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Report Highlights:

Marketing year (MY) 2025/26 wheat production is under pressure from sub-par spring and winter wheat conditions in key Prairie provinces—drought is a central challenge. Exports, especially durum, are strong. The five million metric ton (MT) year-to-date (YTD, as of May 2025) durum exports reflect robust demand, while non-durum shipments are relatively stable. Feed wheat markets are being squeezed by competition from alternative grains. Carry-out stocks are tightening in MY 2024/25. Poor crop recovery or moisture stress could pose further supply risks. The tariff situation is fluid, with ongoing negotiations and potential changes to trade policies, creating uncertainty in the wheat market.

Table 1: Production, supply, and demand of wheat

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Aug 2023		Aug 2024		Aug 2025	
Canada	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	10700	10700	10649	10649	10700	10750
Beginning Stocks (1000 MT)	5625	5625	4580	4580	3638	3638
Production (1000 MT)	32946	32946	34958	34958	35000	35150
MY Imports (1000 MT)	556	556	600	600	600	600
TY Imports (1000 MT)	557	557	600	600	600	600
TY Imp. from U.S. (1000 MT)	347	347	-	-	-	-
Total Supply (1000 MT)	39127	39127	40138	40138	39238	39388
MY Exports (1000 MT)	25426	25426	27500	27500	27000	27000
TY Exports (1000 MT)	25650	25660	28000	27850	27000	27000
Feed and Residual (1000 MT)	3995	3995	3800	3800	3500	3500
FSI Consumption (1000 MT)	5126	5126	5200	5200	5250	5290
Total Consumption (1000 MT)	9121	9121	9000	9000	8750	8790
Ending Stocks (1000 MT)	4580	4580	3638	3638	3488	3598
Total Distribution (1000 MT)	39127	39127	40138	40138	39238	39388
Yield (MT/HA)	3.0791	3.0791	3.2827	3.2827	3.271	3.2698
(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 2025/2026 = July 2025 - June 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

PRODUCTION – Marketing Year (MY) 2025/2026[1]

FAS/Ottawa forecasts that total wheat production will be 35,150 thousand metric tons (MT), based on Statistics Canada's June 27 data update on seeded area, Canada's three-year average harvest rates, and three-year average yields of each of the three major wheat classes grown in Canada: spring wheat, durum, and winter wheat.

Ongoing tariffs on canola from China and the United States pushed producers toward spring wheat, boosting acreage and potentially stabilizing prices amid ample supply. While MY 2025/26 production is forecast to increase over the previous year, poor crop conditions in regions of Alberta and Saskatchewan could drag down the current yield forecast, reducing production down from the current forecast.

Provincial government crop reports have reported on crop conditions six to eight weeks ahead of spring wheat harvest, and a couple weeks ahead of winter wheat harvest. The reports indicate that spring wheat crop conditions are worse than same time last year in the major growing provinces of Saskatchewan and Alberta. Winter wheat conditions in Saskatchewan are also worse than last year, though conditions could turn around before harvest occurs in August and September. Throughout the Prairie Provinces, only spring wheat conditions in Manitoba faired better than the previous year.

[1] Wheat marketing years run from August to July.

Table 2: Crop conditions

Good to Excellent Crop Conditions									
	Spring Wheat			Durum			Winter wheat		
	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Saskatchewan	51.05	90	66	31.55	93	47	70.39	90	50
Alberta*	46.4	78.4	66.3	34.3	78.8	59.4	x	x	x
Manitoba	76	64	90	x	x	x	x	x	x

Sources: Crop reports from the governments of Saskatchewan, Alberta, and Manitoba

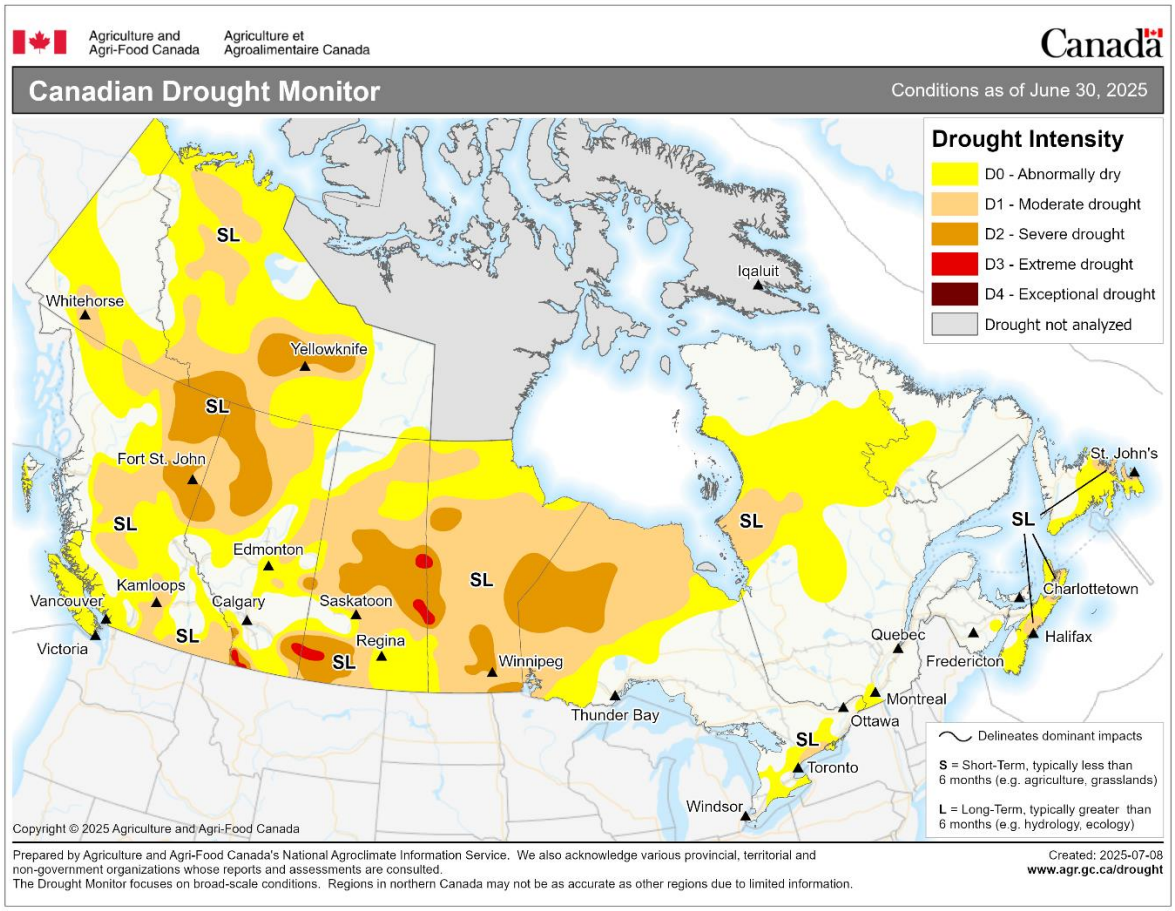
Note: Week 49 corresponds to July 3-9 in MY 22/23; July 2-8 in MY 23/24; and, July 2-8 (AB) and June 23 to June 30 (SK) in MY 24/25. Manitoba does not provide a province-level estimate of crop conditions -- the percent associated with Manitoba is an estimate derived from published regional estimates. MY 2024/25 durum wheat is slightly under-estimated, because it is representative of the seven days ending June 30.

A continuation of hot and dry conditions in the Prairie Provinces could bring Post's yield forecast down from the currently forecasted three-year average (MY 2022/2023 to MY 2024/2025), which is 3.27 MT per hectare. This forecast is higher than Agriculture and Agri-Food Canada's (AAFC) yield forecast which has sat at 3.18 MT per hectare since their May 2025 Market Outlook report.

Agriculture and Agri-Food Canada's (AAFC) Canadian Drought Monitor indicates that most Prairie areas are experiencing abnormally dry to moderate drought**.**

- Alberta & Saskatchewan: Western regions face moderate to extreme drought; some recovery has been observed in central zones.
- Manitoba: Generally normal to abnormally dry, with southern pockets of moderate drought.
- Ontario and Quebec: Largely unaffected, marked as normal moisture

Figure 1: Drought conditions as of June 30, 2025



Source: [Agriculture and Agri-Food Canada]

Wildfire smoke can negatively impact crop production, primarily through reduced sunlight and negative affects on soil health, but an agronomist told Post that the overall impact on yields so far is minimal. The relationship between wildfire smoke and crop growth is complex, with both positive and negative effects on photosynthesis. In some years, wildfire smoke was thought to benefit canola crops by cooling them from what would have otherwise been hot and dry conditions. According to the Canadian Interagency Forest Fire Centre, 3,282 fires have occurred in Canada so far this year, burning 5.5 million hectares of land. Post is not aware of any cropland loss due to wildfires this year.

FEED

Post will continue to monitor MY 2025/26 drought condition in Saskatchewan and Alberta for adverse impacts on animal feed supply. A continuation of dry conditions in these two provinces could lead to reduced supplies and increased imports of corn and distiller's dried grains with solubles (DDGS) from the United States, though likely

not at levels seen in 2022 when U.S. corn and DDGS imports into Canada reached record levels following a drought.

After challenging years marked by drought in 2021 and 2022, the 2024 growing season saw normal to above-normal precipitation in key feed wheat-producing provinces such as Saskatchewan, Alberta, and Manitoba.

Price fluctuations in feed wheat remain highly regionalized in Canada, with provinces like Saskatchewan and Manitoba seeing slightly lower prices compared to Alberta, where local conditions have sometimes caused supply shortages. Price differences can also vary based on transportation costs to major export hubs, as well as local supply-and-demand imbalances.

During the week of July 7, feed wheat in Lethbridge, Alberta averaged approximately CA $298/ MT (US $217), compared to CA $304/ MT (US $ 221) in the same week in 2024, and CA $453/ MT (US $329) in the same week in 2022. By comparison, feed barley were CA $296/ MT (US $215) the week of July 7, CA $279/ MT (US $203) in 2024, and CA $410/ MT in 2022 (US $298).

FOOD CONSUMPTION

Domestic food-grade wheat use remains robust. In 2025, miller and bakery purchases reflect:

- Stable end-use demand, particularly for hard red spring and soft wheat varieties.
- Modest growth in whole-grain and specialty products supporting human consumption.
- Minimal impact from tight supplies, as manufacturers shift to alternate ingredients (e.g., blended flour) or adjust formulations.

The P&H Milling Group's flour mill in Saskatoon suffered significant fire damage in Jan 2024. It had a milling capacity of approximately 250 tonnes of wheat per day, producing flour and other wheat-based products for domestic and export markets. Damage estimates exceeded C$5 million, calling into question the future viability of the facility and prompting P&H to suspend operations indefinitely while assessing repair timelines No other significant milling capacity changes have occurred since. A P&H mill is currently being built in Red Deer County, Alberta, with an estimated daily milling capacity of 750 MT of wheat supplied by Western Canadian farmers. The mill is expected to be completed by Fall 2026.

TRADE

Wheat exports – MY 2025/2026

The United States-Mexico-Canada Agreement (USMCA) includes provisions for wheat and barley, but some imports from Canada and Mexico may still face tariffs if they don't meet specific rules of origin.

The imposition of Canadian and U.S. tariffs on key agricultural commodities has added new layers of uncertainty to Canadian wheat exports, particularly in terms of competitiveness and market access. While wheat itself is not directly targeted by the current wave of bilateral tariffs, broader trade tensions — such as U.S. tariffs on Canadian canola and retaliatory measures — have created ripple effects across the grain sector. These tensions have pressured Canadian exporters to seek alternative markets and maintain competitive pricing amidst rising logistical and compliance costs. Some producers have responded by shifting growing-area from canola to spring wheat, temporarily boosting wheat supply but also increasing vulnerability to price fluctuations.

Wheat exports – MY 2024/2025

Spring wheat export destinations continue to include traditional markets like Indonesia, Japan, and Bangladesh. Export volumes are tracking close to or slightly above MY 2023/24 levels, driven by tight global supply and competitive pricing. A weaker Canadian dollar (≈ US$0.7308 by July 2025) enhanced cash returns when converted to local currency.

Durum export volumes surged in MY 2024/25, reaching 5.04 million MT YTD (August to May), driven by increases in demand over the same time last year from Algeria (up by 608,308 MT), Italy (up by 462,932 MT), Morocco (up by 297,935 MT), and Spain (up by 107,007 MT). Canadian durum supply was 35 percent larger than the previous year on an increase in area planted and improved yields.

Table 3: Wheat exports (cereal only) to top ten markets, excluding durum (thousand MT)

	Marketing years			Year-to-date	
	21/22	22/23	23/24	08/23-05/24	08/24-05/25
World	12,137	20,230	21,529	18,460	18,936
China	690	3,033	3,014	2,716	1,584
Indonesia	1,221	2,072	2,511	2,056	2,045
Japan	1,627	1,645	1,714	1,460	1,590
Bangladesh	656	1,383	1,615	1,468	802
United States	1,139	1,252	1,462	1,274	1,709
Peru	807	1,426	1,311	1,044	1,342
Colombia	969	1,181	1,106	968	1,106
Ecuador	678	742	724	647	806
Mexico	328	800	673	600	723
Nigeria	481	695	659	585	610

Source: Trade Data Monitor, LLC

Table 4: Durum exports (cereal only) to top ten markets (thousand MT)

	Marketing years			Year-to-date	
	21/22	22/23	23/24	08/23-05/24	08/24-05/25
World	2,703	5,030	3,525	3,125	5,039
Algeria	413	1,225	853	824	1,432
Morocco	679	822	809	695	993
Italy	301	1,156	423	367	830
United States	500	601	580	481	558
Japan	202	182	212	186	192
Peru	73	95	65	51	131
Spain	27	100	22	22	129
Belgium	105	39	30	29	128
Venezuela	70	67	147	147	119
Nigeria	123	72	95	82	80

Source: Trade Data Monitor, LLC

IMPORTS

Year-to-date (August to May 2025), imports of wheat flour and products slightly exceed the same period last year as wheat stocks tighten and millers diversify.

Canada continues to import small volumes of feed wheat and specialty or organic wheat from the United States.

Table 5: Imports of wheat flour and products, thousand MT

Partner Country	Year Ending					Year to Date	
	2020	2021	2022	2023	2024	08/23-05/24	08/24-05/25
World	405	404	391	486	464	393	449
United States	215	209	212	273	235	198	256
Italy	53	51	45	55	57	48	55
China	48	45	49	54	52	45	41
India	20	26	18	15	28	25	17
Turkey	22	24	20	29	26	22	24
South Korea	10	11	12	13	15	12	12
Thailand	12	13	14	16	12	11	11

Data source: Trade Data Monitor, LLC

Note: Includes durum; volume is converted to cereal grain equivalent by multiplying flour product volumes by 1.368

Table 6: Wheat imports (cereal only), thousand MT

Partner Country	Year Ending					Year to Date	
	2020	2021	2022	2023	2024	08/23-05/24	08/24-05/25
World	275	142	161	65	92	79	59
United States	271	142	161	61	90	78	59

Data source: Trade Data Monitor, LLC

Note: Includes durum

ENDING STOCKS – MY 2025/2026

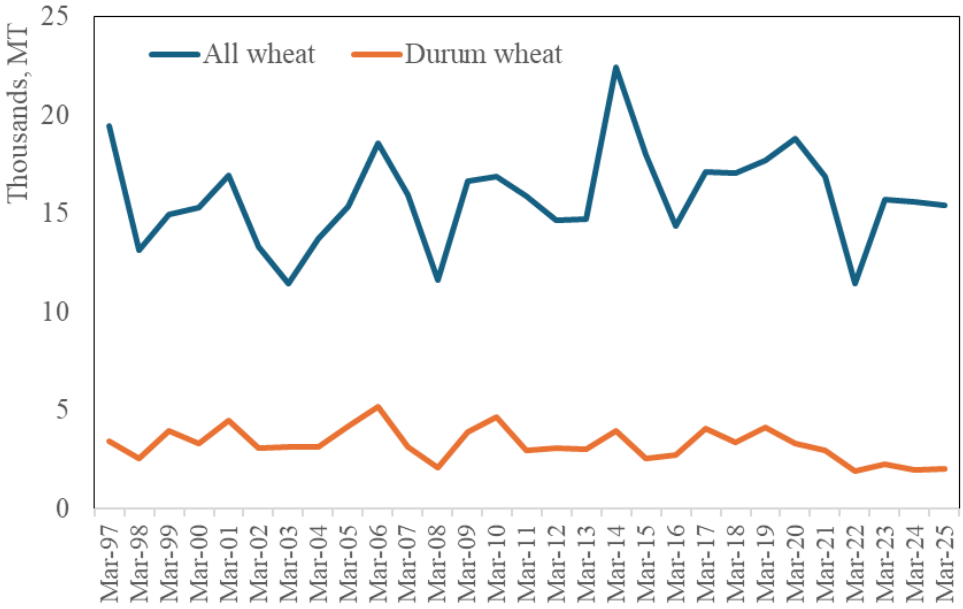
Marketing Year 2025/26 ending stocks could be driven lower than forecasted on a potentially less-than-ideal emerging crop, as indicated by the poor crop conditions to date, and subsequent tightened domestic supplies.

ENDING STOCKS – MY 2024/2025

As of March 31, 2025, Statistics Canada reported that total wheat stocks in Canada were down 1.2 percent year-over-year, reaching 15.4 million MT. This decrease was primarily due to a decline in on-farm stocks, which fell by 7.6 percent to 11.3 million MT, while commercial stocks increased by 22.6 percent to 4.1 million MT.

Net year-end MY 2024/25 stocks (ie. July stocks) are forecast to be leaner than the previous year, raising concerns about supply pressure if MY 2025/26 production is below trend due to drought conditions.

Figure 2: March storage stocks



Data source: Statistics Canada

POLICY

The Varietal Registration System

The Prairie Recommending Committee for Wheat, Rye, and Triticale (PRCWRT) has recently updated its approach for approving new varieties in Prairie Provinces. The Agronomy and Quality Evaluation Teams have adopted more transparent frameworks for evaluating performance traits, including clearly defined thresholds for both positive and negative deviations from reference (check) varieties. Now, only when a candidate variety falls below the acceptable threshold is a full committee discussion triggered. The Disease Evaluation Team now uses a similar system to identify potential challenges in gaining approval.

PRCWRT states that these updates make it easier to assess the overall value of a new variety. In 2024 and 2025, 47 wheat variety candidates were submitted for evaluation. Of these, 46 received support, three were voluntarily

withdrawn, and only one failed to gain approval. Despite this success rate, only a few of these new varieties are expected to represent more than one percent of total wheat acreage.

Attachments:

No Attachments