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Report Name: Grain and Feed Update

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Prepared By: Erin Danielson

Approved By: Tacarra Birmingham

Report Highlights:

FAS/Ottawa is forecasting total wheat production to reach 35.5 million metric tons (MMT) in marketing year (MY) 2024/25, an 11 percent increase over the previous year, because of significant improvements in crop conditions in the major wheat-growing regions in the Canadian prairies. Total wheat exports are forecasted to reach 24 MMT in MY 2023/24, equating to 68 percent of domestic supply, which is one percentage point above the record-high recorded in MY 2022/23 and eight percentage points above the ten-year average. Canada is forecasted to become the world's third largest exporter of wheat in MY 2023/24, after Russia and the European Union, according to international data from the USDA.

2024 Wheat update

This report covers the supply and distribution of Canadian wheat in marketing years (MY) 2023/2024 and 2024/2025. U.S. Department of Agriculture marketing year runs from August to July for wheat.

Table 1: Production, supply, and demand of wheat

Wheat Market Year Begins Canada	2022/2023		2023/2024		2024/2025	
	Aug 2022		Aug 2023		Aug 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	10082	10082	10683	10683	10600	10630
Beginning Stocks (1000 MT)	3663	3663	3512	3512	1846	2616
Production (1000 MT)	34335	34335	31954	31954	35000	35500
MY Imports (1000 MT)	552	552	580	550	550	550
TY Imports (1000 MT)	545	545	580	550	550	550
TY Imp. from U.S. (1000 MT)	303	303	0	0	0	0
Total Supply (1000 MT)	38550	38550	36046	36016	37396	38666
MY Exports (1000 MT)	25591	25591	25000	24000	25000	25700
TY Exports (1000 MT)	25309	25309	25500	24000	25000	25700
Feed and Residual (1000 MT)	4308	4298	4000	4300	4000	4350
FSI Consumption (1000 MT)	5139	5149	5200	5100	5300	5170
Total Consumption (1000 MT)	9447	9447	9200	9400	9300	9520
Ending Stocks (1000 MT)	3512	3512	1846	2616	3096	3446
Total Distribution (1000 MT)	38550	38550	36046	36016	37396	38666
Yield (MT/HA)	3.4056	3.4056	2.9911	2.9911	3.3019	3.3396
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Wheat Production – MY 2024/25

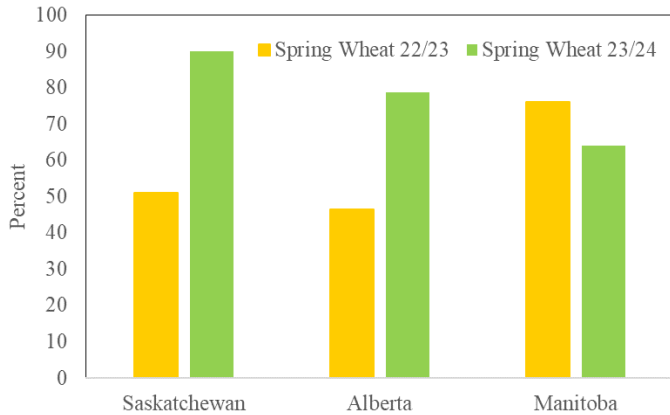
FAS/Ottawa forecasts total wheat production (spring wheat, winter wheat, and durum wheat) to increase ten percent over the previous marketing year to 35.5 million metric tons (MMT) on improved yields. This projection is in line with Statistics Canada’s March 11 seedings intention data as well as five-year harvest and yield averages. Significant improvement in crop conditions, as of July 8, in the major wheat-growing regions of the Prairie Provinces (Alberta, Saskatchewan, Manitoba) further support the forecast production increase.

Moisture levels in the crop-growing regions of the Prairie Provinces have improved since the growing season began in April. At the [end of June](#), only 32 percent of the Prairie Region’s agricultural landscape was classified as abnormally dry or in moderate to exceptional drought, compared to 90 percent at this time [last year](#).

As a result of improved moisture, crop conditions in Saskatchewan and Alberta are better than historical averages. The percentage of spring wheat area reported to be in good to excellent condition has

increased 39 percentage points in Saskatchewan and 32 percentage points in Alberta over the previous marketing year. However, excessive moisture in areas of Manitoba has led to a 12-percentage point decline in the share of wheat crop growing area rated in good to excellent condition in that province.

Figure 1: Good to excellent spring wheat crop conditions (%) as of the week of July 7



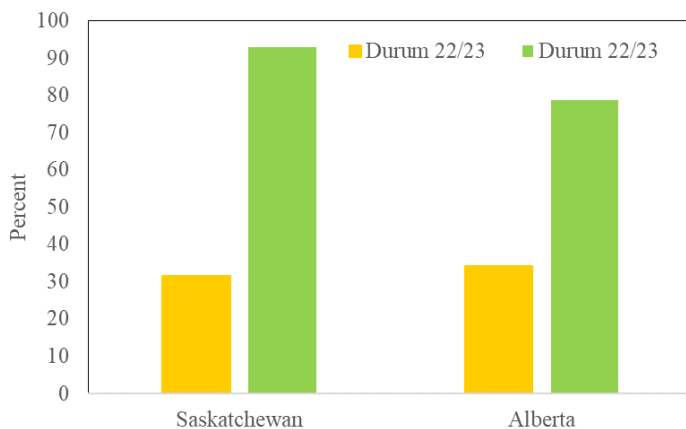
Sources: FAS/USDA, with data from provincial crop reports from the governments of Saskatchewan, Alberta, and Manitoba

Note: Manitoba does not provide a province-level estimate of crop conditions -- the percent associated with Manitoba is an estimate derived from published regional estimates.

Even more profoundly, improved moisture conditions in Saskatchewan and Alberta have led to a 61 and 45 percentage point increase, respectively, in durum reported to be in good to excellent condition as a share of total durum.

Sixteen percent of Canada’s spring wheat was planted in Manitoba, 36 percent in Alberta, and 46 percent in Saskatchewan. One percent of Canada’s durum wheat was planted in Manitoba, 16 percent in Alberta, and 83 percent in Saskatchewan.

Figure 2: Good to excellent durum crop conditions (%) as of the week of July 7



Sources: FAS/USDA, with data from provincial government crop reports from Saskatchewan, Alberta.

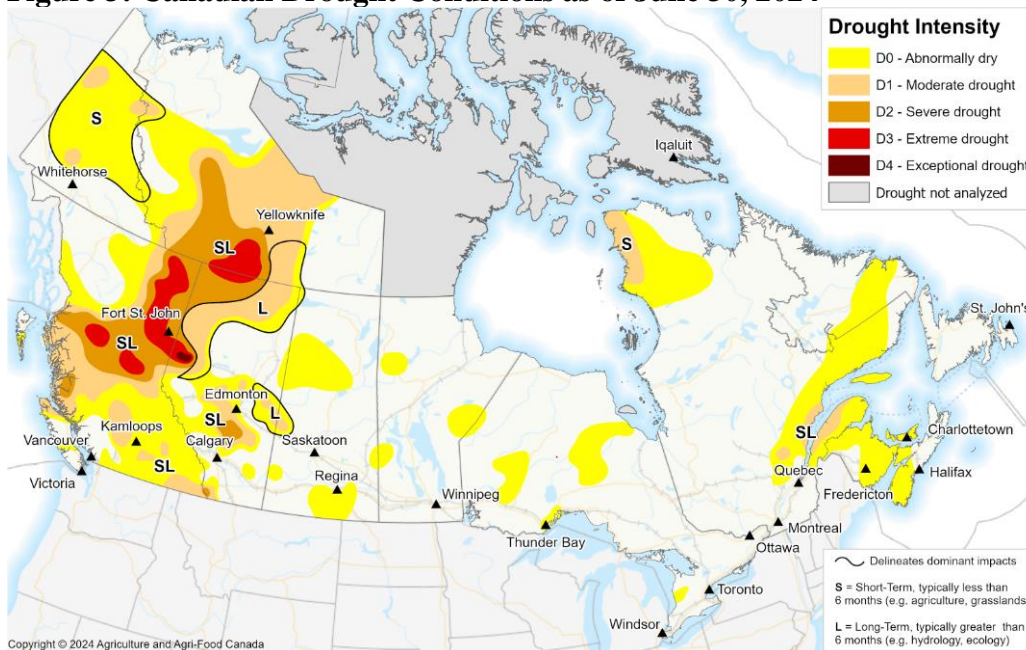
Note: Manitoba does not provide a crop condition estimate for durum

Agriculture and Agri-Food Canada’s (AAFC) Drought Monitor reports that the Prairie Provinces received above-average precipitation in June, with most areas recording over 50 mm. The exception to this was southern Alberta and southwestern Saskatchewan, which only received 20 to 50 mm of precipitation in June. By contrast, some farmers in Southern Manitoba reported an inability to seed by the end of June due to standing water in low-lying areas.

In June, Environment and Climate Change Canada (ECCC), the federal government department responsible for coordinating environmental policies and programs, predicted that during the months of July, August, and September, the probabilities that the temperatures will be above normal in the three Prairie Provinces vary from 40 to 50 percent in southern Alberta; and 80 to 90 percent in central and northern Manitoba. This does not mean that the temperature will always be above normal all the time, but by the end of the three months, the temperature in each province will have been, on average, above normal. Some degree of sunshine will be welcome in Manitoba, where moisture has accumulated.

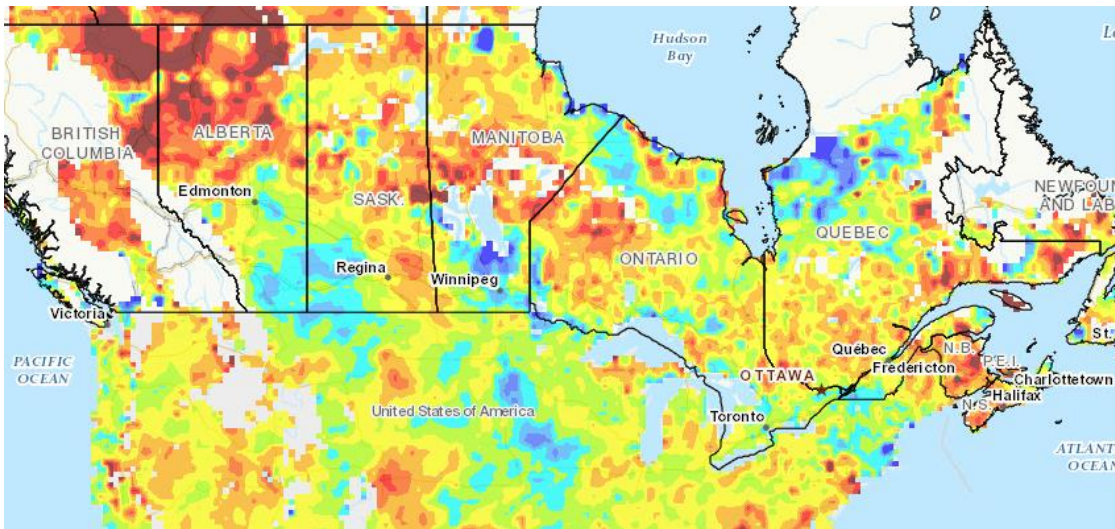
Moisture levels in Ontario, where most of Canada’s winter wheat is grown, are reported to be good.

Figure 3: Canadian Drought Conditions as of June 30, 2024



Source: [Agriculture and Agri-Food Canada](#)

Figure 4: Map of monthly soil moisture difference from average data



Source: [Agriculture and Agri-Food Canada](#)

Crop progress to date

The Alberta provincial government has not reported on the stage of development of spring wheat specifically, but reports that “provincially, the stage of development for spring cereal crops are near the ten-year averages.” In Alberta, average spring wheat planting progress was 88.7 percent on May 28, 2024, behind last year’s average of 99.4 percent and the five-year average (2019-2023) of 94.4 percent.

On July 8, the Saskatchewan government reported that crop development of spring cereals is 62 percent normal and 34 percent behind.

Ontario’s Ministry of Agriculture, Food and Rural Affairs (OMAFRA) [reported](#) on June 21 that winter wheat was further advanced than normal with harvest expected to start within the next ten days in the southwest region of the province. Winter wheat is the primary type of wheat grown in Ontario.

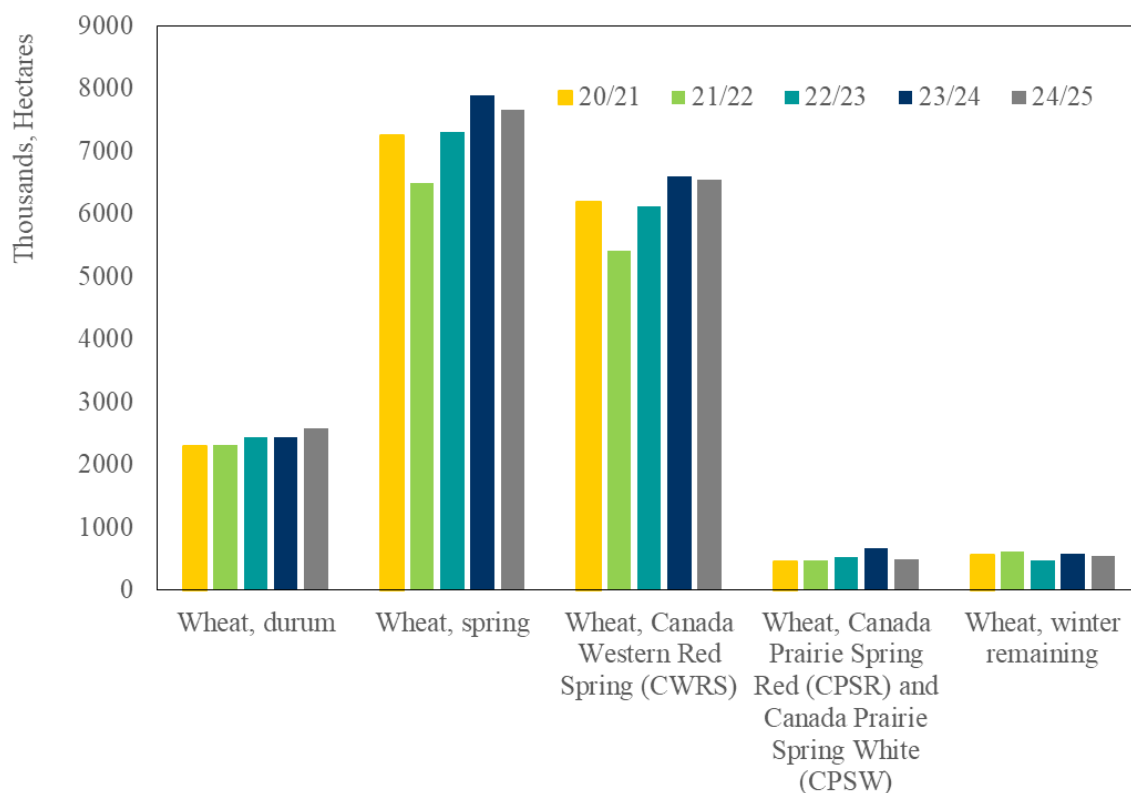
The government of Manitoba does not quantify crop development progress in public reports but published that, as of July 9, the average spring wheat crop is at flag to heading stage¹ with quality rated mostly fair to good.

Wheat classes

The Statistics Canada seeding intentions survey released on March 11 shows that area planted to Canada’s top five wheat classes are similar to last season, albeit all slightly lower with the exception of durum, which has marginally increased in area.

¹ Heading marks [the emergence of the wheat head from the leaf sheath of the flag leaf](#).

Figure 5: Area Planted– Top Five Wheat Classes



Source: FAS/USDA, with data from Statistics Canada

Note: Winter wheat remaining indicates the areas seeded in the fall of the previous year that are remaining after winterkill.

Feed – MY 2024/25

Feed wheat usage is forecast to increase only marginally over MY 2023/24 on adequate supply and steady demand.

Feed – MY 2023/24

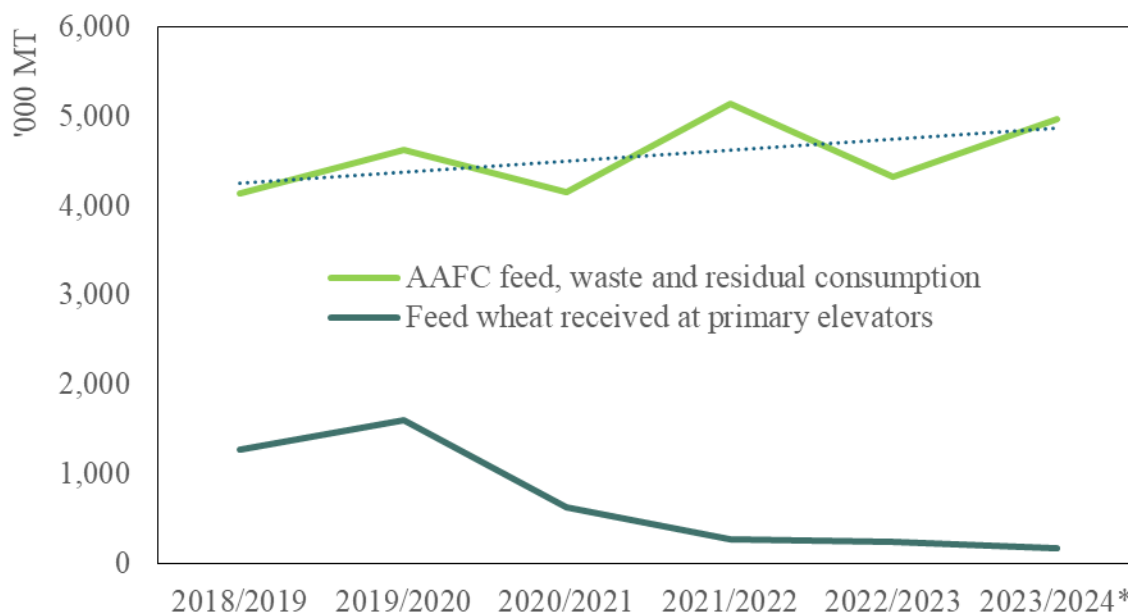
The volume of feed wheat that moves through the licensed elevator system is accounting for a shrinking share of total feed grain use in Canada, despite that feed wheat disappearance is trending slightly upwards since MY 2018/19.

Data from the Canadian Grain Commission indicates that primary deliveries of feed wheat to licensed² primary elevators have fallen each year since MY 2018/19, as has the share of feed wheat delivered as a

² 'Licensed handlers' refers to primary, process, and terminal elevator facilities.

percentage of total feed. By contrast, total feed wheat consumption reported by Agriculture and Agri-Food Canada trending slightly upward over the same period.

Figure 6: Primary deliveries of feed wheat trending down despite feed wheat disappearance trending slightly upward



Source: FAS/Ottawa with data from Canada Grain Commission and Agriculture and Agri-Food Canada

Note: MY 2023/24 AAFC data is a forecast. MY 23/24 CGC delivery data is YTD August to May.

Table 2: Primary Deliveries – grain received at primary elevators reported as feed grain as of week 48 of each crop year ('000 MT)

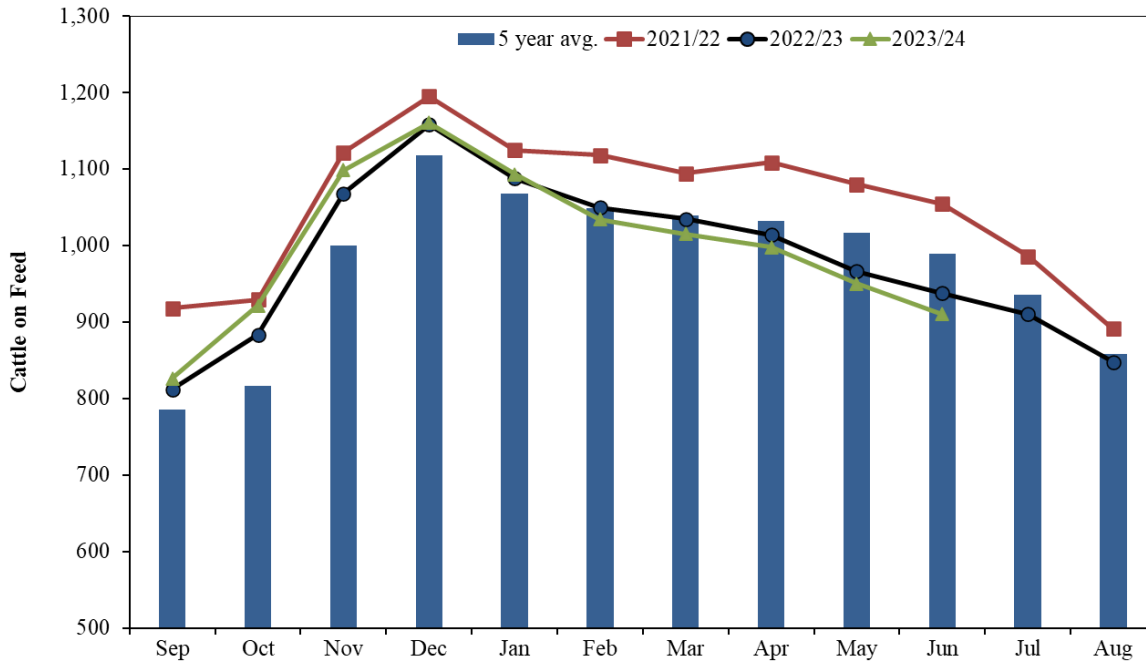
	Wheat	Total Feed	Share
18/19	1,197	2,284	52%
19/20	1,487	3,052	49%
20/21	602	2,325	26%
21/22	254	2,096	12%
22/23	240	2,021	12%
23/24	177	1,750	10%

Source: FAS/Ottawa with data from Canada Grain Commission

Note: Week 48 correlates with the week ending June 30, 2024

The quantity of cattle on feed in Alberta and Saskatchewan with greater than 1,000 head capacity has moved mostly in line with the previous year’s levels during the entire cattle marketing year to date for which there is data (September to June).

Figure 7: Cattle on feed at Alberta and Saskatchewan feedlots with > 1,000 head capacity



Source: FAS/Ottawa with data from [CANFAX](#)

Food, Seed, and Industrial (FSI) - MY 2024/2025

FSI is forecast to increase less than two percent in MY 2024/25, on increased food consumption tied to increases in national population. Human food consumption makes up the largest share of FSI at 63 percent in MY 2023/24.

Food, Seed, and Industrial - MY 2023/2024

MY 2023/24 FSI is forecast to fall marginally on lower imports and seed requirements. Total wheat milled in MY 2023/24 as of May 2024 is up 1.7 percent over the same period in MY 2022/23 and is forecast to increase less than two percent by the end of the marketing year.

Table 3: Milled wheat and flour produced ('000) marketing year YTD (August to May)

	MY 2019/20	MY 2020/21	MY 2021/22	MY 2022/23	MY 2023/24
Total wheat milled	2,670	2,652	2,701	2,739	2,785
Western red spring wheat milled	1,895	1,841	1,822	1,814	1,879
Western amber durum wheat milled	198	179	184	187	182
Other western wheat milled	62	57	80	67	76
Ontario winter wheat milled	454	490	504	520	503
Other eastern wheat milled	61	82	110	147	145

Source: FAS/Ottawa with data from Statistics Canada

Exports MY 2024/2025

Exports are forecast to increase seven percent on an equal increase in MY 2024/25 domestic supplies. This forecast is based on FAS/Ottawa's expectation of an increase in wheat production in 2024, and an assumption that exports as a percentage of domestic supplies will remain high due to strong foreign demand, a relatively weak Canadian dollar, and a good-quality 2024 crop. The downside risk of this export forecast is that demand from China will decline from the high import volumes reached in MY 2022/23 and MY 2023/24 due to competitive pricing from other suppliers.

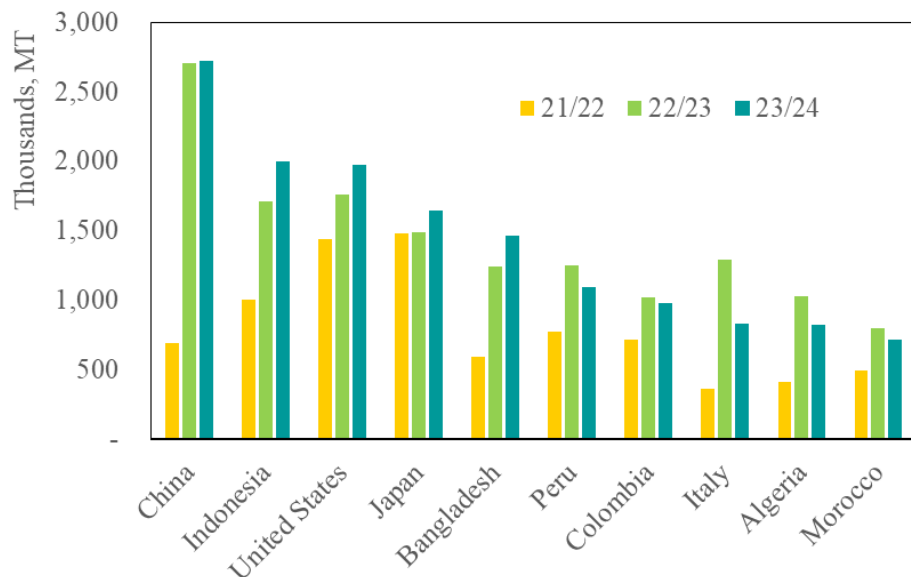
Exports MY 2023/2024

Total wheat exports, including durum, are forecast to fall 1.6 MMT to 24 MMT, a six percent reduction from the previous marketing year, due to a decrease in domestic supply of more than 2.5 MMT. Year-to-date (YTD) MY 2023/24 (August to May) exports have fallen five percent from the same period in MY 2022/23.

However, forecast exports equate to 68 percent of domestic supply (beginning stocks and production), which is marginally larger than the record-high share of 67 percent recorded in MY 2022/23 and eight percentage points above the ten-year average. The strong pace of exports relative to the ten-year average can be explained by weakness in the Canadian dollar vis-a-vis the U.S. dollar, and a good-quality 2023 crop.

Similar to MY 2022/23, China continues to be a very important market for Canadian wheat in MY 2023/24.

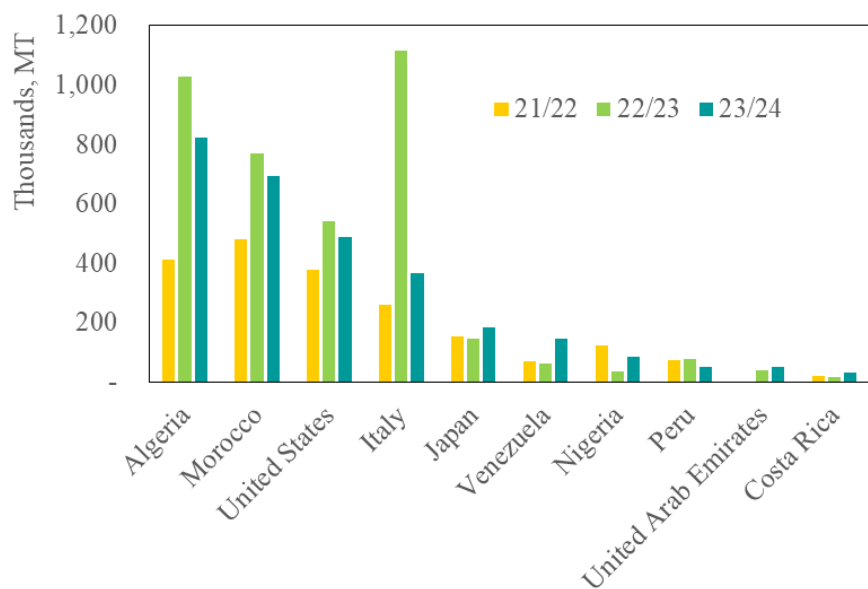
Figure 8: Total Canadian wheat and wheat products, marketing year sales – top 10 customers as of May 2022, 2023, 2024



Source: FAS/USDA, with data from Statistics Canada, derived from Trade Data Monitor, LLC

Note: Graph depicts exports from August to May of each marketing year; Exports include wheat, wheat flour, and wheat products.

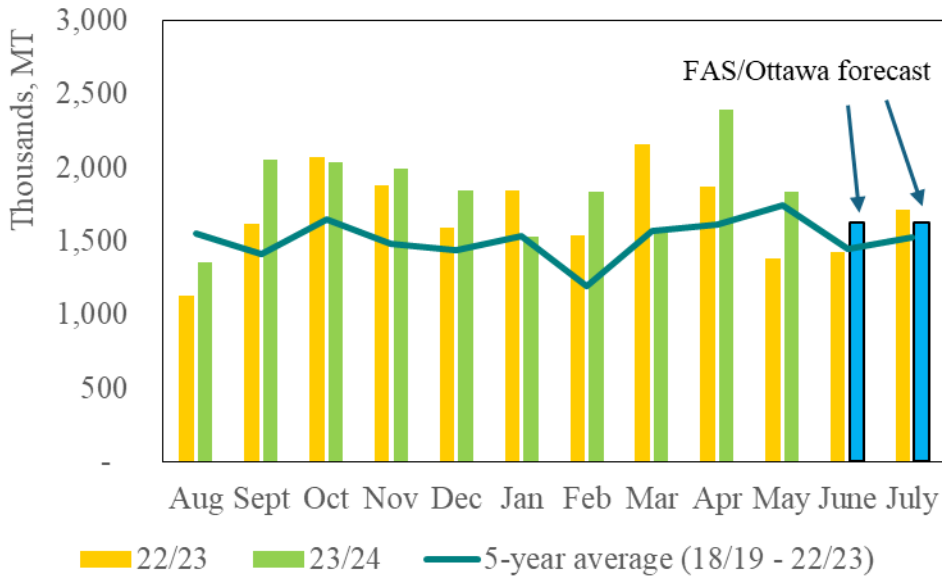
Figure 9: Canadian durum marketing year sales – top 10 customers as of May 2022, 2023, 2024



Source: FAS/USDA, with data from Statistics Canada, derived from Trade Data Monitor, LLC

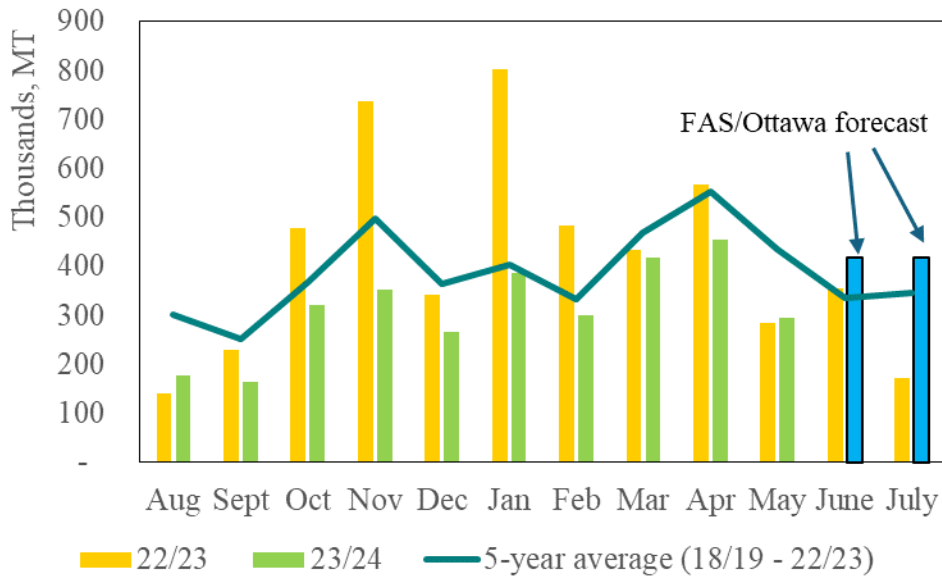
Note: Graph depicts exports from August to May of each marketing year

Figure 10: Canadian wheat grain export sales pace (excludes durum)



Source: FAS/USDA, with data from Statistics Canada, derived from Trade Data Monitor, LLC

Figure 11: Canadian durum wheat export sales pace



Source: FAS/USDA, with data from Statistics Canada, derived from Trade Data Monitor, LLC

Imports – MY 2024/25

Imports of wheat into Canada remain relatively small (the equivalent of one percent of total supply) and steady from year to year. Marketing year 2024/25 imports are forecast to remain steady from MY 2023/24, due to sufficient domestic supply.

Imports – MY 2023/24

Imports of wheat into Canada are forecast to remain small and steady due to sufficient domestic supply.

Storage Stocks

AAFC revised downward its MY 2023/24 wheat ending stocks forecast from 3.55 MMT in April to 2.95 MMT in June. The quantity of wheat used for feed, waste, and dockage was revised up from 4.05 MMT to 4.97.

Statistics Canada's most recent storage stocks data (referencing the period ending March 31, 2024) was published May 7, 2024. The next storage stocks report is scheduled to be published on September 9, 2024, referencing the period ending July 31, 2024.

Statistics Canada reports that total wheat stocks were down 15.4 percent year over year to 11.8 MMT as of March 31, 2024. On farm stocks fell 15.9 percent to 8.4 MMT, while commercial stocks decreased 14.2 percent to 3.4 MMT.

Potential railway strikes

Grain and oilseed farmers and handling companies are concerned about a potential impending railway strike and its impact on their operations. On May 1, the union representing 9,200 railroad workers from Canada's two major railway companies, Canadian National (CN) Railway and CPKC³, announced a vote in favor of a strike that would start as early as May 22, 2024. However, on May 13th, Canadian Labor Minister Seamus O'Regan referred the dispute to the Canadian Industrial Relations Boards (CIRB), which indefinitely paused any possible work stoppage until the CIRB issues a decision on whether a double rail strike would impact public safety.

Among the primary agricultural sectors, grain and oilseed farmers would be hit hardest, as according to their estimates nearly 95 percent of the product moves by rail. Although the months of May, June and July represented a low in terms of marketing activities, in 2023, during each of these months, Canada exported more than three million MT of grains/oilseeds (combined), valued at over one billion dollars

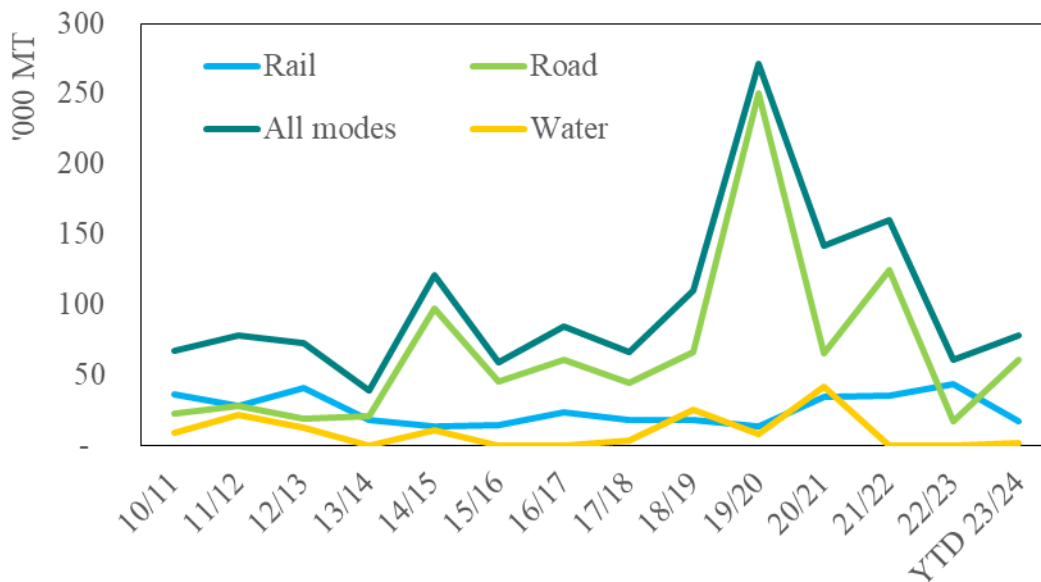
³ Canadian Pacific Kansas City Limited, doing business as CPKC, is a Canadian railway holding company that resulted from the merger of Canadian Pacific Railway (CP) and Kansas City Southern (KCS) on April 14, 2023.

(per month). This would mean daily export losses of more than \$30 million USD for each day of the strike.

CIRB informed CPKC on July 12 that it intends to issue its decision by Friday, August 9. CIRB will issue a decision without holding oral hearings. There could be direct implications on agriculture, as well as indirect impacts (e.g. if access to inputs such as propane is disrupted). After review, there is a 72-hour period that the railways or union would have to give before a strike or lockout could take place.

Rail became the dominant mode of transportation of Canadian wheat grain imports from the United States in MY 2022/23 but trucking again overtook rail in the first ten months of MY 2023/24 (YTD Aug to May).

Figure 12: Road is dominant mode of transportation for Canadian wheat grain imports from the United States in MY 2023/2024



Source: FAS/Ottawa with data from Statistics Canada via Trade Data Monitor, LLC

Attachments:

No Attachments