



CANADA: GRAINS AND OILSEEDS OUTLOOK: 2009-10

July 10, 2009

Statistics Canada's (STC) June seeded area survey indicates that for 2009-10 Canadian farmers have increased the areas seeded to spring wheat, corn, flaxseed and soybeans, and reduced the areas of durum, barley, oats, canola and summerfallow. Total production is forecast by AAFC to decrease by 19% to 58.9 million tonnes (Mt), due to higher abandonment and below-normal yields resulting from the delayed seeding and cool temperatures across western Canada and the abnormally dry conditions in the western prairies. Total supplies are forecast to fall by 12% as large carry-in stocks moderate the decline in output. Both domestic use and exports are forecast to decline. Carry-out stocks are forecast to fall by 26% to 9.9 Mt, well below the 10 year average of over 13 Mt. Average prices are expected to be lower than in 2008-09 for all crops except barley and rye. Factors to watch include the delayed crop development and dry growing conditions across western Canada.

DURUM

For 2009-10, producers decreased the seeded area by 7% from 2008-09. Production is expected to decrease by 22% to 4.3 Mt due to lower yields and higher abandonment, but the higher carry-in stocks would result in only a small decrease in supply. Exports are forecast to increase by 6% to 3.8 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 decrease by 22% to 1.45 Mt. The CWB Pool Return Outlook (PRO) is 19% lower than for 2008-09 due to pressure from higher world and Canadian carry-in stocks.

WHEAT (ex durum)

For 2009-10, winter wheat seeded area decreased by 19% from 2008-09, but producers seeded 7% more spring wheat, resulting in a 3% rise in overall wheat area. Production is expected to decrease by 23% to 17.8 Mt because of lower yields and higher abandonment. Supply is forecast to drop by 16% 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 17% to 3.8 Mt. The CWB PRO is 6% lower than for 2008-09 due to pressure from higher world supply and higher Canadian carry-in stocks.

BARLEY

For 2009-10, barley seeded area decreased slightly to the lowest level since 1967 with a sharper decline expected for harvested area as more farmers than usual graze or cut their crops for green feed. Production is expected to

fall by about 25% as dry growing conditions cut yields. Total supply is forecast to fall by 19%. Domestic feed use is projected to decrease while exports remain unchanged. Carry-out stocks are forecast to fall by 29% to 1.5 Mt. The off-board price for barley is forecast to remain steady while the PRO for malting barley (Sel CW 2-Row) is \$251/t.

OATS

For 2009-10, producers decreased the seeded area by 11% from 2008-09. Production is forecast to fall by about 38% due to increased abandonment and lower yields. Supplies are expected to fall by 26% due to higher carry-in stocks. Exports are expected to decline by 12% while carry-out stocks fall sharply to 0.6 Mt. Prices are forecast to decline by \$15-25/t because of the stronger Canadian dollar.

CORN

For 2009-10, increased planted area by 2% but production is expected to decrease slightly due to reduced yields. Imports are forecast to rise due to higher food and industrial use along with increased feed demand in western Canada. Exports are expected to remain stable while carry-out stocks rise slightly. The Chatham elevator price is forecast to rise slightly from 2008-09 due to higher US prices.

CANOLA

For 2009-10, farmers have seeded 2% less canola than in 2008. Significantly lower average yields are expected for 2009, so that production is projected to fall by almost 20% from 2008, to 10.3 Mt. This will, however, be the 2nd largest crop on record. Significantly larger carry-in stocks will partly offset the reduced production, with total supply forecast to decline by 13%. Domestic crush is forecast to

increase significantly. The expanded Cargill plant in Clavet SK has begun operation this month, and one or two other large facilities may come on-line during 2009-10. Exports are forecast to remain historically large, but decline from 2008-09 due to tight supplies and increased domestic demand. Carry-out stocks are forecast to drop sharply. Prices are expected to increase, due to increased canola oil premiums and slightly higher world crude oil and vegoil prices.

FLAXSEED (excluding solin)

For 2009-10, producers have increased seeded area by 10%, although production is forecast to decline slightly due to lower yields. Supply is expected to increase due to larger carry-in stocks. Exports are forecast to increase by 18% from 2008-09 as a result of lower prices and world economic recovery. Carry-out stocks are projected to fall by 8%. Prices are forecast to decline slightly from 2008-09 due to the stronger Canadian dollar.

SOYBEANS

For 2009-10, producers have seeded a record 1.4 million hectares of soybeans. Production is expected to reach a record 3.6 Mt. 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 slightly, despite stable US prices, due to the stronger Canadian dollar.

FURTHER INFORMATION:

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

July 10, 2009

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (e)	Feed, Waste & Dockage	Total Domestic Use (d)	Carry-out Stocks	Average Price (g) \$/t
-----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	3,600	260	436	916	1,850	364*
2009-2010f	2,258	2,153	2.00	4,300	1	6,151	3,800	270	416	901	1,450	295**
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	14,500	3,250	3,667	7,727	4,600	296*
2009-2010f	7,996	7,410	2.40	17,800	20	22,420	12,500	3,200	2,080	6,120	3,800	278**
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	18,100	3,510	4,103	8,643	6,450	
2009-2010f	10,254	9,563	2.31	22,100	21	28,571	16,300	3,470	2,496	7,021	5,250	
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	165-195
2009-2010f	3,552	3,078	2.85	8,775	35	10,910	2,300	190	6,595	7,110	1,500	165-195
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	1,900	13,949	300	3,800	8,734	12,549	1,100	165-185
2009-2010f	1,231	1,188	8.57	10,175	2,500	13,775	300	4,300	7,960	12,275	1,200	160-200
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	185-205
2009-2010f	1,570	1,137	2.33	2,650	15	3,865	2,150	90	850	1,115	600	160-190
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	70	45	148	208	75	150-170
2009-2010f	166	148	2.36	350	1	426	150	45	136	196	80	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	1,956	33,151	5,120	4,125	18,951	23,556	4,475	
2009-2010f	6,687	5,634	3.94	22,176	2,551	29,202	4,900	4,625	15,767	20,922	3,380	
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	7,700	4,000	522	4,570	2,000	460-480
2009-2010f	6,404	6,250	1.65	10,300	100	12,400	6,200	5,300	152	5,500	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	550	n/a	n/a	185	300	500-520
2009-2010f	696	660	1.23	810	7	1,117	650	n/a	n/a	192	275	475-525
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	325	3,782	1,850	1,225	314	1,682	250	400-420
2009-2010f	1,407	1,385	2.56	3,550	250	4,050	1,900	1,350	366	1,850	300	375-425
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	432	19,088	10,100	5,225	836	6,438	2,550	
2009-2010f	8,507	8,295	1.77	14,660	357	17,567	8,750	6,650	518	7,542	1,275	
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	2,409	85,432	33,320	12,860	23,890	38,637	13,475	
2009-2010f	25,448	23,492	2.51	58,936	2,929	75,340	29,950	14,745	18,781	35,485	9,905	

(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 - May* and June** 2009 Pool Return Outlook (PRO)

f: forecast; Agriculture and Agri-Food Canada: July 10, 2009

Source: Statistics Canada