



CANADA: GRAINS AND OILSEEDS OUTLOOK: 2009-10

April 30, 2009

Canadian farmers intend to increase the areas seeded to spring wheat, barley, corn, flaxseed and soybeans, and reduce the areas of durum, oats, canola and summerfallow according to Statistics Canada's (STC) March seeding intentions survey for 2009. The actual areas seeded may differ from the intended areas because of changes in the market outlook, prices, soil moisture conditions at the time of seeding and market reaction to the STC report. The outlook assumes normal precipitation, abandonment and crop quality, and that trend level yields will be achieved.

Total production for 2009-10 is forecast by AAFC to decrease by 10% to 65.6 million tonnes (Mt) but total supply is expected to decline by only 3% due to the higher level of carry-in stocks. Total use is forecast to fall due to lower exports and lower domestic use. Carry-out stocks are forecast to decrease by 17% but be close to the 10 year average. Average prices for 2009-10 are expected to decline from 2008-09 for wheat, durum, barley and soybeans, be unchanged for oats and flaxseed and increase slightly for corn and canola.

DURUM

For 2009-10, producers intend to decrease the seeded area by 5% from 2008-09. Production is expected to decrease by 8% to 5.1 Mt, but the higher carry-in stocks would result in an 11% increase in supply. Exports are forecast to increase by 14% to 4.0 Mt, due to expected 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 increase by 8% to 2.1 Mt. The CWB Pool Return Outlook (PRO) is 21% lower than for 2008-09 due to pressure from higher world and Canadian supply.

WHEAT (ex durum)

For 2009-10, winter wheat seeded area decreased by 19% from 2008-09, but producers intend to seed 6% more spring wheat, resulting in a 2% rise in overall wheat area. Production is expected to decrease by 10% to 20.8 Mt because of lower average yields. Supply is forecast to drop by only 5% because of higher carry-in stocks. Domestic use is expected to fall marginally because of lower feed use. Exports are forecast to decrease because of lower Canadian supply and an expected drop in the world wheat trade. Carry-out stocks are expected to decrease by 9% to 4.3 Mt. The CWB PRO is 7% lower than for 2008-09 due to pressure from higher world and Canadian carry-in stocks.

BARLEY

For 2009-10, producers intend to increase the seeded area marginally, switching away from higher input crops. Production is expected to fall by 10% on lower yields. Total supply is forecast to fall by 3%. Domestic feed use is projected to decrease as livestock inventories continue

to be liquidated. Total exports are forecast to rise slightly to 2.4 Mt as world supplies of barley are expected to tighten. Carry-out stocks are forecast to fall by 5% to 2.0 Mt. The off-Board price of feed barley is forecast to decline slightly from 2008-09 under pressure from large feed grain supplies. The PRO for malting barley (Sel CW 2-Row) is \$248/t.

OATS

For 2009-10, producers intend to reduce the area seeded to oats due to expected lower profitability compared to alternative crops. Production is forecast to fall by about 20% on lower area and yields. Supplies are expected to fall by only 12% on support from higher carry-in stocks. Exports are forecast to fall by 6% due to low US demand while carry-out stocks fall to 0.9 Mt. Prices are forecast to remain stable compared to 2008-09 as weak feed demand offsets lower supplies.

CORN

For 2009-10, producers intend to increase the planted area by 4% but production is expected to decrease slightly as yields return to trend levels. Imports are forecast to rise due to higher food and industrial use. Feed usage is forecast to decrease. Exports are expected to remain stable while carry-out stocks rise slightly. The Chatham elevator price is forecast to rise slightly from 2008-09 on support from higher US prices.

CANOLA

For 2009-10, producers intend to reduce seeded area by 7%. Due to expected lower yields, production is projected to fall by 20% from the record 2008 crop, to 10.2 Mt, the second largest crop on record. Total supply is forecast to decrease by

only 9% due to larger carry-in stocks. Domestic crush is forecast to increase significantly, as at least two large new crushing facilities are expected to come on-line in 2009. Exports are forecast to remain historically large, but lower than in 2008-09 due to tight supplies. Carry-out stocks are forecast to drop sharply. Prices are expected to increase by about 5%, as a result of higher premiums for canola oil and tight supply.

FLAXSEED (excluding solin)

For 2009-10, producers intend to increase seeded area by 11%, although production is forecast to increase only marginally. Supply is expected to be up by about 8% due to increased carry-in stocks. Exports are forecast to increase by 4% from 2008-09 as a result of increased supply and lower prices. Carry-out stocks are projected to be up by 25%. Prices are forecast to be similar to 2008-09 due to stable world vegoil prices.

SOYBEANS

For 2009-10, producers intend to increase seeded area by more than 10%, to a record 1.3 million hectares. Production is expected to rise marginally, however, due to lower expected yields. Domestic use is forecast to rise slightly, with exports unchanged from 2008-09. The average Chatham price is forecast to decrease slightly due to weaker US soybean prices.

FURTHER INFORMATION:

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

April 30, 2009

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production thousand metric tonnes	Imports (b)	Total Supply	Exports (c) thousand metric tonnes	Food & Industrial Use (e)	Feed, Waste & Dockage	Total Domestic Use (d)	Carry-out Stocks	Average Price (g) \$/t
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	3,500	260	436	916	1,950	359*
2009-2010f	2,319	2,270	2.25	5,100	1	7,051	4,000	270	461	951	2,100	282**
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	14,300	3,500	3,467	7,777	4,750	298*
2009-2010f	7,932	7,700	2.70	20,800	20	25,570	13,500	3,570	3,405	7,770	4,300	276**
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	17,800	3,760	3,903	8,693	6,700	
2009-2010f	10,251	9,970	2.60	25,900	21	32,621	17,500	3,840	3,866	8,721	6,400	
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	160-190
2009-2010f	3,835	3,470	3.11	10,800	35	12,935	2,400	190	8,020	8,535	2,000	150-190
Corn												
2007-2008	1,392	1,369	8.51	11,649	3,182	16,168	844	3,570	10,284	13,867	1,457	180
2008-2009f	1,204	1,169	9.06	10,592	1,900	13,949	300	3,800	8,734	12,549	1,100	155-185
2009-2010f	1,248	1,220	8.61	10,500	2,350	13,950	300	4,300	8,135	12,450	1,200	160-190
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	2,450	90	1,347	1,587	1,200	175-195
2009-2010f	1,601	1,269	2.68	3,400	15	4,615	2,300	90	1,150	1,415	900	170-200
Rye												
2007-2008	172	109	2.13	233	13	363	194	43	71	128	41	211
2008-2009f	168	132	2.40	316	3	360	75	45	150	210	75	150-170
2009-2010f	166	148	2.36	350	1	426	150	45	136	196	80	140-160
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	159	91	2.85	260	0	260	0	0	260	260	0	
Total Coarse Grains												
2007-2008	8,320	7,388	3.77	27,825	3,270	34,595	7,754	3,839	18,479	22,825	4,016	
2008-2009f	7,061	6,330	4.29	27,184	1,958	33,158	5,125	4,125	18,953	23,558	4,475	
2009-2010f	7,008	6,198	4.08	25,310	2,401	32,186	5,150	4,625	17,701	22,856	4,180	
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	90	14,260	7,000	4,275	340	4,660	2,600	450-500
2009-2010f	6,066	5,975	1.70	10,150	200	12,950	6,500	5,500	303	5,850	600	450-550
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	10	1,038	625	n/a	n/a	173	240	475-525
2009-2010f	698	685	1.28	875	7	1,122	650	n/a	n/a	172	300	450-550
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	400	3,857	1,800	1,300	397	1,832	225	365-415
2009-2010f	1,329	1,320	2.58	3,400	350	3,975	1,800	1,350	400	1,875	300	325-425
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	500	19,156	9,425	5,575	737	6,666	3,065	
2009-2010f	8,093	7,980	1.81	14,425	557	18,047	8,950	6,850	703	7,897	1,200	
Total Grains and Oilseeds												
2007-2008	25,142	23,996	2.53	60,736	3,817	77,543	31,646	12,582	21,047	35,504	10,393	
2008-2009f	25,626	24,677	2.94	72,635	2,479	85,507	32,350	13,460	23,593	38,917	14,240	
2009-2010f	25,352	24,148	2.72	65,635	2,979	82,854	31,600	15,315	22,270	39,474	11,780	

(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 - March* and April** 2009 Pool Return Outlook (PRO)

f. forecast; Agriculture and Agri-Food Canada: April 30, 2009

Source: Statistics Canada