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Canada

Grain and Feed

Wheat Production Falls to 28 Year Low, Corn Imports Reach Record High

2002

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Report Highlights:
Drought in western Canada reduces all wheat production by 25% to 15.4 MMT, production levels not seen since the 1970/71 crop year. Drought-induced reductions in barley production result in increased imports of corn, a record high of 5.5 MMT.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

2002/03 CROP YEAR OUTLOOK FOR WHEAT AND CORN

1. All Wheat

Total wheat production for 2002/03 is estimated to fall 25% below 2001/02 levels, to just 15.4 million metric tons (MMT), the lowest level in 28 years. Spring wheat production in western Canada will be the lowest since the 1970/71 crop year. Drought conditions in the prairies and high crop abandonment as well as sharply reduced yields are the principal factors reducing wheat production.

Total wheat imports for 2002/03 are expected to double in absolute terms over 2001/02 levels to 200,000 metric tons (MT). Exports of wheat are expected to decrease sharply, the lowest since the 1969/70 crop year, and almost 38% below 2001/02 wheat exports. Decreased production and lower beginning stocks for 2002/03 will reduce domestic consumption (through reduced feed usage) and ending stocks will reach a historical low of 4.2 MMT.

Table 1: All Wheat PS&D

PSD Table						
Country	Canada					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	2000	Prelimin.	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		08/2000		08/2001		08/2002
Area Harvested	10963	10963	10656	10600	10200	8900
Beginning Stocks	7739	7739	9518	9518	6550	6400
Production	26804	26804	21300	20600	18000	15400
TOTAL Mkt. Yr. Imports	199	60	300	100	200	200
Jul-Jun Imports	199	58	300	100	200	200
Jul-Jun Import U.S.	136	57	0	26	0	20
TOTAL SUPPLY	34742	34603	31118	30218	24750	22000
TOTAL Mkt. Yr. Exports	17316	17026	16500	16200	12000	10100
Jul-Jun Exports	17351	17015	16800	16400	12000	10100
Feed Dom. Consumption	3850	4215	3750	4200	4300	3500
TOTAL Dom. Consumption	7908	8059	8068	7618	8650	7700
Ending Stocks	9518	9518	6550	6400	4100	4200
TOTAL DISTRIBUTION	34742	34603	31118	30218	24750	22000

2. Durum Wheat

Durum production in 2002/03 is expected to increase by 23% over the drought-reduced crop of 2201/02 to 3.7 MMT. In the durum growing areas in the southern prairies, moisture was more adequate, lending to a partial recovery in production. However, production is still well below the five-year average of 4.7 MMT, and yields for durum wheat, while better than those in the 2001/02, are still below average. Trade in durum wheat is expected to decline both on the import and export sides, but a 50% drop in beginning stocks for the crop year will see ending stocks drop by almost the same amount to 750,000 MT, well below the five-year average of 1.8 MMT.

Table 2: Durum Wheat PS&D

PSD Table						
Country	Canada					
Commodity	Wheat, Durum				(1000 HA)(1000 MT)	
	Revised	2000	Prelimin.	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		08/2000		08/2001		08/2002
Area Harvested	0	2614	0	2036	0	2300
Beginning Stocks	0	1775	0	2882	0	1450
Production	0	5647	0	2987	0	3700
TOTAL Mkt. Yr. Imports	0	10	0	13	0	10
Jul-Jun Imports	0	10	0	12	0	10
Jul-Jun Import U.S.	0	9	0	12	0	10
TOTAL SUPPLY	0	7432	0	5882	0	5160
TOTAL Mkt. Yr. Exports	0	3570	0	3620	0	3600
Jul-Jun Exports	0	3648	0	3648	0	3600
Feed Dom. Consumption	0	596	0	450	0	300
TOTAL Dom. Consumption	0	980	0	812	0	810
Ending Stocks	0	2882	0	1450	0	750
TOTAL DISTRIBUTION	0	7432	0	5882	0	5160

3. Corn

Corn production for 2002/03 is forecast to rise approximately 3% to 8.5 MMT due to increased yields in Ontario more than offsetting decreased yields in Quebec. As a result of drought-induced reductions in barley in western Canada, imports of corn from the U.S. are expected to increase sharply by approximately 57%, reaching a record-high of 5.5 MMT. The increased supplies of corn will result in Canada increasing its corn exports by 33% to 400,000 MT; domestic corn consumption is also expected to increase sharply due to increased demand for corn as feed in the livestock industry in western Canada. Ending stocks are forecast to remain unchanged from crop year 2001/02.

Table 3: Corn PS&D

PSD Table						
Country	Canada					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	2000	Prelimin.	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Area Harvested	1088	1088	1260	1270	1300	1300
Beginning Stocks	1552	1552	880	880	750	850
Production	6827	6827	8200	8285	10000	8500
TOTAL Mkt. Yr. Imports	2542	2871	3100	3500	2000	5500
Oct-Sep Imports	2797	2969	3000	3100	2000	5000
Oct-Sep Import U.S.	2797	2953	0	3100	0	5000
TOTAL SUPPLY	10921	11250	12180	12665	12750	14850
TOTAL Mkt. Yr. Exports	107	122	250	210	300	400
Oct-Sep Exports	115	127	250	190	300	400
Feed Dom. Consumption	7934	8092	8980	9500	9400	11300
TOTAL Dom. Consumption	9934	10248	11180	11605	11700	13600
Ending Stocks	880	880	750	850	750	850
TOTAL DISTRIBUTION	10921	11250	12180	12665	12750	14850

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