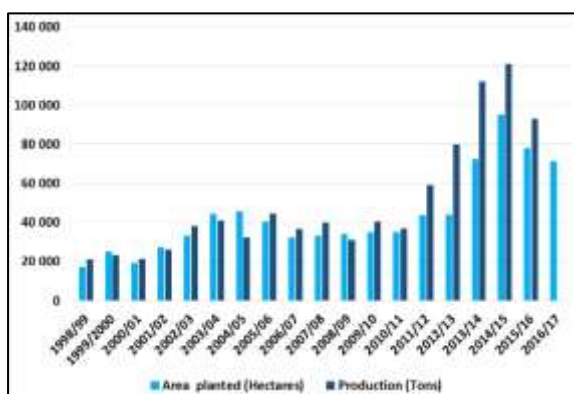


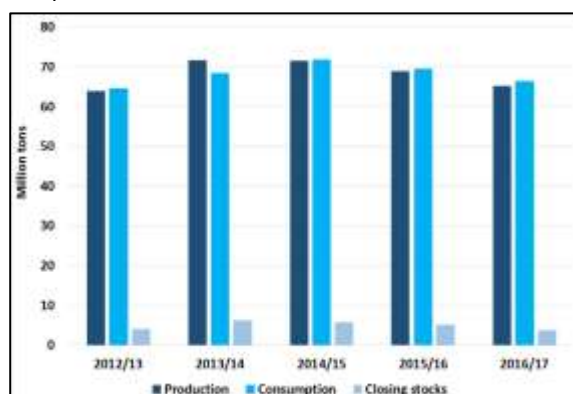
## Brief overview of the domestic and global canola market – 05 August 2016

- South Africa's canola production has increased significantly over the past 19 years. Area planted increased from 17 000 hectares in 1998/99 season to 71 050 hectares in the 2016/17 season. Meanwhile, canola production increased from 21 000 tons in 1998/99 to 93 000 tons in the 2015/16 season (**Chart 1**). At the moment, South Africa's canola crop is in good condition, following the past few week's rainfall. We will get guidance about this season's crop size from the Crop Estimates Committee on the 25<sup>th</sup> August 2016.
- In the past two season, canola hectares have been on the decline, with some hectares being foregone to barley plantings and as well as due to unfavourable climatic conditions, particularly in the 2015/16 season.
- Global canola production has also maintained a similar trend as the domestic one, due to unfavourable weather conditions across many countries (**Chart 2**). In fact, since 2013/14, global canola production has been on the decline – from 71.6 million tons to an expected 65.1 million tons in the 2016/17 season.
- The key global producers are Canada, China, EU, India and Ukraine, with a production share of 24%, 19%, 33%, 10% and 2%, respectively. These countries make up 88% of global canola production.
- The 2016/17 global production is expected to decrease by 6% from the previous season, owing to expected annual production decreases in Canada (-8%), Ukraine (-23%), China (-15%) and the EU (-5%). However, India and Australian canola production are expected to increase by 13% and 10%, respectively. This rebound is on the back of favourable weather conditions. In fact, in the past few weeks, India experienced Monsoon rainfall and weather conditions are expected to remain favourable across the country in the coming months.
- Moreover, 2016/17 global canola consumption is expected to decrease by 4% from the previous season to 66 million tons (**Chart 2**). In the same season, global ending stocks are expected to fall by 27% from the 2015/16 season to 3.7 million tons due to forecast lower production.



**Chart 1: RSA canola production**

Source: CEC and Agbiz Research



**Chart 2: Global canola supply and demand**

Source: International Grains Council and Agbiz Research

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