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Canada

Grain and Feed

Canadian Wheat Board - Durum Values Up in September 1999-2000 Outlook

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Report Highlights:

Durum PROs (Pool Return Outlook) are up \$15 per tonne, the feed barley PRO is up \$7 per tonne, designated barley PROs are up \$8 per tonne, while wheat PROs remain unchanged.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Ottawa [CA1], CA

DURUM VALUES UP IN SEPTEMBER 1999-2000 OUTLOOK

The following information is taken from a September 23 Canadian Wheat Board press release. Begin text.

WINNIPEG, September 23, 1999 -- The CWB released its September Pool Return Outlook (PRO) for the 1999-2000 crop year. Wheat PROs are unchanged. Durum PROs are up \$15 per tonne. The feed barley PRO is up \$7 per tonne while designated barley PROs are up \$8 per tonne. Based on these projections, the CWB will be recommending that the federal government approve increases to the initial payments for all pool accounts.

	September PRO 1999-2000	August PRO 1999-2000
<i>- Cdn \$ per tonne in store Vancouver or St. Lawrence -</i>		
Wheat		
No. 1 CWRS 13.5	\$182 — 212	\$182 — 212
No. 1 CWRS 12.0	164 — 194	164 — 194
No. 1 CWRS	158 — 188	158 — 188
No. 2 CWRS 13.5	179 — 209	179 — 209
No. 2 CWRS	155 — 185	155 — 185
No. 3 CWRS	140 — 170	140 — 170
No. 1 CPSR	137 — 167	137 — 167
No. 1 CPSW	137 — 167	137 — 167
No. 1 CWRW	145 — 175	145 — 175
No. 1 CWES	155 — 185	155 — 185
No. 1 CWSWS	136 — 166	136 — 166
CW Feed	102 — 132	102 — 132
Durum		
No. 1 CWAD 13.0	195 — 225	180 — 210
No. 1 CWAD	185 — 215	170 — 200
No. 2 CWAD	177 — 207	162 — 192
No. 3 CWAD	166 — 196	151 — 181
Feed Barley		
No. 1 CW	120 — 150	113 — 143
Designated Barley		
SS CW Two-Row	166 — 196	158 — 188

Std. Sel. Two-Row	161 — 191	153 — 183
SS CW Six-Row	164 — 194	156 — 186
Std. Sel. Six-Row	159 — 189	151 — 181

Note: PROs are the CWB's estimates of crop year returns. Unusual weather in importing or exporting countries and other changes in market conditions could dramatically affect the price forecasts.

PROs are not price guarantees and should not be confused with initial payments. PROs may be adjusted monthly, up or down, to take into account changes in weather, exchange rates, supply and demand and other market fundamentals in importing and exporting countries.

PRO Commentary

Durum

Durum values are up significantly this month largely due to crop conditions in the United States. Late seeding and very poor harvest weather to date, particularly in North Dakota, have resulted in reduced yields and poor quality. The latest durum production figure from the United States Department of Agriculture (USDA) is 110 million bushels (approximately three million tonnes), down from its July estimate of 132 million bushels (3.6 million tonnes). On the demand side, import demand from North Africa has been steady as a result of drought conditions in Morocco and Algeria.

Feed barley

The feed barley PRO is up \$7 per tonne. Strong world import demand for feed barley and limited export supplies, outside the European Union (EU), have supported offshore feed barley values. The EU continues to have a strong barley export program and has also reduced its export subsidies. The Australian barley crop is smaller than last year. The Australian Bureau of Agricultural and Resource Economics (ABARE) puts barley production at 4.3 million tonnes this year compared to 5.4 million tonnes last year. Australia will be harvesting its crop in November. Returns for feed barley will be highly dependent on the size of the pool, which will be influenced by the quality of Western Canadian crops now being harvested.

Designated barley

Designated barley values are up \$8 per tonne. The EU will have reduced malting barley supplies for export due to the downgrading of the crop because of rains. In addition, the EU set malt export subsidy levels at a much lower level than last year. This year, the malt restitution was set at 31.5 Euros per tonne (Cdn\$50) compared to 77 Euros per tonne (Cdn\$125) last year. In the U.S., reduced barley acreage and poor weather conditions will result in reduced supplies of quality six-row barley. These factors are lending support to values.

The following table shows the PRO values in **Cdn \$ per bushel** in store Vancouver or St. Lawrence.

September PRO	August PRO
1999-2000	1999-2000

Wheat

No. 1 CWRS 13.5	\$4.95 — 5.77	\$4.95 — 5.77
No. 1 CWRS 12.0	4.46 — 5.28	4.46 — 5.28
No. 1 CWRS	4.30 — 5.12	4.30 — 5.12
No. 2 CWRS 13.5	4.87 — 5.69	4.87 — 5.69
No. 2 CWRS	4.22 — 5.03	4.22 — 5.03
No. 3 CWRS	4.22 — 5.03	4.22 — 5.03
No. 1 CPSR	3.73 — 4.54	3.73 — 4.54
No. 1 CPSW	3.73 — 4.54	3.73 — 4.54
No. 1 CWRW	3.95 — 4.76	3.95 — 4.76
No. 1 CWES	4.22 — 5.03	4.22 — 5.03
No. 1 CWSWS	3.70 — 4.52	3.70 — 4.52
CW Feed	2.78 — 3.59	2.78 — 3.59

Durum

No. 1 CWAD 13.0	5.31 — 6.12	4.90 — 5.72
No. 1 CWAD	5.03 — 5.85	4.63 — 5.44
No. 2 CWAD	4.82 — 5.63	4.41 — 5.23
No. 3 CWAD	4.52 — 5.33	4.11 — 4.93

Feed Barley

No. 1 CW	2.61 — 3.27	2.46 — 3.11
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Designated Barley

SS CW Two-Row	3.61 — 4.27	3.44 — 4.09
Std. Sel. Two-Row	3.51 — 4.16	3.33 — 3.98
SS CW Six-Row	3.57 — 4.22	3.40 — 4.05
Std. Sel. Six-Row	3.46 — 4.11	3.29 — 3.94

The following table contains 1998-99 estimates of average deductions from in store values. The return at farm gate can be determined by subtracting the appropriate deduction from the PRO values.

Estimates of Average Deductions from In Store Values* 1999-2000

MB SK AB BC
(Cdn \$ per tonne)

Wheat (excl. CWES)	45.15	49.24	42.25	39.42
CWES	39.38	47.03	42.25	39.42
Durum	35.19	43.95	42.25	39.42
Feed barley	60.47	52.34	43.86	41.45
Designated barley	42.35	50.07	44.70	41.87

(Cdn \$ per bushel)

Wheat (excl. CWES)	1.23	1.34	1.15	1.07
CWES	1.07	1.28	1.15	1.07
Durum	0.96	1.20	1.15	1.07
Feed barley	1.32	1.14	0.95	0.90
Designated barley	0.92	1.09	0.97	0.91

* Includes freight, country elevation and removal of dockage; rates will vary by delivery point and date of delivery.

Abbreviations

CWRS	Canada Western Red Spring
CPSR	Canada Prairie Spring Red
CPSW	Canada Prairie Spring White
CWRW	Canada Western Red Winter
CWES	Canada Western Extra Strong
CWSWS	Canada Western Soft White Spring
CWF	Canada Western Feed
CWAD	Canada Western Amber Durum
CW	Canada Western
SS	Special Select

Metric Conversions

Wheat	One tonne = 36.744 bushels
Barley	One tonne = 45.930 bushels

End Text.

For related information, please visit the Canadian Wheat Board's home page at: <http://www.cwb.ca>

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