

High stability canola oil demand keeps rising

Food processors and food service industries around the globe are adopting high stability character-trait canola oil for its functional and health qualities. The current anti trans fat trend has spurred other companies to switch to the more healthful canola oil.

One source of trans fat is partially hydrogenated vegetable oil. According to the U.S. Department of Agriculture, about 40% of the food on grocery store shelves contains partially hydrogenated vegetable oil. While U.S. and Canadian consumers may not know that hydrogenation creates trans fat, mandatory labelling for trans fat will soon be implemented.

Dow AgroSciences sells Natreon canola oil and Cargill sells Clear Valley Canola Oil—both high stability low linolenic (lin) acid canola oils. Saskatchewan Wheat Pool (SWP) is selling SPCraven low lin canola. High stability means the oil will not breakdown under commercial scale food production. Commodity canola produces one of the most healthful oils available to consumers. But it requires hydrogenation for use in commercial applications.

“The trans fat issue isn’t new to us,” says Brent Zacharias, Canola Trait Marketing Specialist for Dow AgroSciences. “We’ve been developing Nexera canola varieties and promoting Natreon canola oil properties for commercial use for many years. The consumer shift to healthy oils and the move away from hydrogenated oils is perfectly timed with the development of high stability canola oils and canola varieties. This shift certainly bodes well for canola growers.”

Ernie Unger, Cargill’s Director of Operations, says his company markets IMC high stability canola varieties that produce Clear Valley canola oils. He says canola is perfectly positioned to gain market share in North America as more and more commercial and domestic oil users make the switch from hydrogenated vegetable oils.

SWP introduced SPCraven on a few test acres last year. This coming season will be the first big offering to growers of the low lin crop, says Darcy Rafoss, Manager Seed Business Unit for SWP. He agrees that the trans fat issue is going to help improve demand for low lins, but demand has already been building.

“I expect eventually one-quarter to one-third of the canola acres will be character-trait varieties,” says Rafoss. He adds that SWP will have more character-trait canola choices for growers within two years.

Given today’s preference for heart healthy oil, the new high stability canola varieties that keep canola’s low saturated fat level have a definite market advantage, says Barb Isman, President of the Canola Council of Canada.


Dow AgroSciences has been producing Nexera canola varieties since 1997, but it also saw the need to develop end-use markets right along with these varieties.

“We are focused on leading the industry in value chain partnerships and developing relationships with new end-use customers interested in the unique marketing opportunity Nexera canola offers,” says Zacharias. “The market is ready for highly stable, healthy canola oil, and we see the move toward alternatives to trans fat as one way to increase the overall competitiveness of canola.”

Japan has been a primary market for Natreon canola oil. Dow AgroSciences has worked with a number of groups in Japan (crushing companies, Japanese trading companies, and the various levels of ownership) to bring Natreon canola oil to Japanese consumers. “The Japanese are traditionally more health-conscious than North Americans. I’d say the Japanese market is a little more sophisticated. Where North Americans simply buy vegetable oil, the Japanese consumer oil market has many different segments. “They’re further along in assigning value to healthy and functional foods,” says Zacharias.

Natreon canola oil has experienced significant growth in Japan in both retail and bottled oil on the shelf. “In Japan, oil is often part of their gift-giving traditions. Natreon canola oil was first used as a premium oil given in a gift set.” Although this business continues to grow, the major markets today are in retail bottle and food service.

The light taste of Natreon canola oil as well as its health attributes have made it a Japanese preference. It’s labelled under



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descriptive names in Japan such as Healthy Lite.

Demand for low lin canola oil is also growing in North America. There are incredible opportunities in food processing and food service markets, says Zacharias.

“We’re collaborating with our trade partners and calling directly on major food companies to make them aware of Natreon canola oil as the best low saturated, trans fat alternative. This is an unprecedented opportunity for canola to become the product of choice and develop incremental growth and value for the crop,” he adds.

It’s easy to see why commercial and consumer markets are ready to welcome a healthy alternative to trans fats. Meanwhile, the premiums paid for high stability canola varieties offer growers a means to boost net returns over commodity canola.

“From grower, to processor, to end-user, Nexera canola contracts bring value. We estimate that so far growers have received over \$34 million of incremental value over growing commodity canola.”

In the spring of 2004, Dow AgroSciences introduced Nexera 800 Brand canola with the Clearfield trait. For 2005, the company will introduce Nex 828 CL and Nex 830 CL which can also be grown using the Clearfield Production System herbicides.

Cargill introduced the Roundup-tolerant high stability hybrid Victory v1010 last year. This year it will offer IMC111RR and IMC209RR Roundup Ready canola varieties, says Gary Galbraith Canadian Production Manager for Cargill Specialty Canola Oils.

The returns that can be generated by low linolenic canola are substantial, says Zacharias.

Low lin canola is a perfect response to the trends driving the food industry and consumers’ health concerns. Its benefits stretch all the way from the farm to the processor to consumers worried about the amount of trans fat in their diets, he concludes.