

CANOLA MARKETS!!

GENE NEUENS, PCOM

OILSEED FIELD REP

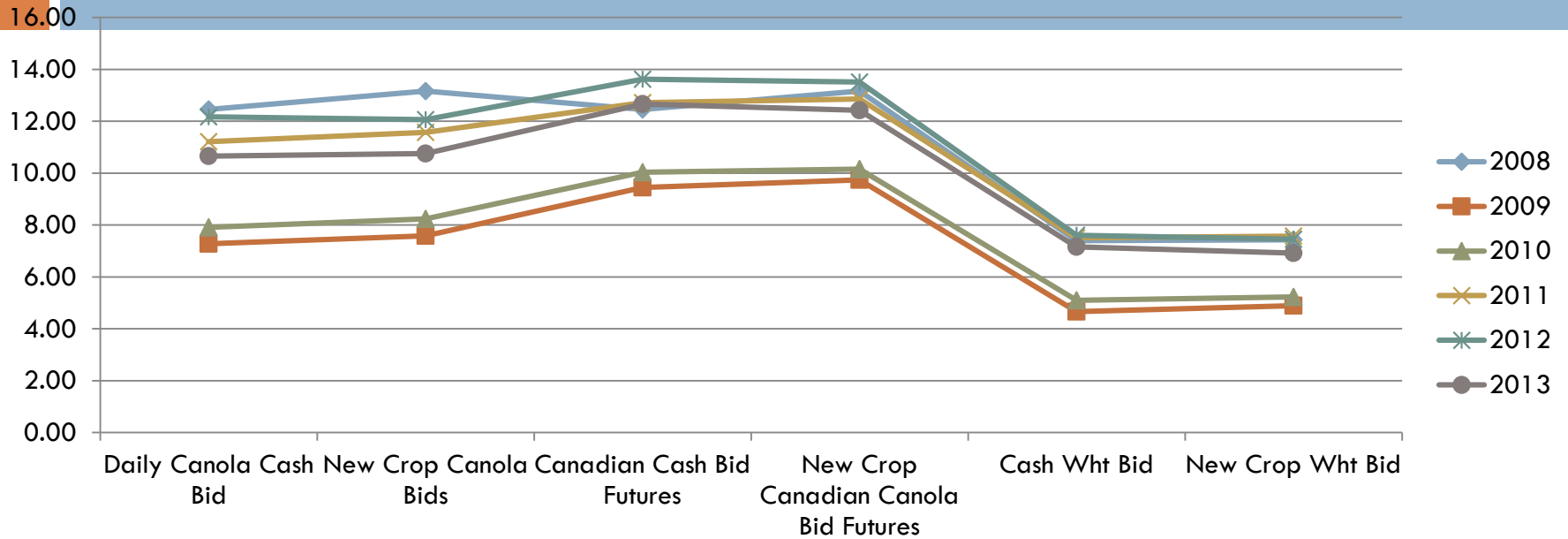
Topics

- What affects Canola Markets in Southern Great Plains
- Price History on Canola in Southern Great Plains
- Outlook For Canola in Southern Great Plains

Affects of Canola Prices

- Weather
- Acres planted and harvested
- Supply and Demand
- Canadian currency vs US currency
- Soybean complex (soybeans, soybean oil, soybean meal)
- Crushing vs Export
- Grades (moisture, heat damage, green count, etc.)

Canola Price History Southern Great Plains



| | Daily Canola Cash Bid | New Crop Canola Bids | Canadian Cash Bid Futures | New Crop Canadian Canola Bid Futures | Cash Wht Bid | New Crop Wht Bid |
|-------------|-----------------------|----------------------|---------------------------|--------------------------------------|--------------|------------------|
| 2008 | 12.45 | 13.17 | 12.45 | 13.17 | 7.40 | 7.43 |
| 2009 | 7.27 | 7.58 | 9.45 | 9.74 | 4.66 | 4.89 |
| 2010 | 7.91 | 8.24 | 10.03 | 10.16 | 5.10 | 5.22 |
| 2011 | 11.21 | 11.57 | 12.71 | 12.85 | 7.50 | 7.57 |
| 2012 | 12.17 | 12.07 | 13.63 | 13.52 | 7.60 | 7.45 |
| 2013 | 10.65 | 10.75 | 12.66 | 12.42 | 7.15 | 6.92 |

Continuous Canola

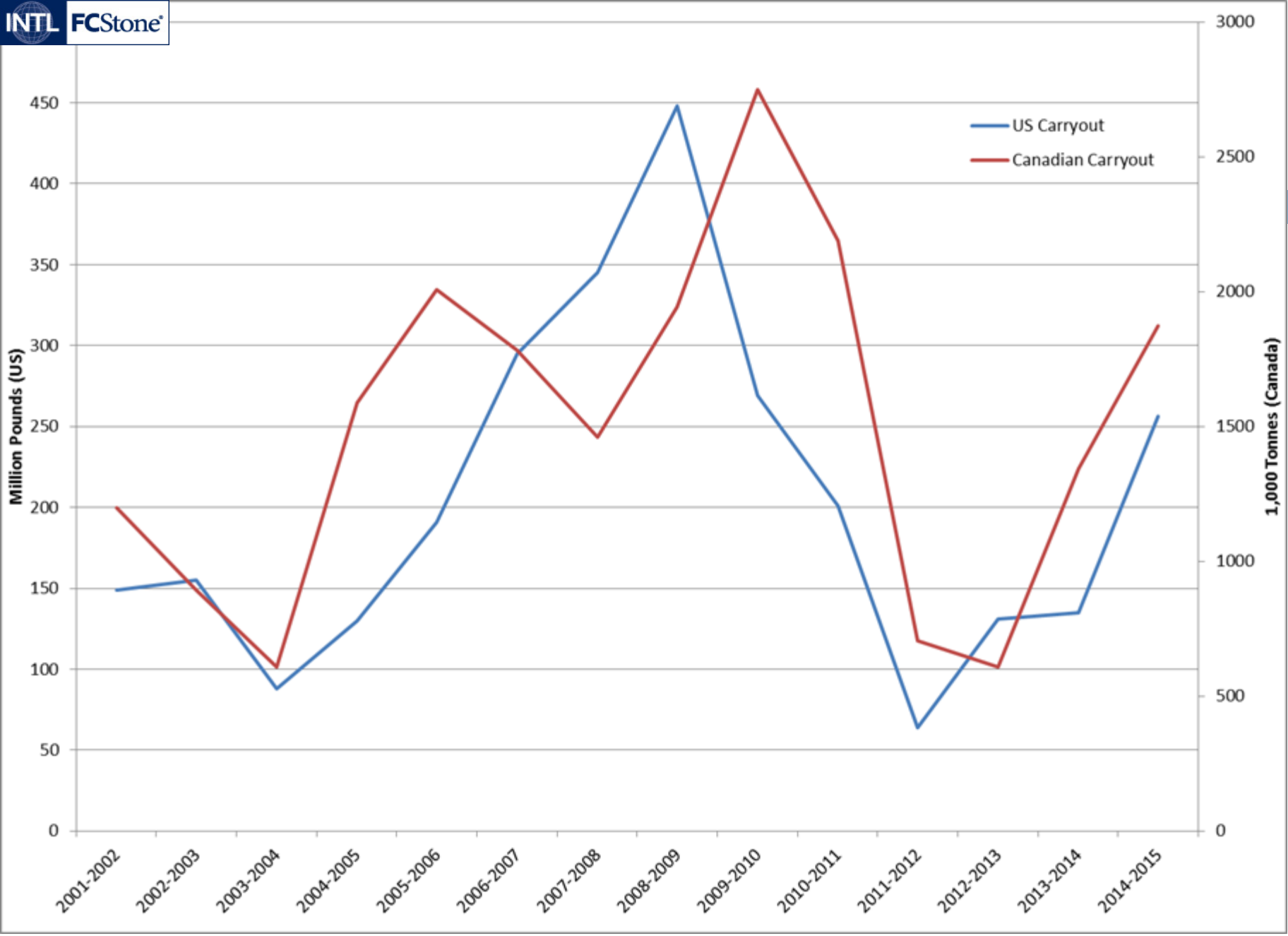


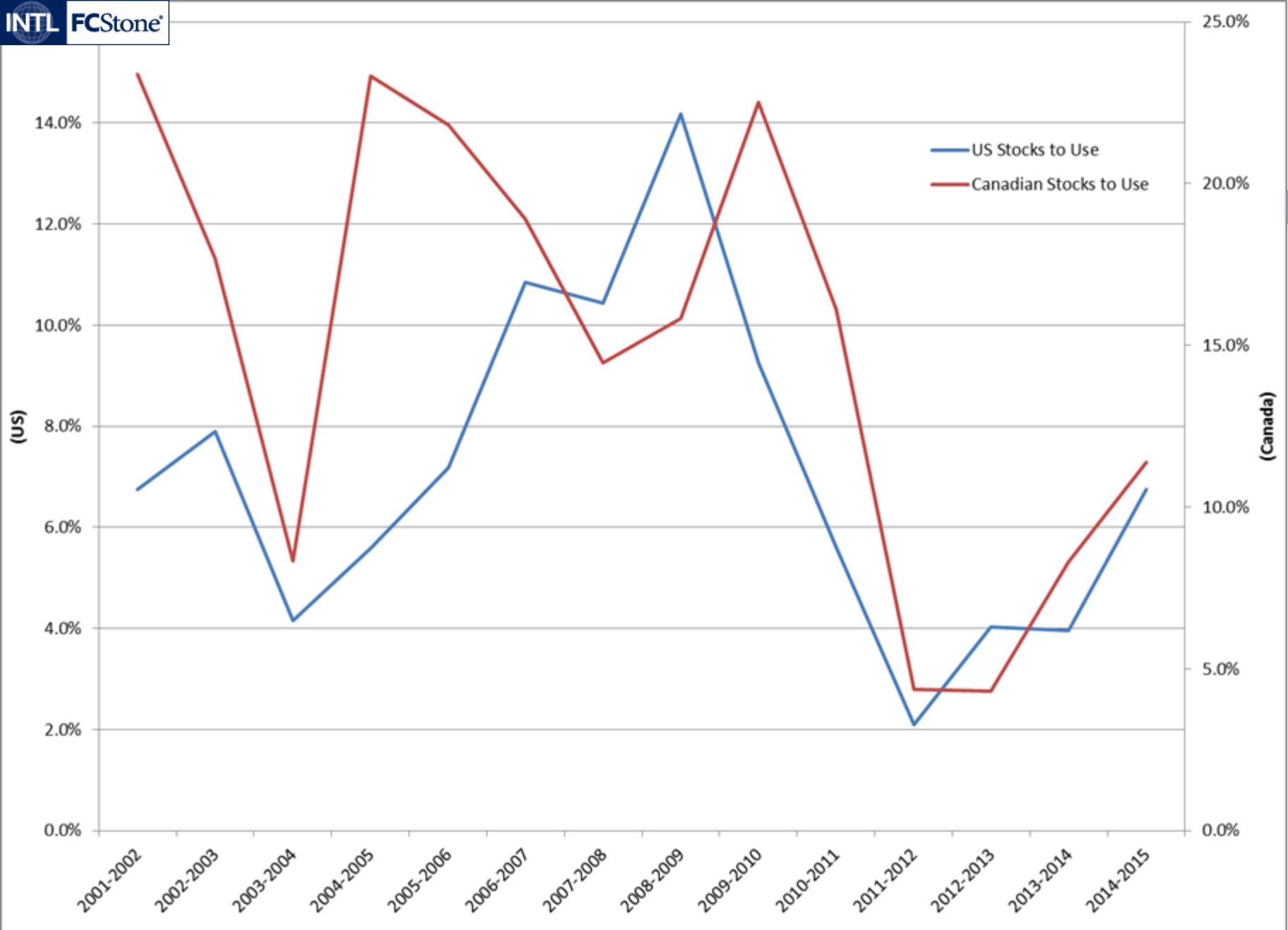
DTN ProphetX3

1 Wk



| | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| US Canola Supply and Demand Million Pounds/Million Acres | | | | | | | | | | | | | | |
| Planted Acres | 1.49 | 1.46 | 1.08 | 0.87 | 1.16 | 1.04 | 1.18 | 1.01 | 0.83 | 1.45 | 1.07 | 1.77 | 1.37 | 1.82 |
| Harvested Acres | 1.46 | 1.28 | 1.07 | 0.83 | 1.11 | 1.02 | 1.16 | 0.99 | 0.81 | 1.43 | 1.04 | 1.73 | 1.28 | 1.76 |
| Yield (Pounds/Acre) | 1374 | 1197 | 1416 | 1618 | 1419 | 1366 | 1238 | 1461 | 1811 | 1713 | 1475 | 1416 | 1612 | 1650 |
| Carryin (Jun 1) | 84 | 149 | 155 | 88 | 130 | 191 | 295 | 345 | 448 | 269 | 201 | 64 | 131 | 135 |
| Production | 1999 | 1533 | 1512 | 1340 | 1581 | 1394 | 1431 | 1445 | 1474 | 2450 | 1538 | 2447 | 2071 | 2910 |
| Imports | 276 | 434 | 537 | 1030 | 1143 | 1427 | 1926 | 1819 | 1252 | 1063 | 1371 | 869 | 1350 | 1000 |
| Total Supply | 2358 | 2117 | 2205 | 2458 | 2854 | 3012 | 3651 | 3609 | 3174 | 3782 | 3110 | 3380 | 3552 | 4045 |
| Crush | 1665 | 1267 | 1385 | 1976 | 2278 | 2130 | 2328 | 2697 | 2466 | 2862 | 2657 | 2788 | 3000 | 3300 |
| Exports | 480 | 633 | 671 | 308 | 336 | 542 | 933 | 420 | 390 | 648 | 337 | 388 | 350 | 400 |
| Seed | 9 | 7 | 6 | 7 | 7 | 8 | 6 | 5 | 9 | 7 | 11 | 9 | 12 | 13 |
| Non-Oil Residual | 55 | 54 | 55 | 36 | 43 | 38 | 39 | 39 | 40 | 64 | 41 | 64 | 55 | 76 |
| Total Use | 2209 | 1961 | 2116 | 2327 | 2663 | 2717 | 3306 | 3161 | 2905 | 3581 | 3047 | 3249 | 3416 | 3789 |
| Carryout (May 31) | 149 | 155 | 88 | 130 | 191 | 295 | 345 | 448 | 269 | 201 | 64 | 131 | 135 | 256 |
| Stocks/Use | 6.7% | 7.9% | 4.2% | 5.6% | 7.2% | 10.9% | 10.4% | 14.2% | 9.3% | 5.6% | 2.1% | 4.0% | 4.0% | 6.8% |





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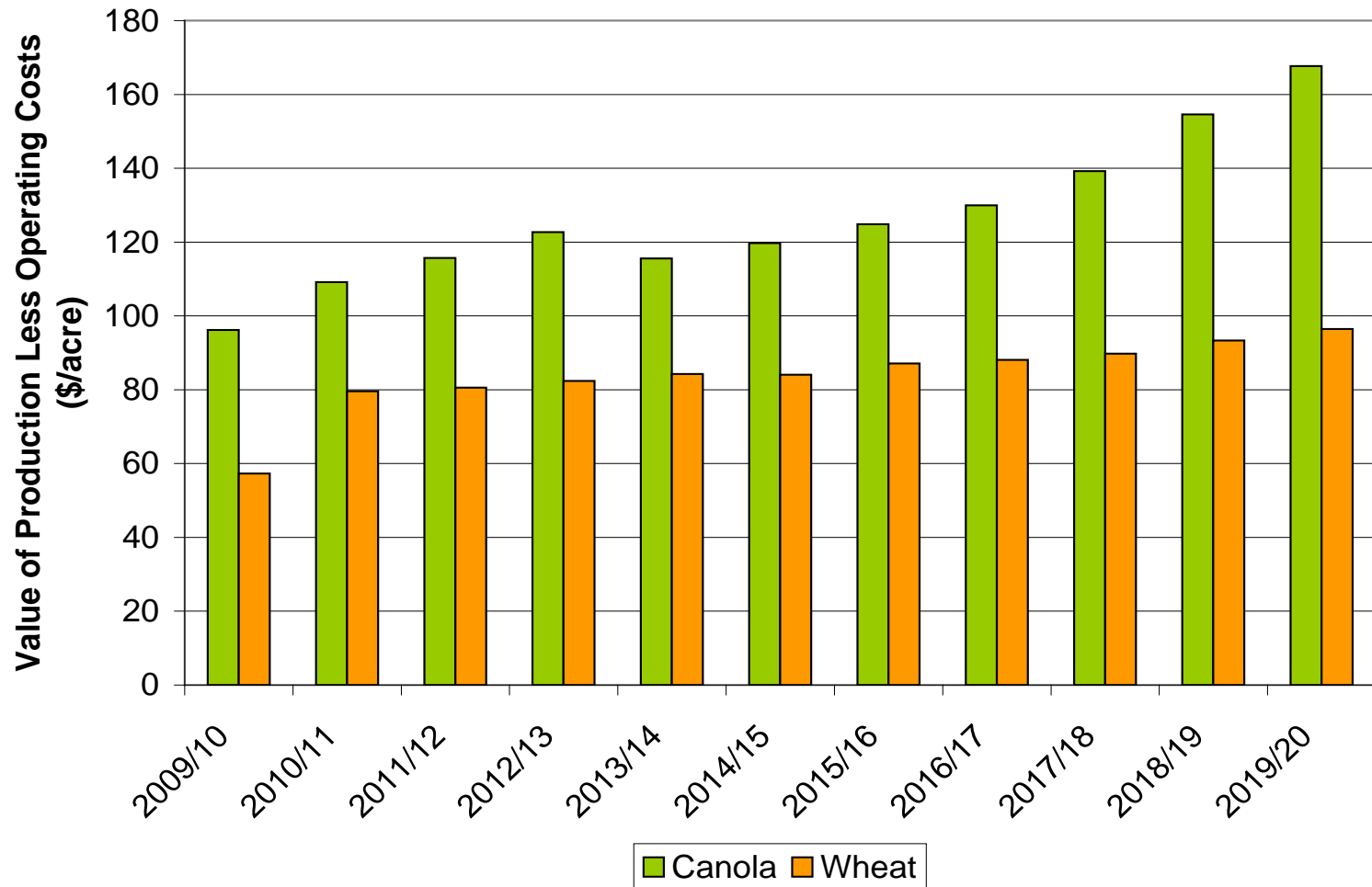
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Strong Fundamentals for Oilseed Production.

- World Population Growth
- Rising income levels and increase in high-value food consumption in developing countries
- Biodiesel Demand?
 - EU 10% renewable fuel mandate;
 - US renewable fuel standard (Mandate is changing)?

Canola vs. Wheat in Southern Great Plains

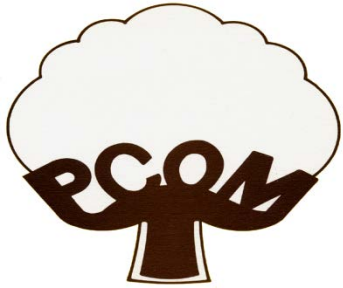
Value of Production Less Operation Costs



Deferred Pricing Contract

Option to Price Later Contract:

1. Producer can contract pounds and price the oilseed at a later date and time agreed upon by both PCOM and the producer.
2. Upon signing of contract and delivery of commodity, then title of the commodity shall pass to the buyer.
3. PCOM agrees to allow the producer to price the commodity at a later date set forth by the terms on this contract.
4. Pricing of the commodity must be done during marketing hours only and agreed upon by both parties.
5. Producer must price the commodity NO LATER than 12:00 noon CST April 1 of that years commodity harvest.
6. Buyer will price the contract April 1 between 12:00 noon and 1:00 pm CST of the commodity harvested year.
7. Seller states that the commodity he/she is selling is free and clear of all liens and security interests.
8. No Settlements will be made until verification from producers on all tickets and/or splits are confirmed.
9. Checks will be mailed only after Producer has called to verify tickets and/or Splits if any and once settlement is done.



Current Contract Price

(Delivered to local Elevator)

2014 Canola New Crop

\$0.19 / lb. (BU. \$9.50)* Local \$8.50 bu

= 31% Higher than 2014 Wheat

= 18% Higher than 2014 Wheat (LOCAL)

2014 Wheat New Crop

\$7.20 /bushel

Wheat 60#/Bu = Canola 50#/Bu

*delivered to OKC

Worksheet for Producer

- Go to the OSU web site:
- www.agecon.okstate.edu/budgets
- Francis Epplin and Eric DeVuyst

PRODUCER ORGANIZATION



GPCA has been working on:

Oklahoma Oilseed Commission

Insurance Coverage for Canola

Expansion of Canola Acres



Contacts

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Producer Groups:

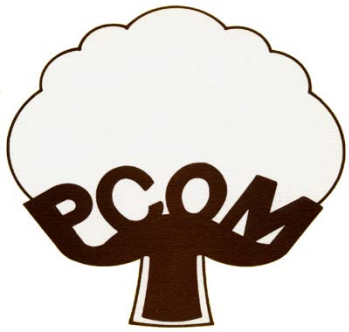
- Great Plains Canola Association
- www.greatplainscanola.com
- Heath Sanders- Canola Field Sp

U S Canola Association

- www.uscanola.com

Producer Economics

- Winter Canola has similar profits too or better than Wheat.
- Delivery Points have and will continue to be established in production areas.
- Research and grower experience proven higher yield potential.
- Seedbed following Canola is mellow and ideal for seeding of winter wheat.



The background of the slide features a sunset scene with the sun low on the horizon, creating a warm, golden glow. In the foreground, the silhouettes of tall, thin grasses or reeds are visible, some reaching towards the top of the frame. The sky is filled with soft, wispy clouds, and the overall atmosphere is serene and contemplative.

Questions!

Thank You