USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 1/28/2009

GAIN Report Number: CA9004

Canada

Grain and Feed

Quarterly Update

2009

Approved by:
Robin Tilsworth
U.S. Embassy

Prepared by:
Darlene Dessureault

Report Highlights:
Canadian wheat, barley, corn and oats production for 2008/2009 increased 17% to 55.3 million metric tons (MMT). High yields contributed to this increase. A low Canadian dollar is expected to help make Canadian grain exports more competitive. Wheat exports are expected to increase 10% from year 2007/2008 levels. Barley exports are expected to decrease 35% due to a reduced demand for feed barley. Corn imports from the United States are expected to fall due to a reduced demand for feed corn in the West and a reduced demand for corn for ethanol in the East. Low oats prices and a reduced demand from the United States are expected to limit oat exports. Agriculture Canada (AgCan) published an early outlook to the 2009/2010 crop year. AgCan forecasts Canadian wheat, barley, corn and oats production for 2009/2010 at 50.4 MMT, a 9% decrease from 2008/2009 levels. Production is expected to be cut back due to decreased demand resulting in lower prices and high world supplies.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Ottawa [CA1]
[CA]

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Executive Summary

Canadian wheat, barley, corn and oats production for 2008/2009 was 55.3 million metric tons (MMT), a 17% increase from 2007/2008 levels of 47.4 MMT. High yields contributed to this increase. A weaker Canadian dollar is expected to help make Canadian grain exports more competitive. Wheat exports are expected to increase 10% from year 2007/2008 levels. Barley exports are expected to decrease 35% due to a reduced demand for feed barley. Corn imports from the United States is expected to fall due to a reduced demand for feed corn in the West (due to large feed barley supplies) and a reduced demand from eastern Canada due to ethanol production projects being delayed. Despite a cut back in land seeded to oats, higher than anticipated yields has resulted in high oats supplies. Low oats prices and a reduced demand from the United States are expected to limit exports. Agriculture Canada published an early outlook to the 2009/2010 crop year. Agriculture Canada forecasts Canadian wheat, barley, corn and oats production for 2009/2010 at 50.4 MMT, a 9% decrease from 2008/2009 levels. Production is expected to be cut back due to decreased demand resulting in lower prices and high world supplies.

All Wheat

For 2008/2009

Production levels for 2008/2009 were moved up in Statistics Canada's October estimates. The total Canadian wheat production estimate for 2008-2009 is 28.6 MMT, a 43% increase from 2007-2008 levels. This increase is due to more land being seeded to wheat and higher than average yields. In January 2009, the Canadian Wheat Board announced ambitious export targets for crop marketing year 2008/2009. Total wheat exports, which include wheat products, are forecast to increase to 17.7 MMT, an increase of nearly 10% from 2007/2008 export levels of 16.1 MMT. Low 2008/2009 carry-in stocks, due to a small 2007 crop and high exports in 2007/2008, are off-set by a large, good quality 2008 crop and make the ambitious target possible. Stocks are forecast to increase 5% due to higher supplies.

For 2009/2010

Agriculture Canada has published its first Grains and Oilseeds Outlook for the 2009/2010 crop year. A 12% drop in wheat production is expected as a result of less land being seeded to wheat. High carry-in stocks due to the large crop in 2008 is expected to partially off-set the drop in production. As a result, supplies are forecast to drop only 3% from 2008/2009 levels. Exports are expected to remain at levels similar to those in 2008/2009 marketing year. Stocks are expected to decrease as a result of lower supplies and continued strong exports.

Durum Wheat

For 2008/2009

Durum wheat production in 2008/2009 was 5.5 MMT. This is a 50% increase in durum wheat production from the previous year's production level and was due to a combination of increased area seeded to durum and high yields due to good weather. This increase in production was off-set by very low carry-in stocks and, as a result, supplies rose only 29%. Exports are expected to increase almost 10% to 3.5 MMT due to higher supplies and continued strong demand.

For 2009/2010

Agriculture Canada anticipates a 9% drop in production resulting from a decrease in area harvested. High carry-in stocks is expected to more than off-set the drop in production and result in supplies increasing by 9% over 2008/2009 levels. Higher supplies and continued strong demand will likely result in increased exports in 2008/2009.

Barley

For 2008/2009

Despite the area seeded to barley decreasing 12% in 2008/2009 compared to the previous year, barley production increased 7% to 11.8 MMT. This increase was due to higher than anticipated yields. The Canadian Wheat Board announced an export target of 1.4 MMT of malting barley for exports. Despite this, barley exports in 2008/2009 are expected to decrease to 2.0 MMT from 3.1 MMT in 2007/2008. This drop in exports is due to a drop in feed barley exports due to reduced demand in the United States.

For 2009/2010

Agriculture Canada's early outlook for 2009/2010 anticipates barley production decreasing by nearly 7% to 11.0 MMT as yields return to more normal levels. Export levels are expected to remain at levels similar to those in 2008/2009. Barley for domestic feed use is expected to drop slightly due to reduced livestock numbers as the livestock industry continues to reduce inventories and restructure.

Corn

For 2008-2009

Higher beginning stocks for 2008/2009 helped offset a 15% decrease in area seeded to corn. Canadian corn production in 2008/2009 was 10.6 MMT, a 9% decrease from year 2007/2008 levels of 11.7 MMT. Higher stocks, combined with a reduced demand for corn for feed in western Canada, and an increased availability of feed barley due to the unexpectedly large crop is expected to result in imports falling to 2.5 MMT, 21% decrease from the previous year's level. Demand for corn imports from eastern Canada may be tempered in 2008/2009 by the announcement that the construction of several large scale ethanol plants will be put on hold until oil prices rise again and the economy is healthier.

For 2009/2010

Agriculture Canada's corn production level outlook for 2009/2010 is similar to that of 2008/2009. Corn production is forecast at 10.6 MMT. Imports are expected to decrease again slightly in 2009/2010 as demand from the livestock industry continues to decrease and feed barley supplies remain high.

Oats

For 2008/2009

Higher than anticipated yields partially off-set a 20% drop in area seeded to oats resulting in Canadian oats production of 4.3 MMT, a production level only 9% below the previous year's level. High supplies and low prices have resulted in a standoff that is expected to decrease exports. Producers are holding on to supplies as they hold out for a higher price and buyers are holding-off buying since they already have adequate supplies. Export levels are expected to decrease to 2.5 MMT, a 12% decrease from year 2007/2008 levels of 2.8 MMT.

For 2009/2010

Agriculture Canada's first outlook for 2009/2010 anticipates a return to normal yields and a slight increase in area seeded over the previous year's level. Oats production is forecast to be 3.8 MMT. Supplies are expect to remain at levels similar to those in 2008/2009 as the expected 11% decline in production is off-set by very high carry-in stocks. Exports are expected to fall 6% as demand from the United States remains low due to a flush oats market.

Statistical Tables

Wheat

Wheat Canada	2007		2008		2009		
	2007/2008		2008/2009		2009/2010		
	Market Year Begin: Aug 2007		Market Year Begin: Aug 2008		Market Year Begin: Aug 2009		
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	
Area Harvested	8,640	8,636	10,030	10,032	n/a	9,415	(1000 HA)
Beginning Stocks	6,803	6,803	4,817	4,817	n/a	7,300	(1000 MT)
Production	20,054	20,054	28,610	28,611	n/a	25,090	(1000 MT)
MY Imports	390	380	300	305	n/a	300	(1000 MT)
TY Imports	386	371	300	295	n/a	295	(1000 MT)
TY Imp. from U.S.	0	284	0	225	n/a	275	(1000 MT)
Total Supply	27,247	27,237	33,727	33,733	n/a	32,690	(1000 MT)
MY Exports	16,116	16,128	19,000	17,660	n/a	18,000	(1000 MT)
TY Exports	16,560	16,573	19,000	17,600	n/a	17,800	(1000 MT)
Feed Consumption	2,084	1,920	3,200	3,894	n/a	3,584	(1000 MT)
FSI Consumption	4,230	4,372	4,600	4,879	n/a	5,006	(1000 MT)
Total Consumption	6,314	6,292	7,800	8,773	n/a	8,590	(1000 MT)
Ending Stocks	4,817	4,817	6,927	7,300	n/a	6,100	(1000 MT)
Total Distribution	27,247	27,237	33,727	33,733	n/a	32,690	(1000 MT)
Yield	2.	2.3221	3.	2.852	n/a	2.6649	(MT/HA)

Durum Wheat

Wheat, Durum Canada	2007		2008		2009		
	2007/2008		2008/2009		2009/2010		
	Market Year Begin: Aug 2007		Market Year Begin: Aug 2009		Market Year Begin: Aug 2010		
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	
Area Harvested	n/a	1,926	n/a	2,416	n/a	2,225	(1000 HA)
Beginning Stocks	n/a	1,233	n/a	842	n/a	1,900	(1000 MT)
Production	n/a	3,681	n/a	5,519	n/a	5,040	(1000 MT)
MY Imports	n/a	3	n/a	1	n/a	1	(1000 MT)
TY Imports	n/a	3	n/a	0	n/a	0	(1000 MT)
TY Imp. from U.S.	n/a	3	n/a	0	n/a	0	(1000 MT)
Total Supply	n/a	4,917	n/a	6,362	n/a	6,941	(1000 MT)
MY Exports	n/a	3,254	n/a	3,535	n/a	4,040	(1000 MT)
TY Exports	n/a	3,455	n/a	3,535	n/a	4,040	(1000 MT)
Feed Consumption	n/a	430	n/a	486	n/a	449	(1000 MT)
FSI Consumption	n/a	391	n/a	441	n/a	452	(1000 MT)
Total Consumption	n/a	821	n/a	927	n/a	901	(1000 MT)
Ending Stocks	n/a	842	n/a	1,900	n/a	2,000	(1000 MT)
Total Distribution	n/a	4,917	n/a	6,362	n/a	6,941	(1000 MT)
Yield	n/a	1.9112	n/a	2.2844	n/a	2.2652	(MT/HA)

Barley

Barley Canada	2007		2008		2009		
	2007/2008		2008/2009		2009/2010		
	Market Year Begin: Aug 2007		Market Year Begin: Aug 2008		Market Year Begin: Aug 2009		
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	
Area Harvested	4,000	3,998	3,500	3,502	n/a	3,544	(1000 HA)
Beginning Stocks	1,492	1,492	1,573	1,573	n/a	2,100	(1000 MT)
Production	10,984	10,984	11,780	11,781	n/a	11,000	(1000 MT)
MY Imports	55	58	100	35	n/a	35	(1000 MT)
TY Imports	50	55	100	33	n/a	33	(1000 MT)
TY Imp. from U.S.	53	54	0	32	n/a	32	(1000 MT)
Total Supply	12,531	12,534	13,453	13,389	n/a	13,135	(1000 MT)
MY Exports	3,046	3,046	2,100	2,000	n/a	2,000	(1000 MT)
TY Exports	2,947	2,947	2,100	2,000	n/a	2,000	(1000 MT)
Feed Consumption	6,602	6,564	8,300	8,299	n/a	8,120	(1000 MT)
FSI Consumption	1,310	1,351	1,400	990	n/a	1,015	(1000 MT)
Total Consumption	7,912	7,915	9,700	9,289	n/a	9,135	(1000 MT)
Ending Stocks	1,573	1,573	1,653	2,100	n/a	2,000	(1000 MT)
Total Distribution	12,531	12,534	13,453	13,389	n/a	13,135	(1000 MT)
Yield	3.	2.7474	3.	3.3641	n/a	3.1038	(MT/HA)

Corn

Corn Canada	2007 2007/2008 Market Year Begin: Sep 2007 Annual Data Displayed	New Post Data	2008 2008/2009 Market Year Begin: Sep 2008 Annual Data Displayed	New Post Data	2009 2009/2010 Market Year Begin: Sep 2009 Annual Data Displayed	New Post Data	
Area Harvested	1,370	1,369	1,170	1,169	n/a	1,228	(1000 HA)
Beginning Stocks	1,337	1,337	1,457	1,457	n/a	1,200	(1000 MT)
Production	11,649	11,649	10,600	10,592	n/a	10,550	(1000 MT)
MY Imports	3,182	3,182	1,600	2,500	n/a	2,350	(1000 MT)
TY Imports	3,117	3,117	1,600	2,500	n/a	2,350	(1000 MT)
TY Imp. from U.S.	3,105	3,105	0	2,490	n/a	2,490	(1000 MT)
Total Supply	16,168	16,168	13,657	14,549	n/a	14,100	(1000 MT)
MY Exports	885	872	500	310	n/a	310	(1000 MT)
TY Exports	886	873	500	310	n/a	310	(1000 MT)
Feed Consumption	10,261	10,284	7,500	9,034	n/a	8,285	(1000 MT)
FSI Consumption	3,565	3,555	4,000	4,005	n/a	4,305	(1000 MT)
Total Consumption	13,826	13,839	11,500	13,039	n/a	12,590	(1000 MT)
Ending Stocks	1,457	1,457	1,657	1,200	n/a	1,200	(1000 MT)
Total Distribution	16,168	16,168	13,657	14,549	n/a	14,100	(1000 MT)
Yield	9.	8.5091	9.	9.0607	n/a	8.5912	(MT/HA)

Oats

Oats Canada	2007 2007/2008 Market Year Begin: Aug 2007 Annual Data Displayed	New Post Data	2008 2008/2009 Market Year Begin: Aug 2008 Annual Data Displayed	New Post Data	2009 2009/2010 Market Year Begin: Aug 2009 Annual Data Displayed	New Post Data	
Area Harvested	1,820	1,816	1,450	1,448	n/a	1,420	(1000 HA)
Beginning Stocks	556	556	975	975	n/a	1,200	(1000 MT)
Production	4,696	4,696	4,270	4,273	n/a	3,800	(1000 MT)
MY Imports	17	17	25	15	n/a	15	(1000 MT)
TY Imports	17	17	25	15	n/a	15	(1000 MT)
TY Imp. from U.S.	17	17	0	15	n/a	15	(1000 MT)
Total Supply	5,269	5,269	5,270	5,263	n/a	5,015	(1000 MT)
MY Exports	2,386	2,777	2,000	2,450	n/a	2,300	(1000 MT)
TY Exports	2,321	2,721	2,000	2,450	n/a	2,300	(1000 MT)
Feed Consumption	1,298	1,279	1,500	1,373	n/a	1,250	(1000 MT)
FSI Consumption	610	238	650	240	n/a	265	(1000 MT)
Total Consumption	1,908	1,517	2,150	1,613	n/a	1,515	(1000 MT)
Ending Stocks	975	975	1,120	1,200	n/a	1,200	(1000 MT)
Total Distribution	5,269	5,269	5,270	5,263	n/a	5,015	(1000 MT)
Yield	3.	2.5859	3.	2.951	n/a	2.6761	(MT/HA)

Note: Not official USDA data

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