

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Canada

Grain and Feed Update

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Report Highlights:

2014/2015: Wheat, barley, corn and oat production in 2014/2015 is forecast at 49.7 million metric tons (MMT), 20 percent lower than MY 2013/14, but exports are forecast to remain strong due to high carry-over and a weaker Canadian dollar. Post wheat production estimate remains unchanged, but total supply is lowered to 38.380 MMT due to continued strong exports of 2013/14 crop. Barley production lowered 5 percent to 7,240 TMT and export forecast unchanged at 1,500 TMT. Estimated corn production lowered 6 percent to 11.4 MMT due to lower area. Oat production estimate lowered to 3,040 TMT although high carry in stocks will result in total supply close to 2013/14 level.

WHEAT:

2014/2015: Post wheat production forecast of 28 million metric tons (27.985 MMT) for 2014/2015 ([see annual report CA01426](#)) in unchanged based on the most recent seeding/planting estimates released by Statistics Canada on June 27th, weather reports, and crop progress reports. The significant decrease from the previous year's level is largely due to a return to normal yields. Higher than average rates of abandonment have been reported in Manitoba due to severe flooding in some areas. Winter wheat was heavily damaged due to spring flooding and area needed to be reseeded. Post has decreased the forecasted carry-in stocks to 9.9 MMT from a previous forecast of 11.4 MMT due to the fact that the Canadian grain industry will likely succeed in exporting more wheat by the crop year 2013-2014's end than originally anticipated in April. The Canadian industry recovered significantly after having suffered through a difficult winter that resulted in logistical delays getting the wheat to the ports. Post has adjusted forecasted wheat imports slightly upwards to more average levels due to expected logistical issues with rail service moving north being worked out in the coming marketing year, as well as lower Canadian supplies. Post's forecast for total supply is lowered by 3.7% from 39.865 MMT (April estimate) to 38,380 TMT.

For marketing year 2014-2015, Post forecasts exports to reach 22.5 MMT from the April forecast of 21.0 MMT. This would represent a slight decrease from anticipated 2013/2014 levels. An expectation of a relatively weaker Canadian dollar, combined with a number of initiatives that will continue putting the spotlight on supporting grain exports is expected to continue to help drive grain exports. As a result of lower supply levels due to a return to normal yields, and anticipated strong export numbers, Post adjusts ending down to 7,000 TMT in 2014/2015, a level much closer to normal.

2013/2014: Larger than anticipated yields resulted in a bumper crop for crops in Western Canada. A particularly hard winter resulted in the railways struggling to meet the demand for rail service from the grain companies. Once the winter was over, however, wheat exports increased significantly above average (latest trade data shows wheat exports 35% above 5 year average for same time period of August 1 – May 31) resulting in wheat exports expected to reach 23.0 MMT for crop year 2013-2014. This is 4% above previous anticipated levels reported by Post. Stocks are anticipated to be drawn down to 10.9 MMT, 4% lower than previously forecasted by Post.

| Wheat Canada | 2012/2013 | 2013/2014 | 2014/2015 |
|--------------|-----------|-----------|-----------|
|--------------|-----------|-----------|-----------|

| | Market Year Begin: Aug 2012 | | Market Year Begin: Aug 2013 | | Market Year Begin: Aug 2014 | |
|---------------------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|-------------|
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 9,497 | 9,497 | 10,440 | 10,441 | 9,300 | 9,505 |
| Beginning Stocks | 5,932 | 5,932 | 5,052 | 5,052 | 8,292 | 9,900 |
| Production | 27,205 | 27,205 | 37,500 | 37,530 | 28,000 | 28,000 |
| MY Imports | 483 | 483 | 440 | 450 | 480 | 480 |
| TY Imports | 485 | 485 | 440 | 450 | 480 | 480 |
| TY Imp. from U.S. | 382 | 382 | 319 | 319 | 0 | 460 |
| Total Supply | 33,620 | 33,620 | 42,992 | 43,032 | 37,472 | 38,380 |
| MY Exports | 18,970 | 18,970 | 22,800 | 23,000 | 21,000 | 21,500 |
| TY Exports | 18,581 | 18,581 | 22,122 | 22,500 | 21,000 | 21,500 |
| Feed and Residual | 4,398 | 4,398 | 6,000 | 4,940 | 4,500 | 4,550 |
| FSI Consumption | 5,200 | 5,200 | 5,200 | 5,192 | 5,250 | 5,330 |
| Total Consumption | 9,598 | 9,598 | 11,200 | 9,132 | 9,750 | 9,880 |
| Ending Stocks | 5,052 | 5,052 | 8,292 | 9,900 | 6,722 | 7,000 |
| Total Distribution | 33,620 | 33,620 | 42,992 | 43,032 | 37,472 | 38,380 |
| | | | | | | |
| 1000 HA, 1000 MT, MT/HA | | | | | | |

BARLEY:

2014/2015: The most recent seeding estimates from Statistics Canada suggest that area seeded to barley will be approximately 5% lower than was estimated based on the March survey data. As a result Post will be lowering its barley production forecast to 7,240 TMT. Total supply is forecast to fall closer to more average levels due to lower production being able to offset high carry-in stocks from the previous crop year.

Barley exports in 2014/2015 are forecast to be 1,500 TMT, which is about 10 percent higher than the 5 year average and reflective of a weaker Canadian dollar and strong supplies. Due to anticipated strong exports, carry-out stock estimate is lowered to 700 TMT.

2013/2014: Strong barley supplies in 2013/2014 are reflective of the higher than expected yields which resulted in barley production reaching 10,237 TMT. Strong supplies and a weaker Canadian dollar, has led to strong barley exports in 2013/2014. Barley exports are expected to reach 1,525 TMT, approximately 13% above the 5 year average. This is 5% above previous export estimates submitted by Post. Expected carry-out stocks remain unchanged at 2,250 TMT.

| Barley Canada | 2012/2013 | | 2013/2014 | | 2014/2015 | |
|--------------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|-------------|
| | Market Year Begin: Aug 2012 | | Market Year Begin: Aug 2013 | | Market Year Begin: Aug 2014 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 2,751 | 2,751 | 2,650 | 2,650 | 2,200 | 2,464 |
| Beginning Stocks | 1,195 | 1,195 | 983 | 983 | 1,758 | 2,250 |
| Production | 8,012 | 8,012 | 10,250 | 10,237 | 7,000 | 7,240 |
| MY Imports | 19 | 19 | 25 | 25 | 50 | 20 |
| TY Imports | 21 | 21 | 25 | 25 | 50 | 20 |
| TY Imp. from U.S. | 10 | 10 | 0 | 18 | 0 | 15 |
| Total Supply | 9,226 | 9,226 | 11,258 | 11,245 | 8,808 | 9,510 |
| MY Exports | 1,434 | 1,434 | 1,600 | 1,525 | 800 | 1,500 |
| TY Exports | 1,316 | 1,316 | 1,600 | 1,525 | 800 | 1,500 |
| Feed and Residual | 5,669 | 5,669 | 6,700 | 6,370 | 5,600 | 6,200 |
| FSI Consumption | 1,140 | 1,140 | 1,200 | 1,100 | 1,200 | 1,110 |
| Total Consumption | 6,809 | 6,809 | 7,900 | 7,470 | 6,800 | 7,310 |
| Ending Stocks | 983 | 983 | 1,758 | 2,250 | 1,208 | 700 |
| Total Distribution | 9,226 | 9,226 | 11,258 | 11,245 | 8,808 | 9,510 |
| | | | | | | |

1000 HA, 1000 MT, MT/HA

CORN:

2014/2015: Post is lowering the corn production forecast by 6% to 11.4 MMT from 12.1 MMT based on the most recent production estimates released by Statistics Canada, which includes a 16 percent drop in area harvested from the previous MY. High corn supplies are forecast to continue to limit corn imports and keep them close to 500 TMT. Supply will decrease compared to 2013/2014 as lower production helps off-set high carry-in stocks. Corn exports forecast for 2014/2015 remains unchanged from Post's previous forecast of 1000 TMT as an anticipated large US corn crop will limit demand.

2013/2014: Corn exports in 2013/2014 are expected to reach 1,350 TMT, a significant increase from Post's April estimates of 1,000 TMT. Estimates for corn for feed remain close to average level as despite low feed price and high hog prices, the Canadian hog industry has not shown significant signs of

growth. Stocks are expected to be drawn down to 3,050 TMT, lower than Post's previous estimate of 3,400 TMT. The lower stocks are mainly due to increased exports.

| Corn Canada | 2012/2013 | | 2013/2014 | | 2014/2015 | |
|-------------------------------|--|---------------------|--|---------------------|--|---------------------|
| | Market Year Begin: Sep 2012 | | Market Year Begin: Sep 2013 | | Market Year Begin: Sep 2014 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 1,418 | 1,418 | 1,480 | 1,480 | 1,230 | 1,240 |
| Beginning Stocks | 1,365 | 1,365 | 1,549 | 1,549 | 2,449 | 3,050 |
| Production | 13,060 | 13,060 | 14,200 | 14,194 | 11,600 | 11,400 |
| MY Imports | 481 | 481 | 400 | 500 | 500 | 500 |
| TY Imports | 493 | 493 | 400 | 500 | 500 | 500 |
| TY Imp. from U.S. | 479 | 479 | 0 | 500 | 0 | 500 |
| Total Supply | 14,906 | 14,906 | 16,149 | 16,243 | 14,549 | 14,950 |
| MY Exports | 1,752 | 1,752 | 1,500 | 1,350 | 1,000 | 1,000 |
| TY Exports | 1,813 | 1,813 | 1,200 | 1,350 | 1,000 | 1,000 |
| Feed and Residual | 6,275 | 6,275 | 6,800 | 6,627 | 6,700 | 6,640 |
| FSI Consumption | 5,330 | 5,330 | 5,400 | 5,216 | 5,500 | 5,410 |
| Total Consumption | 11,605 | 11,605 | 12,200 | 11,843 | 12,200 | 12,050 |
| Ending Stocks | 1,549 | 1,549 | 2,449 | 3,050 | 1,349 | 1,900 |
| Total Distribution | 14,906 | 14,906 | 16,149 | 16,243 | 14,549 | 14,950 |
| | | | | | | |
| 1000 HA, 1000 MT, MT/HA | | | | | | |

OATS:

2014/2015: Post's forecast for oats production will be lowered to 3,040 TMT from Post's previous forecast of 3,280 TMT based on the June production surveys. High carry-in stocks will result in oats supplies in 2014/2015 remaining close to MY 2013/2014 levels. Exports, forecast at 1,700 TMT, slightly lower than previous forecast, will be, however, higher than 2013/2014 expected export level of 1,600 TMT. Logistical issues that resulted in oats exports being disrupted are expected to have been worked out by the upcoming marketing year. Carry-over stocks will remain high.

2013/2014: Canadian oat producers had limited success this year to capitalize on higher oat prices,

despite strong supplies. Rail logistics issue related to weather and priority of rail car allocation to the major crops resulted in lower than expected oats exports. Oats exports are expected to reach 1,600 TMT by the end of the crop marketing year. Stocks will increase due to the lower export numbers as well as relative flat domestic demand for oats in Canada.

| Oats Canada | 2012/2013 | | 2013/2014 | | 2014/2015 | |
|-------------------------------|--|---------------------|--|---------------------|--|---------------------|
| | Market Year Begin: Aug 2012 | | Market Year Begin: Aug 2013 | | Market Year Begin: Aug 2014 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 985 | 985 | 1,110 | 1,107 | 943 | 1,025 |
| Beginning Stocks | 810 | 810 | 506 | 506 | 1,066 | 1,325 |
| Production | 2,812 | 2,812 | 3,890 | 3,888 | 2,800 | 3,040 |
| MY Imports | 9 | 9 | 20 | 15 | 10 | 12 |
| TY Imports | 9 | 9 | 20 | 15 | 10 | 12 |
| TY Imp. from U.S. | 9 | 9 | 0 | 6 | 0 | 5 |
| Total Supply | 3,631 | 3,631 | 4,416 | 4,409 | 3,876 | 4,377 |
| MY Exports | 1,607 | 1,607 | 1,600 | 1,600 | 1,800 | 1,700 |
| TY Exports | 1,359 | 1,359 | 1,800 | 1,700 | 1,800 | 1,700 |
| Feed and Residual | 748 | 748 | 1,000 | 734 | 750 | 727 |
| FSI Consumption | 770 | 770 | 750 | 750 | 750 | 750 |
| Total Consumption | 1,518 | 1,518 | 1,750 | 1,484 | 1,500 | 1,477 |
| Ending Stocks | 506 | 506 | 1,066 | 1,325 | 576 | 1,200 |
| Total Distribution | 3,631 | 3,631 | 4,416 | 4,409 | 3,876 | 4,377 |
| | | | | | | |
| 1000 HA, 1000 MT, MT/HA | | | | | | |

