



CANADA: GRAINS AND OILSEEDS OUTLOOK: 2009-10

August 28, 2009

For 2009-10, total production is estimated by Statistics Canada at 59.5 Mt, due to higher abandonment and below-normal yields resulting from cool temperatures, delayed seeding across western Canada and the abnormally dry conditions in Saskatchewan and Alberta. Total supply is forecast to fall by 11% as large carry-in stocks moderate the decline in output. Domestic use and exports are forecast to decline. Carry-out stocks are forecast to fall by 19% to 10.2 Mt, well below the 10 year average of over 13 Mt. On average, prices are expected to be lower than in 2008-09 for all crops except canola and rye. Factors to watch include the higher than normal risk of frost damage, due to the delayed crop development, which could result in a further decline in yields and a reduction in crop quality.

DURUM

For 2009-10, production is estimated at 4.5 Mt, down 18% from 2008-09 due to a 7% lower seeded area, higher abandonment and lower yields. However, the higher carry-in stocks will limit the decrease in supply to 1%. Exports are forecast to increase by 7% to 3.9 Mt, due to lower production in the EU and larger Canadian carry-in stocks, which will enable Canada to export more at the start of the crop year. Carry-out stocks are forecast to decrease by 17% to 1.5 Mt. The CWB Pool Return Outlook (PRO) is 33% lower than for 2008-09 due to pressure from higher world and Canadian carry-in stocks.

WHEAT (ex durum)

For 2009-10, production is estimated at 19.1 Mt, down 17%, as a 3% increase in seeded area is more than offset by higher abandonment and lower yields. Supply is forecast to drop by 12% as higher carry-in stocks partly offset the drop in production. Domestic use is expected to fall because of lower feed use resulting from the lower supply. Exports are forecast to decrease because of the lower supply. Carry-out stocks are expected to decrease by 9% to 4.0 Mt. The CWB PRO is 20% lower than for 2008-09 due to pressure from higher world supply and higher Canadian carry-in stocks.

BARLEY

For 2009-10, production is estimated to decrease by 24% from 2008-09 to 8.95 Mt due to significantly lower yields and harvested area. Supply is forecast to decrease by 17% as higher carry-in stocks partly offset the drop in production. Domestic feed use is expected to decrease while exports are unchanged. Carry-out stocks are expected to fall by 24% to 1.6 Mt. The off-board price for barley is forecast to fall slightly while the PRO for malting barley (Sel CW 2-Row) is \$245/t.

OATS

For 2009-10, production is estimated to decrease by about 30% from 2008-09 to 2.97 Mt due to a lower harvested area and yields. Supply is forecast to drop by 20% as higher carry-in stocks partly offset the drop in production. Exports are expected to fall while carry-out stocks fall sharply to 0.8 Mt. Prices are forecast to decline by about 19% because of lower US coarse grain prices and the stronger Canadian dollar.

CORN

For 2009-10, production is estimated to decrease by 10% to 9.5 Mt due to a significant decrease in yields. Domestic supply is forecast to fall significantly and imports are forecast to rise due to higher food and industrial use combined with increased feed demand in western Canada. Carry-out stocks are forecast to decrease slightly. The Chatham elevator price is forecast to fall from 2008-09 as pressure from lower US corn prices and the stronger Canadian dollar more than offsets support from lower domestic supply.

CANOLA

For 2009-10, production is estimated at 9.5 Mt, 25% below the previous year, due to a slightly smaller area and significantly lower yields. The yield loss is largely confined to Alberta, where dryness was a problem earlier in the growing season. Manitoba and Saskatchewan are expected to have near trend yields. Total supply is forecast to decline by 22% to 11.1 Mt, the lowest since 2004-05. Domestic crush is forecast to increase significantly, as several new crushing plants are expected to begin operation during 2009-10. Exports are forecast to decline by 34% from the 2008-09 record due to reduced supply and increased domestic demand. Carry-out stocks are forecast to fall by 50%, to 0.7 Mt, the

smallest since 2003-04. Average prices are expected to increase slightly, due to higher world vegoil prices and increased canola oil premiums.

FLAXSEED (excluding solin)

For 2009-10, production is expected to rise by 6%, to 0.9 Mt, with increased area partly offset by lower yields. Supply is expected to increase by over 15% due to higher carry-in stocks. Exports are forecast to increase by 11% from 2008-09 as a result of increased supply, lower prices and world economic recovery. Carry-out stocks are projected to increase by 28% to 0.35 Mt, the highest since 2006-07. Prices are forecast to decline slightly from 2008-09 due to increased supply and a stronger Canadian dollar.

SOYBEANS

For 2009-10, a record 3.5 Mt of soybeans are expected to be produced, 4% more than the previous year. The increase is due to the record seeded area, which more than offsets a lower estimated yield. Domestic use is forecast to rise due to increased crush. Exports are also expected to increase due to increased supply. The average Chatham price is forecast to decrease by about 10%, due to lower US prices and an expected stronger Canadian dollar.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

August 28, 2009

Grain and Crop Year (a)	Area	Area	Yield t/ha	Production	Imports	Total	Exports (c)	Food &	Feed,	Total	Carry-out Stocks	Average Price (g) \$/t
	Seeded	Harvested			(b)	Supply		Industrial Use (e)	Waste & Dockage	Domestic Use (d)		
	thousand ha				thousand metric tonnes							
Durum												
2007-2008	1,949	1,926	1.91	3,681	3	4,941	3,175	229	460	921	846	510
2008-2009f	2,440	2,416	2.28	5,519	1	6,366	3,650	260	436	916	1,800	366*
2009-2010f	2,258	2,222	2.03	4,519	1	6,320	3,900	270	435	920	1,500	246*
Wheat Except Durum												
2007-2008	6,799	6,710	2.44	16,373	21	22,001	12,682	3,022	1,788	5,604	3,715	369
2008-2009f	7,752	7,616	3.03	23,092	20	26,827	14,800	3,150	3,667	7,627	4,400	294*
2009-2010f	7,996	7,688	2.48	19,095	20	23,515	12,800	3,200	2,705	6,715	4,000	236*
All Wheat												
2007-2008	8,748	8,636	2.32	20,054	23	26,942	15,857	3,251	2,248	6,525	4,561	
2008-2009f	10,192	10,032	2.85	28,611	21	33,193	18,450	3,410	4,103	8,543	6,200	
2009-2010f	10,254	9,910	2.38	23,614	21	29,835	16,700	3,470	3,140	7,635	5,500	
Barley												
2007-2008	4,397	3,998	2.75	10,984	58	12,532	3,911	156	6,567	7,053	1,568	214
2008-2009f	3,787	3,502	3.36	11,781	40	13,390	2,300	190	8,499	8,990	2,100	179
2009-2010f	3,552	3,078	2.91	8,948	35	11,083	2,300	190	6,668	7,183	1,600	150-180
Corn												
2007-2008	1,392	1,369	8.51	11,649	3,183	16,169	910	3,570	10,218	13,801	1,457	180
2008-2009f	1,204	1,169	9.06	10,592	1,600	13,649	300	3,800	8,434	12,249	1,100	167
2009-2010f	1,231	1,188	8.00	9,504	2,800	13,404	300	4,300	7,789	12,104	1,000	130-170
Oats												
2007-2008	2,188	1,816	2.59	4,696	17	5,269	2,805	70	1,295	1,515	950	233
2008-2009f	1,758	1,448	2.95	4,273	15	5,237	2,100	90	1,697	1,937	1,200	191
2009-2010f	1,570	1,137	2.61	2,967	15	4,182	1,950	90	1,167	1,432	800	140-170
Rye												
2007-2008	172	109	2.13	233	4	354	194	43	68	124	36	211
2008-2009f	168	132	2.40	316	1	353	35	45	183	243	75	155
2009-2010f	166	148	1.80	267	1	343	133	45	90	150	60	150-170
Mixed Grains												
2007-2008	171	96	2.73	263	0	263	0	0	263	263	0	
2008-2009f	143	80	2.79	222	0	222	0	0	222	222	0	
2009-2010f	169	83	2.71	226	0	226	0	0	226	226	0	
Total Coarse Grains												
2007-2008	8,320	7,388	3.77	27,825	3,262	34,587	7,820	3,839	18,410	22,756	4,011	
2008-2009f	7,061	6,330	4.29	27,184	1,656	32,851	4,735	4,125	19,036	23,641	4,475	
2009-2010f	6,687	5,634	3.89	21,912	2,851	29,238	4,683	4,625	15,940	21,095	3,460	
Canola												
2007-2008	6,367	6,277	1.52	9,529	179	11,490	5,661	4,144	108	4,301	1,528	553
2008-2009f	6,540	6,494	1.95	12,643	100	14,270	7,900	4,200	722	4,970	1,400	467
2009-2010f	6,404	6,188	1.54	9,541	200	11,141	5,200	5,000	193	5,241	700	450-500
Flaxseed												
2007-2008	528	524	1.21	634	8	1,013	679	n/a	n/a	167	167	611
2008-2009f	631	625	1.38	861	7	1,035	565	n/a	n/a	195	275	500
2009-2010f	696	688	1.33	915	7	1,197	625	n/a	n/a	221	351	425-525
Soybeans												
2007-2008	1,180	1,172	2.30	2,696	337	3,503	1,696	1,348	213	1,686	121	432
2008-2009f	1,202	1,195	2.79	3,336	345	3,802	1,900	1,285	299	1,727	175	412
2009-2010f	1,407	1,399	2.49	3,483	250	3,908	1,950	1,350	299	1,783	175	350-400
Total Oilseeds												
2007-2008	8,075	7,973	1.61	12,858	523	16,005	8,035	5,492	320	6,154	1,816	
2008-2009f	8,373	8,315	2.03	16,840	452	19,108	10,365	5,485	1,021	6,893	1,850	
2009-2010f	8,507	8,275	1.68	13,939	457	16,246	7,775	6,350	492	7,245	1,226	
Total Grains and Oilseeds												
2007-2008	25,142	23,996	2.53	60,736	3,808	77,535	31,712	12,582	20,978	35,435	10,388	
2008-2009f	25,626	24,677	2.94	72,635	2,129	85,152	33,550	13,020	24,160	39,077	12,525	
2009-2010f	25,448	23,819	2.50	59,465	3,329	75,319	29,158	14,445	19,572	35,975	10,186	

(a) Crop year is August-July except corn and soybeans which are September-August.

(b) Excludes imports of products. (c) Includes exports of products for wheat, durum, oats, barley, and rye. Excludes exports of oilseed products.

(d) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use

(e) Soybean food and industrial use is based on data from the Canadian Oilseed Processors Association. Total excludes flaxseed due to data confidentiality.

(g) Crop year average prices: No.1 CWRS 12.5% protein and No.1 CWAD 12.5% (CWB final price I/S St. Lawrence/Vancouver), Barley (No. 1 feed, ICE Futures Canada, cash, I/S Lethbridge), Corn (No.2 CE, cash, I/S Chatham), Oats (US No. 2 Heavy, CBoT nearby futures); Rye (No. 1 CW I/S Saskatoon); Canola (No. 1 Canada, ICE Futures Canada, cash, I/S Vancouver); Flaxseed (No. 1 CW, ICE Futures Canada, cash, I/S Thunder Bay); Soybeans (No. 2 cash, I/S Chatham).

*Canadian Wheat Board - Pool Return Outlook (PRO) August 2009.

f: forecast; Agriculture and Agri-Food Canada: August 28, 2009

Source: Statistics Canada