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Report Highlights:

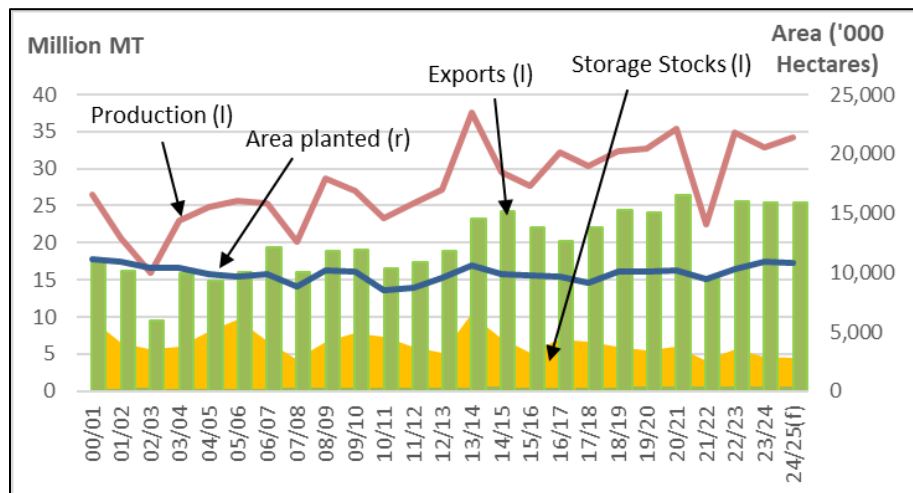
According to preliminary model-based field crop estimates, spring wheat production in MY 2024/2025 fell one percent over the previous year on a 2.9 percent decline in area planted, partly offset by improved average yields. Durum wheat production increased 48 percent over the previous year on a 5.5 percent increase in area planted, and improved average yields due to improved soil moisture over the previous year. Final estimates will be published in December. Industry contacts in Ontario report that winter wheat planting is nearing completion the week of September 28 and planting conditions have been ideal in most parts of the province.

This report provides the final stock estimates for wheat, as of July 31, 2024, incorporating information from Statistics Canada’s [report on Stocks of Principal Field Crops](#) released on September 9, 2024. Statistics Canada issued its first crop production report based on remote sensing and weather modelling on August 28 and a second on September 16. The final report, the only one derived from a survey of farmers, will be issued December 5. The marketing year (MY) for wheat runs from August 1 to July 31.

Table 1: Wheat Production, Supply, and Demand

WHEAT	2022/2023		2023/2024		2024/2025 (f)	
	Aug-22		Aug-23		Aug-24	
	USDA Official	Post	USDA Official	Post	USDA Official	Post
Area Harvested (1000 HA)	10,096	10,096	10,700	10,700	10,600	10,532
Beginning Stocks (1000 MT)	4,169	4,169	5,625	5,625	4,583	4,616
Production (1000 MT)	34,807	34,807	32,946	32,946	35,000	34,293
MY Imports (1000 MT)	552	552	556	556	550	550
TY Imports (1000 MT)	545	545	557	557	550	550
TY Imp. from U.S. (1000 MT)	306	306	347		-	
Total Supply (1000 MT)	39,528	39,528	39,127	39,127	40,133	39,459
MY Exports (1000 MT)	25,591	25,615	25,439	25,377	26,000	25,500
TY Exports (1000 MT)	25,334	25,334	25,663	25,634	26,000	25,500
Feed and Residual (1000 MT)	3,172	3,137	4,008	4,030	4,500	4,200
FSI Consumption (1000 MT)	5,140	5,151	5,097	5,104	5,100	5,200
Total Consumption (1000 MT)	8,312	8,288	9,105	9,134	9,600	9,400
Ending Stocks (1000 MT)	5,625	5,625	4,583	4,616	4,533	4,559
Total Distribution (1000 MT)	39,528	39,528	39,127	39,127	40,133	39,459
Yield (MT/HA)	3.45	3.45	3.10	3.08	3.30	3.34

Figure 1: Wheat Production, Supply, and Disposition



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

Production – MY 2024/2025

According to preliminary model-based field crop estimates, spring wheat production in MY 2024/2025 fell one percent over the previous year on a 2.9 % decline in area planted, partly offset by improved average yields (from 3.29 tons per hectare to 3.37). Durum wheat production increased 48 percent over the previous year on a 5.5 percent increase in area planted, and improved average yields (from 1.72 tons per hectare to 2.41).

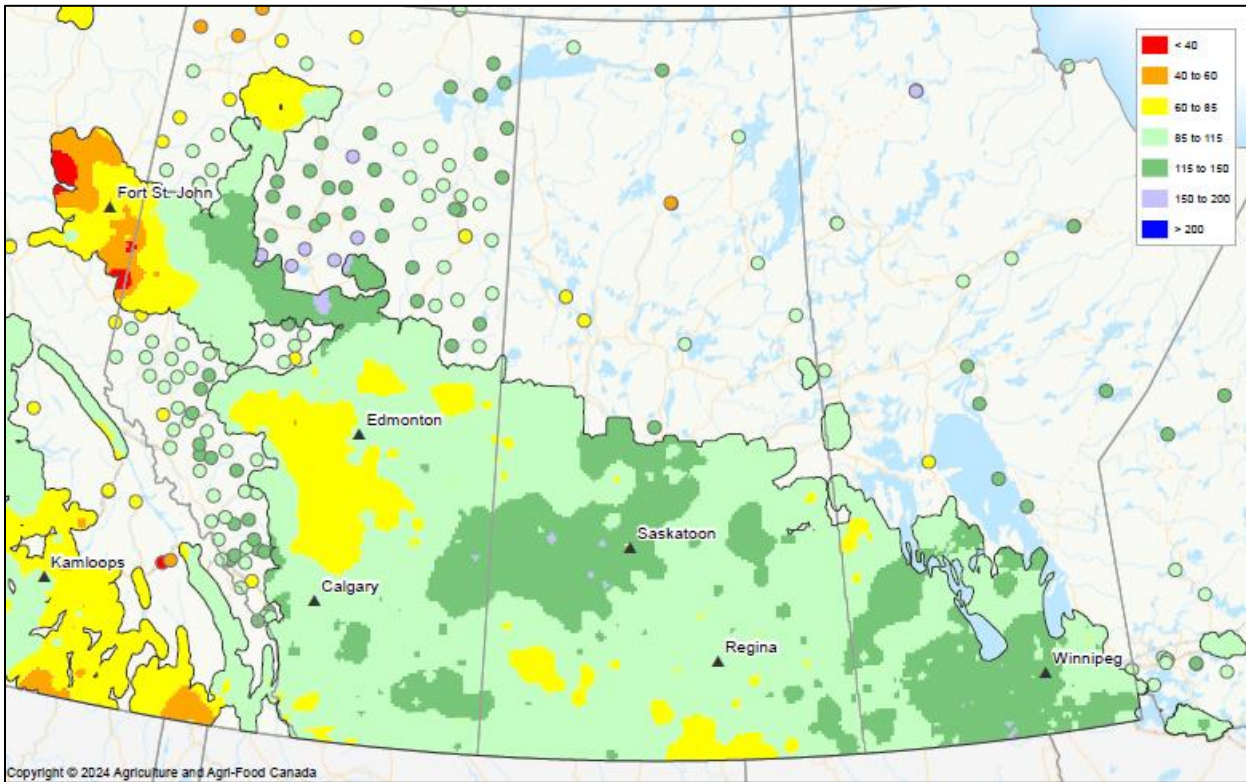
Wheat harvest began in mid-August in Western Canada, after minor delays because of rainfalls. On average, the wheat-growing regions of Western Canada had improved soil moisture during the growing period, compared to the previous year, which boosted average yields. Wheat-growing regions of Western Canada received 85 to 150 percent of their historical average precipitation during the growing season (April 1 to August 31, 2024), with pockets of drier cropland in western Alberta and southern Saskatchewan. Western Canada also received above-average temperatures during the growing period.

The primary type of wheat grown in Canada's Prairie Provinces is Canadian Western Red Spring (CWRS). Canada Grain Commission reported that of the grain sampled in its annual sampling program, CWRS in Western Canada was 74.7 percent grade No. 1; 20 percent grade No. 2; 1.8 percent grade No. 3; 3.6 percent feed grade (does not sum to 100, due to rounding). The average protein content for No. 1 CWRS was approximately 14.2.

Last year's results were 71 percent grade No. 1; 27 percent grade No. 2; and two percent feed grade. The average protein was 13.8 percent.

Saskatchewan grew 44 percent of Canada's spring wheat in MY 2023/24, followed by Alberta at 35 percent. Saskatchewan grew 81 percent of Canada's durum wheat and the remaining 19 percent was grown by Alberta. Ontario grew 81 percent of Canada's winter wheat, followed by Alberta at eight percent.

Figure 2: Mixed precipitation in Western Canada during wheat growing season, April 1 – Aug. 31



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

In Ontario, wheat had the most success of any crop in the region because 96 percent of it was planted in the fall and was advantaged by good seeding conditions. There were challenges establishing other spring-seeded crops in Ontario. During spring 2024, farmers struggled with a significant amount of moisture because of winter rainfall; however, winter wheat was able to capitalize on that moisture. It remained wet throughout the season but dried up at harvest time.

Industry contacts in Ontario report that winter wheat planting is finishing up and conditions have been ideal in most parts of the province. This crop will be harvested in MY 2025/26.

Canada Eastern Soft Red Winter (CESRW) is the largest wheat class in Ontario. The Canadian Grain Commission [reports](#) that quality of the 2024 CESRW crop was good, with 15 percent, 62 percent, and 18 percent of samples graded as No. 1, No. 2, and No. 3, respectively.

Canada Eastern Hard Red Winter ([CEHRW](#)) is the second largest wheat class grown in Ontario, representing five to ten percent of the total wheat production in Ontario. Industry described the quality as “good” and consistent with the previous year.

The limiting factor for Ontario farmers planting extra wheat acres this fall is the 2025 price (return) and input costs. In some areas farmers will plant wheat no matter what as it is part of their crop rotation. Especially in the livestock regions. Industry contacts state that there is some interest in certain areas to grow more CEHRW in MY 2024/25. Insured acres data will provide details on the level of uptake.

Domestic Consumption – MY 2024/2025

Total wheat milled increased in MY 2023/24 and is expected to grow further in MY 2024/25 due to expanded capacity.

Parrish and Heimbecker (P&H) Milling Group [announced](#) the construction of a new, state-of-the-art flour milling facility between Edmonton and Calgary, Alberta. The new facility will have the capacity to process 230,000 MT of wheat each year. The project is expected to be complete by Fall 2025 and utilizes Alberta’s Agri-Processing Investment Tax Credit program. Last year, Alberta farmers produced 9.3 million MT of wheat, which is about 30 per cent of total production in Canada. The majority of wheat milling capacity is currently in the eastern part of Canada.

Data thus far indicates that the quality of the 2024 wheat crop is high and the supply of feed grade wheat in MY 2024/25 remains low but higher than the previous year (3.6 percent of CWRS samples, versus two percent in MY 2023/24). Alberta feed grain prices in Lethbridge, Alberta (near Canada’s ‘feedlot alley’) were CDN 299 the week of October 21, down from CDN 352 the same time last year, likely due to increased supply.

Domestic Consumption – MY 2023/2024

Table 2: Milled wheat ('000 MT), August to July

	MY 2019/20	MY 2020/21	MY 2021/22	MY 2022/23	MY 2023/24
Total wheat milled	3,218	3,178	3,253	3,292	3,605
Western red spring wheat milled	2,279	2,214	2,188	2,194	2,437
Western amber durum wheat milled	234	212	219	220	232
Other western wheat milled	76	65	99	81	101
Ontario winter wheat milled	547	584	610	620	647
Other eastern wheat milled	81	101	138	174	188

Source: Statistics Canada

Canada's population increased six percent between July 2022 and July 2024, while consumption of wheat products grew by less than one percent during this time. The limited growth could be partly explained by immigrant preferences for alternative carbohydrates.

[Reportedly](#), a Windsor, Ontario rice processor, Dainty, is expanding its processing facility to meet "growing demand."

In the first quarter of the 2024 calendar year, Rogers Foods Ltd. has [reportedly](#) completed a 90 MT/day expansion of its hard wheat B unit in Chilliwack, British Columbia, Canada, bringing capacity to 300 MT/day. The facility was built in 2017 in a new building adjacent to the A unit, which has a capacity of 270 MT.

Imports - MY 2024/25

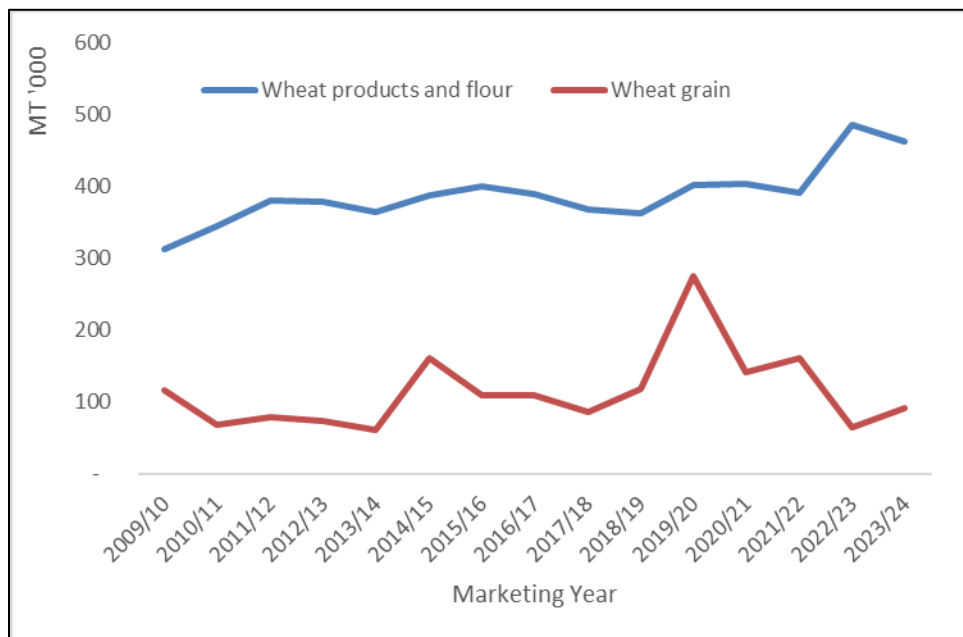
Wheat grain imports are projected to remain low due to Canada's position as a major producer of wheat. Some demand for feed wheat from the United States will be driven by the scarcity of feed grade wheat in a year of high-quality production, but freight rates will determine the level of feed wheat imported. Feed wheat has represented the equivalent of only 12 to 13 percent of total wheat production.

Feed corn and barley are preferred over feed wheat. U.S. wheat is generally imported primarily for the purpose of feeding livestock, because of sufficient domestic supplies for other end uses and because of Canada's varietal registration system.

Imports - MY 2023/24

In MY 2023/24, total imports of wheat and wheat products increased a total of 0.8 percent over the previous year on a 41 percent increase in wheat grain imports. Grain imports make up 17 percent of total wheat imports while wheat products and flour (in grain equivalent) make up the remainder. Wheat and wheat product imports fell five percent over the previous year but remain at historically high levels.

Figure 3: Wheat grain and product imports



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

Exports – MY 2024/2025

While it's still early and we have just one month of trade data this marketing year, FAS/Ottawa forecasts exports to increase by less than one percent, on a similar increase in supplies. However, the first five months of trade data generally give a good indication of the strength of global demand, particularly in Ontario where about 70 percent of the MY 2023/24 Ontario wheat crop is sold by December.

Exports – MY 2023/2024

Non-durum wheat exports increased six percent over the previous year, led by large volume increases to the EU and Indonesia, because of strong beginning stocks and an increase in 2023 winter wheat production over the previous year. This increase is despite a two percent decline in spring wheat production in 2023. In MY 2023/2024, winter wheat made up 11.6 percent of non-durum wheat production, above the five-year average (2018-2022) of 10.3 percent.

Durum wheat exports fell 30 percent on a 30 percent drop in production due to the impact of drought conditions on durum yields.

Table 3: Canada Non-Durum Wheat Exports, '000 MT

Partner	08/2019 - 07/2020	08/2020 - 07/2021	08/2021 - 07/2022	08/2022 - 07/2023	08/2023 - 07/2024
World	18,534	20,385	12,137	20,230	21,479
China	1,806	3,324	690	3,033	3,014
Indonesia	2,198	2,280	1,221	2,072	2,511
Japan	1,838	1,547	1,627	1,645	1,713
Bangladesh	1,092	1,108	656	1,383	1,615
United States	1,220	1,089	1,139	1,252	1,420
Peru	1,197	1,825	807	1,426	1,311
Colombia	1,309	1,463	969	1,181	1,106
Ecuador	565	869	678	742	724
EU 27	171	207	172	471	1,022
Mexico	678	700	328	800	673
Nigeria	635	919	481	695	659
Italy	153	142	119	239	553
United Kingdom	455	485	474	446	491

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

Table 4: Canada Durum Wheat Exports

Partner	08/2019 - 07/2020	08/2020 - 07/2021	08/2021 - 07/2022	08/2022 - 07/2023	08/2023 - 07/2024
World	5,282	5,752	2,703	5,030	3,525
Algeria	365	1,121	413	1,225	853
Morocco	885	1,057	679	822	809
United States	501	329	500	601	579
EU 27	1,502	1,781	432	1,351	491
Italy	1,257	1,398	301	1,156	423
Japan	227	231	202	182	212
Venezuela	35	82	70	67	147
Nigeria	159	173	123	72	95
Peru	125	158	73	95	65

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

A Grain Farmers of Ontario [report](#), that recently observed trends in Ontario exports to the EU and UK, indicates the success of the 2017 Canadian European Trade Agreement (CETA) and the Canada U.K. Trade and Continuity Agreement. The UK and EU countries represent an emerging market for Ontario winter wheat due to recent import tariff reductions.

GFO states that Spain imported Ontario soft wheat for the first time in MY 2022/23, bringing in 48.6 thousand MT, which doubled in MY 2023/24 to 103.1 thousand MT. Further, GFO states that in February 2024, the U.K. purchased Ontario soft wheat for the first time.

Storage Stocks

Statistics Canada reports that total stocks of wheat fell 18.5 percent year over year to 4.6 million tons as of July 31. The decline was partially due to lower total national supply (-1.0 percent year-over-year to 38.7 MMT).

Commercial stocks rose 39.7 percent to 3.8 MMT while on-farm stocks fell (-72.7 percent to 796 000 MT).

Wheat excluding durum fell 20.7 percent to 4.0 MMT year over year, while durum wheat stocks edged up 0.3 percent to 576 000 MT.

Separately, Statistics Canada made significant revisions to three years of storage stocks data. The change was to the farm-level stocks and is due to updated information that the agency received as part of their supply and disposition tables of grain in Canada. There has been no change to the survey's methodology.

Since Statistics Canada's previous release, they received updated numbers for imports and exports, commercial stocks, and deliveries of major grains. All of these factors are fed into their supply and disposition tables, which are then used to validate their numbers for farm ending stocks.

When validating survey numbers for farm ending stocks, a major tool used in the verification of these estimates is the Farm supply and disposition of grains ([Farm supply and disposition of grains \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26390100000000000001/eng/00001.htm)), as well as the National supply and disposition table of grains in Canada ([Supply and disposition of grains in Canada \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/26390100000000000001/eng/00001.htm)).

As a result of the updated picture of supply and disposition of grains in Canada, Statistics Canada revised their farm ending stocks numbers to account for this updated information.

Attachments:

No Attachments