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Report Highlights:

In marketing year 2023/24, wheat production fell seven percent from the previous year to 31.95 million metric tons as severely low soil moisture in vast sections of Alberta and Saskatchewan reduced yields. This decline in production is despite a six percent increase in area planted to wheat. Wheat exports are forecast to decrease six percent year-over-year on lower exportable supplies. Exports to Saudi Arabia have rebounded after a five-year diplomatic conflict ended in May 2023.

Table 1: Production, Supply, and Demand of Wheat in Canada

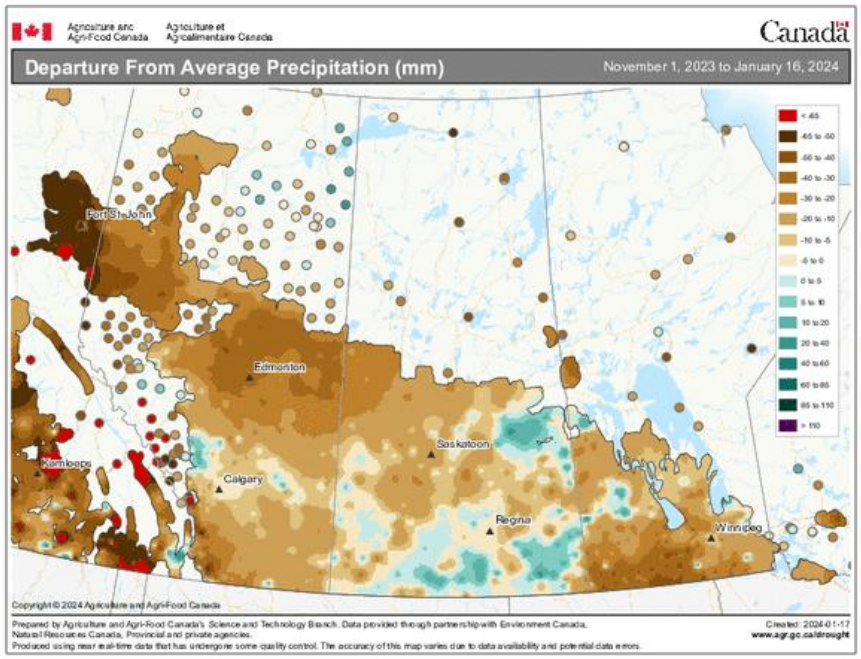
WHEAT	2021/2022		2022/2023		2023/2024 (f)	
Market Begin Year	Aug-21		Aug-22		Aug-23	
	USDA Official	Post	USDA Official	Post	USDA Official	Post
Area Harvested (1000 HA)	9,199	9,199	10,082	10,082	10,683	10,683
Beginning Stocks (1000 MT)	5,953	5,953	3,663	3,663	3,641	3,658
Production (1000 MT)	22,422	22,422	34,335	34,335	31,954	31,954
MY Imports (1000 MT)	552	552	552	552	600	580
TY Imports (1000 MT)	558	558	545	545	600	580
TY Imp. from U.S. (1000 MT)	395	395	303	303		
Total Supply (1000 MT)	28,927	28,927	38,550	38,550	36,195	36,192
MY Exports (1000 MT)	15,116	15,137	25,591	25,590	24,000	23,300
TY Exports (1000 MT)	14,990	15,010	25,309	25,309	24,000	23,300
Feed and Residual (1000 MT)	5,152	5,131	4,172	4,155	3,500	4,100
FSI Consumption (1000 MT)	4,996	4,996	5,146	5,147	5,200	5,250
Total Consumption (1000 MT)	10,148	10,127	9,318	9,302	8,700	9,350
Ending Stocks (1000 MT)	3,663	3,663	3,641	3,658	3,495	3,542
Total Distribution (1000 MT)	28,927	28,927	38,550	38,550	36,195	36,192
Yield (MT/HA)	2.44	2.44	3.41	3.41	2.99	2.99

PRODUCTION - Marketing Year 2024/2025

Drought is again a concern in the Prairie provinces (Alberta, Saskatchewan, Manitoba), as low levels of winter precipitation (relative to a 30-year average) compound the problem of already-low soil moisture levels accumulated during the 2023 growing season. However, there remains more than three months of opportunity for snow precipitation and spring rains to turn the situation around.

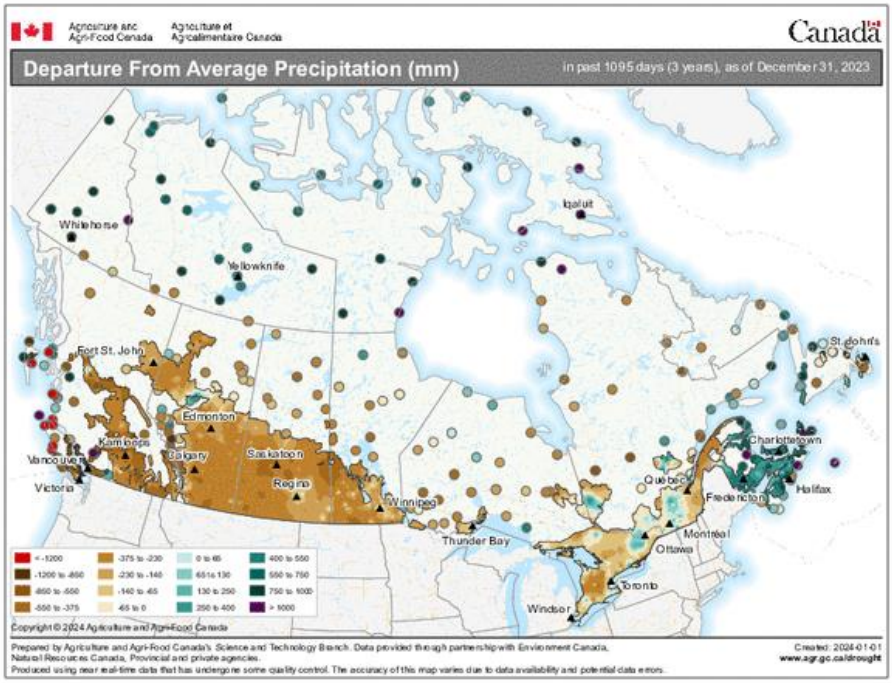
Figure 1 depicts the departure from average precipitation, which is the difference between measured precipitation and average precipitation (based on a 30-year period from 1981 to 2010).

Figure 1: Winter Precipitation



Source: [Agriculture and Agri-Food Canada]

Figure 2: Three years of precipitation – departure from average



Source: [Agriculture and Agri-Food Canada]

The Saskatchewan government reports that a long, dry period in July and August in much of the province allowed for good conditions for grasshopper egg-laying and embryo development and will likely contribute to continued grasshopper pressures in 2024.

In Alberta, the government is forecasting a potential for grasshopper outbreaks in the southern region and along the eastern border region in 2024. They advise that producers who had grasshopper issues in 2023 in these regions can expect the same in 2024.

The Alberta government reports that in the south and eastern border regions of the province, grasshopper numbers have been increasing since 2021, both in area and numbers. In 2023, grasshopper numbers increased in the same areas that had high numbers in 2022. August and September of both 2022 and 2023 were warm and dry, these are ideal conditions for grasshopper egg laying and grasshopper development.

Statistics Canada's initial area intentions release is tentatively scheduled for publication on March 11, 2024. This earlier release date reflects changes to their collection strategy in which seeding intentions are collected on their December crop survey. Up until this year, initial area intentions were published in late April.

PRODUCTION – Marketing Year 2023/2024

FAS/Ottawa's Production, Supply, and Distribution (PSD) table incorporates final production estimates published by Statistics Canada on December 4. These estimates indicate that total wheat production fell seven percent below marketing year (MY) 2022/23 levels to 31.95 million MT on lower yields, despite a larger area planted.

In 2023, 97.7 percent of planted wheat was harvested, in line with the five-year average of 97.4 percent.

Table 2: Wheat production by variety, MT/Hectare

Type	2020	2021	2022	2023	5-yr avg('18-'22)
Total wheat	**35,437**	**22,422**	**34,335**	**31,954**	**31,443**
Wheat, durum	6,571	3,032	5,790	4,045	5,239
Wheat, spring	26,092	16,162	25,844	24,762	23,621
Wheat, Canada Western Extra Strong (CWES)	x	12	42	F	27
Wheat, Canada Western Red Spring (CWRS)	22,156	13,328	21,232	20,251	19,854
Wheat, Canada Prairie Spring Red (CPSR) and Canada Prairie Spring White (CPSW)	1,834	1,312	2,275	2,562	1,708
Wheat, Canada Western Soft White Spring (CWSWS)	525	201	553	412	462
Wheat, Canada Western Hard White Spring (CWHWS)	x	56	64	28	45
Wheat, Canada Northern Hard Red (CNHR)	836	646	895	955	843
Wheat, Canada Eastern Red Spring (CERS)	243	287	285	181	263
Wheat, other spring	440	321	498	368	449
Wheat, winter remaining	2,774	3,228	2,701	3,147	2,583

Source: Statistics Canada Table 32-10-0359-01

Notes: x - suppressed to meet the confidentiality requirements of Canada's Statistics Act;

F - too unreliable to be published

Table 3: Average yields by wheat type, MT/Hectare

Type	2020	2021	2022	2023	5-yr avg('18-'22)
Wheat, durum	2.860	1.359	2.414	1.703	2.211
Wheat, spring	3.600	2.535	3.579	3.195	3.238
Wheat, Canada Western Extra Strong (CWES)	x	2.937	3.624	F	3.281
Wheat, Canada Western Red Spring (CWRS)	3.613	2.492	3.500	3.107	3.202
Wheat, Canada Prairie Spring Red (CPSR) and Canada Prairie Spring White (CPSW)	4.054	2.823	4.319	3.878	3.732
Wheat, Canada Western Soft White Spring (CWSWS)	4.646	2.163	3.975	3.501	3.595
Wheat, Canada Western Hard White Spring (CWHWS)	x	1.860	3.368	2.685	2.614
Wheat, Canada Northern Hard Red (CNHR)	3.683	2.644	3.529	3.621	3.285
Wheat, Canada Eastern Red Spring (CERS)	2.819	3.631	4.019	3.035	3.490
Wheat, other spring	2.993	2.859	3.708	3.211	3.187
Wheat, winter remaining	5.065	5.449	5.852	5.643	5.455

Source: Statistics Canada Table 32-10-0359-01

Notes: x - suppressed to meet the confidentiality requirements of Canada's Statistics Act;

F - too unreliable to be published

DOMESTIC CONSUMPTION

Table 4: Total wheat milled (‘000 MT), marketing year, year-to-date (Aug. to Nov.)

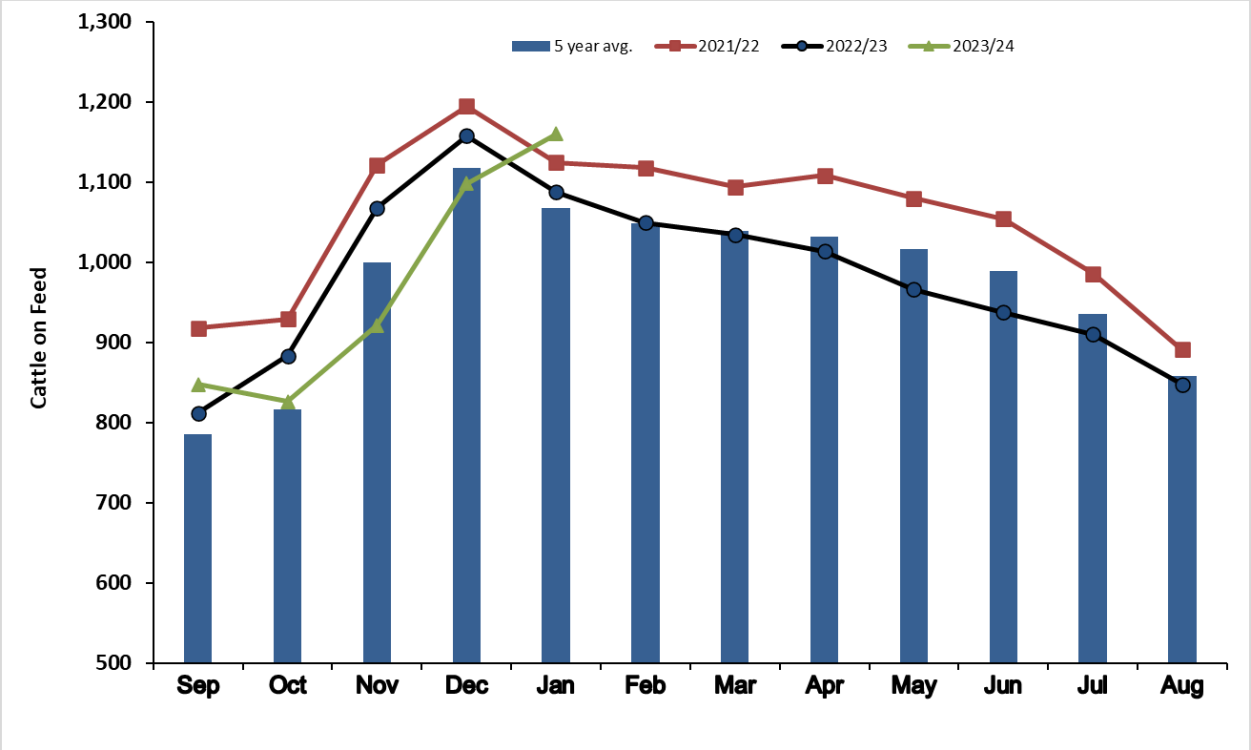
Total wheat milled ('000 MT), marketing year YTD (Aug to Nov.)					
	MY 2019/20	MY 2020/21	MY 2021/22	MY 2022/23	MY 2023/24
Total wheat milled	1,107	1,147	1,097	1,136	1178
Western red spring wheat milled	797	792	753	742	805
Western amber durum wheat milled	76	79	73	72	73
Other western wheat milled	24	28	29	33	23
Ontario winter wheat milled	190	212	203	225	217
Other eastern wheat milled	20	36	38	63	58

Source: Statistics Canada; FAS Ottawa

Note: Figures do not add to totals because of rounding

Total wheat milled is forecast to be in line with recent years, based on steady supply and demand. Total animal feed demand in MY 2023/24 in the Prairie provinces is forecast to be only slightly lower than the previous year based on conversations with industry, MY year-to-date (YTD) reduced cattle placements, and increased marketings of cattle on feed in the Prairie provinces. Cattle on feed levels rose above MY 2022/23 levels in January 2024 after three months of year-over-year decline.

Figure 3: Cattle on Feed at Alberta and Saskatchewan feedlots with >1,000 head capacity



Source: CANFAX; FAS/Ottawa

Exports

Despite a strong pace of exports in the front-end of MY 2023/24, FAS/Ottawa forecasts exports to fall nine percent year-over-year on lower exportable supplies.

Year-to-date MY 2023/24 (Aug. to Nov. 2023) exports of non-durum wheat have increased 11 percent over the same period in MY 2022/23. In YTD MY 2023/24, Canada's top seven trading partners of the first five months of the marketing year increased their total purchases of Canadian non-durum wheat by less than half as much as the next seven largest trading partners. This can be explained by the large swings in China's purchases from year to year but also in part explained by Canada's highly diversified trade partnerships.

China was the largest buyer of non-durum Canadian wheat in the first four months of MY 2023/24, purchasing 944,400 MT, 31 percent less than the same time frame the previous year.

Indonesia was the second largest buyer of non-durum wheat, purchasing 700,600 MT, a 48 percent increase over the previous year.

Table 5

Non-durum wheat exports by marketing year and YTD November 2023 (MT, '000)

Partner	08/2018 - 07/2019	08/2019 - 07/2020	08/2020 - 07/2021	08/2021 - 07/2022	08/2022 - 07/2023	08/2023 - 11/2023
World	19,593	18,534	20,385	12,137	20,210	7,423
China	2,093	1,806	3,324	690	3,033	944
Indonesia	2,307	2,198	2,280	1,221	2,072	701
United States	1,545	1,220	1,089	1,139	1,253	604
Japan	1,521	1,838	1,547	1,627	1,645	588
Colombia	1,344	1,309	1,463	969	1,181	480
EU 27 Brexit	403	171	207	172	471	479
West Africa	1,132	1,135	1,429	893	1,034	382
Peru	1,147	1,197	1,825	807	1,426	305
Bangladesh	1,234	1,092	1,108	656	1,383	343
Mexico	899	678	700	328	800	384
Ecuador	691	565	869	678	742	292
Nigeria	703	635	919	481	695	221
Spain	210	-	54	52	175	259
Italy	150	153	142	119	239	197
Guatemala	3	39	373	31	399	172
United Kingdom	374	455	485	474	446	147
Ghana	372	438	416	356	259	143
Chile	375	354	413	286	410	132
Venezuela	0	59	135	232	212	113
Philippines	102	226	1	282	466	110

Source: Trade Data Monitor, LLC; FAS/Ottawa

Note: Includes partner countries importing >100,000 MT YTD November 2023

Canada and Saudi Arabia restored diplomatic ties in May 2023, reportedly after discussions by government leadership at the November 2022 APEC meetings. This led to a re-bound in exports of durum wheat to Saudi Arabia in MY 2023/24. Saudi purchases of Canadian wheat (and barley) had been on pause since diplomatic conflict and a strained trade relationship began in 2018. Exports of wheat to India, across the Arabian Sea from Saudi Arabia, also increased in 2023.

Table 6: Improved wheat trade to Saudi Arabia and India, MT

		08/2010 - 07/2011	08/2011 - 07/2012	08/2012 - 07/2013	08/2013 - 07/2014	08/2014 - 07/2015	08/2015 - 07/2016	08/2016 - 07/2017	08/2017 - 07/2018	08/2018 - 07/2019	08/2019 - 07/2020	08/2020 - 07/2021	08/2021 - 07/2022	08/2022 - 07/2023	08/2023 - 11/2023
Saudi Arabia	Non-durum	0	459,852	178,500	379,173	627,811	-	68,250	0	0	0	0	56,497	0	0
	Durum	0	0	0	0	0	0	0	0	0	0	0	0	0	19,351
India	Non-durum	0	0	0	916	0	0	31,449	0	0	733	568	0	0	74,525
	Durum	0	278	0	0	0	0	0	0	0	0	0	0	0	6,475

Source: Trade Data Monitor, LLC

Table 7

Durum wheat exports by marketing year and YTD November 2023 (MT, '000)

Partner	08/2018 - 07/2019	08/2019 - 07/2020	08/2020 - 07/2021	08/2021 - 07/2022	08/2022 - 07/2023	08/2023 - 11/2023
World	4,513	5,282	5,752	2,703	5,025	987
Morocco	766	501	329	500	601	211
United States	616	1,257	1,398	301	1,156	177
Algeria	792	885	1,057	679	822	176
EU 27 Brexit	1,058	365	1,121	413	1,225	167
Italy	692	1,502	1,781	432	1,351	145
Venezuela	62	159	197	123	84	81
Japan	174	227	231	202	182	80
West Africa	62	159	173	123	72	38
Nigeria	-	-	-	-	-	38
Spain	-	-	-	-	-	15
Costa Rica	-	-	-	-	-	14
Belgium	-	-	-	-	-	2

Source: Trade Data Monitor, LLC

Note: Includes partner countries importing >2,000 MT YTD November 2023

Imports

Year-to-date MY 2023/24 imports have increased 26 percent over the same period in the previous year on lower domestic supplies. Imports are forecast to end the marketing year up five

percent from MY 2022/23. Nearly 100 percent of durum and non-durum wheat imports year-to-date has come from the United States.

Storage Stocks

Storage stocks are forecast to decline from the previous year on lower supplies and sustained global demand.

Historically, Statistics Canada has published December wheat storage stocks data in early February. The most recent storage stocks data is as of July 31, 2023, as published in October. Statistics Canada reported that total stocks of wheat fell 2.2 percent year over year to 3.6 million MT as of July 31, 2023, despite higher total supplies. Commercial stocks were unchanged, at 2.7 million MT, while on-farm stocks fell 8.2 percent to 875,000 MT. Compared with the same date in 2022, wheat excluding durum rose 3.1 percent to 3.2 million MT, while durum wheat stocks fell 30.4 percent to 396,000 MT.

Attachments:

No Attachments