Agriculture and Agri-Food Canada  Agriculture et Agroalimentaire Canada

# MARKET OUTLOOK REPORT

Volume 2 Number 1

## *WHEAT: SITUATION AND OUTLOOK*

April 1, 2010

Prepared by:
Market Analysis Group
Grains and Oilseeds Division
Food Value Chain Bureau
Market and Industry Services Branch
Agriculture & Agri-Food Canada
www.agr.gc.ca/gaod-dco

Canada

# MARKET OUTLOOK REPORT

Volume 2 Number 1

## *WHEAT: SITUATION AND OUTLOOK*

April 1, 2010

Market Outlook Report



Electronic version available at
www.agr.gc.ca/gaod-dco

ISSN 1920-20082X
AAFC No. 10481E

Market Outlook Reports are published by the
Market Analysis Group
Grains and Oilseeds Division
Food Value Chain Bureau
Market and Industry Services Branch
Agriculture & Agri-Food Canada
500-303 Main Street
Winnipeg, Manitoba, Canada R3C 3G7
Telephone: 204-983-8473
Fax: 204-983-5524
Email: bulletin@agr.gc.ca

Paru également en français sous le titre
*Rapport sur les perspectives du marché*
ISSN 1920-200838
AAFC No. 10481F

# WHEAT: SITUATION AND OUTLOOK

***For 2009-10, world all wheat production (including durum) dropped from the record 683 million tonnes (Mt) to 678 Mt. World durum production was a record at 41.1 Mt. For 2010-11, world all wheat production is forecasts to decrease to 656 Mt, while durum production decreases to 37.2 Mt. This Market Outlook Report examines the situation and outlook for world, Canadian and United States wheat and durum.***

## SITUATION: 2009-2010

***WORLD***

**All Wheat (including durum)**

World all wheat (including durum) production for 2009-10 decreased slightly from 2008-09 to 678 Mt. The decrease in production was due to lower yields as the area harvested increased marginally. Supply increased by 5% to 844 Mt because of higher carry-in stocks.

World use is forecast to increase slightly to 647 Mt. The increase in use is expected to be for food and industrial uses, while feed use and residual decreases. The increase in food use is due to growing demand, while industrial use increases because of the higher use of wheat for fuel alcohol production (ethanol).

Trade is expected to drop by 12% to 126 Mt because of higher production in major importing countries, such as Iran and Morocco, and because trade was unusually high in 2008-09 due to very strong demand for livestock feed and growing demand in the food and industrial markets. The main decrease in exports is expected to be from EU-27, Ukraine, US and Argentina.

Carry-out stocks are expected to increase sharply from 2008-09 to 197 Mt, with the stocks-to-use ratio rising to 30% from 26%.

**Durum**

World durum production increased by 6% to  a record 41.1 Mt. Supply increased by 11% to 44.8 Mt because of higher carry-in stocks for the three main exporters, Canada, EU-27 and US.

World trade is expected to decrease by 8% to 6.6 Mt because of lower imports from northern Africa, which more than offset stronger demand from EU-27.

EU-27 is both a significant exporter of durum and a significant importer as production is centred along the Mediterranean Sea whereas durum is used in all member countries. EU-27 export and import data excludes trade between member countries.

World use averaged about 37 Mt in recent years. However, use for individual years is difficult to determine because data on carry-out stocks is only available for the three main exporters. Use for 2009-10 is expected to increase by 7% from 2008-09 to 39.5 Mt. However, this is just an estimate calculated residually by deducting the carry-out stocks from the supply.

Carry-out stocks for the three main exporters are expected to increase sharply from 2008-09 to 5.3 Mt, with a stocks-to-use ratio rising to 13% from 10%.

***UNITED STATES***

US wheat production decreased by 11% from 2008-09 to 60.3 Mt with soft red winter wheat accounting for most of the decrease. Soft red winter wheat production decreased by 34%, with smaller decreases for hard red winter and white wheat. Production of hard red spring and durum wheat increased. Supply increased by

2% to 81.3 Mt because of higher carry-in stocks. Supply increased for hard red spring, white and durum wheat, decreased for soft red winter wheat and was stable for hard red winter wheat.

Exports are expected to decrease significantly to 22.5 Mt due to lower import demand and increased competition from other exporting countries.

Total food, seed and industrial use is expected to decrease slightly from 2008-09, while feed use decreases sharply because of higher corn production and lower demand.

Carry-out stocks are forecast to increase sharply to 27.2 Mt, with a historically high stock-to-use ratio of 50%.

Wheat average farm and futures prices are expected to fall sharply from 2008-09 because of the higher world and US carry-in stocks and supply.

***CANADA***

**Wheat (excluding durum)**

Canadian wheat production (excluding durum) decreased by 9% from 2008-09 to 21.1 Mt because of higher abandonment and lower yields. Winter wheat production, which is mostly soft red winter and hard red winter but includes some soft white winter, fell by more than a third. Canada Western Red Spring (CWRS) wheat production rose slightly, while production of other spring wheat classes fell. CWRS wheat accounted for 75% of Canadian wheat production, other spring wheat classes for 11% and winter wheat for 14%. CWRS wheat is a hard wheat with a high protein content. Included in the CWRS production estimate is a relatively small volume of hard white spring wheat. Other spring wheat production includes Canada Prairie Spring, which is medium in hardness and protein content; Canada West Extra Strong, which is a hard wheat with exceptionally strong gluten; and Soft White Spring. Soft white spring wheat is normally used for pastry, but ethanol manufacturers in western Canada have started using it in significant quantities because of its high yield and low protein content.

Supply decreased by only 3% to 25.9 Mt because of higher carry-in stocks.

Exports are forecast to decrease by 4% to 14.3 Mt because of the expected drop in world trade and lower Canadian supply.

Domestic food and industrial uses are expected to increase moderately, with most of the industrial use going for the production of ethanol. Implied feed use is expected to remain relatively stable. However, feed use is calculated residually as data for feed use is not available.

Carry-out stocks are forecast to decrease by 8% to 4.3 Mt.

The CWB Pool Return Outlook (PRO) for the base grade, 1 CWRS 12.5% protein, in store St. Lawrence/Vancouver is 27% lower than for 2008-09 because of pressure from higher world supply.

**Durum**

Canadian durum production decreased by 2% from 2008-09 to 5.4 Mt as the lower seeded area was partly offset by higher yields. Supply increased by 15% because of sharply higher carry-in stocks.

Exports are forecast to decrease marginally because of lower world trade. Domestic use is expected to be relatively stable. Carry-out stocks are forecast to increase by 48% to 2.8 Mt.

The CWB PRO for the base grade, 1 CWAD 12.5% protein, in store St. Lawrence/Vancouver is 52% lower than for 2008-09 because of higher world and Canadian supply.

## OUTLOOK: 2010-2011

***WORLD***

**All Wheat (including durum)**

World all wheat (including durum) production for 2010-11 is forecast to decrease by 3% from 2009-10 to 656 Mt. However, supply is expected to increase slightly to 853 Mt because of higher carry-in stocks.

The decrease in expected production is due to a slightly lower harvested area and a return to more normal yields, which are lower than for 2009-10. The main decrease in production is expected to be in Canada, China, Russia and the US. The largest increase in production is expected to be in Argentina and EU-27.

World all wheat use is expected to increase slightly to 654 Mt, mostly because of growing demand for food use.

World trade is forecast to increase slightly to 127 Mt.

Carry-out stocks are forecast to increase slightly to 199 Mt.

**Durum**

World durum production is forecast to decrease by 9% from 2009-10 to 37.2 Mt. Supply is expected to decrease by only 5% to 42.9 Mt because of higher carry-in stocks for the three main exporters, Canada, EU-27 and US. The main decrease in production is expected to be in Canada and the US.

World trade is forecast to increase by 5% to 6.9 Mt mainly because of higher import demand from northern Africa.

World use, which is calculated residually, is expected to decrease slightly.

Carry-out stocks for the three main exporters are forecast to decrease by 28 % to 3.8 Mt, with the stocks-to-use ratio falling to 10%.

***UNITED STATES***

US wheat seeded area is expected to decline by 9% from 2009-10, because of seeding delays for winter wheat resulting from the late 2009-10 summer crop harvest and lower prices for wheat. US wheat production is forecast to decrease by 12% to 52.9 Mt, as lower yields compound the drop in seeded area. Soft red winter wheat and durum are expected to have the largest drop in production at 28% and 22%, respectively, while production of other classes decreases more moderately; hard red winter 8%, hard red spring 9% and white 3%. Supply is forecast to increase slightly because of higher carry-in stocks. Supply is expected to decrease for soft red winter, white and durum wheat, but increase for hard red spring and hard red winter wheat.

Exports are forecast to increase slightly because of higher expected world trade and less competition from other exporting countries.

Total food, seed and industrial use is expected to increase slightly, with a more significant increase for feed use.

Carry-out stocks are forecast to decrease by 4% to 26.1 Mt, with the stocks-to-use ratio falling to 46%.

The futures prices are expected to increase slightly from 2009-10 because of lower US and world production and lower US carry-out stocks.

***CANADA***

**Wheat (excluding durum)**

Canadian wheat production (excluding durum) is forecast to decrease by 2% from 2009-10 to 20.2 Mt because of slightly lower seeded area and lower yields. Winter wheat production is expected to decrease by 17%, while spring wheat production decreases by 2%. Winter wheat seeded area dropped by a third due to the late harvest. Spring wheat seeded area is expected to increase by 3%.

Supply is forecast to fall by 5% to 24.6 Mt, as lower carry-in stocks compound the drop in production.

Exports are forecast to decrease by 6% to 13.5 Mt because of the lower supply. Domestic use is expected to decrease, as higher food and industrial uses are more than offset by lower feed use. Carry-out stocks are forecast to decrease by 7% to a low level of 4.0 Mt, with the stocks-to-use ratio falling to 19%.

The CWB PRO for the base grade in store St. Lawrence/Vancouver is 4% lower than for 2009-10, as support from the lower Canadian supply is more than offset by the expected stronger Canadian dollar.

**Durum**

Canadian durum production is forecast to decrease by 30% from 2009-10 because of the lower seeded area and lower yields. Seeded area is forecast to fall by 25% because of sharply lower prices and burdensome carry-in stocks. Supply is expected to decrease by 10% to 6.6 Mt, as higher carry-in stocks partly offset the decrease in production.

Exports are forecast to increase by 6% to 3.8 Mt because of lower production in most importing countries. Domestic use is expected to be relatively stable. Carry-out stocks are forecast to decrease by 32% to 1.9 Mt., with the stocks-to-use ratio falling to 40%.

The CWB PRO for the base grade in store St. Lawrence/Vancouver is 5% lower than for 2009-10 due to pressure from the continuing high world supply of durum and sharply higher carry-in stocks, and because of the expected stronger Canadian dollar.

**WORLD: WHEAT SUPPLY AND DISPOSITION (including durum)**

| | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| Harvested Area (million ha) | 218.8 | 213.0 | 218.0 | 225.1 | 226.2 | 224.0 |
| Average Yields (t/ha) | 2.83 | 2.80 | 2.80 | 3.03 | 3.00 | 2.93 |
| | | | **million tonnes** | | | |
| Argentina | 14.6 | 16.1 | 18.0 | 9.0 | 9.6 | 12.0 |
| Australia | 25.2 | 10.8 | 13.6 | 20.9 | 22.5 | 21.0 |
| Brazil | 4.9 | 2.2 | 3.8 | 5.9 | 4.8 | 5.2 |
| Canada | 25.7 | 25.3 | 20.1 | 28.6 | 26.5 | 24.0 |
| China | 97.4 | 108.5 | 109.3 | 112.5 | 114.5 | 109.0 |
| Egypt | 8.2 | 8.3 | 8.3 | 7.9 | 7.9 | 8.7 |
| EU-27 | 132.4 | 124.9 | 120.1 | 151.1 | 138.1 | 143.2 |
| India | 68.6 | 69.4 | 75.8 | 78.6 | 80.7 | 80.0 |
| Iran | 14.3 | 14.5 | 15.0 | 10.0 | 12.0 | 13.4 |
| Kazakhstan | 11.2 | 13.5 | 16.5 | 12.6 | 17.0 | 15.5 |
| Morocco | 3.0 | 6.3 | 1.6 | 3.7 | 6.4 | 4.0 |
| Pakistan | 21.6 | 21.3 | 23.3 | 21.5 | 24.0 | 23.0 |
| Russia | 47.7 | 44.9 | 49.4 | 63.7 | 61.7 | 57.0 |
| Turkey | 18.5 | 17.5 | 15.5 | 16.8 | 17.8 | 17.5 |
| Ukraine | 18.7 | 14.0 | 13.9 | 25.9 | 20.9 | 19.0 |
| United States | 57.2 | 49.2 | 55.8 | 68.0 | 60.3 | 52.9 |
| Uzbekistan | 5.8 | 5.9 | 6.2 | 6.0 | 6.2 | 6.0 |
| Others | 44.9 | 43.1 | 44.2 | 40.0 | 47.1 | 44.6 |
| **Total Production** | **619.9** | **595.7** | **610.4** | **682.7** | **678.0** | **656.0** |
| Carry-in Stocks | 152.3 | 149.6 | 129.8 | 123.3 | 165.6 | 196.8 |
| **Total Supply** | **772.2** | **745.3** | **740.2** | **806.0** | **843.6** | **852.8** |
| Food, seed and industrial | 506.2 | 512.6 | 516.9 | 520.9 | 533.6 | 540.0 |
| Feed and residual | 116.4 | 102.9 | 100.0 | 119.5 | 113.2 | 113.8 |
| **Total Use** | **622.6** | **615.5** | **619.9** | **640.4** | **646.8** | **653.8** |
| Carry-out Stocks | 149.6 | 129.8 | 123.3 | 165.6 | 196.8 | 199.0 |
| Stocks-to-use ratio (%) | 24% | 21% | 20% | 26% | 30% | 30% |
| **Trade** (July-June, million tonnes) | **113.8** | **115.6** | **116.4** | **142.6** | **125.6** | **127.0** |

Source: USDA - March 2010, except for feed and residual which is an AAFC calculation p: preliminary
f: forecast International Grains Council (IGC), Agriculture and Agri-Food Canada (AAFC) and USDA, March 2010

## WORLD: WHEAT EXPORTS (including durum and products)

| Trade Year July - June | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| | | | million tonnes | | | |
| Argentina | 8.2 | 12.2 | 10.2 | 8.6 | 4.5 | 8.5 |
| Australia | 15.2 | 11.2 | 7.4 | 13.5 | 14.5 | 15.0 |
| Canada | 15.7 | 19.4 | 15.9 | 18.6 | 18.0 | 17.3 |
| China | 1.4 | 2.8 | 2.8 | 0.7 | 1.0 | 1.0 |
| EU-27 | 15.7 | 13.8 | 12.3 | 25.3 | 19.0 | 20.0 |
| Kazakhstan | 3.8 | 8.1 | 8.2 | 5.7 | 7.5 | 6.5 |
| Mexico | 0.5 | 0.5 | 1.3 | 1.4 | 1.2 | 1.0 |
| Russia | 10.5 | 10.6 | 12.6 | 18.4 | 18.0 | 17.0 |
| Turkey | 3.2 | 2.2 | 1.8 | 2.3 | 2.6 | 2.0 |
| Ukraine | 6.5 | 3.4 | 1.2 | 13.0 | 9.0 | 8.5 |
| United States | 27.3 | 25.0 | 34.3 | 27.3 | 22.5 | 23.1 |
| Other | 5.8 | 6.4 | 8.4 | 7.8 | 7.8 | 7.1 |
| **Total** | **113.8** | **115.6** | **116.4** | **142.6** | **125.6** | **127.0** |

## WORLD: WHEAT IMPORTS (including durum and products)

| Trade Year July - June | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| | | | million tonnes | | | |
| Algeria | 5.5 | 4.9 | 5.9 | 6.4 | 5.3 | 5.5 |
| Bangladesh | 2.0 | 1.7 | 1.6 | 2.9 | 3.0 | 3.1 |
| Brazil | 5.8 | 7.7 | 7.1 | 6.4 | 6.5 | 6.5 |
| Colombia | 1.3 | 1.2 | 1.3 | 1.4 | 1.3 | 1.5 |
| Egypt | 7.8 | 7.3 | 7.7 | 9.9 | 8.8 | 8.5 |
| EU-27 | 6.8 | 5.1 | 6.9 | 7.7 | 6.5 | 6.5 |
| Indonesia | 5.0 | 5.6 | 5.2 | 5.4 | 5.5 | 5.6 |
| Iran | 1.1 | 0.7 | 0.2 | 9.3 | 3.5 | 3.0 |
| Iraq | 5.0 | 2.9 | 3.4 | 3.9 | 4.0 | 4.1 |
| Israel | 1.7 | 1.5 | 1.2 | 2.1 | 1.9 | 2.1 |
| Japan | 5.5 | 5.7 | 5.7 | 5.2 | 5.3 | 5.5 |
| Korea, South | 3.9 | 3.4 | 3.1 | 3.4 | 4.0 | 4.0 |
| Libya | 1.7 | 1.0 | 1.6 | 1.7 | 1.9 | 1.9 |
| Mexico | 3.5 | 3.6 | 3.1 | 3.3 | 2.9 | 3.1 |
| Morocco | 2.4 | 1.8 | 4.2 | 3.8 | 1.8 | 3.0 |
| Nigeria | 3.7 | 3.3 | 2.7 | 3.6 | 3.5 | 3.6 |
| Peru | 1.6 | 1.4 | 1.5 | 1.4 | 1.5 | 1.5 |
| Philippines | 3.0 | 2.8 | 2.3 | 3.2 | 3.0 | 3.1 |
| Saudi Arabia | 0.1 | 0.1 | 0.1 | 1.4 | 1.8 | 2.0 |
| South Africa | 1.2 | 0.9 | 1.3 | 1.5 | 1.5 | 1.5 |
| Sudan | 1.7 | 1.3 | 1.1 | 1.7 | 1.7 | 1.7 |
| Syria | 0.2 | 0.2 | 0.2 | 1.7 | 2.0 | 1.8 |
| Tunisia | 1.3 | 1.4 | 2.4 | 1.8 | 1.5 | 1.7 |
| Turkey | 0.1 | 1.8 | 2.2 | 3.6 | 2.5 | 2.2 |
| United States | 2.3 | 3.4 | 3.0 | 3.5 | 3.3 | 3.0 |
| Venezuela | 1.7 | 1.8 | 1.5 | 1.5 | 1.5 | 1.5 |
| Yemen | 2.2 | 2.4 | 1.9 | 2.8 | 2.3 | 2.4 |
| Other | 35.7 | 40.7 | 38.0 | 42.1 | 37.3 | 37.1 |
| **Total** | **113.8** | **115.6** | **116.4** | **142.6** | **125.6** | **127.0** |

Source: USDA, except AAFC for Canada - March 2010 p: preliminary
f: AAFC forecast, March 2010

## WORLD: DURUM SUPPLY AND DISPOSITION

| | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| Harvested Area (million ha) | 18.1 | 16.9 | 17.0 | 17.5 | 17.0 | 16.4 |
| Average Yields (t/ha) | 2.07 | 2.11 | 2.03 | 2.19 | 2.38 | 2.29 |
| | | | **million tonnes** | | | |
| Algeria | 1.6 | 1.8 | 1.8 | 0.9 | 2.8 | 2.4 |
| Argentina | 0.2 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Australia | 0.6 | 0.2 | 0.3 | 0.5 | 0.5 | 0.5 |
| Canada | 5.9 | 3.3 | 3.7 | 5.5 | 5.4 | 3.8 |
| EU-27 | 8.4 | 9.1 | 8.4 | 10.0 | 9.0 | 9.1 |
| India | 1.0 | 1.1 | 1.1 | 1.1 | 1.0 | 1.0 |
| Kazakhstan | 2.4 | 2.6 | 3.0 | 2.5 | 2.6 | 2.5 |
| Libya | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Mexico | 1.3 | 1.9 | 1.8 | 2.0 | 2.2 | 2.0 |
| Morocco | 0.9 | 2.1 | 0.5 | 1.0 | 1.9 | 1.4 |
| Syria | 2.5 | 2.0 | 1.8 | 1.2 | 1.8 | 1.8 |
| Tunisia | 1.3 | 1.1 | 1.4 | 1.4 | 1.4 | 1.4 |
| Turkey | 3.2 | 3.0 | 2.7 | 3.0 | 3.1 | 2.9 |
| United States | 2.8 | 1.5 | 2.0 | 2.3 | 3.0 | 2.3 |
| Others | 5.3 | 5.6 | 6.2 | 7.2 | 6.1 | 5.8 |
| **Total Production** | **37.5** | **35.7** | **35.0** | **38.9** | **41.1** | **37.2** |
| Carry-in Stocks* | 3.8 | 6.3 | 2.7 | 1.6 | 3.7 | 5.3 |
| **Total Supply** | **41.3** | **42.0** | **37.7** | **40.5** | **44.8** | **42.5** |
| **Total Use**** | **35.0** | **39.3** | **36.1** | **36.8** | **39.5** | **38.7** |
| Carry-out Stocks* | 6.3 | 2.7 | 1.6 | 3.7 | 5.3 | 3.8 |
| Stocks-to-use ratio (%) | 18% | 7% | 4% | 10% | 13% | 10% |
| **Trade** (July - June, million tonnes) | **7.5** | **7.8** | **7.2** | **7.2** | **6.6** | **6.9** |

* For Canada, EU and US only
** Calculated residually
Source: IGC, AAFC and USDA - March 2010 p: preliminary
f: AAFC forecast - March 2010

**WORLD: DURUM EXPORTS (including semolina)**

| Trade Year July - June | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| | | | million tonnes | | | |
| Australia | 0.22 | 0.11 | 0.03 | 0.30 | 0.20 | 0.20 |
| Canada | 4.27 | 4.48 | 3.18 | 3.64 | 3.60 | 3.80 |
| EU-27 | 1.18 | 1.21 | 0.88 | 1.73 | 0.50 | 0.60 |
| Mexico | 0.46 | 0.52 | 1.13 | 1.13 | 0.80 | 0.80 |
| Syria | 0.35 | 0.30 | 0.16 | 0.00 | 0.00 | 0.05 |
| Turkey | 0.26 | 0.01 | 0.01 | 0.00 | 0.20 | 0.25 |
| United States | 1.10 | 1.04 | 1.40 | 0.50 | 1.20 | 1.10 |
| Other | 0.04 | 0.15 | 0.43 | 0.00 | 0.10 | 0.10 |
| **Total** | **7.88** | **7.82** | **7.22** | **7.30** | **6.60** | **6.90** |

**WORLD: DURUM IMPORTS (including semolina)**

| | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| | | | million tonnes | | | |
| Algeria | 1.99 | 1.58 | 1.98 | 2.13 | 1.10 | 1.70 |
| EU-27 | 2.11 | 1.71 | 1.91 | 1.50 | 2.20 | 1.70 |
| Japan | 0.22 | 0.23 | 0.27 | 0.20 | 0.21 | 0.21 |
| Libya | 0.03 | 0.18 | 0.03 | 0.10 | 0.10 | 0.10 |
| Morocco | 0.66 | 0.74 | 0.72 | 0.57 | 0.50 | 0.70 |
| Nigeria | 0.06 | 0.08 | 0.07 | 0.09 | 0.12 | 0.12 |
| Peru | 0.12 | 0.16 | 0.12 | 0.06 | 0.09 | 0.09 |
| Tunisia | 0.24 | 0.22 | 0.44 | 0.73 | 0.45 | 0.50 |
| United States | 0.51 | 0.70 | 0.63 | 0.64 | 0.55 | 0.60 |
| Venezuela | 0.50 | 0.47 | 0.32 | 0.33 | 0.35 | 0.35 |
| Other | 1.44 | 1.75 | 0.73 | 0.95 | 0.93 | 0.83 |
| **Total** | **7.88** | **7.82** | **7.22** | **7.30** | **6.60** | **6.90** |

Source: IGC, except AAFC for Canada - March 2010 p: preliminary
f: AAFC forecast, March 2010

**UNITED STATES: WHEAT (including durum) SUPPLY AND DISPOSITION**

| June - May crop year | **2005 -2006** | **2006 -2007** | **2007 -2008** | **2008 -2009** | **2009 -2010p** | **2010 -2011f** |
|---|---|---|---|---|---|---|
| Seeded Area (000 ha) | 23,161 | 23,203 | 24,468 | 25,574 | 23,931 | 21,783 |
| Harvested Area (000 ha) | 20,276 | 18,939 | 20,639 | 22,541 | 20,181 | 18,490 |
| Yield (t/ha) | 2.82 | 2.60 | 2.70 | 3.02 | 2.99 | 2.86 |
| | | | **thousand tonnes** | | | |
| Carry-in stocks | 14,699 | 15,545 | 12,414 | 8,323 | 17,867 | 27,234 |
| Production | | | | | | |
| *Hard Red Winter Wheat* | *25,289* | *18,560* | *26,015* | *28,160* | *25,011* | *22,900* |
| *Hard Red Spring Wheat* | *12,688* | *11,764* | *12,245* | *13,938* | *14,914* | *13,600* |
| *Soft Red Winter Wheat* | *8,401* | *10,601* | *9,580* | *16,699* | *10,984* | *7,900* |
| *White Wheat* | *8,114* | *6,836* | *6,015* | *6,938* | *6,439* | *6,230* |
| *Durum* | *2,751* | *1,456* | *1,966* | *2,281* | *2,966* | *2,300* |
| **Total Production** | **57,243** | **49,217** | **55,821** | **68,016** | **60,314** | **52,930** |
| Imports | 2,214 | 3,317 | 3,065 | 3,456 | 3,130 | 2,990 |
| **Total Supply** | **74,156** | **68,079** | **71,300** | **79,795** | **81,311** | **83,154** |
| **Exports** | **27,291** | **24,725** | **34,363** | **27,637** | **22,453** | **23,130** |
| Domestic Use | | | | | | |
| *Food, Seed and Industrial* | *27,057* | *27,754* | *28,180* | *27,262* | *26,997* | *28,200* |
| *Feed* | *4,263* | *3,186* | *434* | *7,029* | *4,627* | *5,724* |
| **Total Domestic Use** | **31,320** | **30,940** | **28,614** | **34,291** | **31,624** | **33,924** |
| **Total Use** | **58,611** | **55,665** | **62,977** | **61,928** | **54,077** | **57,054** |
| | | | | | | |
| **Carry-out Stocks** | **15,545** | **12,414** | **8,323** | **17,867** | **27,234** | **26,100** |
| Stocks-to-use ratio | 27% | 22% | 13% | 29% | 50% | 46% |
| | | | | | | |
| Seeded Area (000 ac) | 57,231 | 57,334 | 60,460 | 63,193 | 59,134 | 53,827 |
| Harvested Area (000 ac) | 50,102 | 46,798 | 50,999 | 55,699 | 49,867 | 45,689 |
| Yield (bu/ac) | 42 | 39 | 40 | 45 | 44 | 43 |
| Production (million bushels) | 2,103 | 1,808 | 2,051 | 2,500 | 2,216 | 1,945 |
| | | | **US $/bu** | | | |
| Average Farm Price | 3.42 | 4.26 | 6.48 | 6.78 | 4.90 | 4.90 |
| Average Futures Prices (nearby months) | | | | | | |
| Chicago - Soft Red Winter | 3.39 | 4.51 | 8.29 | 6.44 | 5.10 | 5.20 |
| Kansas City - Hard Red Winter | 3.89 | 4.93 | 8.50 | 6.81 | 5.25 | 5.35 |
| Minneapolis - Hard Red Spring | 3.85 | 4.93 | 9.88 | 7.48 | 5.50 | 5.60 |

Source: USDA, March 2010 p: preliminary
f: USDA and AAFC forecast - March 2010

**CANADA: ALL WHEAT SUPPLY AND DISPOSITION**

| Aug - July crop year | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| Seeded Area (000 ha) | 9,654 | 9,852 | 8,748 | 10,192 | 10,047 | 9,350 |
| Harvested Area (000 ha) | 9,404 | 9,682 | 8,636 | 10,032 | 9,539 | 9,000 |
| Yield (t/ha) | 2.74 | 2.61 | 2.32 | 2.85 | 2.78 | 2.67 |
| | | | **thousand tonnes** | | | |
| Carry-in stocks | 7,922 | 9,698 | 6,865 | 4,406 | 6,556 | 7,100 |
| **Production** | **25,748** | **25,265** | **20,054** | **28,611** | **26,515** | **24,000** |
| Imports | 26 | 26 | 23 | 26 | 102 | 52 |
| **Total Supply** | **33,696** | **34,989** | **26,942** | **33,043** | **33,173** | **31,152** |
| Total Exports | 15,698 | 19,427 | 15,857 | 18,606 | 17,900 | 17,300 |
| Total Domestic Use | 8,300 | 8,697 | 6,679 | 7,881 | 8,173 | 7,952 |
| **Total Use** | **23,998** | **28,124** | **22,536** | **26,487** | **26,073** | **25,252** |
| | | | | | | |
| **Carry-out Stocks** | **9,698** | **6,865** | **4,406** | **6,556** | **7,100** | **5,800** |
| Stocks-to-use ratio (%) | 40% | 24% | 20% | 25% | 27% | 23% |

Source: Statistics Canada and AAFC - March 2010 p: preliminary
f: AAFC forecast - March 2010

## CANADA: WHEAT (excluding durum) SUPPLY AND DISPOSITION

| Aug - July crop year | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| Seeded Area (000 ha) | 7,347 | 8,316 | 6,799 | 7,752 | 7,756 | 7,640 |
| Harvested Area (000 ha) | 7,125 | 8,164 | 6,710 | 7,616 | 7,309 | 7,335 |
| Yield (t/ha) | 2.78 | 2.68 | 2.44 | 3.03 | 2.89 | 2.75 |
| | | | **thousand tonnes** | | | |
| Carry-in stocks | 5,435 | 6,424 | 5,608 | 3,587 | 4,659 | 4,300 |
| Production | | | | | | |
| *Winter Wheat - West* | *631* | *939* | *1,285* | *1,983* | *1,118* | *770* |
| *Winter Wheat - East* | *1,602* | *2,365* | *1,215* | *2,704* | *1,877* | *1,720* |
| *Canada Western Hard Red Spring Wheat* | *15,045* | *16,183* | *11,659* | *15,480* | *15,853* | *15,420* |
| *Canada Eastern Hard Red Spring Wheat* | *376* | *457* | *445* | *410* | *320* | *340* |
| *Canada Western Extra Strong Wheat* | *291* | *280* | *191* | *303* | *211* | *220* |
| *Canada Prairie Spring Wheat* | *1,251* | *1,139* | *1,122* | *1,217* | *1,093* | *1,060* |
| *Canada Western Soft White Spring Wheat* | *127* | *143* | *128* | *686* | *362* | *390* |
| *Other Western Spring Wheat* | *511* | *413* | *328* | *309* | *281* | *280* |
| **Total Production** | **19,834** | **21,919** | **16,373** | **23,092** | **21,115** | **20,200** |
| Imports | 22 | 25 | 20 | 24 | 100 | 50 |
| **Total Supply** | **25,291** | **28,368** | **22,001** | **26,703** | **25,874** | **24,550** |
| **Exports** | | | | | | |
| *Grain* | *11,177* | *14,687* | *12,482* | *14,813* | *14,100* | *13,300* |
| *Products* | *249* | *262* | *200* | *153* | *200* | *200* |
| **Total Exports** | **11,426** | **14,949** | **12,682** | **14,966** | **14,300** | **13,500** |
| Domestic Use | | | | | | |
| *Food* | *2,742* | *2,703* | *2,628* | *2,509* | *2,550* | *2,600* |
| *Industrial* | *178* | *411* | *394* | *571* | *750* | *800* |
| *Seed* | *824* | *683* | *782* | *773* | *780* | *800* |
| *Feed, waste, dockage and handling loss** | *3,697* | *4,014* | *1,928* | *3,225* | *3,194* | *2,850* |
| **Total Domestic Use** | **7,441** | **7,811** | **5,732** | **7,078** | **7,274** | **7,050** |
| **Total Use** | **18,867** | **22,760** | **18,414** | **22,044** | **21,574** | **20,550** |
| **Carry-out Stocks** | **6,424** | **5,608** | **3,587** | **4,659** | **4,300** | **4,000** |
| Stocks-to-use ratio | 34% | 25% | 19% | 21% | 20% | 19% |
| Seeded Area (000 ac) | 18,154 | 20,549 | 16,800 | 19,155 | 19,165 | 18,878 |
| Harvested Area (000 ac) | 17,606 | 20,173 | 16,580 | 18,819 | 18,061 | 18,125 |
| Yield (bu/ac) | 41 | 40 | 36 | 45 | 43 | 41 |
| Average price** ($/t) | 186 | 209 | 369 | 302 | 219 | 210 |
| Exchange Rate (CAN$/US$) | 1.16 | 1.13 | 1.01 | 1.17 | 1.06 | 1.01*** |

* calculated residually ** CWB No. 1 CWRS 12.5% protein in store St. Lawrence/Vancouver
Source: Statistics Canada and AAFC - March 2010 p: preliminary
f: AAFC forecast - March 2010, except CWB March PRO for average price
*** Average of five Canadian banks forecasts

**CANADA: DURUM SUPPLY AND DISPOSITION**

| Aug - July crop year | 2005 -2006 | 2006 -2007 | 2007 -2008 | 2008 -2009 | 2009 -2010p | 2010 -2011f |
|---|---|---|---|---|---|---|
| Seeded Area (000 ha) | 2,307 | 1,536 | 1,949 | 2,440 | 2,291 | 1,710 |
| Harvested Area (000 ha) | 2,278 | 1,518 | 1,926 | 2,416 | 2,230 | 1,665 |
| Yield (t/ha) | 2.60 | 2.20 | 1.91 | 2.28 | 2.42 | 2.28 |
| | | | **thousand tonnes** | | | |
| Carry-in stocks | 2,487 | 3,273 | 1,257 | 819 | 1,897 | 2,800 |
| Production | | | | | | |
| **Production** | **5,915** | **3,346** | **3,681** | **5,519** | **5,400** | **3,800** |
| Imports | 3 | 2 | 3 | 2 | 2 | 2 |
| **Total Supply** | **8,405** | **6,621** | **4,941** | **6,340** | **7,299** | **6,602** |
| **Exports** | | | | | | |
| *Grain* | *4,226* | *4,432* | *3,129* | *3,601* | *3,550* | *3,750* |
| *Products* | *47* | *47* | *46* | *38* | *50* | *50* |
| **Total Exports** | **4,273** | **4,479** | **3,175** | **3,639** | **3,600** | **3,800** |
| Domestic Use | | | | | | |
| *Food* | *248* | *257* | *229* | *236* | *250* | *260* |
| *Seed* | *146* | *185* | *232* | *218* | *175* | *205* |
| *Feed, waste, dockage and handling loss** | *465* | *443* | *486* | *350* | *474* | *437* |
| **Total Domestic Use** | **859** | **885** | **947** | **804** | **899** | **902** |
| **Total Use** | **5,132** | **5,364** | **4,122** | **4,443** | **4,599** | **4,702** |
| | | | | | | |
| **Carry-out Stocks** | **3,273** | **1,257** | **819** | **1,897** | **2,800** | **1,900** |
| Stocks-to-use ratio | 64% | 23% | 20% | 43% | 62% | 40% |
| | | | | | | |
| Seeded Area (000 ac) | 5,701 | 3,795 | 4,816 | 6,029 | 5,661 | 4,225 |
| Harvested Area (000 ac) | 5,629 | 3,751 | 4,759 | 5,970 | 5,510 | 4,114 |
| Yield (bu/ac) | 39 | 33 | 28 | 34 | 36 | 34 |
| | | | | | | |
| Average price** ($/t) | 189 | 223 | 510 | 373 | 194 | 184 |

* calculated residually
** CWB No. 1 CWAD 12.5% protein in store St. Lawrence/Vancouver
Source: Statistics Canada and AAFC - March 2010 p: preliminary
f: AAFC forecast - March 2010, except CWB March PRO for average price