

# ***HOW TO CALCULATE CANOLA PRICES***

Canola trades on the Intercontinental Exchange (ICE) as rapeseed futures from 8:00 PM – 1:15PM CST

RSF January  
 RSH March  
 RSK May  
 RSN July  
 RSX November

These contracts trade in Canadian dollars/metric ton (2204.6 lbs = 1 MT)

1 Winnipeg Canola Futures Contract = 20 Metric Ton

Canadian currency has four option months that trade from 7:30 AM to 3:30 PM.

CDH March  
 CDM June  
 CDU September  
 CDZ December

**EXAMPLE:** *If you know the following three things you can calculate the canola price.*

1. The RSN is trading at \$617.10 (Canadian dollars per metric ton)
2. The Goodland delivered “BASIS” is +11 RSN (Canadian \$ Basis)
3. The USD/CAD exchange rate is @ 1.0053 (1.0053 cents USD = \$1.00 CAD)

RSN	617.1	ICE Futures in Canadian dollars per Metric ton.
BASIS	+ 11	RSN (ADM delivered basis)
	628.10	Canadian dollars per metric ton.
CDH	x1.0053	March USD/CAD exchange rate.
	631.43	US dollars per metric ton.
	/ 22.046	CWT's per metric ton (2204.6 lbs. /100 lbs. = 22.046 cwt. per MT)
	\$ 28.64	US dollars per cwt.
	/ 2	(two 50 lb. bushels per cwt.)
	\$ 14.32	US dollars per bushel.

Remember that the price of canola is subject to not only the Intercontinental Exchange (ICE) futures contract, but also the USD/CAD currency exchange rate and “Basis” changes.

Follow ICE Canola Futures & Canadian Currency markets at: ADM Investor Services, Inc.

<http://www.admis.com/>

The basis on canola is the difference between the ICE futures and what the plant is paying.

The basis is in Canadian dollars since it's based off the ICE futures which trade in Canadian dollars.

1 MT = 2204.6 Lbs.

1 MT = 44.092 Bushels

(2204.6 / 50 lbs per Bu. = 44.092)

CWT Factor = 22.046 CWT per Metric Ton

(2204.6 / 100 = 22.046)

Bushel Factor = 44.092 Bu. per Metric ton

CWT to Metric ton

CWT Price X 22.046 = MT price

14.75 cwt X 22.046 = \$325.18 USD/MT

1000 BU = How Many Metric Ton

(1000 / 44.092 = 22.68 MT)

500 MT = How Many Bushel?

(500 X 44.092 = 22,046 Bushel)

MT Price to CWT Price

MT Price / 22.046 = CWT Price

\$325.18 / 22.146 = \$14.75 CWT