



## CANADA: GRAINS AND OILSEEDS OUTLOOK: 2009-10

August 7, 2009

**For 2009-10, total production is forecast by AAFC to decrease by 18% to 59.3 Mt, due to higher abandonment and below-normal yields resulting from cool temperatures, delayed seeding across western Canada and the abnormally dry western prairies. Total supply is forecast to fall by 11% as large carry-in stocks moderate the decline in output. Consequently, domestic use and exports are forecast to decline. Carry-out stocks are forecast to fall by 25% to 9.9 Mt, well below the 10 year average of over 13 Mt. 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, because of the delayed crop development, which could result in a further decline in yields and a reduction in crop quality.**

### DURUM

For 2009-10, producers decreased the seeded area by 7% from 2008-09. Production is expected to decrease by 24% to 4.2 Mt due to lower yields and higher abandonment, but the higher carry-in stocks would result in only a 5% 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 27% to 1.35 Mt. The CWB Pool Return Outlook (PRO) is 24% 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 21% to 18.3 Mt because of lower yields and higher abandonment. Supply is forecast to drop by 15% 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 13% to 4.0 Mt. The CWB PRO is 11% 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. Abandonment is expected to rise as more farmers than usual graze or cut their crops for green feed. Production is expected to fall by about 26% as dry growing conditions cut yields. Total supply is forecast to fall by 19%. Domestic feed use is projected to decrease while exports are unchanged. Carry-out

stocks are forecast to fall by 29% to 1.5 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, 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 only 26% due to higher carry-in stocks. Exports are expected to rise slightly while carry-out stocks fall sharply to 0.6 Mt. Prices are forecast to decline by about 15% because of lower US prices and the stronger Canadian dollar.

### CORN

For 2009-10, planted area increased marginally but production is forecast to decrease slightly due to reduced yields. Imports are forecast to rise due to higher food and industrial use combined 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 fall from 2008-09 due to lower 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% to 10.3 Mt. This will, however, be the 2<sup>nd</sup> largest crop on record. Significantly larger carry-in stocks will partly offset the reduced production, with total supply forecast to decline by only 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 high, but decline by 20% from the 2008-09 record due to reduced supply and increased domestic demand. Carry-out stocks are forecast to

fall by over 60%. Average prices are expected to increase slightly, 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 11% from 2008-09 as a result of increased supply, lower prices and world economic recovery. Carry-out stocks are projected to be the same as 2008-09. Prices are forecast to decline from 2008-09 due to increased flaxseed supply and the stronger 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.

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# CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

August 7, 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 &	Feed,	Total	Carry-out Stocks	Average Price (g) \$/t
								Industrial Use (e)	Waste & Dockage	Domestic Use (d)		
<b>Durum</b>												
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	366*
2009-2010f	2,258	2,153	1.95	4,200	1	6,051	3,800	270	416	901	1,350	277*
<b>Wheat Except Durum</b>												
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	294*
2009-2010f	7,996	7,410	2.47	18,300	20	22,920	12,500	3,250	2,330	6,420	4,000	262*
<b>All Wheat</b>												
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	2.35	22,500	21	28,971	16,300	3,520	2,746	7,321	5,350	
<b>Barley</b>												
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	178
2009-2010f	3,552	3,078	2.83	8,700	35	10,835	2,300	190	6,520	7,035	1,500	160-190
<b>Corn</b>												
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	8.57	10,175	2,500	13,775	300	4,300	7,960	12,275	1,200	130-170
<b>Oats</b>												
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	2.33	2,650	15	3,865	2,150	90	850	1,115	600	150-180
<b>Rye</b>												
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	2.36	350	1	426	150	45	136	196	80	150-170
<b>Mixed Grains</b>												
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	
<b>Total Coarse Grains</b>												
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	3.92	22,101	2,551	29,127	4,900	4,625	15,692	20,847	3,380	
<b>Canola</b>												
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	7,850	4,000	572	4,620	1,800	467
2009-2010f	6,404	6,250	1.65	10,300	200	12,300	6,300	5,000	252	5,300	700	425-475
<b>Flaxseed</b>												
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	660	1.23	810	7	1,092	625	n/a	n/a	192	275	425-525
<b>Soybeans</b>												
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	1,275	309	1,727	175	405
2009-2010f	1,407	1,385	2.56	3,550	250	3,975	1,950	1,350	341	1,825	200	350-400
<b>Total Oilseeds</b>												
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	10,315	5,275	881	6,543	2,250	
2009-2010f	8,507	8,295	1.77	14,660	457	17,367	8,875	6,350	593	7,317	1,175	
<b>Total Grains and Oilseeds</b>												
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	33,150	12,910	24,020	38,827	13,175	
2009-2010f	25,448	23,492	2.52	59,261	3,029	75,465	30,075	14,495	19,031	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 - July\* 2009 Pool Return Outlook (PRO)

f: forecast; Agriculture and Agri-Food Canada: August 7, 2009

Source: Statistics Canada