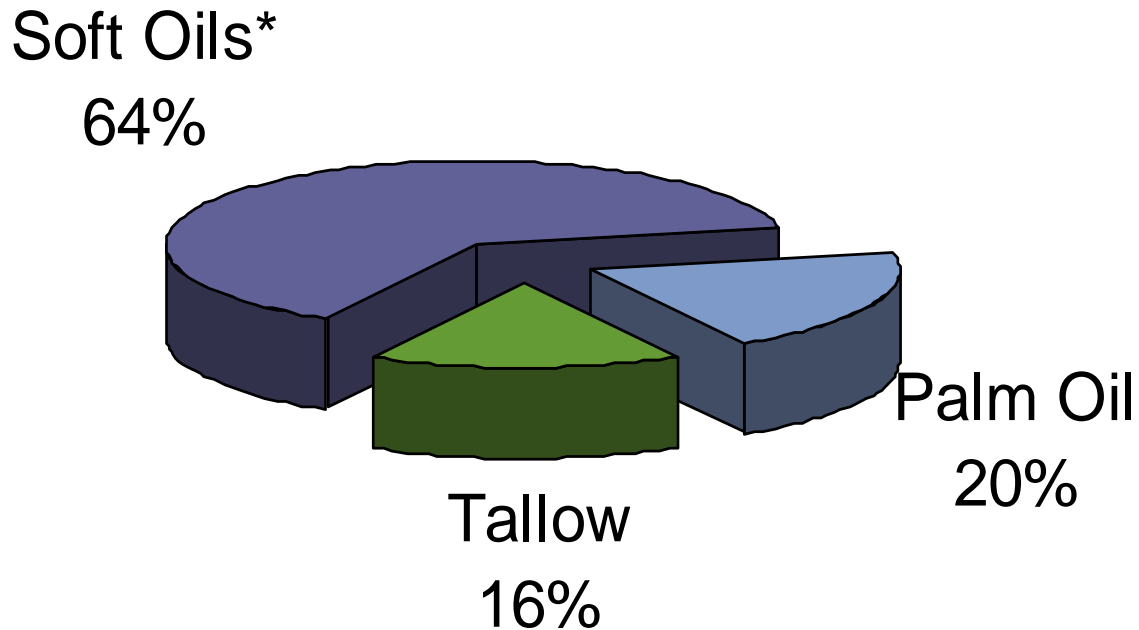


- Australia usually produces between 2 to 3 million tonnes of oilseed crops each year. This has been as high as 3.7 million tonnes in 1999-00, largely because of a record canola production of over 2.5 million tonnes.
- Canola and cottonseed are the major oilseed crops accounting for 93% of total oilseed production, with soybeans and sunflower comprising a further 3% and 4% respectively. Canola production is now the largest oilseed crop representing 57% of Australian oilseed production over the past 5 years, while cottonseed comprising 36%.
- 93% of cotton seed is GM and this is crushed and sold into the domestic market or sold as whole seed both domestically and internationally.

# Domestic Fats and Oils Market



Australia consumes 575,000mt of fats and oils annually, more than 60% of the total consumption is soft oils.



\*Canola, Sunflower, Safflower, Soybean, Cottonseed

Source: ABS

# Current situation in Australia



- Adoption on a world scale has been rapid.
- Production 9300 mt 08/09.
- Segregated supply chain from farm to end user.
- Industry has agreed on AP levels to define GM and Non GM.
  - Seed 0.9% AP
  - Meal 5% AP
  - N.B There is no standard for oil as genetic material is not present in refined oil
- The AOF has adopted standards for Non GM Canola and Canola.
  - CS01-A
    - Non GM Canola
  - CS01
    - All Canola

# Outlook



- Could be as high as 100,000 ha this year which would be approx. 25% of NSW & VIC crops .
- W.A. will be doing field trials similar to the east coast last year.
- The canola seed will be crushed locally and also exported.
- All companies will be free to purchase GM canola this year.
- Both Australia events commercialised (MS8-InVigor and Gt73-rr) are fully food and feed approved in the EU.
- Japan already imports GM canola seed, meal and oil.
- Cargill is breeding to include GM traits into its premium high-oleic canola program.
- Segregation issues still to be resolved. Do we segregate GM or non GM?



## Introduction

The Australian canola industry has adopted a position of market choice which frames the development of coexistence arrangements across the range of products that the industry produces.

Traditionally the Australian canola industry has been based on one grade of canola – traded as CSO1.

In recent years, the industry has seen a range of new products introduced. This includes introduction of specialty canola which has modified fatty acid profiles and specific end product applications; new types of canola such as canola quality mustards; and new technologies such as GM canola.

In addition, there is R&D occurring on industrial mustards for applications such as biodiesel and there is ongoing development of condiment mustards.

Management of the grain supply chain to meet user specifications, for product quality and ensuring that the product is not compromised by the unintended presence of impurities, has to be built on a platform of maintaining product integrity.

This platform is built on utilising tools such as standards, identity preservation processes, segregation and traceability.

With the approval to grow GM canola in NSW and Victoria from 2008, AOF has established new trading standards for canola which covers the commodity canola supply chain. This has not previously been required in relation to specialty canola as this is generally grown under a 'closed loop' arrangement.

This document outlines how the canola supply chain operates for commodity and identity preserved products and illustrates the arrangements in place for GM canola in 2008, as well as demonstrating how it may be dealt with in the future as it develops.



## GM Canola stakeholder report

AOF/NACMA will provide stakeholders with a report in regard to GM canola. This will demonstrate how GM canola has been managed against the industry's market choice policy. The report will be published in March each year, with an interim update provided in September/October each year.

The report will provide stakeholders with an overview of how GM canola has performed in relation to the market choice protocols that have been developed by the industry.

The market choice protocols can be accessed from [www.australianoilseeds.com/aof/trading\\_standards/industry\\_reports\\_-\\_delivering\\_market\\_choice\\_with\\_gm\\_canola](http://www.australianoilseeds.com/aof/trading_standards/industry_reports_-_delivering_market_choice_with_gm_canola)

The report will provide:

- An overview of the area and volume of GM canola
- A report on how the market choice protocols have performed
- Identify any actions/revisions of the protocols that have been undertaken in response to the value chain performance

For further information:

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# Canola Value Chain



Delivering market choice



**Tesco chief executive Sir Terry Leahy has signalled that the retailer is willing to back genetically modified (GM) foods, saying consumer attitudes have changed and it has a vital part to play.**

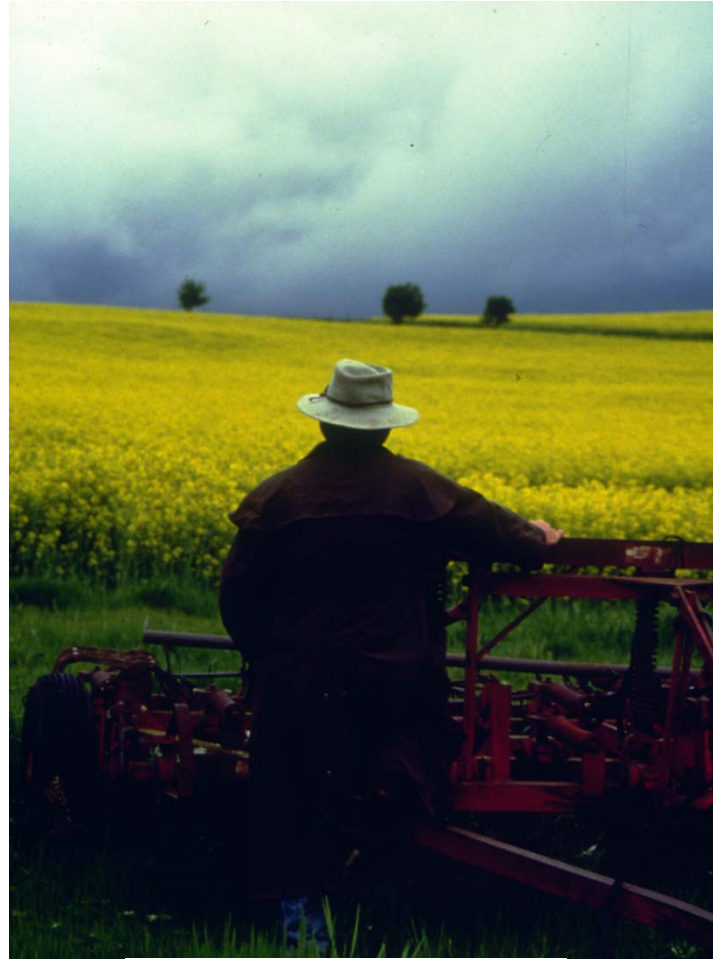
Speaking at the annual City Food Lecture, held in London, Leahy said: *“In some ways it may have been a failure of us all actually to stand behind the science.*

*“You get a sense that whilst always the scientific evidence was clear, governments let alone retailers stopped short of wholehearted endorsing it and I think that that certainly didn’t help in the case of GM...”*

He added that there also seemed to be a growing appreciation by people that [GM](#) was likely to play *“a vital role in feeding the world, in adapting to climate change and indeed in producing some of these more nutritional products – foods - that people will need”*.

Leahy said: *“I get a sense that the science has moved on another notch and maybe there is an opportunity to discuss again these issues based on still clearer scientific evidence*





Thank You