



CANADA: GRAINS AND OILSEEDS OUTLOOK: 2009-10

December 15, 2009

For 2009-10, total production is estimated by Statistics Canada at 65.1 Mt, a decline of 10% from the previous year, mainly due to higher than normal abandonment. Average yields were only 3% lower than the record yields achieved in 2008-09, and much higher than had been expected earlier in the year. Total supply is forecast to fall by 3% as large carry-in stocks moderate the decline in production. Domestic use is forecast to increase slightly while exports decrease significantly. Carry-out stocks are forecast to remain high, about 7% above the 10-year average. Prices are expected to average lower than in 2008-09 for all crops.

DURUM

For 2009-10, production is estimated at 5.4 Mt, down 2% from 2008-09, as a 6% decrease in seeded area and higher abandonment were partly offset by higher yields. However, supply is estimated to rise by 15% to 7.3 Mt because of higher carry-in stocks. Exports are forecast to increase by 2% from 2008-09 to 3.7 Mt, due to lower production in the EU and larger Canadian carry-in stocks, which enabled Canada to export more at the start of the crop year. Carry-out stocks are forecast to increase by 42% to 2.7 Mt. The CWB Pool Return Outlook (PRO) is 43% lower than for 2008-09 due to pressure from higher world and Canadian carry-in stocks and supply.

WHEAT (ex durum)

For 2009-10, production is estimated at 21.1 Mt, down 9% from 2008-09, as a marginal increase in seeded area was more than offset by higher abandonment and lower yields. Supply is estimated to drop by 3% to 25.8 Mt, as higher carry-in stocks partly offset the drop in production. Domestic use is expected to increase slightly. Exports are forecast to decrease by 4% to 14.3 Mt because of the expected drop in world trade and lower Canadian supply. Carry-out stocks are expected to decrease by 8% to 4.3 Mt. The CWB PRO is 22% lower than for 2008-09 due to pressure from higher world and Canadian carry-in stocks and higher world supply.

BARLEY

For 2009-10, production is estimated to decrease by 19% from 2008-09 to 9.5 Mt due to a sharp rise in abandonment, resulting in a sharply lower harvested area, and to lower yields. Supply is estimated to decrease by 7% as higher carry-in stocks moderate the drop in production. Domestic feed use is expected to decline due to lower livestock numbers while exports fall because of large world supplies of feed grains. Carry-out stocks are expected to fall by 23% to 2.2 Mt.

The off-board price for barley is forecast to fall by about \$25/t while the PRO for malting barley (Sel CW 2-Row) is \$208/t.

OATS

For 2009-10, production is estimated to decrease by about 35% from 2008-09 to 2.8 Mt due to a sharply lower harvested area. Supply is estimated to drop by 17% as higher carry-in stocks partly offset the drop in production. Exports are expected to fall due to lower US demand, while carry-out stocks fall sharply to 1.0 Mt. Prices are forecast to decline by about 8% under pressure from burdensome US coarse grain supplies and the relatively strong Canadian dollar.

CORN

For 2009-10, production is estimated to decrease by 10% to 9.6 Mt due to a significant decrease in yields. Domestic supply is 5% lower than 2008-09 and imports are expected to increase. Food and industrial use, including ethanol production, along with feed, waste and dockage, is forecast to rise slightly. Exports are forecast to fall by 9% due to burdensome US supplies. Carry-out stocks are forecast to decrease by 25%. Prices are forecast to fall by about 7% under pressure from lower US corn prices and the stronger Canadian dollar.

CANOLA

For 2009-10, production is estimated at 11.8 Mt, down 6%, due to increased abandonment. The revised seeded area is a record 6.56 million hectares, marginally higher than 2008-09. Total supply is down by 4% to 13.6 Mt. Domestic crush is forecast to increase, as several new crushing plants begin operation during 2009-10, but with the crushing plants operating at a relatively low capacity due to restrictions on canola meal exports to the USA related to salmonella. Exports are forecast to decline by 24% from the 2008-09 record due to lower international demand. Carry-out stocks are forecast to

increase by 30%, to 2.15 Mt, the highest since 1999-00, with the stock-to-use ratio at 19%, slightly above the 10-year average. Prices are expected to decrease slightly, due to lower world vegetable oil prices and the stronger Canadian dollar.

FLAXSEED (excluding solin)

For 2009-10, production is estimated at 0.93 Mt, an increase of 8.2%. Supply is expected to increase by 12% due to higher carry-in stocks. Flaxseed disposition and price projections remain uncertain pursuant to the detection of GM material in shipments from Canada to the EU and Japan. The current AAFC projections assume that the issue is resolved in early 2010 and trade returns to normal for the latter months of the 2009-10 crop year. Exports are forecast to decline sharply, however, with carry-out stocks more than doubling to a record 0.5 Mt. Prices are forecast to average sharply lower than last year as a result of the burdensome stock levels.

SOYBEANS

For 2009-10, production is estimated at a record 3.5 Mt, an increase of 5%. Domestic supply (excluding imports) will be 8% higher than for 2008-09, at 3.7 Mt. Domestic use is forecast to rise due to increased crush, with exports also expected to increase as a result of the increased supply. The average price at Chatham is forecast to decline from last year, tracking US prices.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

December 15, 2009

Grain and Crop Year (a)	Area	Area	Yield t/ha	Production	Imports (b)	Total Supply	Exports (c)	Food &	Feed,	Total	Carry-out Stocks	Average Price (g) \$/t
	Seeded	Harvested						Industrial	Waste &	Domestic		
	thousand ha	thousand ha						Use (e)	Dockage	Use (d)		
Durum												
2007-2008	1,949	1,926	1.91	3,681	3	4,941	3,175	229	483	948	819	510
2008-2009	2,440	2,416	2.28	5,519	2	6,340	3,639	230	354	804	1,897	373
2009-2010f	2,291	2,230	2.42	5,400	2	7,299	3,700	250	469	899	2,700	213*
Wheat Except Durum												
2007-2008	6,799	6,710	2.44	16,373	21	22,001	12,682	3,022	1,899	5,732	3,587	369
2008-2009	7,752	7,616	3.03	23,092	23	26,703	14,966	3,540	2,710	7,077	4,659	302
2009-2010f	7,756	7,309	2.89	21,115	60	25,834	14,300	3,700	2,704	7,234	4,300	234*
All Wheat												
2007-2008	8,748	8,636	2.32	20,054	23	26,942	15,857	3,251	2,383	6,680	4,406	
2008-2009	10,192	10,032	2.85	28,611	26	33,043	18,606	3,770	3,063	7,881	6,556	
2009-2010f	10,047	9,539	2.78	26,515	62	33,132	18,000	3,950	3,172	8,132	7,000	
Barley												
2007-2008	4,397	3,998	2.75	10,984	58	12,532	3,911	156	6,566	7,053	1,568	214
2008-2009	3,787	3,502	3.36	11,781	42	13,392	2,378	157	7,704	8,171	2,843	179
2009-2010f	3,506	2,918	3.26	9,518	35	12,396	2,300	190	7,380	7,896	2,200	140-170
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
2008-2009	1,204	1,169	9.06	10,592	1,863	13,912	327	4,120	7,594	11,728	1,857	167
2009-2010f	1,231	1,181	8.09	9,561	2,000	13,418	300	4,300	7,403	11,718	1,400	140-170
Oats												
2007-2008	2,188	1,816	2.59	4,696	17	5,269	2,805	70	1,297	1,515	950	233
2008-2009	1,758	1,448	2.95	4,273	17	5,240	2,430	63	1,088	1,282	1,527	191
2009-2010f	1,510	948	2.95	2,798	15	4,340	2,000	90	1,075	1,340	1,000	160-190
Rye												
2007-2008	172	109	2.31	252	4	373	194	43	88	144	35	211
2008-2009	168	132	2.40	316	1	352	78	39	94	147	128	155
2009-2010f	115	115	2.43	281	0	408	133	45	95	155	120	125-155
Mixed Grains												
2007-2008	171	96	2.73	263	0	263	0	0	263	263	0	
2008-2009	143	80	2.79	222	0	222	0	0	222	222	0	
2009-2010f	189	78	2.75	213	0	213	0	0	213	213	0	
Total Coarse Grains												
2007-2008	8,320	7,388	3.77	27,844	3,262	34,606	7,821	3,839	18,432	22,775	4,010	
2008-2009	7,061	6,330	4.29	27,184	1,922	33,117	5,213	4,380	16,702	21,548	6,355	
2009-2010f	6,551	5,240	4.27	22,371	2,050	30,776	4,733	4,625	16,168	21,323	4,720	
Canola												
2007-2008	6,367	6,277	1.53	9,601	179	11,562	5,661	4,144	246	4,440	1,462	553
2008-2009	6,540	6,494	1.95	12,643	114	14,219	7,908	4,280	323	4,650	1,661	467
2009-2010f	6,556	6,105	1.94	11,825	125	13,611	6,000	5,000	412	5,461	2,150	400-450
Flaxseed												
2007-2008	528	524	1.21	634	8	1,013	679	n/a	n/a	167	167	611
2008-2009	631	625	1.38	861	6	1,035	603	n/a	n/a	205	227	500
2009-2010f	692	623	1.49	930	5	1,162	450	n/a	n/a	212	500	300-400
Soybeans												
2007-2008	1,180	1,172	2.30	2,696	337	3,503	1,696	1,348	213	1,686	121	432
2008-2009	1,202	1,195	2.79	3,336	355	3,812	1,870	1,280	296	1,722	220	413
2009-2010f	1,394	1,382	2.54	3,504	275	3,999	1,950	1,300	303	1,749	300	340-390
Total Oilseeds												
2007-2008	8,075	7,973	1.62	12,930	523	16,078	8,035	5,492	459	6,293	1,750	
2008-2009	8,373	8,315	2.03	16,840	476	19,065	10,381	5,560	618	6,576	2,108	
2009-2010f	8,642	8,110	2.00	16,259	405	18,772	8,400	6,300	715	7,422	2,950	
Total Grains and Oilseeds												
2007-2008	25,142	23,996	2.53	60,828	3,808	77,626	31,712	12,582	21,273	35,748	10,166	
2008-2009	25,626	24,677	2.94	72,635	2,423	85,225	34,200	13,710	20,383	36,006	15,019	
2009-2010f	25,240	22,889	2.85	65,145	2,517	82,680	31,133	14,875	20,055	36,877	14,670	

(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) November 2009.

f: forecast; Agriculture and Agri-Food Canada: December 15, 2009

Source: Statistics Canada