



MIKE JUBINVILLE'S

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CANOLA & DURUM MARKET OUTLOOK 2023-24



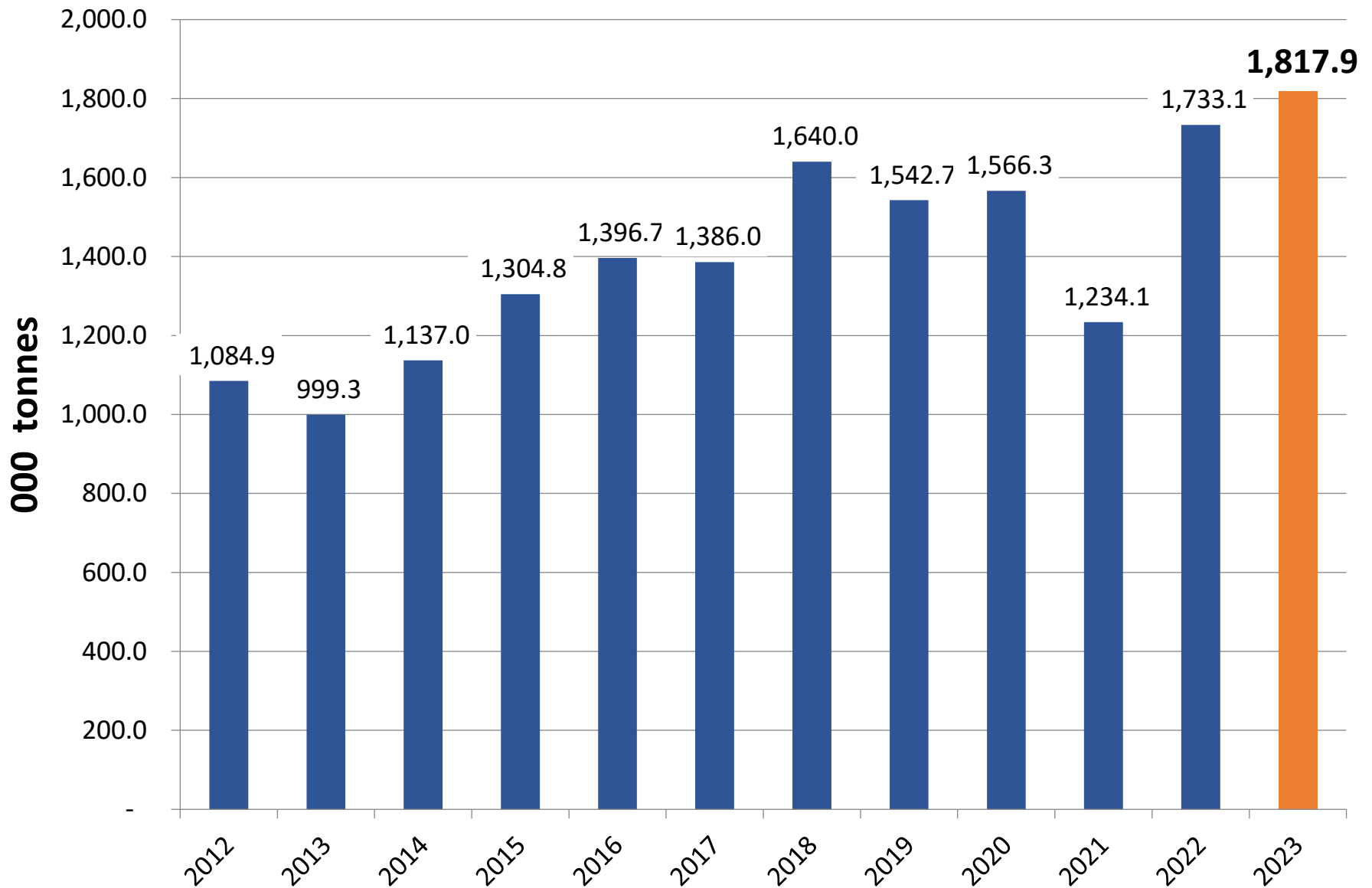
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November 2, 2023
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GLACIER 
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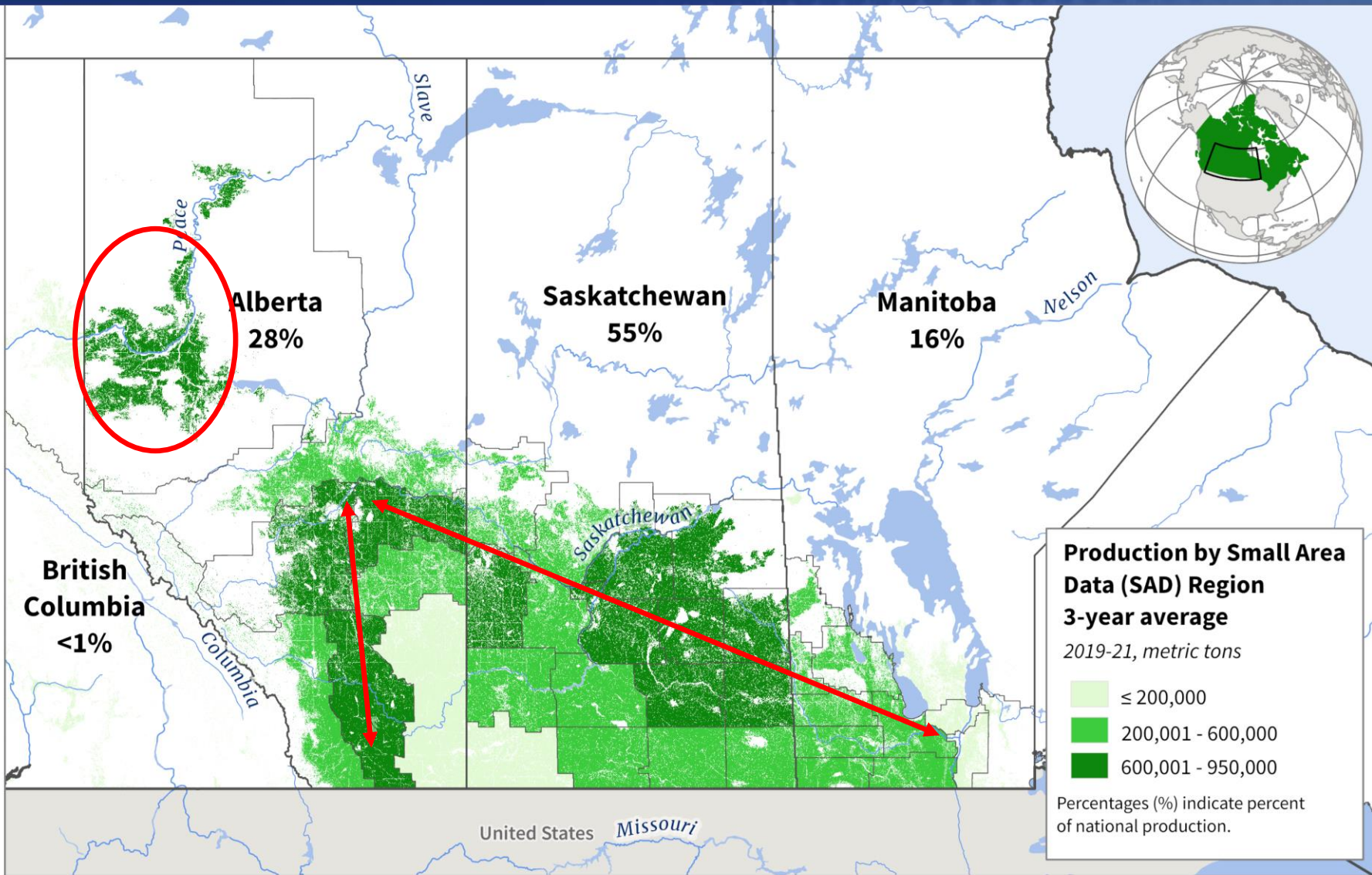
ICE Canola Jan



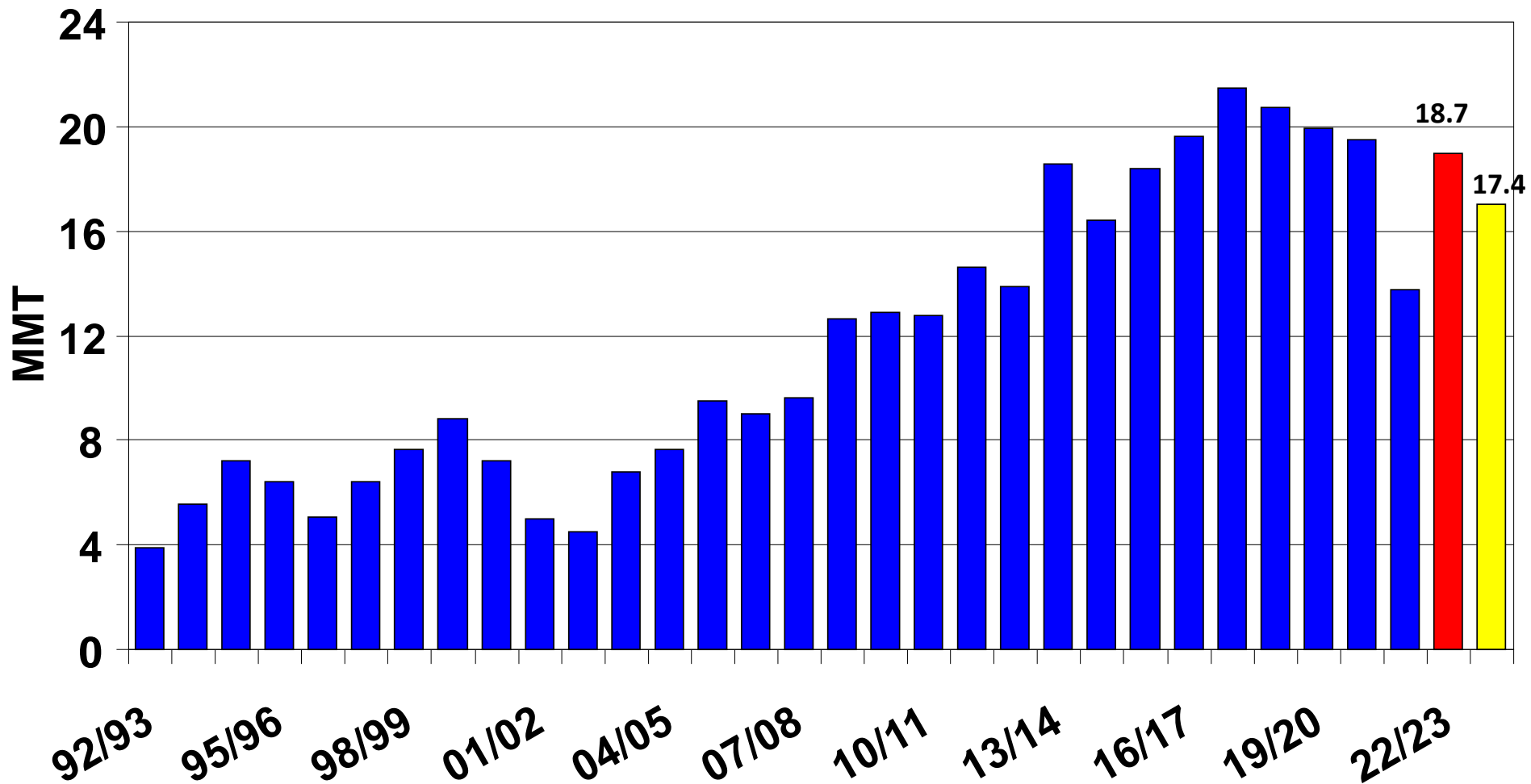
U.S. Canola Production



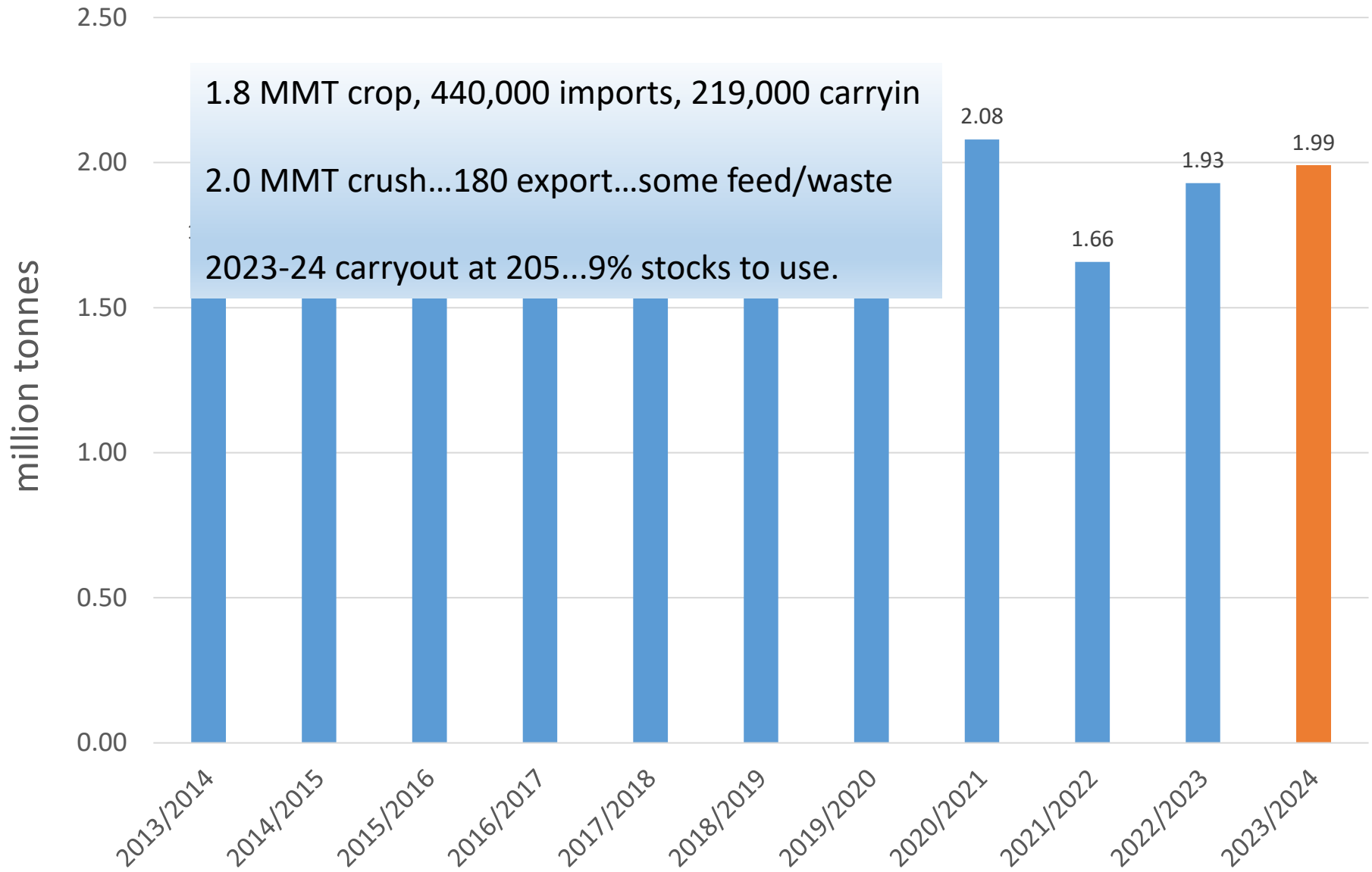
Canada Canola Production Areas



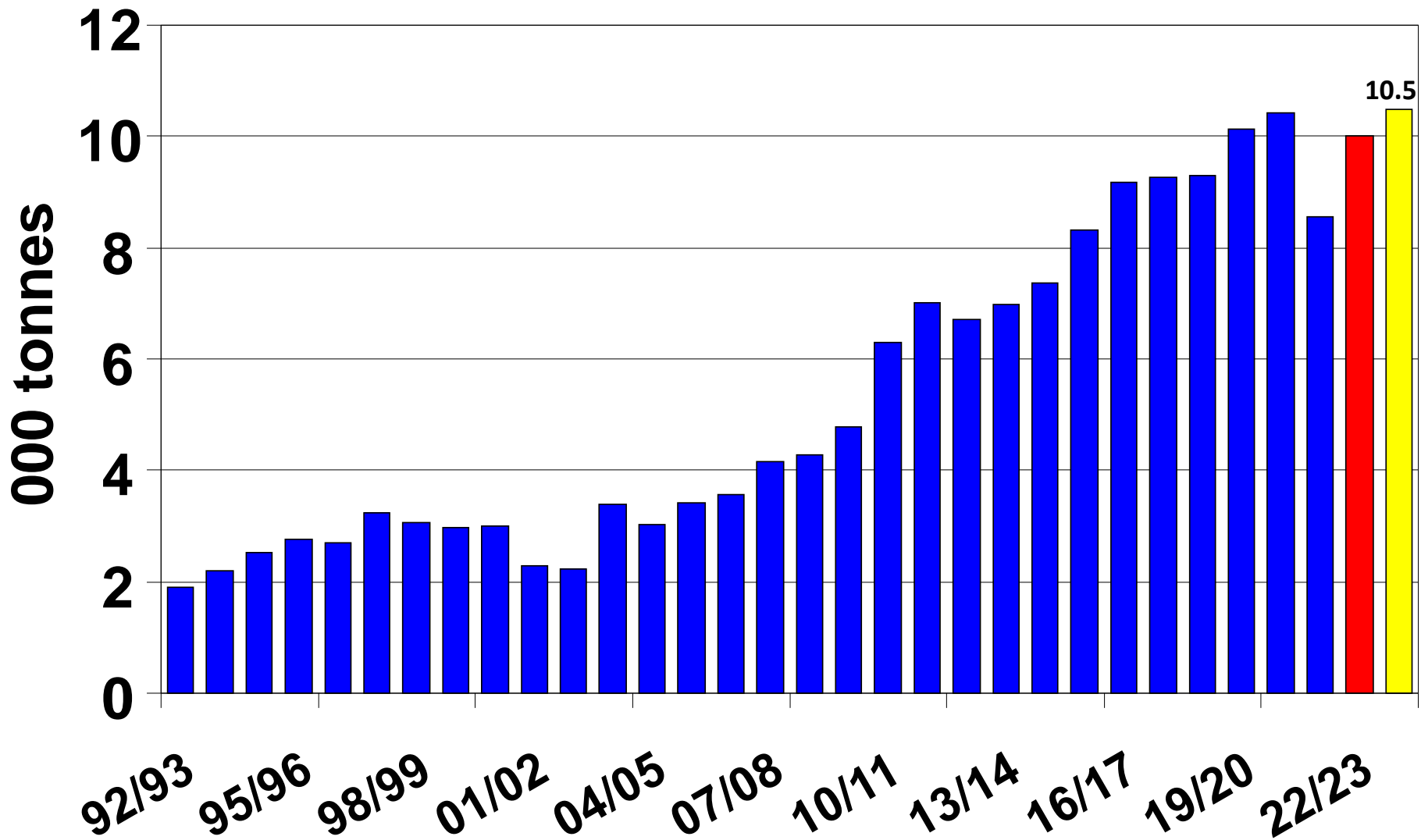
Canada Canola Production



U.S. Canola Crush



Canadian Canola Crush



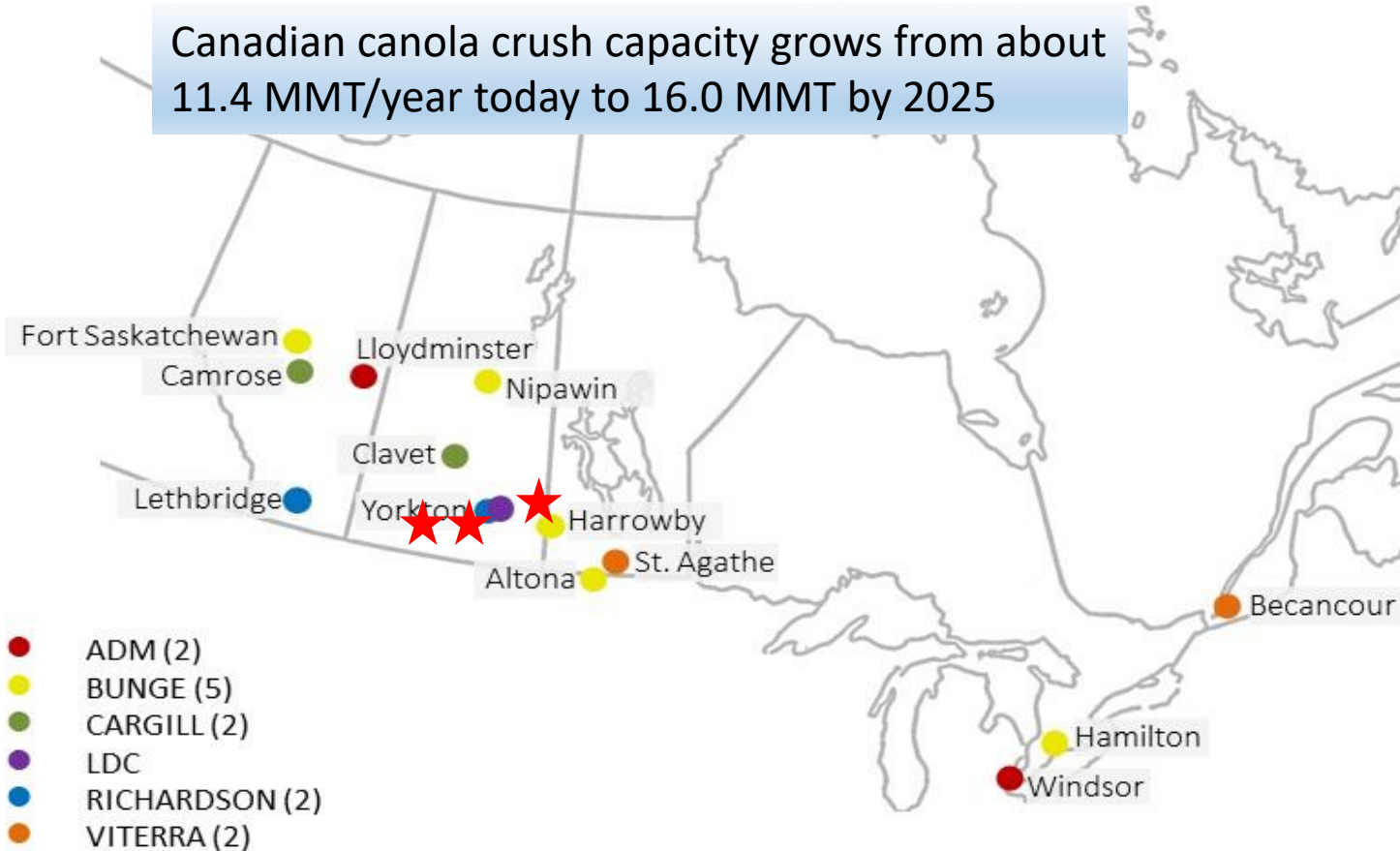
Canadian Canola Processing Plants



Source: Canadian Oilseed Processors Association (COPA)

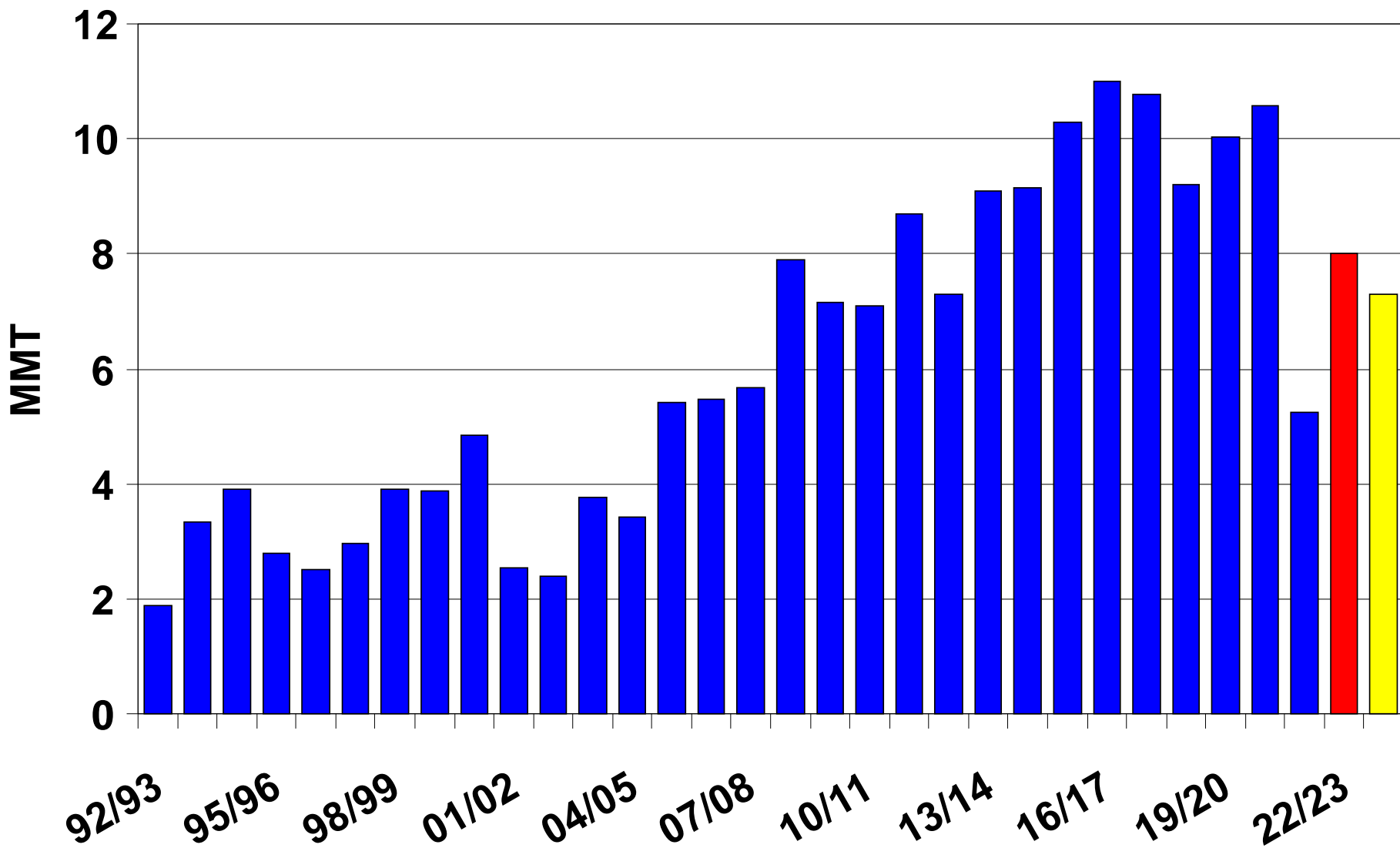


Canadian canola crush capacity grows from about 11.4 MMT/year today to 16.0 MMT by 2025

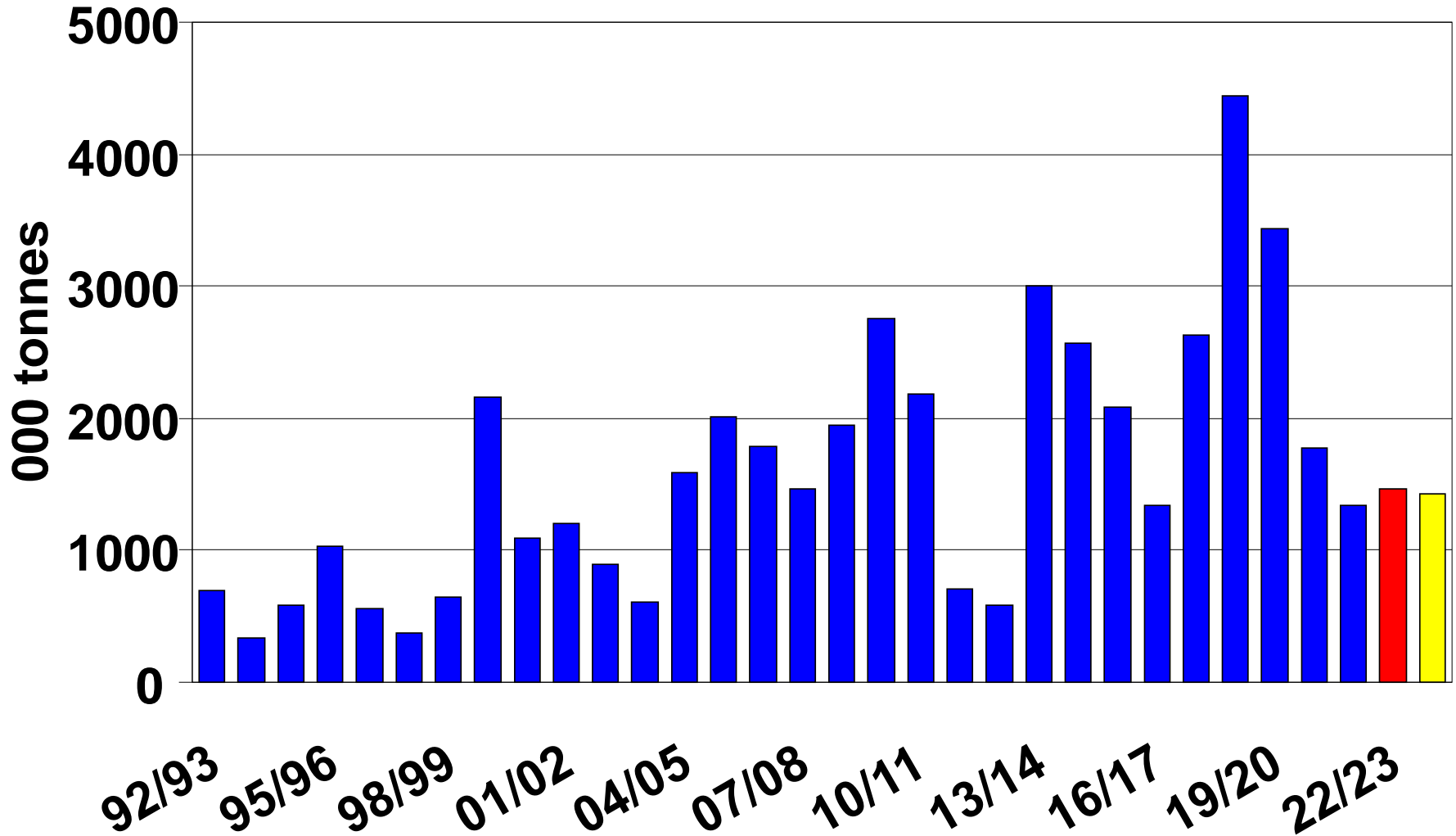


Total number of crushing facilities in Canada: 14

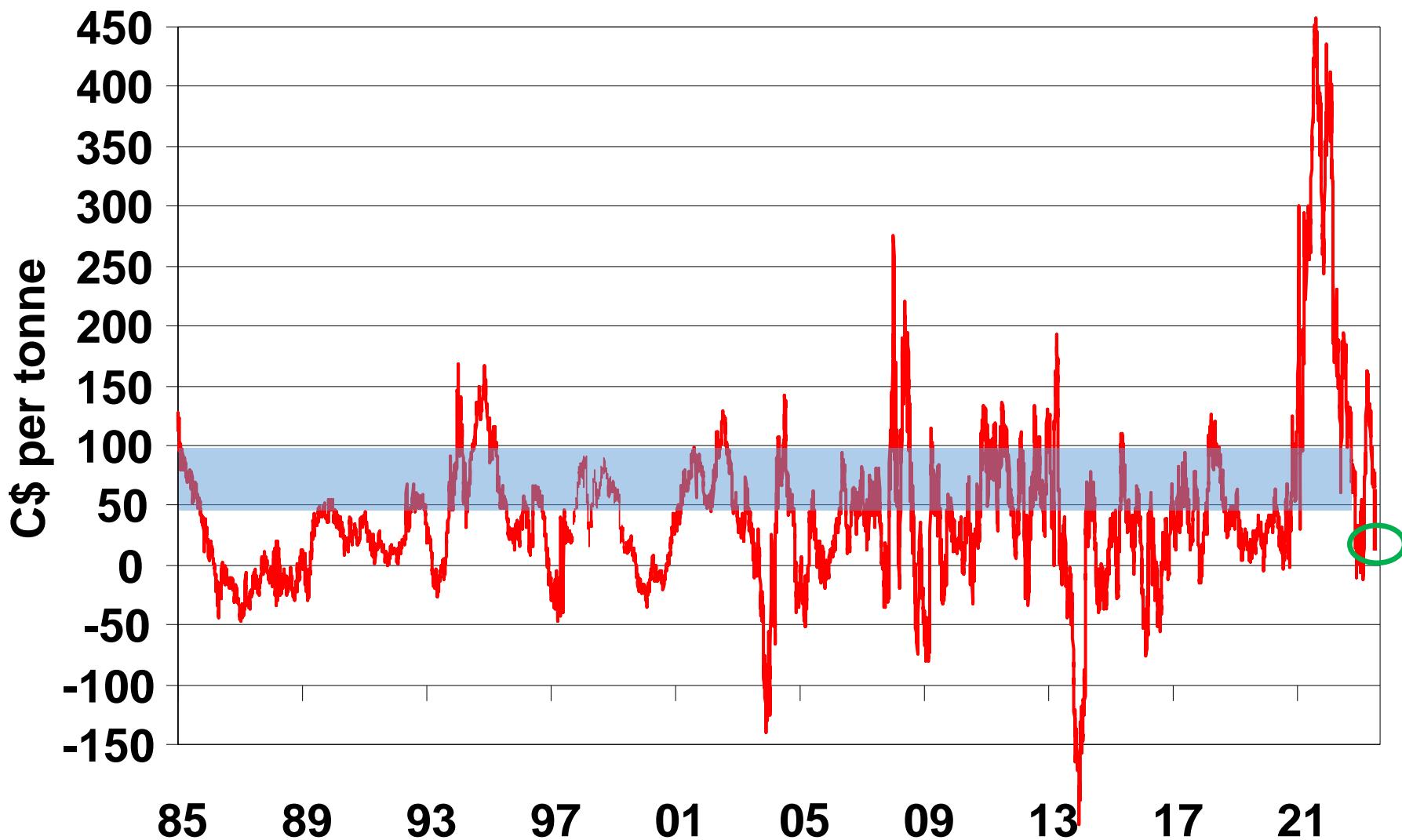
Canadian Canola Exports



Canadian Canola Ending Stocks



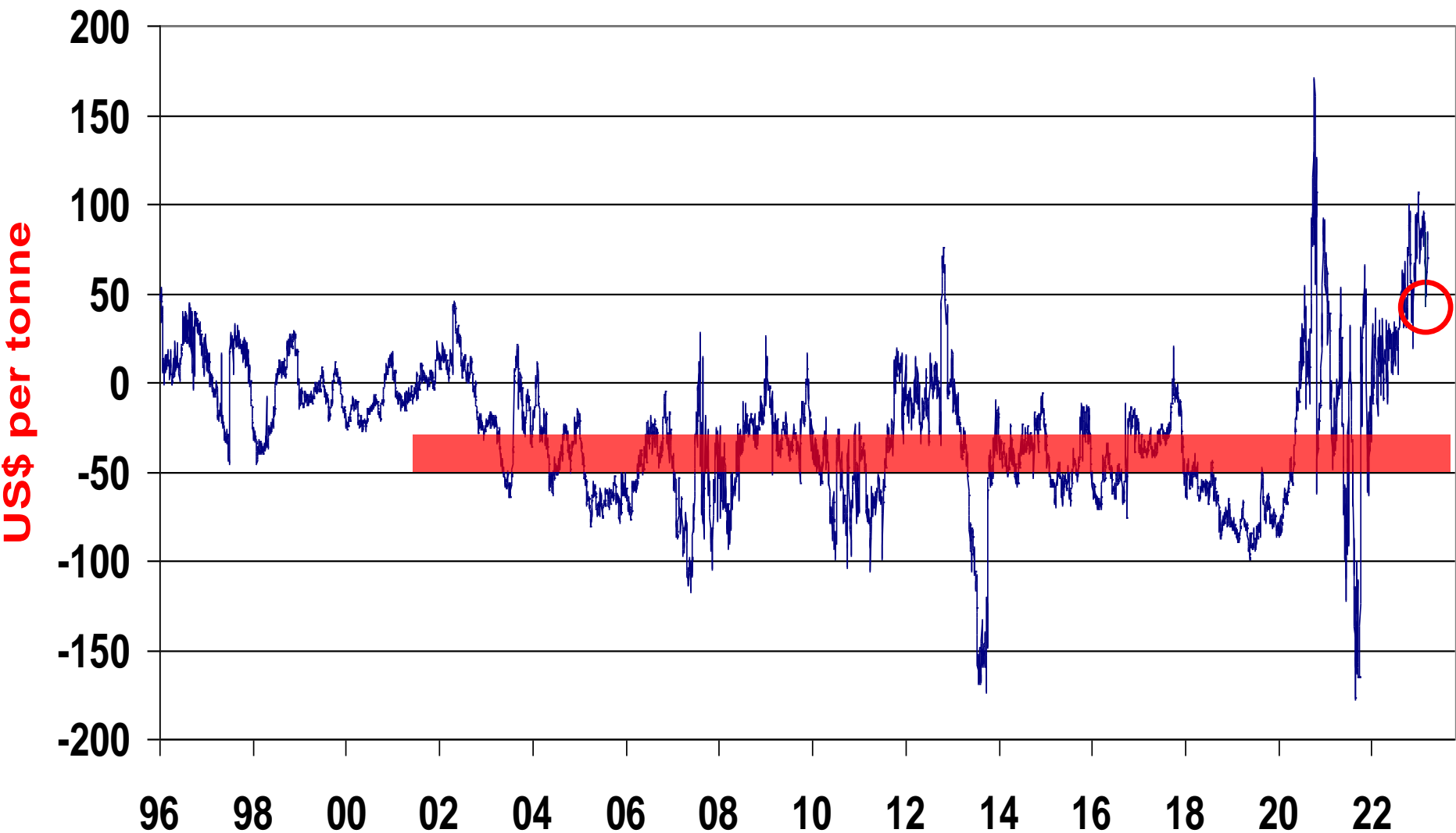
Canola less Soybean Futures



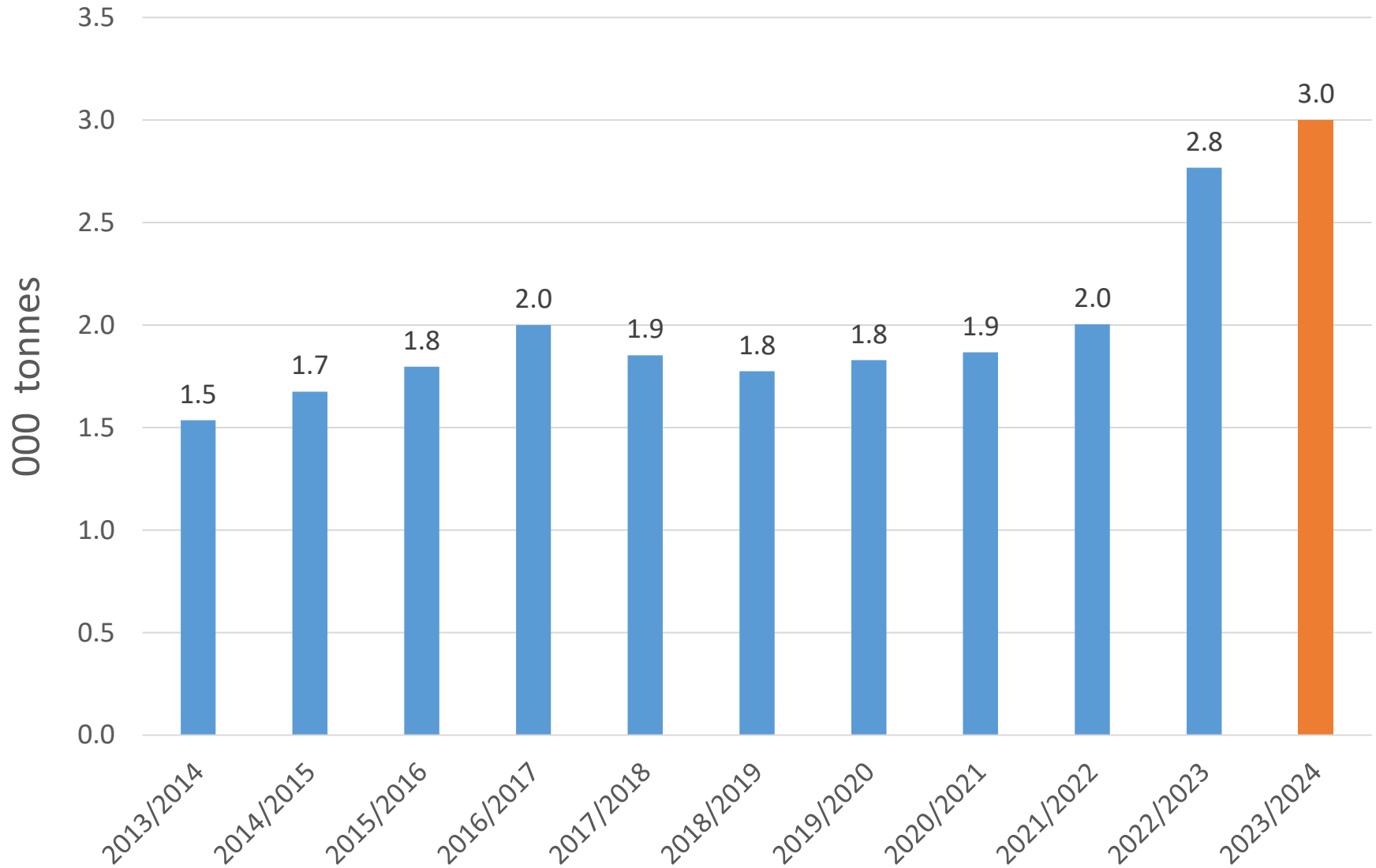
ICE less EU Nearby Canola Futures



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U.S. Canola Oil Imports

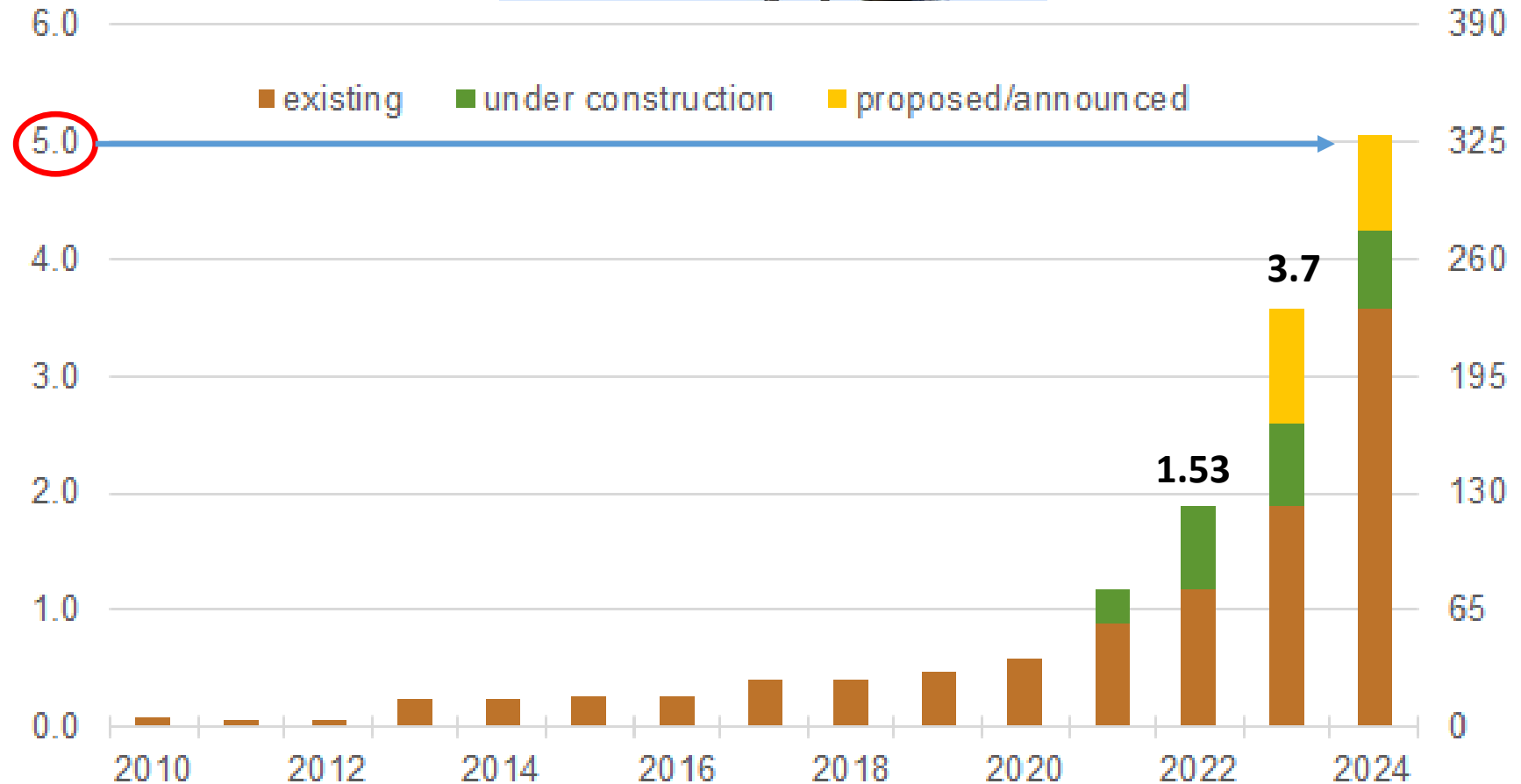


U.S. Renewable Diesel Production Capacity



billion gallons per year

thousand barrels per day



Source: Graph by the U.S. Energy Information Administration, based on company announcements in trade press
Note: We assume proposed or announced projects are operational during stated year for capacity estimates.

■ Op:707.00, Hi:725.80, Lo:688.10, Cl:694.40

Longer Term Context

Floor expected to transition to \$700-ish (former highs). When? Likely by last half calendar 2023...then shift sideways





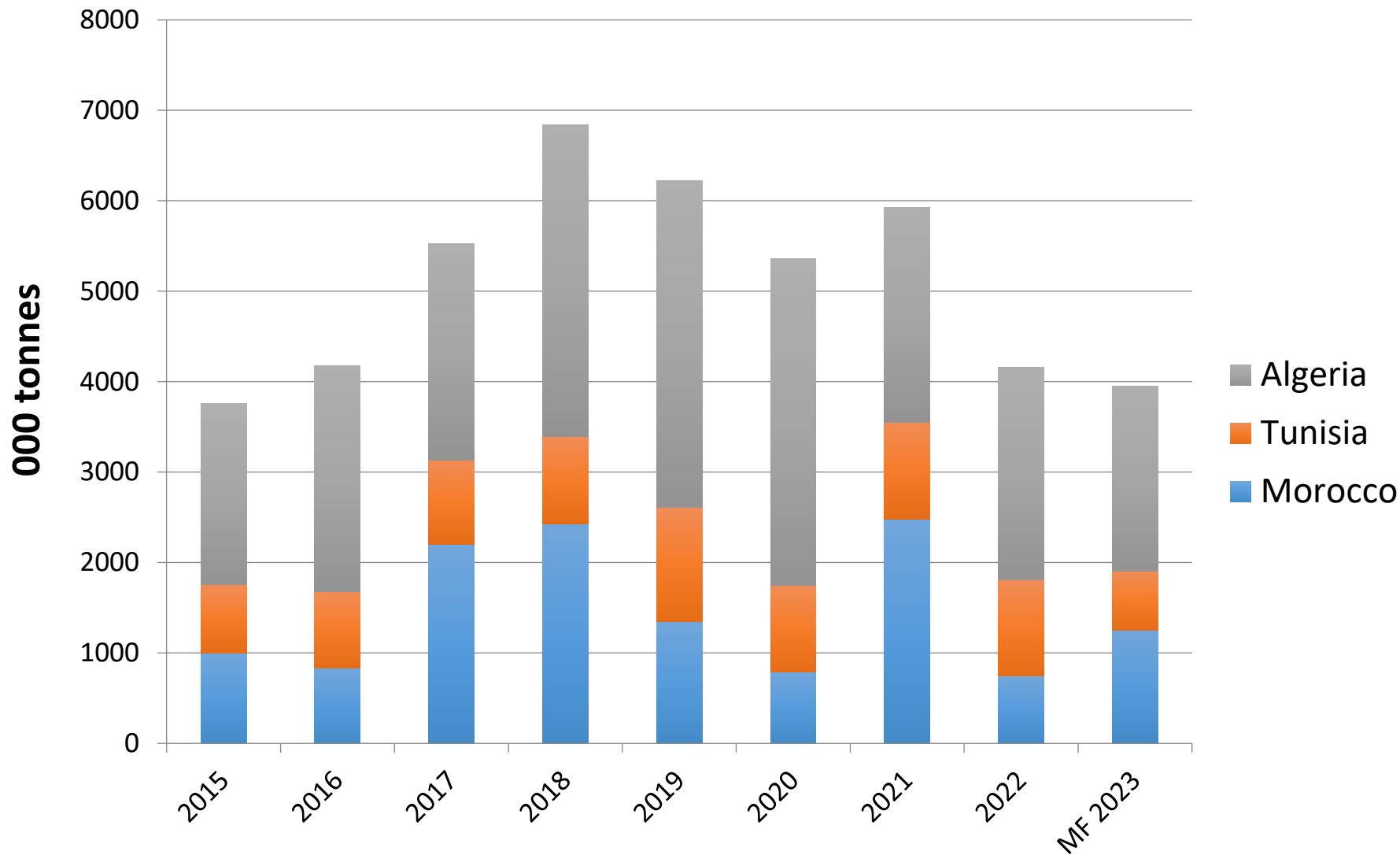
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DURUM MARKET OUTLOOK

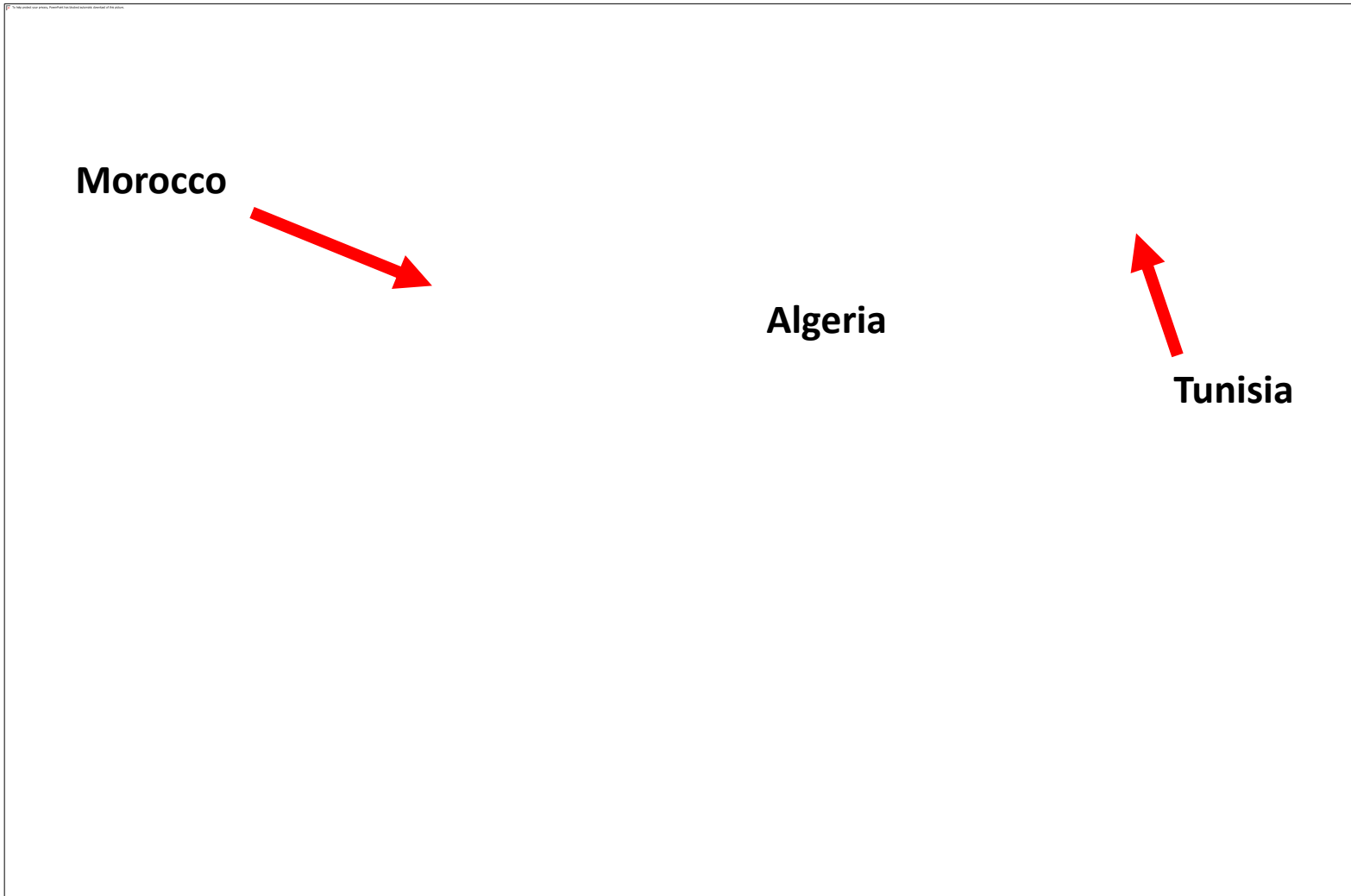


North Africa Durum Production

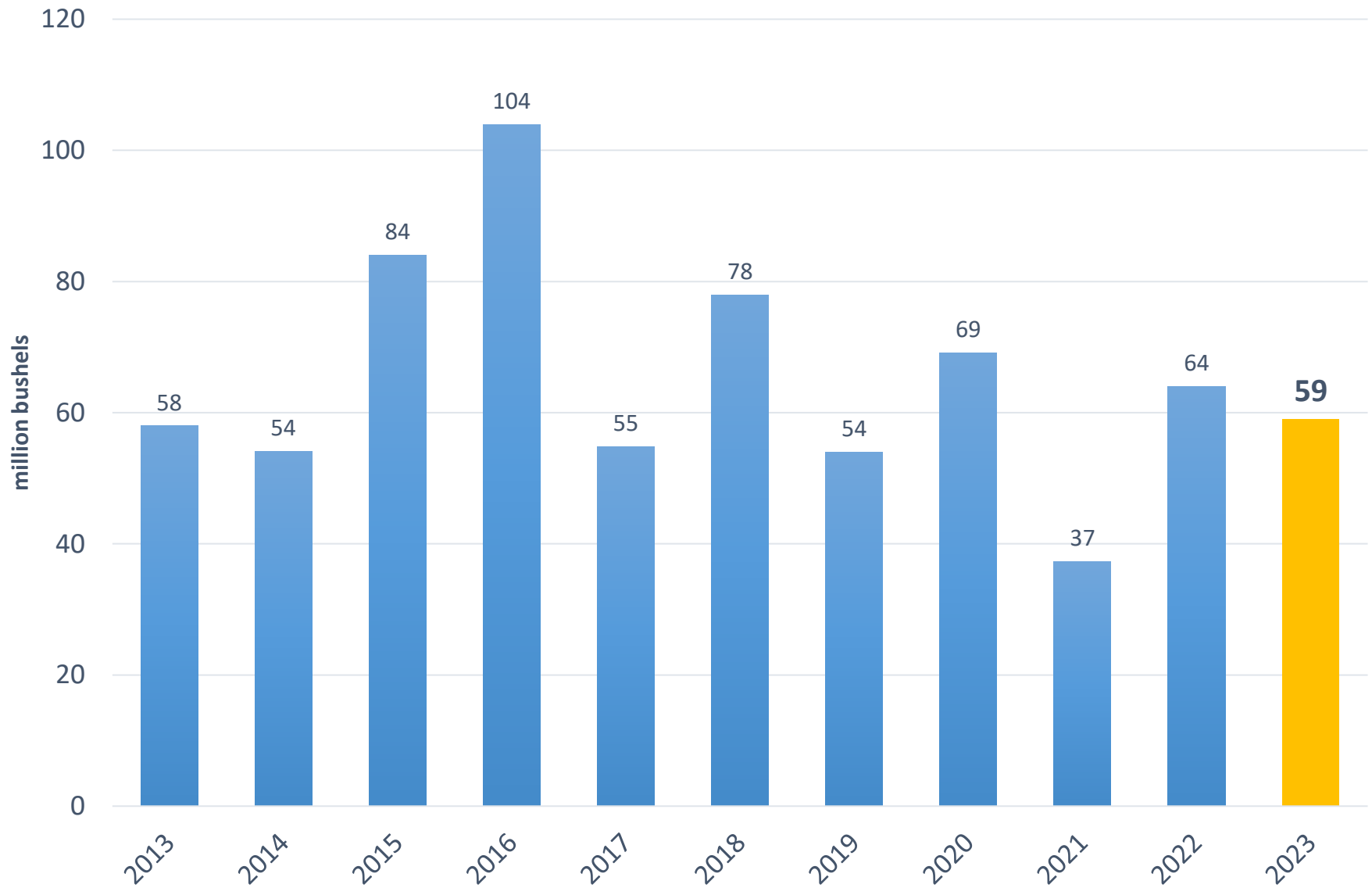


North Africa 3-Month Precip

Percent of Normal
July 21 to Oct 20, 2023



U.S. Durum Production

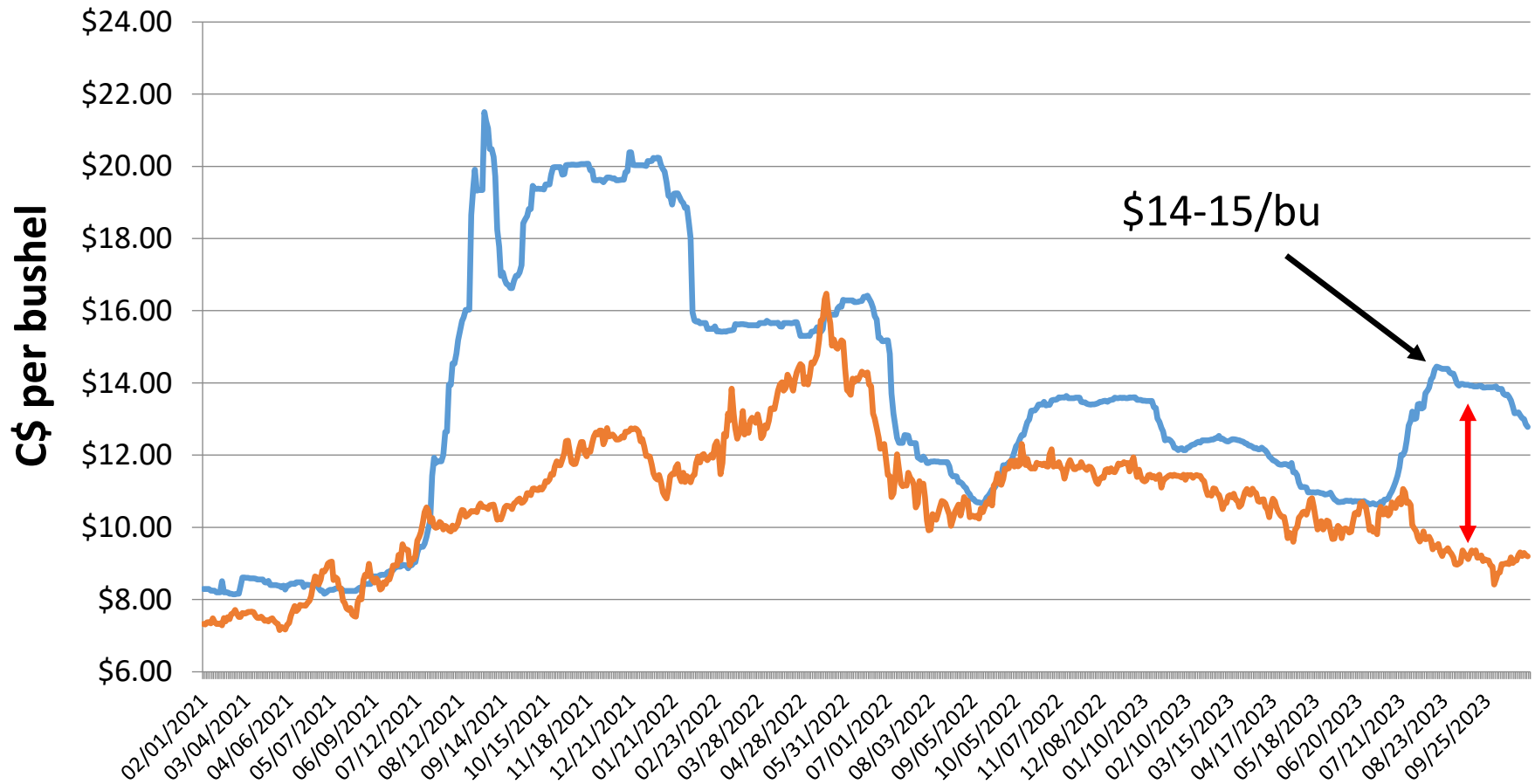


Durum Cash Prices

SW Saskatchewan

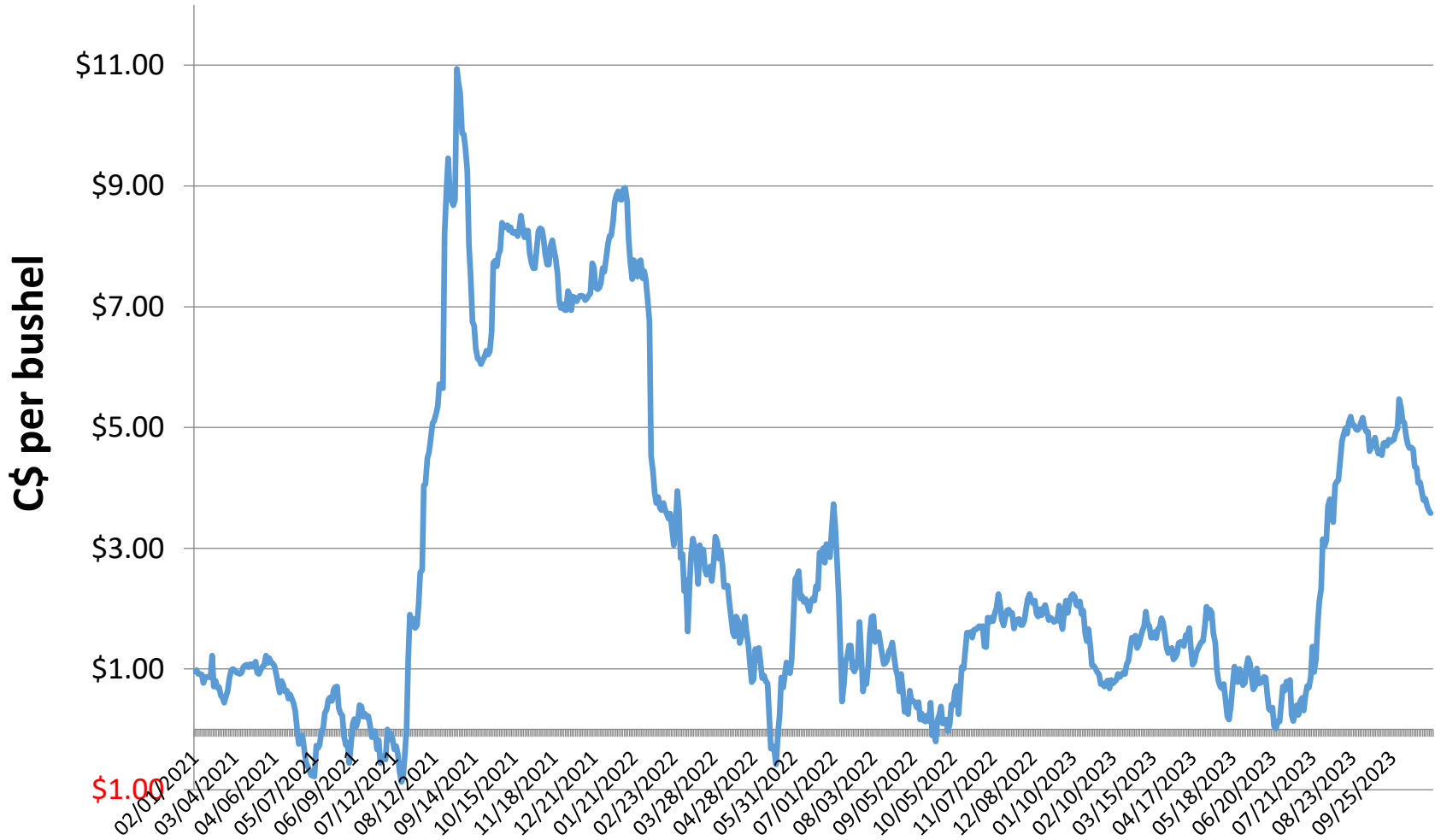
PDQ Info

— CWAD — CWRS



SW Saskatchewan

PDQ Info



Canada Durum Supply and Demand (thousand tonnes)					
	2021-2022	2022-2023	Change	2023-24	Change
Sown (000 ha)	2,321	2,431	110	2,442	11
Harvested (000 h	2,231	2,399	168	2,363	-36
Yield (T/ha)	1.36	2.41	1.05	1.76	-0.66
Carry-in	812	569	-243	397	-172
Production	3,033	5,790	2,757	4,150	-1,640
Imports	8	2	-6	25	23
Total Supply	3,853	6,361	2,508	4,572	-1,789
Domestic Use	569	832	263	725	-107
(Feed/Residual)	126	324	198	340	16
Exports	2,716	5,132	2,416	3,350	-1,782
Carry-Out	568	397	-171	497	100

- Durum prices have been slipping since the recent North African tender activity has settled down as buyers seek other origins to satisfy import demand. Australia just shipped a vessel of durum destined for Algeria.
- Durum production in the U.S. and Western Canada dropped significantly from last year.
- Drought in the Mediterranean basin has resulted in strong demand, but imports from North America have been weak.
- The world durum situation remains tight despite the slow demand for North American durum.

Best Wishes for 2023-24



Let's be careful out there



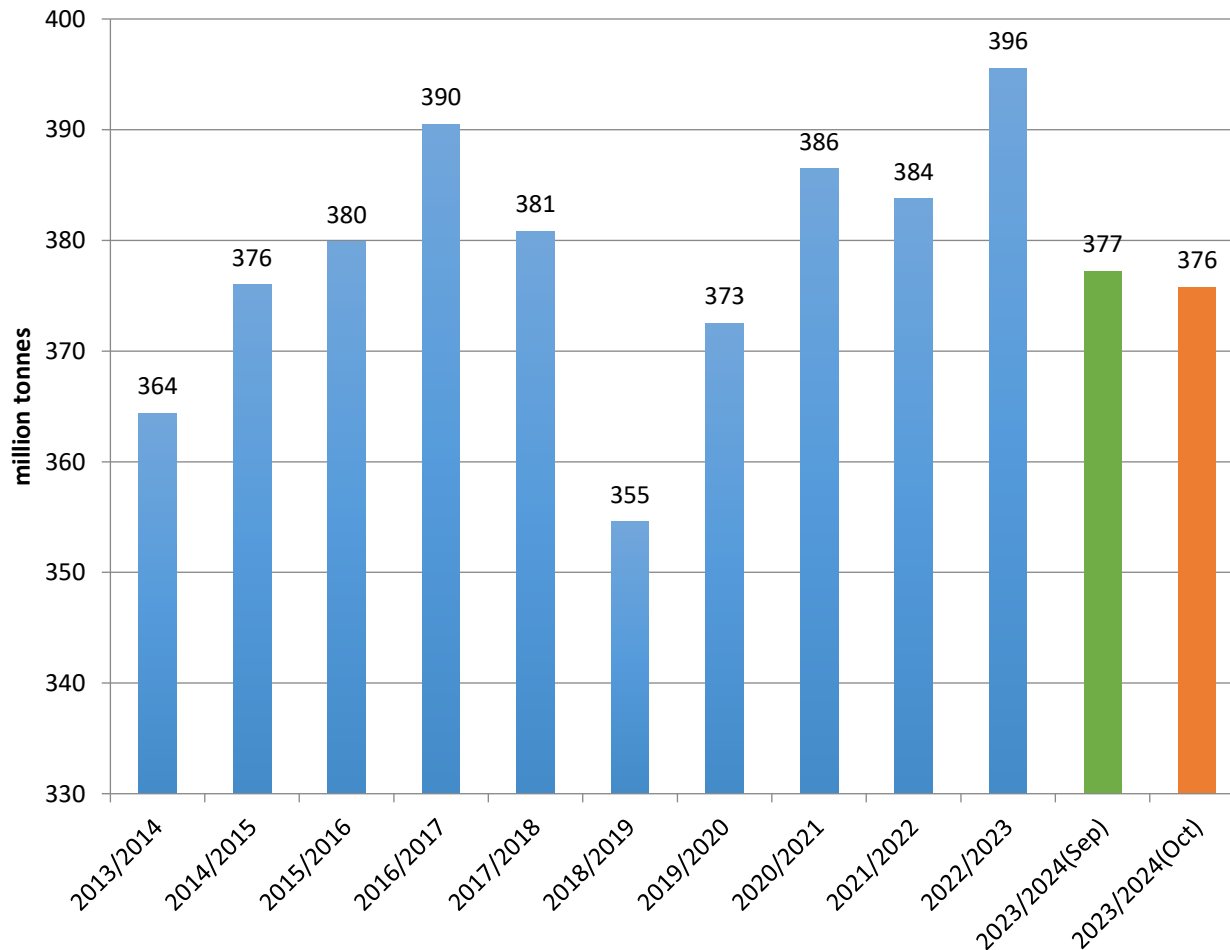


USDA US Durum Wheat Revisions

	2022/23			2023/24		
	12-Sep	12-Oct	Change	12-Sep	12-Oct	Change
	<i>-Million Bushels-</i>					
Beginning stocks	24	24	0	28	28	0
Production	64	64	0	57	59	2
Imports	51	51	0	50	45	-5
Supply, total	139	139	0	135	132	-3
Food	85	85	0	85	85	0
Seed	2	3	1	2	2	0
Feed/Residual	0	0	0	0	0	0
Domestic Use	88	88	0	87	87	0
Exports	23	23	0	25	25	0
Use, total	111	111	0	112	112	0
Ending stocks	28	28	0	23	20	-3



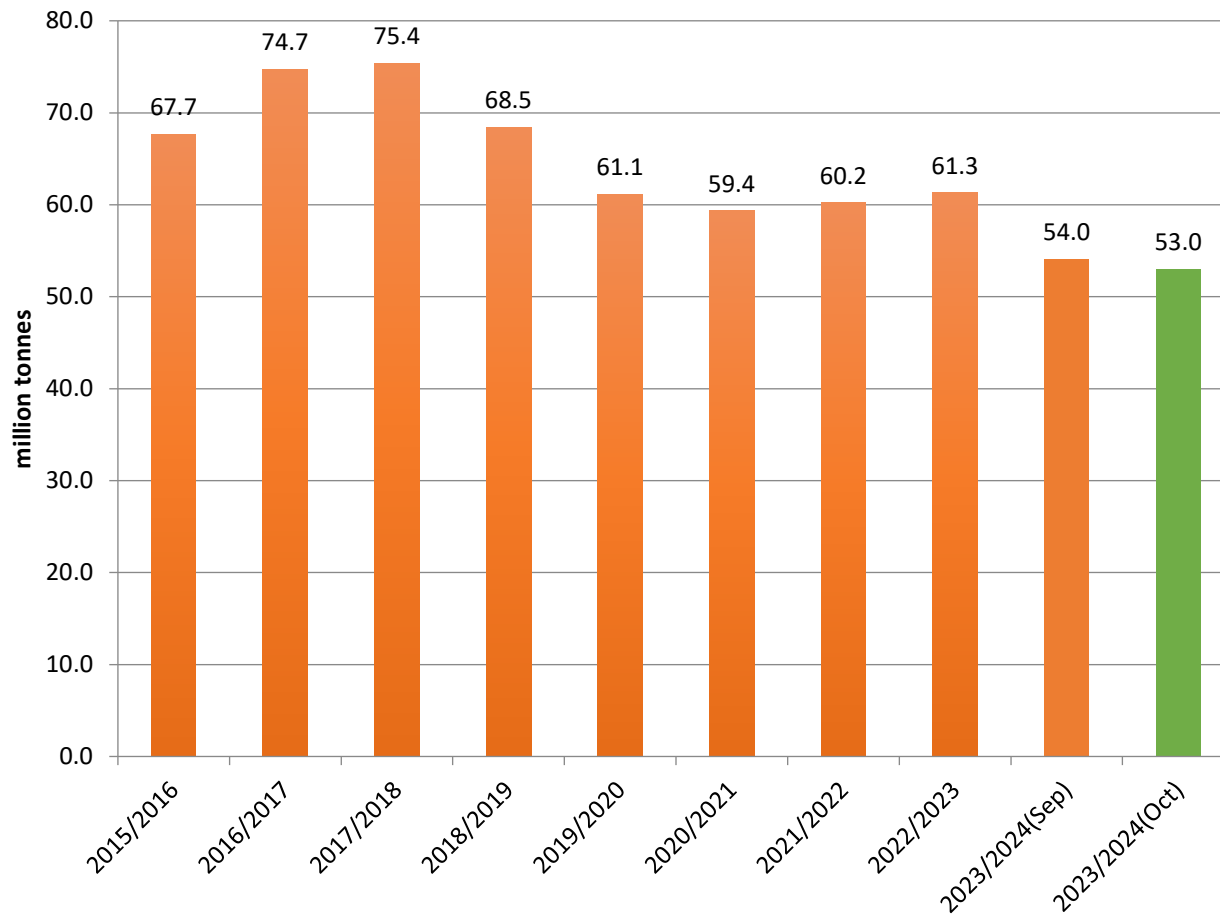
Major Exporter Wheat Production Forecast



- Major exporter production in 2023 was forecast to drop expected to drop by 20 million tonnes to 376 million tonnes.
- Decreases in Australia, Canada and Russia have been only partially offset by increases in Argentina, Ukraine, and the U.S. EU production is essentially unchanged.



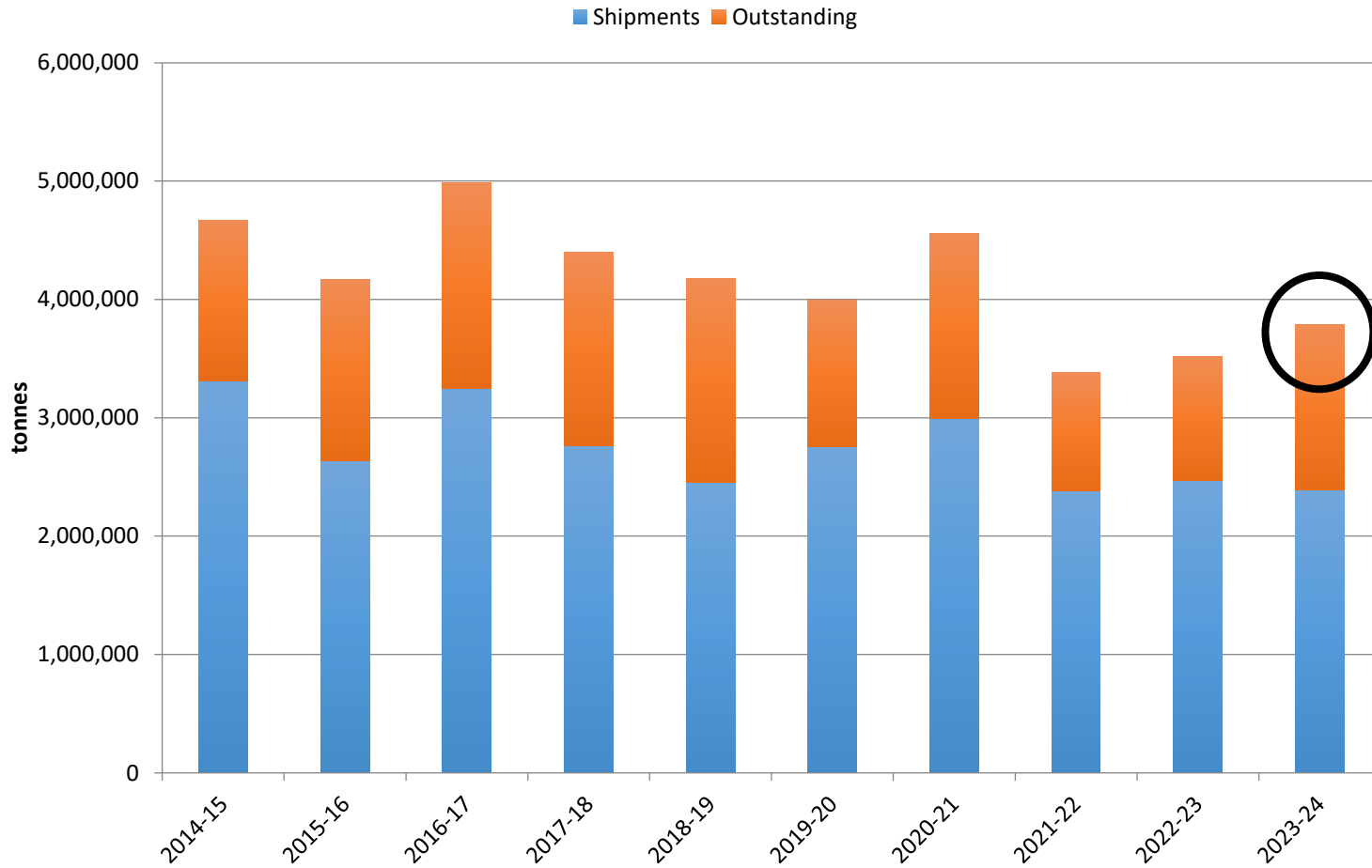
Major Exporter Wheat Ending Stocks



- The smaller production will push wheat ending stocks down 8.3 million tonnes 53 million tonnes.
- This level is tied for the second lowest stocks since the 2007-08 crop year.

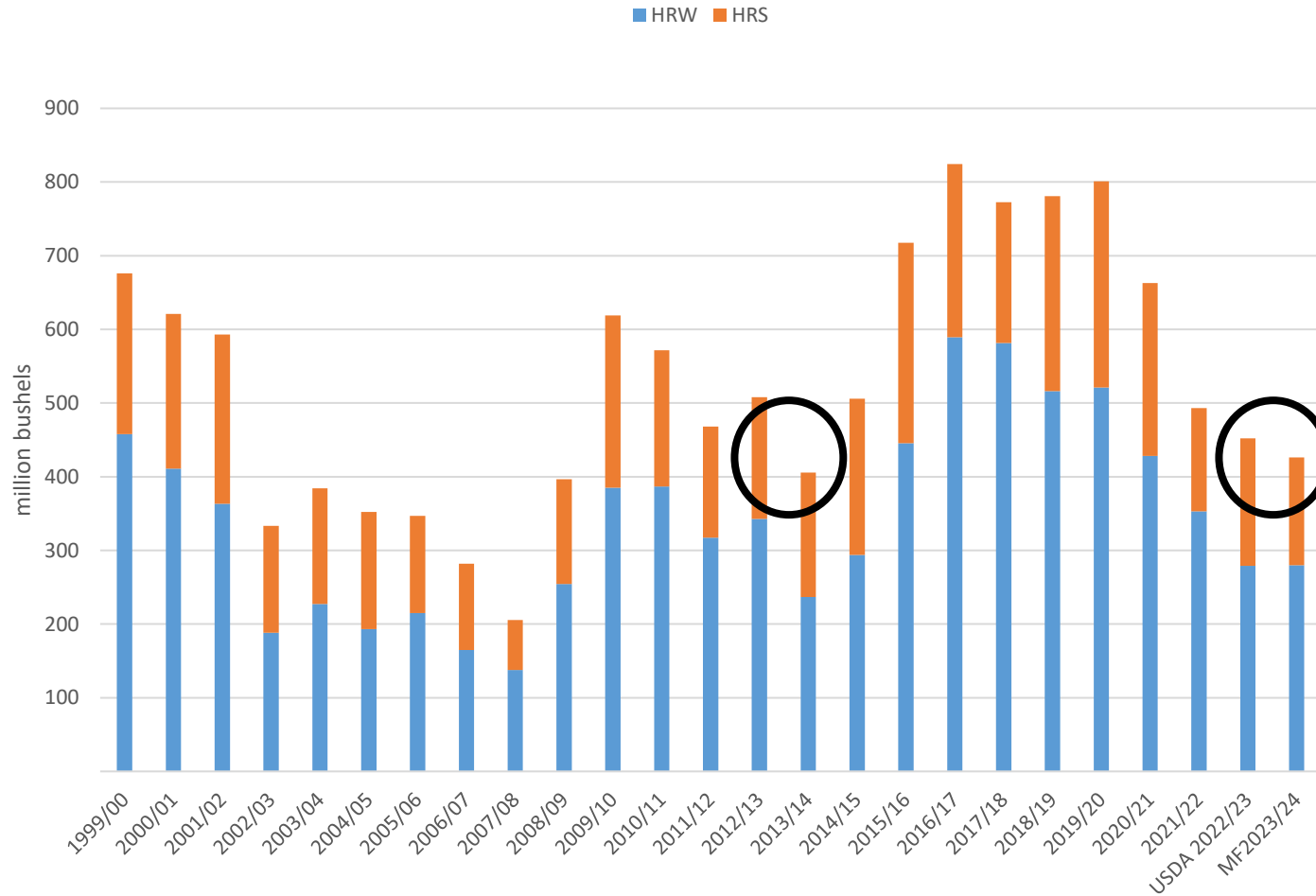


U.S. Spring Wheat Exports and Sales to week 21



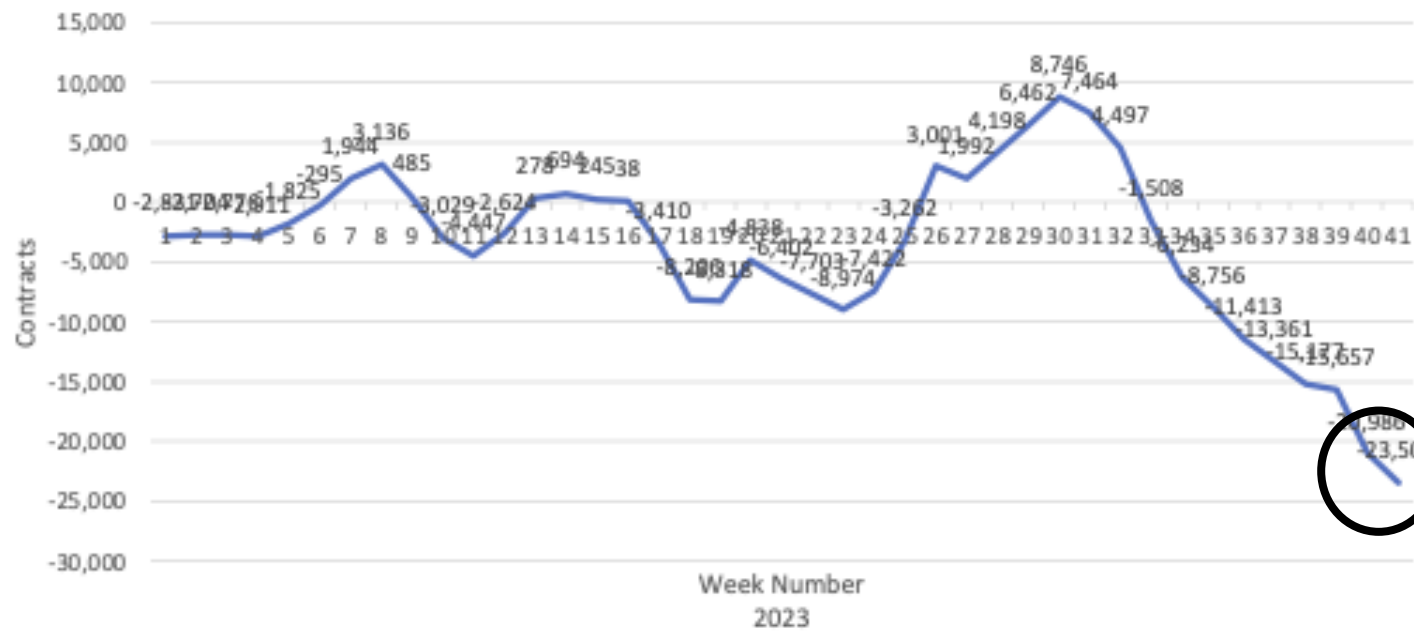


US Hard Wheat Ending Stocks





MGE Spring Wheat Fund Net Position As of Oct 10th





MW - Spring Wheat - Monthly Continuation OHLC Chart

■ Op:709-2, Hi:746-0, Lo:707-4, Cl:718-0



© Barchart.com

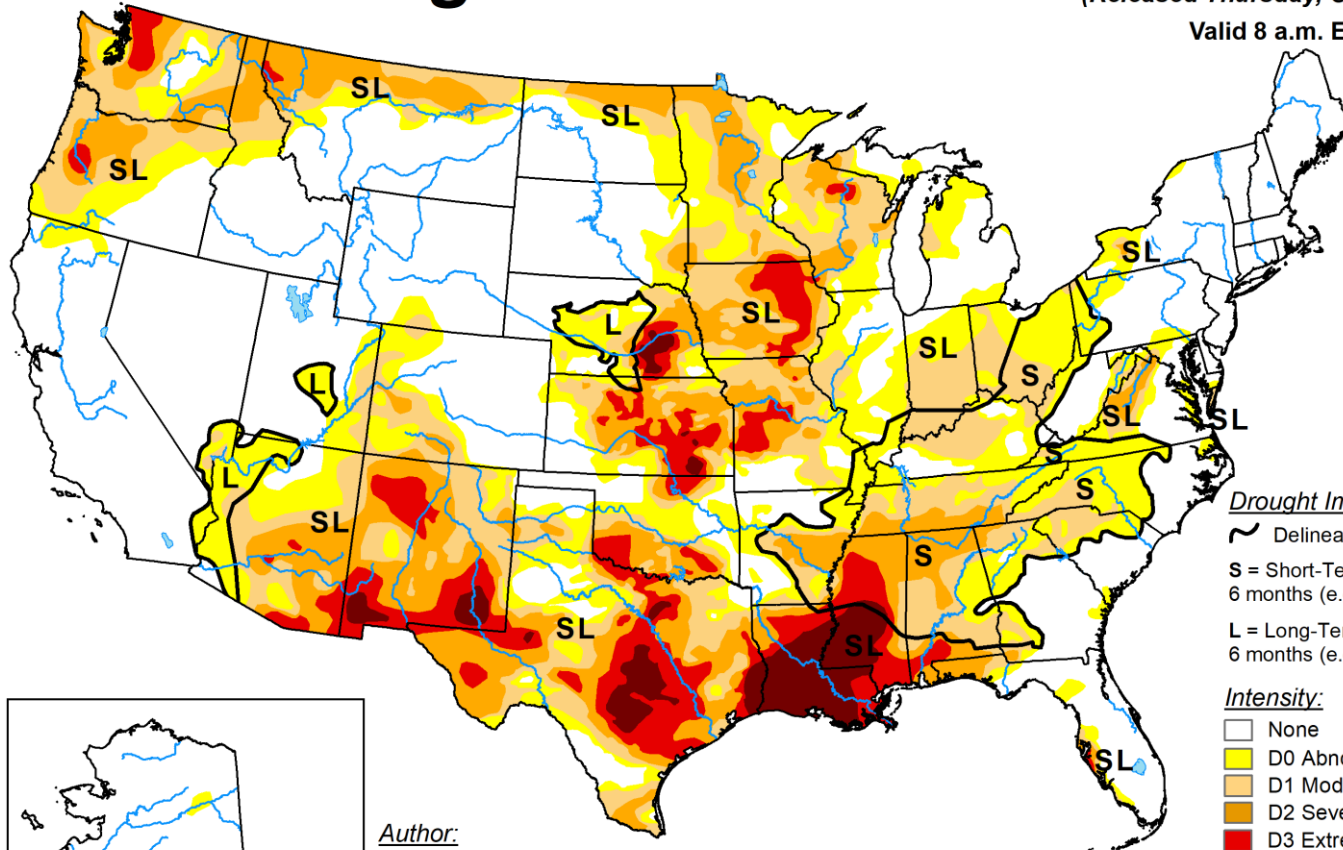


U.S. Drought Monitor

October 17, 2023

(Released Thursday, Oct. 19, 2023)

Valid 8 a.m. EDT

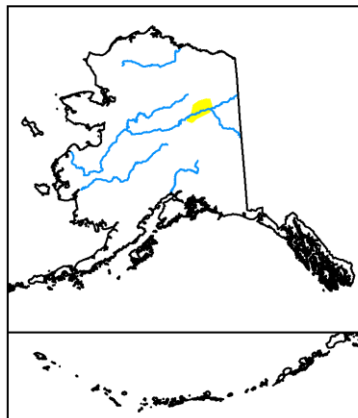


Drought Impact Types:

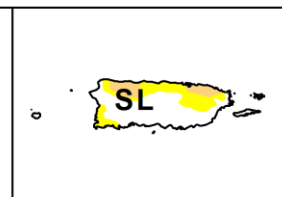
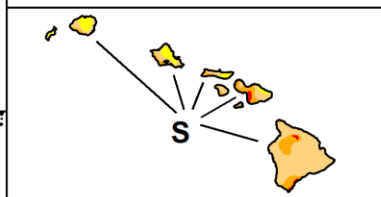
- Delineates dominant impacts
- S** = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L** = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

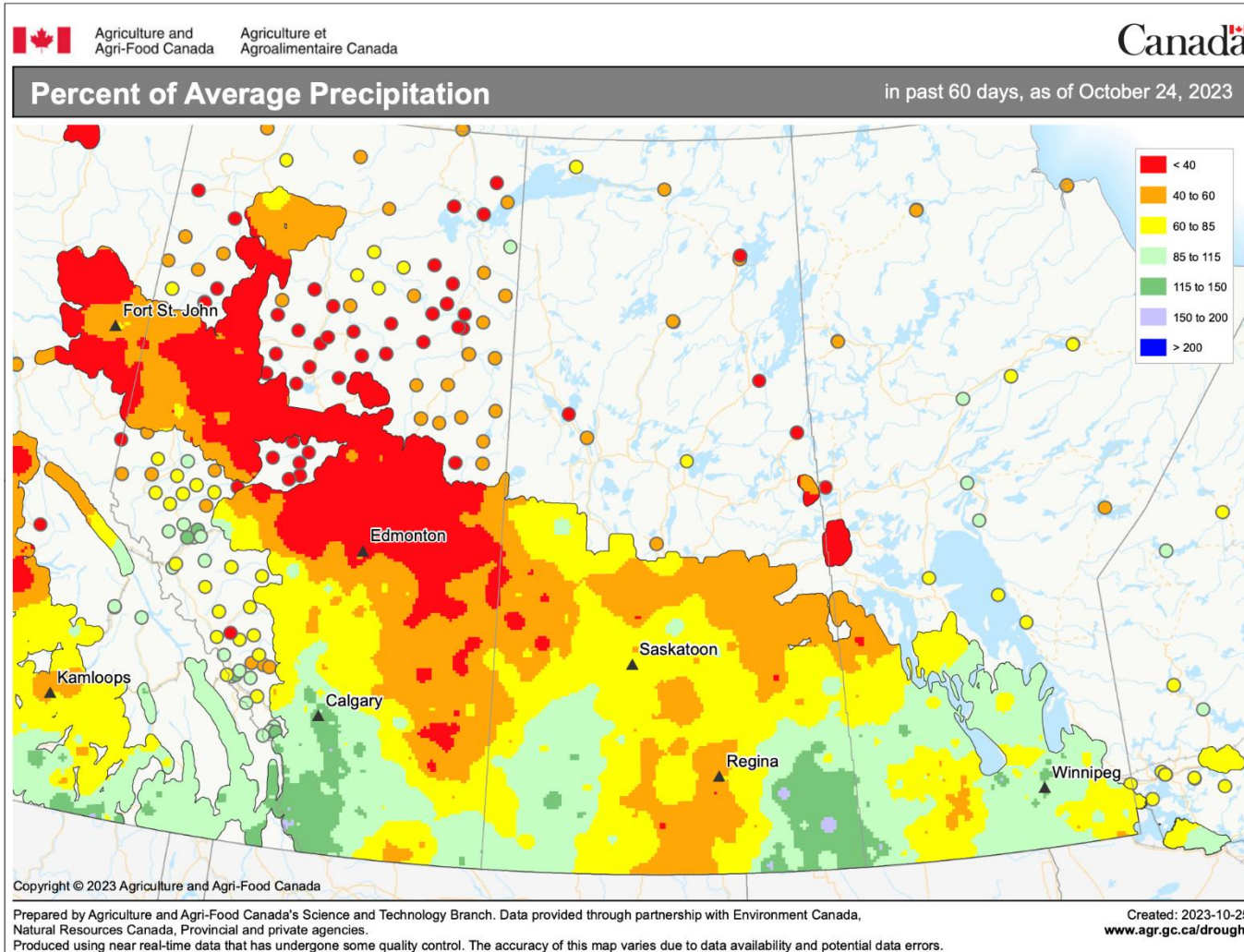


Author:
Rocky Bilotta
NCEI/NOAA



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



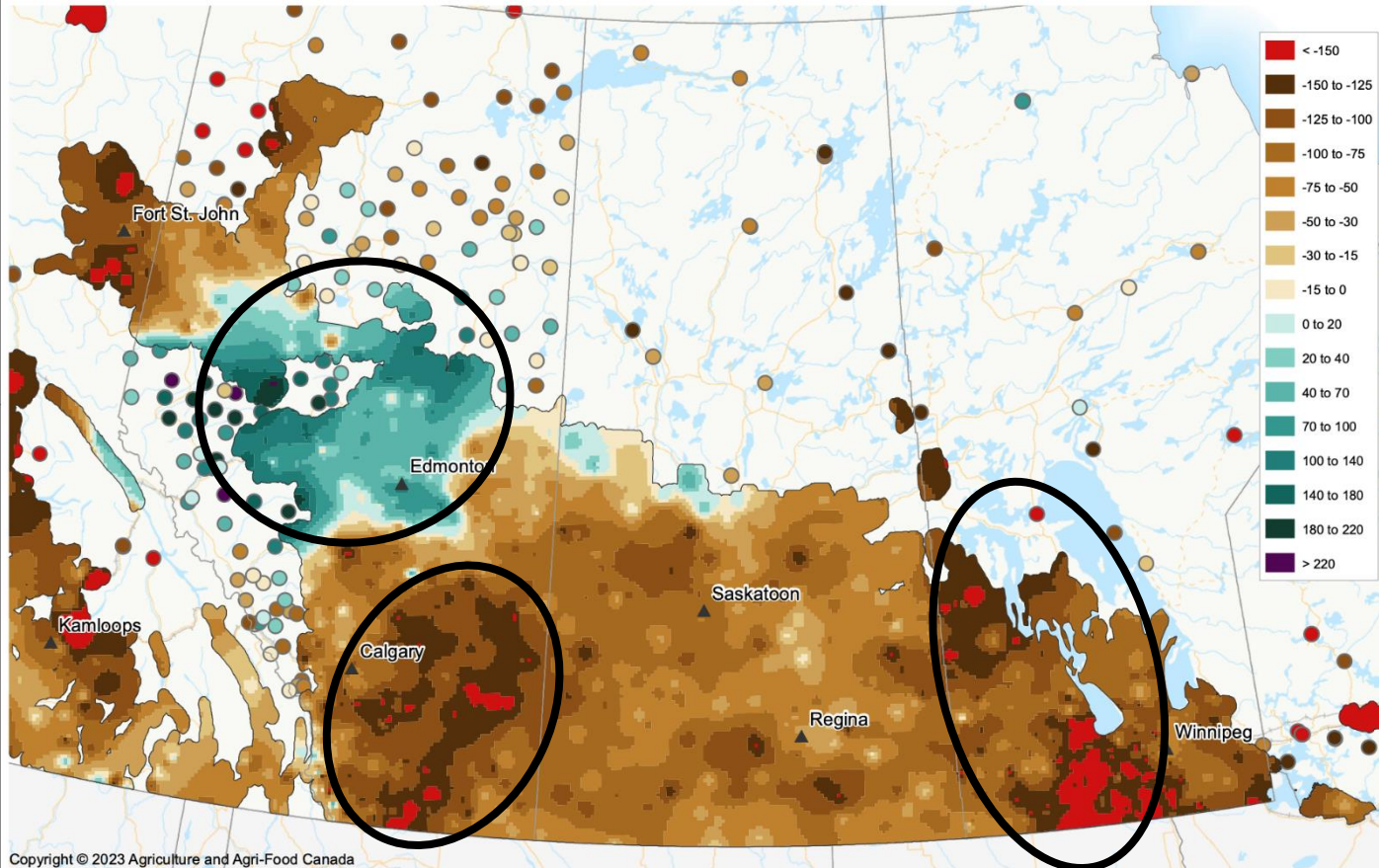


Western Canada 60 Day Precipitation (% or normal) to Oct 24, 2023



Departure From Average Precipitation (mm)

April 1, 2023 to October 24, 2023



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Prepared by Agriculture and Agri-Food Canada's Science and Technology Branch. Data provided through partnership with Environment Canada, Natural Resources Canada, Provincial and private agencies.
Produced using near real-time data that has undergone some quality control. The accuracy of this map varies due to data availability and potential data errors.

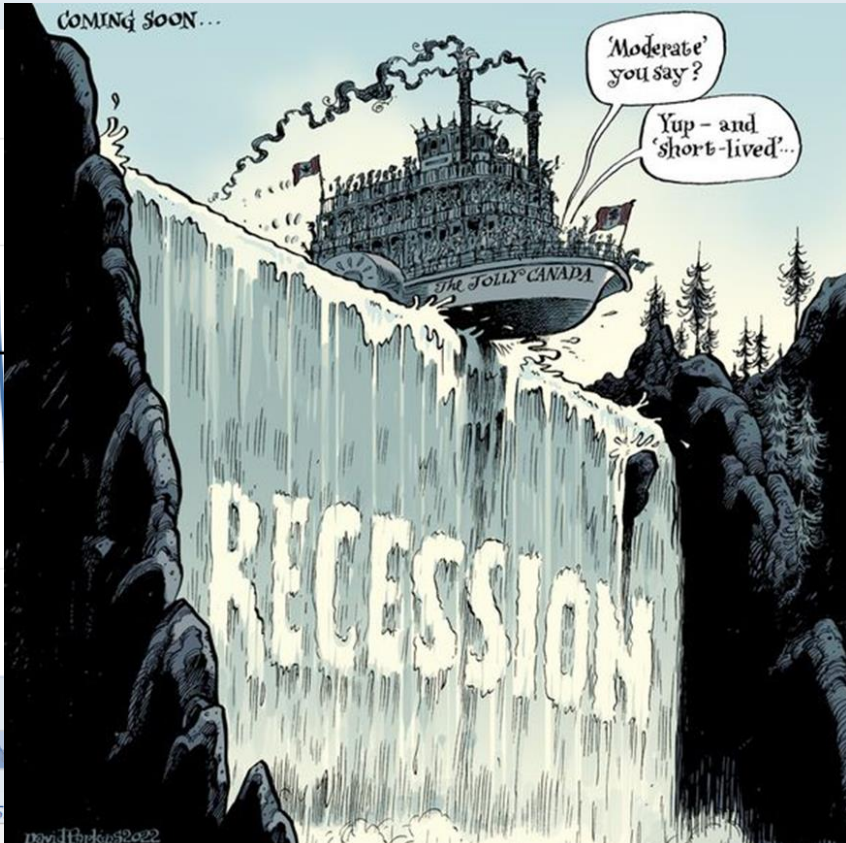
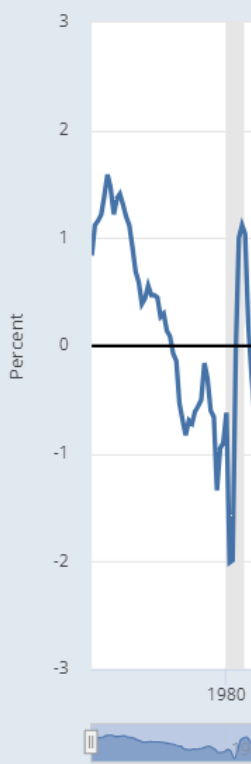
Created: 2023-10-25
www.agr.gc.ca/drought

Western Canada Deviation from Normal Apr 1 to Oct 21 2023

Our next
occupation..grain
market speculator



FRED 10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity



Shaded areas indicate U.S.

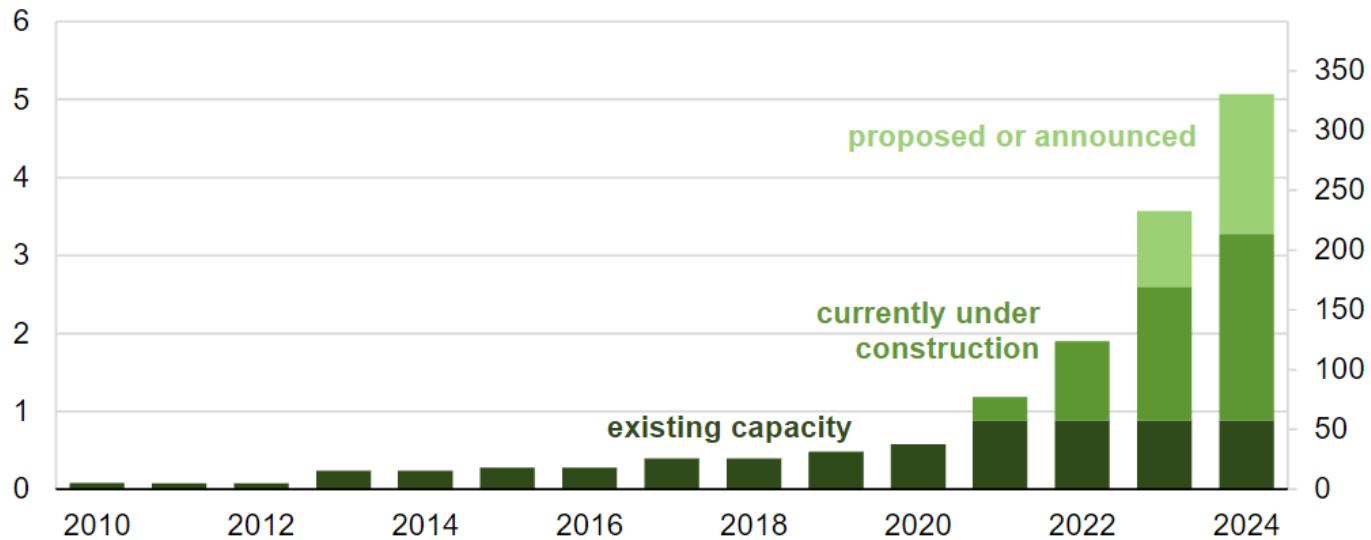


Existing and expected U.S. renewable diesel production capacity (2010–2024)



billion gallons per year

thousand barrels per day



Source: Graph by the U.S. Energy Information Administration (EIA), based on data from company announcements in trade press

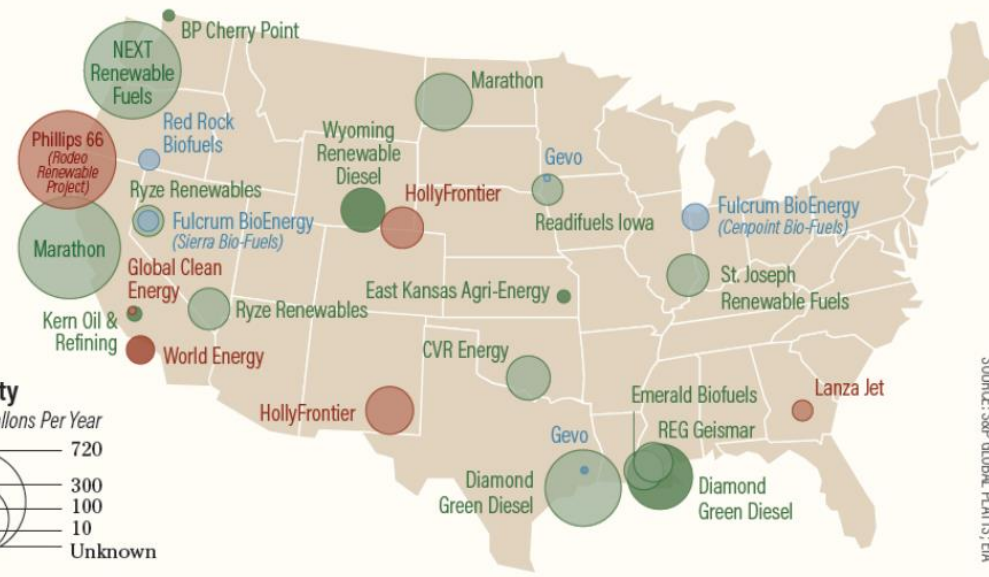
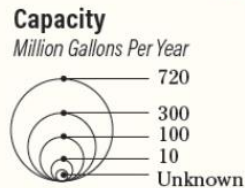
<https://www.eia.gov/todayinenergy/detail.php?id=48916>



New Plants Fuel Demand

Energy companies are converting or creating renewable fuel facilities to meet bio-based fuel demand. Many plan to use soybean oil.

- Renewable Diesel (RD) Operational
- Renewable Diesel Planned
- Sustainable Aviation Fuel (SAF) Operational
- SAF Planned
- RD and SAF Operational
- RD and SAF Planned



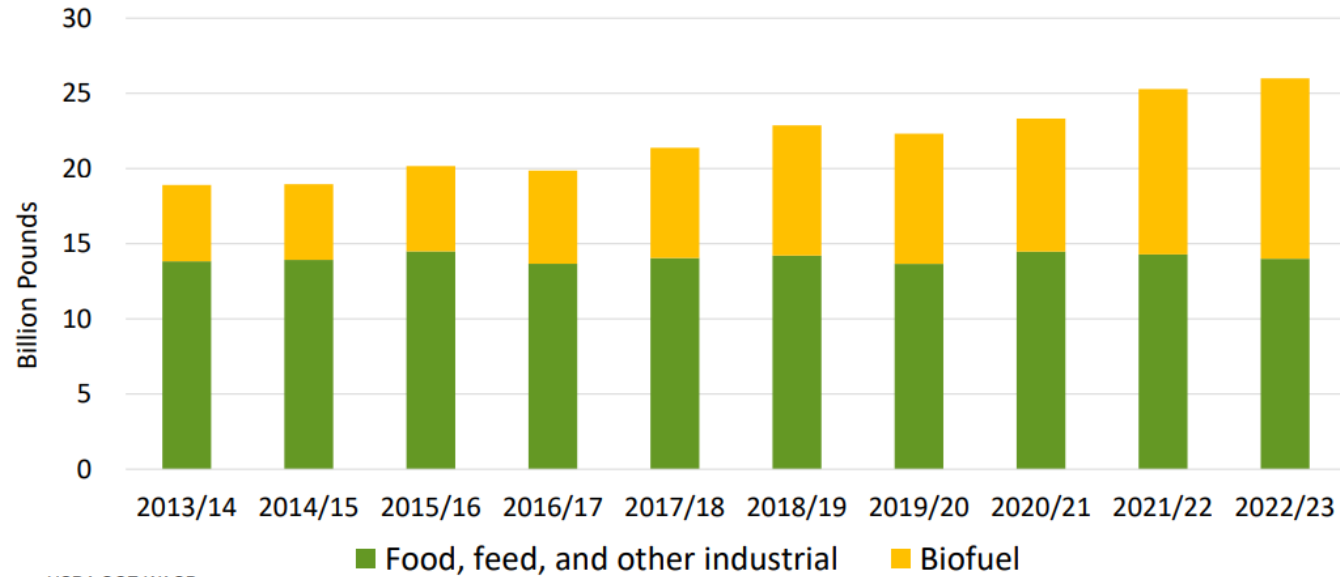
SOURCE: S&P GLOBAL, PLANTS, EIA

Oct 18/21
 Converted petroleum refinery into
 renewable diesel facility
 Location: Dickinson, North Dakota



Soybean Oil for Biofuel Grows Rapidly Through 2022/23

leading to lower soybean oil for food, feed, and other industrial uses in 2022/23



Source: USDA OCE-WAOB

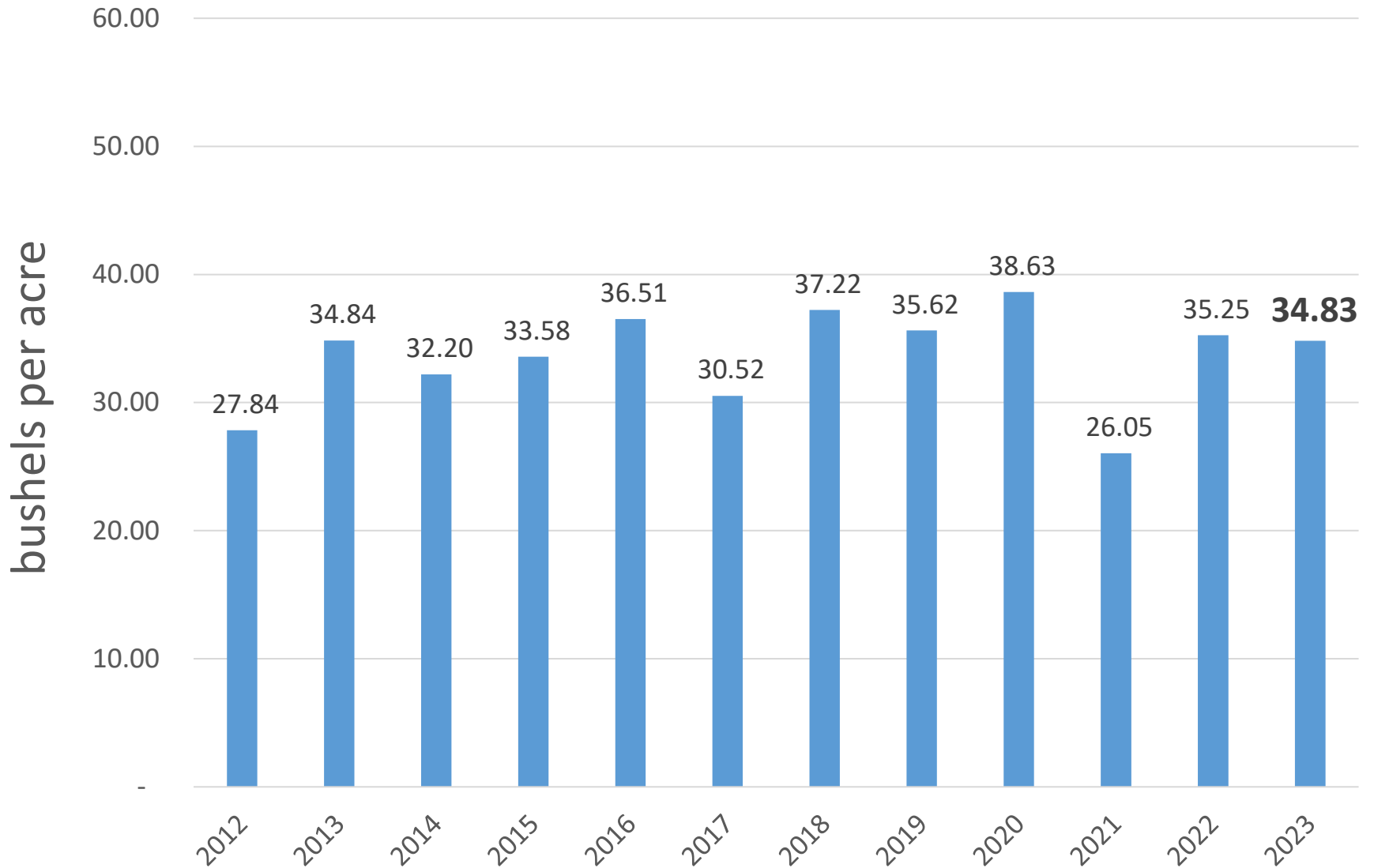


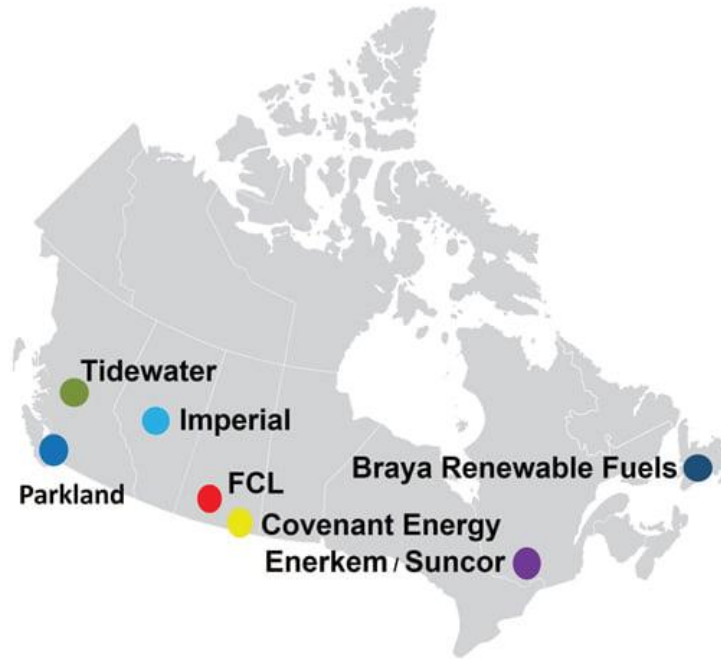
2023 RINs prices



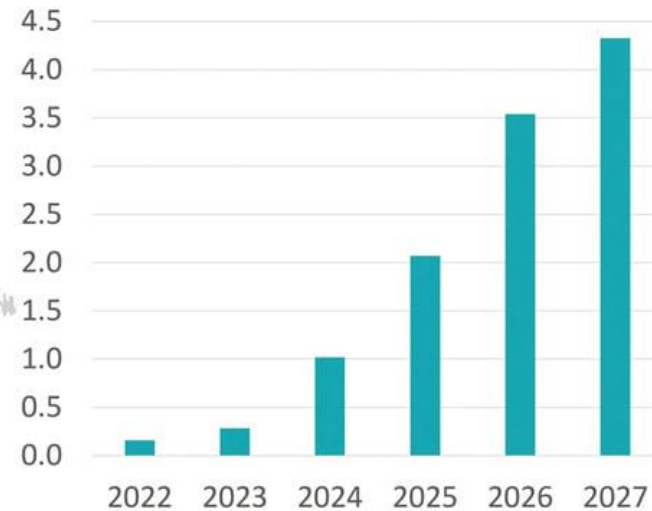
Source: S&P Global Commodity Insights

U.S. Canola Yields





Announced RD Capacity in Canada
(billion liters)

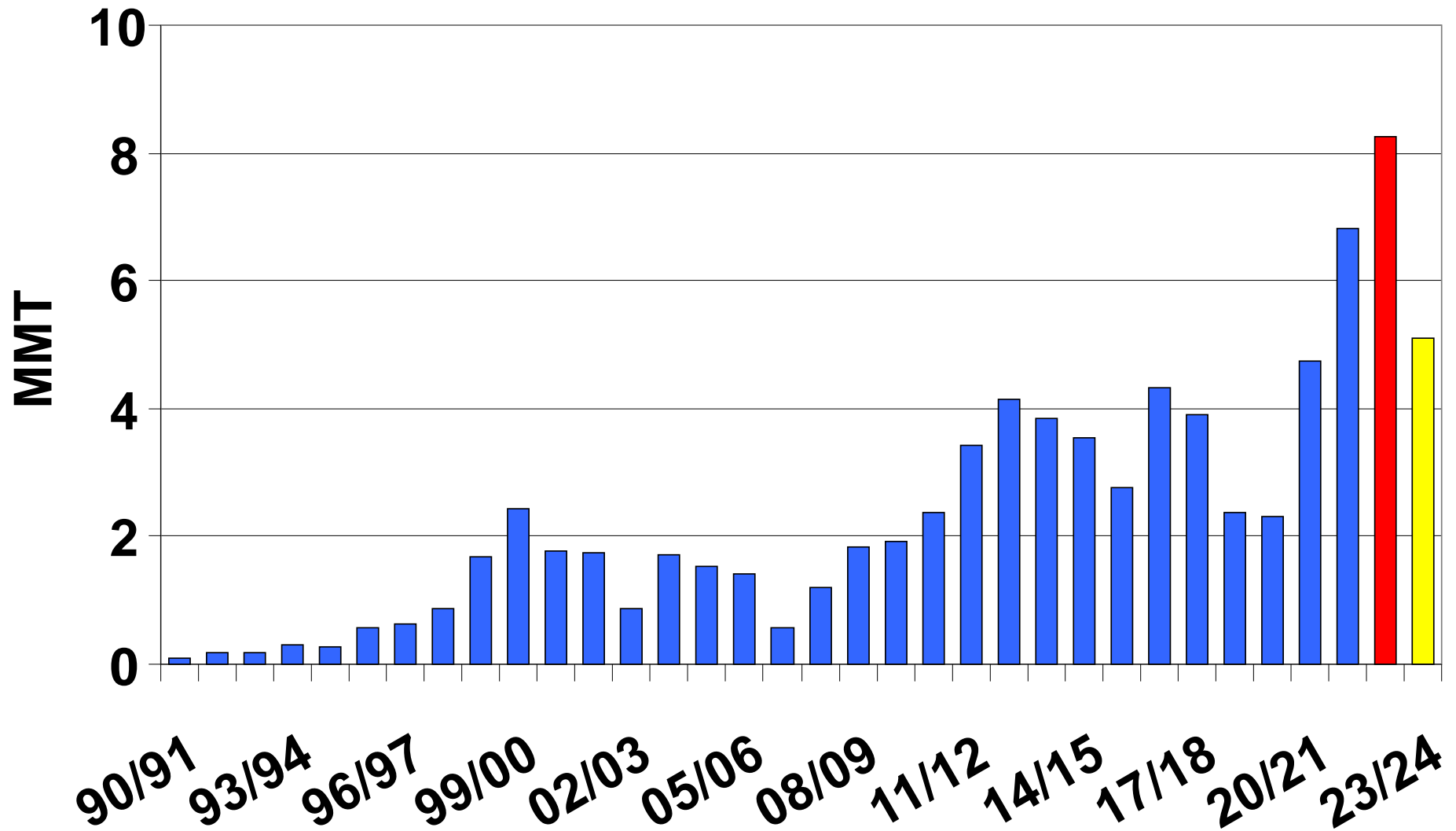


Source: Public announcements and news media

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https://www.manitobacooperator.ca/news-opinion/news/renewable-diesel-demand-expected-to-soar-in-next-two-years/?utm_source=GFM+Publications&utm_campaign=9bccb369bc-Manitoba+Co-operator+daily+enews+Jan+10%2C+2023&utm_medium=email&utm_term=0_2da8244677-9bccb369bc-%5BLIST_EMAIL_ID%5D&mc_cid=9bccb369bc&mc_eid=2644219c45

Australian Canola Production

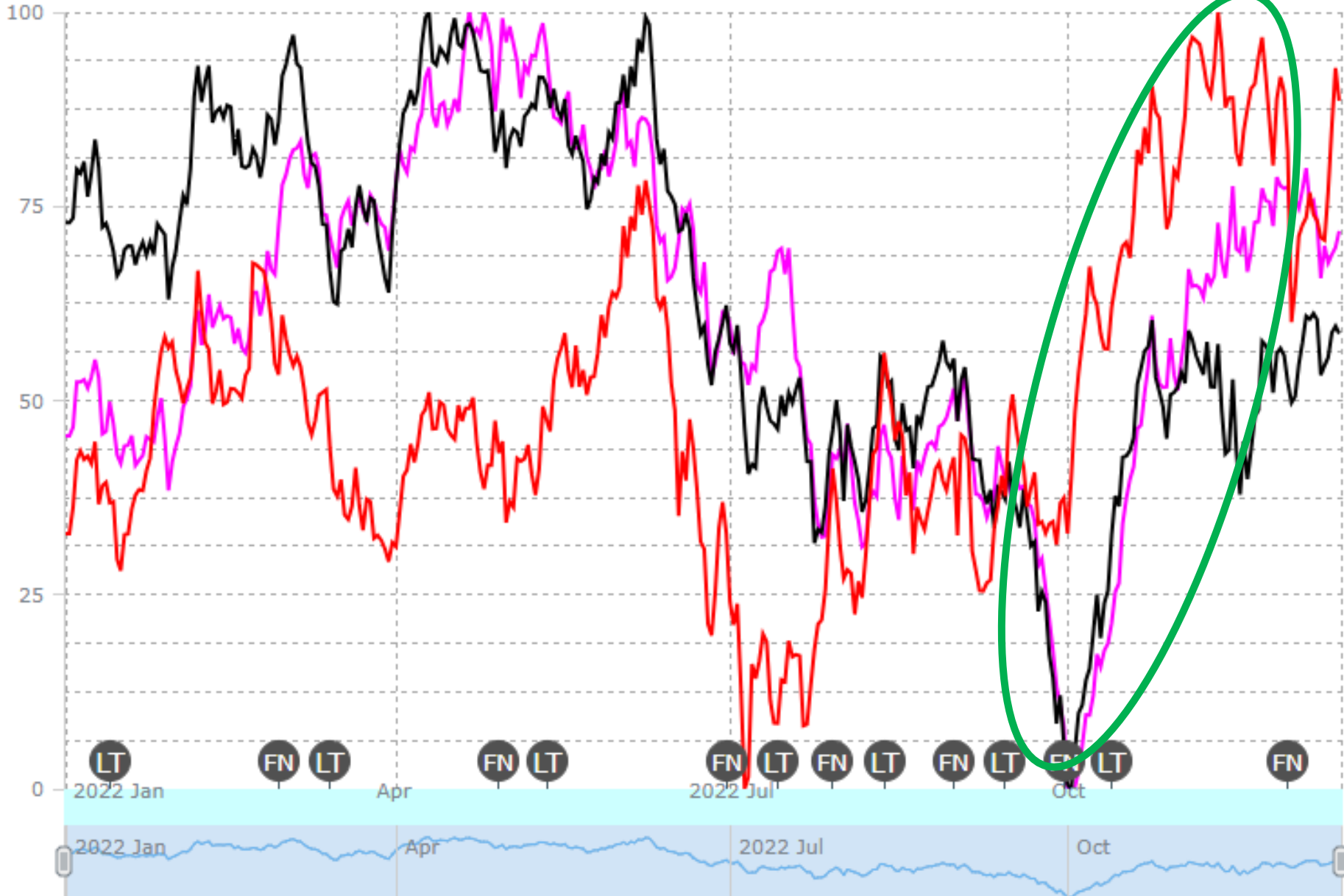


Canola Cash Price Seasonality



December Soybean Oil(CBOT) Historical Patterns

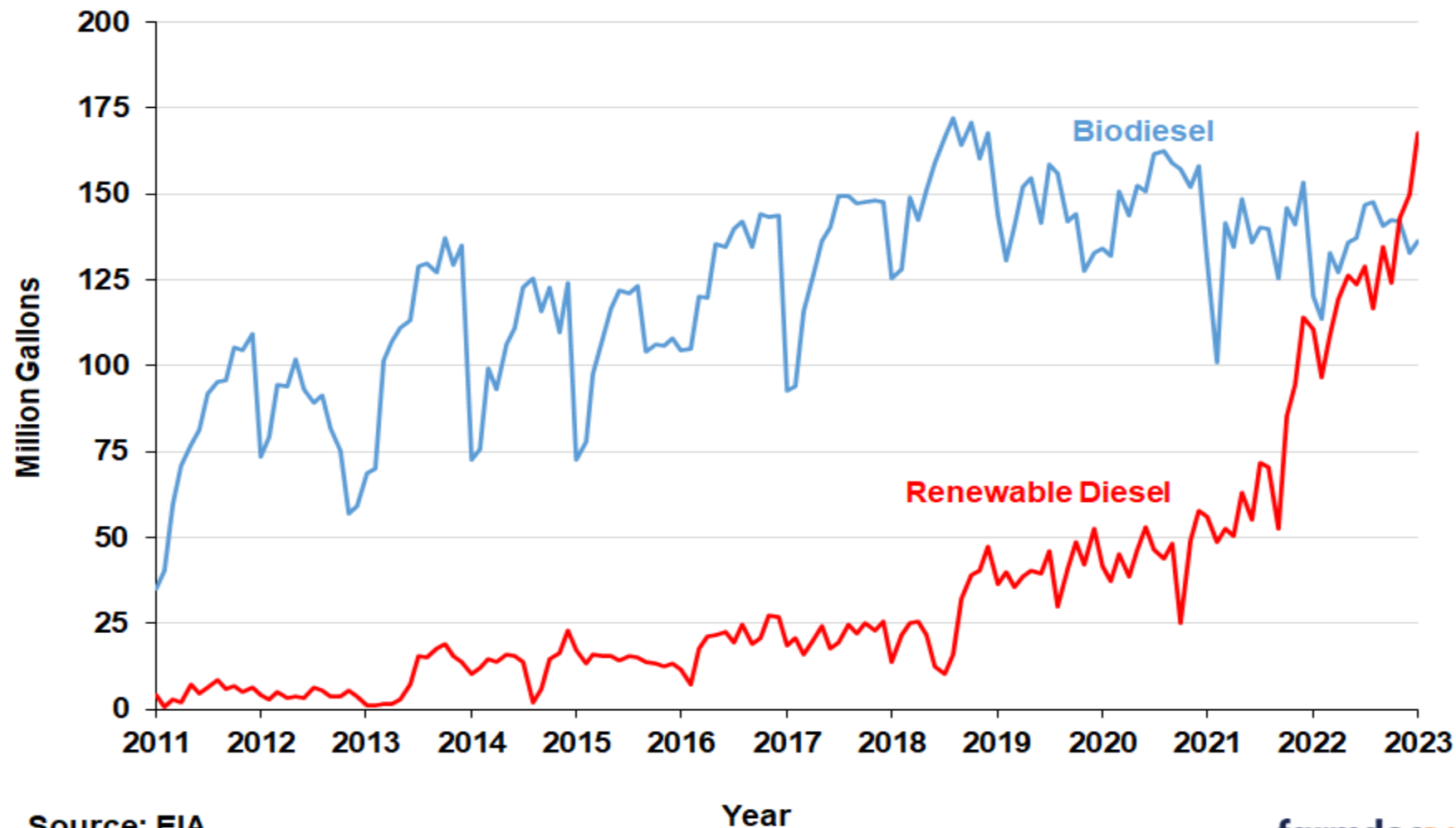
14 Dec 2022 30-Yr: 71.83 15-Yr: 58.62 5-Yr: 88.59



Renewable vs Biodiesel Production



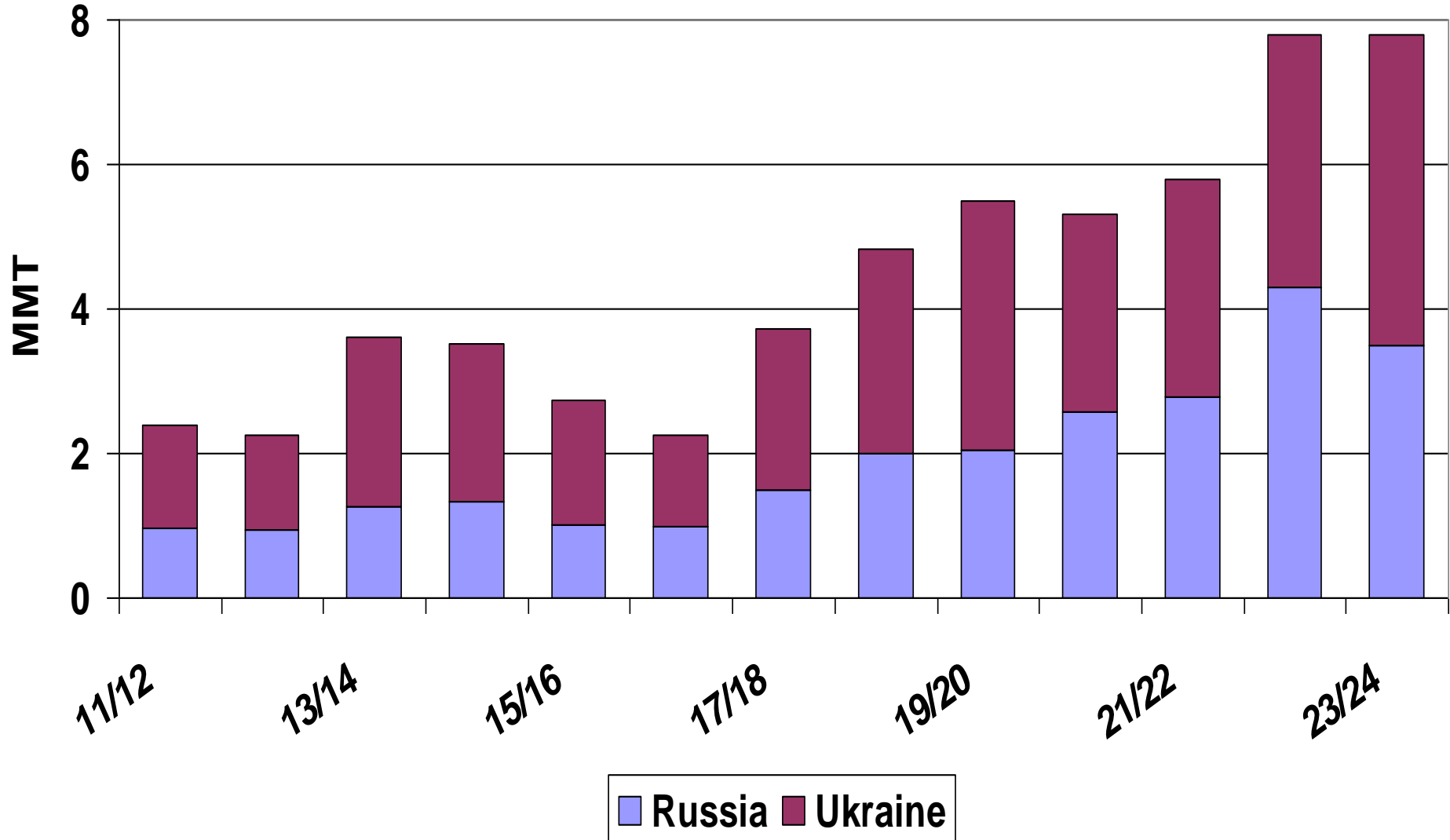
Figure 1. Monthly U.S. Renewable Diesel and FAME Biodiesel Production, January 2011 - January 2023



Source: EIA

Year

Ukraine & Russia Rapeseed Production



ICE Canola – Nearby Futures





2021 Durum Seeded Acres by Census Ag Region (000 Acres rounded)

