

SUNFLOWER PRODUCTION AND UTILIZATION
TRENDS IN CANADA

By

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The trend in sunflower production in Canada, or perhaps one should say in the province of Manitoba, has been generally upward over the last 10 years. Plantings this year were down, however, about 12% from a year ago and indications are that there will be a further decline in 1969.

We estimate this year's overall sunflower plantings in Canada at 43,700 acres, of which 38,000 acres was in Manitoba; 1,900 in Saskatchewan; 1,300 in Alberta, and 2,500 acres in Ontario.

With respect to varieties, the trend since 1963 has been to increasing use of the higher oil yielding introductions from the Soviet Union. Three of these - Peredovik, Armaveric and Krasnodarets represent, this year, close to 90 per cent of the sunflower acreage in Manitoba and about the same percentage of that in Alberta and Saskatchewan.

Crushings of sunflower seed at Altona in the last crop year consisted of 90 percent Peredovik and Armaveric and 10 percent Commander and Admiral Hybrid. In volume of seed processed and oil produced, the results compared with average figures of the last two preceding five year periods as outlined below.

	<u>Seed Crushed</u>	<u>Oil Produced</u>	<u>Percent Oil</u>
1967	24,471,000	9,920,400	40.5
1962 to 1966	12,004,300	4,207,700	35.0
1957 to 1961	6,427,400	1,792,000	27.9

Sunflower production in Manitoba in 1967 compared with average figures of the last two preceding five year periods as follows:

	<u>1957 to 1961</u>	<u>1962 to 1966</u>	<u>1967</u>	<u>1968</u>
Seeded acreage	33,100	39,320	44,800	38,300
Seed production (000 lbs.)	18,092	25,542	38,711	
Yield per acre (lbs.)	562	674	864	
Price to growers (¢ per lb.)	4.44	5.33	4.10	

It is interesting to note that the average seed yield of the last five years was appreciably higher than that of 1957 to 1961. I would be inclined to attribute the apparent upward trend of seed yields indirectly to improvement in seed prices over the greater part of the last five year period and more directly to increasing use of fertilizer and to reduced abandonment of seeded sunflower acreage to other crops and summerfallow.

An average price of 5.33 cents provides greater incentive than 4.44 cents for investment in items such as commercial fertilizer and spray materials. Relative to operating costs, however, the upward trend of seed prices was not as great as might be assumed. For instance, on basis of official price index numbers of commodities and services used by farmers in Western Canada, 5.33 cents per pound in 1967 would have been equivalent to only 4.76 cents in 1965 or 3.02 cents in 1949. On the same basis, last year's actual 4.10 cents per pound would have been equivalent to only 3.66 cents in 1965 or 2.32 cents in 1949. The actual average price to growers in 1965 was 5.75 cents per pound and in 1949, 3.8 cents.

The disastrous drop in seed prices to producers is self-evident in the sharp downward trend of price levels at which sunflower oil has been imported in recent months. Divided into six month periods, imports of crude sunflower oil into Canada since the early part of 1967 were as follows:

	Jan.-June <u>1967</u>	July-Dec. <u>1967</u>	Jan.-June <u>1968</u>
Quantity (Cwt.)	112,970	229,919	179,044
Value (\$,000)	1,222	2,408	1,517
Value/ Cwt.	10.82	10.47	8.47

It should be noted that values of sunflower oil imports as shown here are reported basis f.o.b. point of shipment in the country of export. Comparative per hundredweight values of crude sunflower oil at Altona would amount to something like 11.70, 11.30 and 9.10 respectively.

Incidentally, the CIF price for crude sunflower oil in Toronto on August 12th was 8.30 cents per pound and the delivered price including 10 percent duty paid would amount to around 9.07 cents. The most favorable freight rate from Altona to Toronto on the same date was 80 cents per hundredweight.

Returns to producers were also affected to a considerable extent by a virtual collapse of export demand for sunflower seed. Exports of sunflower seed from Canada in the last crop year amounted to only 3,361,000 pounds compared to a three year average figure of 13,383,000 pounds for 1964 to 1966 and 12,867,000 pounds for 1961 to 1963.

In considering the overall existing situation, one must conclude that the future of Canadian sunflower production will most probably be determined to a great extent by yields of this crop in other major producing countries, and by the policies of those countries with respect to oil and seed exports.

In conclusion, I wish to make the following acknowledgements: Figures regarding imports and exports of sunflower oil and seed were either quoted directly or based on reports of the Dominion Bureau of Statistics. The same source furnished also the price index numbers referred to with respect to commodities and services used by farmers. Five year average figures of sunflower production were compiled from the "Yearbook of Manitoba Agriculture 1967". Estimates of sunflower production in Ontario were furnished by Pollard Bros. of Harrow, Ontario and estimates of the acreage in Saskatchewan and Alberta were from the J. Gordon Ross Syndicate of Moose Jaw, Saskatchewan. All figures regarding sunflower crushings and oil yield were quoted directly from the records of Co-op. Vegetable Oils Ltd.

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DISCUSSION

Question: Do you anticipate any further reduction in oil price and to the producer?

Bergan: Yes, we can't see anything any better than 3½ cents per pound to the farmer.

Johnson: What is the maturity status of the crop now in Canada?

Bergan: It is about two weeks late. About 50% of the planting for Co-op. Oil Limited at Altona is Peredovik; the other two varieties from the Soviet Union are further advanced.

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