

Canola Market Making News

The canola market has been interesting this summer with the large increase seen in prices. The November Winnipeg Commodity Exchange canola price has eclipsed the \$400/ton mark for the first time in four years. The big question is how long will these prices last and will they go higher still. Several factors will determine this.

The largest impact on canola prices has always been the size and condition of the U.S. soybean crop. One only needs to look at the market situation with that crop to get an idea of what canola prices are. This year, the U.S. soybean crop is under more stress compared to recent years. The latest crop conditions report showed that much less of the crop was in the "good to excellent" categories compared to this same time last year. It seems that the weather forecasts change daily and this drives the market prices quite significantly in either direction.

There is an old saying that "the soybean crop is made in August" so there is still time for rains to improve the crop conditions. However, if the soybean crop suffers irreparable damage and the total U.S. production falls below current expectations in 2002, prices of canola should stay strong.

The global situation with canola shows that production will be down significantly from several years ago and this will

also be supportive of prices. The largest exporter of canola, Canada, may see canola production dip into the 3.5 to 4 million mt range this year after earlier projections last winter were in the range of 6 million mt. This is a significant drop. The main reason for the drop is the continued dry weather in the western regions of the canola growing area in Canada and reduced acres planted due to weather.

Australia is also in the grips of a drought which has caused the Australian Oilseed Federation to cut their estimate of 2002 canola production by almost 25 percent. China's production was predicted to be 12 million mt earlier this year, but now analysts are predicting production to be only 10 million mt.

In the U.S., production will likely come in between 720,000 and 800,000 mt, but this number may fluctuate depending on how many acres of canola were lost due to frost and floods in North Dakota and Minnesota.

Given that global canola production will likely reach only 34,000 mt this year, down from 42,000 three years ago, price premiums to soybeans should stay strong. The range of canola's price premium to soybeans has been \$15-\$60/mt and the current premium is \$45, so this indicates canola still has some room for price expansion relative to soybeans.

Sixth Annual Canola Day to be Held in Langdon

The Sixth Annual Canola Day will be held February 5, 2003 in conjunction with KNNDK Radio in Langdon. Canola Day provides attendees with the opportunity to participate in educational sessions and discussions with other producers and researchers regarding the canola industry. The NCGA will have a top name speaker at the event as well as several other presentations important to canola. The annual meeting of members will also take place at this meeting where the NCGA will elect two new members to the board of directors to replace directors whose terms will have expired.



Topsin M Receives Full Registration on Canola

This last month, the EPA granted Cerexagri a full label for its product, Topsin M®, for use on canola to control sclerotinia stem rot. Topsin® may be applied at the rate of 1-2 lbs of formulated product per acre in a single application or 1 lb per application in two applications. Topsin® may be applied to canola once at the 20–50% flowering stage or twice with the first application at the 20-30% flowering stage and the second application at the 40-50% flowering stage. No more than 2 lbs of Topsin® (1.4 lbs ai) can be applied per acre per season. The NCGA is grateful to Beth Nelson of the Minnesota Canola Council who was the lead person in making this expedited registration possible.

Canola Research Tour/Golf Tournaments Held

The Northern Canola Growers Association, in conjunction with the North Central Research Extension Center in Minot hosted a canola research tour on June 26, 2002 in Minot. The event provided producers with an opportunity to review canola research taking place at the Research Extension Center. Topics covered during the tour included insect and disease management as well as a review of a rotation trial and a new misting system designed to evaluate fungicides on canola.



The winning team at this tournament was Kevin Kakela, Doyle Lentz, Craig Disher and Duane Wilkie of Rolla.

Following the tour, a 4-man best ball tournament was hosted at the Minot Country Club. Nearly 100 players participated in the event with prizes being presented to top finishers. The winning team in the tournament was Kevin Kakela, Carey Kakela, Neil Hawley and Travis Holem from Rolla. They hit an impressive 12 under.

The Northern Canola Growers Association also hosted a Canola Open at the Langdon Country Club on July 11, 2002. More than sixty players participated in the annual event. Prizes were presented to top finishers as part of the four-man best ball tournament.

Thank You!

We would like to acknowledge the following sponsors who made these tournaments possible:

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Hail Damage in Canola

Hail damage does and will occur in 2002 on canola production fields. What kind of damage and injury can one expect? A general rule is that the earlier the hail damage the more time to recover and the less amount of total injury.

Plantings in seedling stages can have stands reduced by 50% and still produce acceptable yields. An average stand of 11-12 plants/ft² can be reduced to 4/ft² before yield losses exceed 10 percent. Prior to bolting and flower development, canola can withstand hail without much economic loss. Canola with leaves that are torn and shredded suffer only partial loss, while leaves bruised on the main vein or torn and broken will be lost. Leaf area destroyed will result in seed yield loss. Seed yield losses in canola is approximately 25 percent of leaf area lost. If leaf defoliation is 50 percent, then yield loss would be approximately 12.5 percent.

Canola plants injured in late bolting or early flowering stages seldom die. The well developed root systems and ability to rebranch and develop secondary flower clusters

help the plants recover. When buds or flowers are destroyed, the canola recovers rapidly by development of flowers which normally would have aborted.

New branches also develop from growth buds lower down on the plant. Seed yield loss will depend on both percent leaves and branches lost. For example, if canola has 60 percent lost branches 7 days into flowering, seed yield loss is estimated at 18 percent, whereas 21 days into flowering, yield loss would be an estimated 60 percent. If hail strikes late, such as during pod filling or ripening, plant recovery is not possible. The time needed to develop new growth, flowers and mature is limited before a killing frost. Canola seed yield loss if injury occurs at the ripening stage depends directly on the loss of branches, individual pods and seed knocked out of pods. Severe hail losses have occurred in canola swaths.

Duane R. Berglund
Extension Agronomist
dberglun@ndsuxext.nodak.edu

Sclerotinia Forecast Maps End for 2002

The last sclerotinia forecast maps for 2002 were sent on July 25th. The overall risk from sclerotinia this season seemed to be much less than in past years given the weather conditions in the region. At several points in the season, the risk of sclerotinia was high in select areas of the region, but no general widespread areas were reported.

The NCGA appreciates the financial support of BASF, the makers of Ronilan® and Cerexagri, the makers of Topsin M® towards the risk maps. The NCGA would also like to thank Dr. Art Lamey for his dedicated work and also the many county and regional NDSU specialists who contributed to the data that was needed for the risk maps.

We ask that anyone with questions or suggestions for the risk maps for 2003 call the NCGA office in Bismarck toll-free at 877-585-1671 or email us at canola@btinet.net.

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Hydraulic Fluid From Rapeseed Overcomes Cold Weather Problem

By Michael J. Strauss

The first year of a field trial in Sweden showed hydraulic fluid made from rapeseed oil can perform well in cold weather if certain modifications are made, such as removing saturated fatty acids, the head of a Royal Dutch/Shell Group research effort said Monday.

Previously, hydraulic fluid from rapeseed oil would solidify in low temperatures, restricting commercial purchases despite the environmental advantages it has over petroleum-based fluid. The removal of that problem could open the way to substantial sales, given past interest in the use of rapeseed oil as a fuel.

The research leader, Nigel Battersby, told an international meeting here that the hydraulic fluid in the trial was in good shape after the first 4,000 hours of use in a machine in northern Sweden, and the condition of the machines' hydraulic system also was good.

"There was wear of the pump occurring, but we would expect that. The measures here were indicative of normal wear," he said.

Machines that need hydraulic fluid, such as construction equipment, are often used in environmentally sensitive areas, and because the fluid is used at high pressure, the risk of leaks and spills is a constant concern.

Battersby estimated the market in Europe for rapeseed oil could reach 20,000 metric tons this year. He said users of hydraulic fluids in the U.S. also are "getting more interested" in using fluid made from rapeseed. —Coventry, England (OsterDowJones) - 20-May-2002



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Phone: (701)223-4124

Fax: (701)223-4130

www.northerncanola.com

Northern Canola Growers Association
4007 State Street
Bismarck, ND 58503