USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 1/14/2004

GAIN Report Number: CA4004

Canada

Grain and Feed

Monthly Update

2004

Approved by:
Gary Groves
U.S. Embassy

Prepared by:
Matthew Cahoon

Report Highlights:
For 2003/04, Canadian total wheat production is forecast by Post to reach 23.5 million metric tonnes (MMT), up 45% compared to 2002/03 production levels, due to increases in harvested acreage and higher yields. Canadian barley production is forecast to jump by 65% over 2002/03 to 12.4 MMT due to significant increases in area harvested and yield. Canadian corn production is forecast to increase more than six percent relative to 2002/03 levels to 9.6 MMT as increasing yields more than offset declining area harvested.

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

TABLE OF CONTENTS

MONTHLY GRAIN AND FEED UPDATE

Total Wheat

Canadian total wheat production for 2003/04 is forecast by Post to reach 23.5 million metric tonnes (MMT), up 45% compared to 2002/03 production levels, due to increases in harvested acreage and higher yields. A record Ontario wheat crop of approximately 2.3 MMT has also been an important factor. Canadian wheat imports are thus expected to decline significantly, although exports from the U.S. are expected to remain relatively unchanged from 2002/03. Canadian wheat exports are forecast to rebound to 15.9 MMT, a potential increase of about 75%. Domestic feed usage is forecast to decline due to a recovery in expected Canadian barley production. Wheat ending stocks are expected to increase slightly due as average durum wheat stocks levels only partially offset low non-durum wheat stocks levels.

Durum Wheat

Canadian durum wheat production for 2003/04 is forecast at 4.28 MMT, up 10% from 2002/03 levels due to increases in harvested acreage and yield. Increased beginning stocks, a slight reduction in imports, and increased production will see Canadian durum supplies rise by almost 10%. The recovery in Canadian durum production coupled with only modest growth in consumption will see Canadian exports of durum wheat return to the ten-year average of 3.6 MMT. Ending stocks will thus drop below the ten-year average of 1.7 MMT.

Barley

Canadian barley production for 2003/04 is forecast to jump by 65% over 2002/03 to 12.4 MMT due to significant increases in area harvested and yield. Imports of barley are also forecast to plummet to 40,000 metric tonnes (MT), approximately one-sixth of 2002/03 total imports. As a result, total barley supplies are forecast to increase at a slightly lower pace of 42% as beginning stocks for 2003/04 drop to just 1.4 MMT, down almost 30% from 2002/03 levels. Due to increased production, Canada will increase its exports of barley to 2.6 MMT, a six-fold increase over 2002/03 export levels. Domestic feed consumption will increase sharply by 32%, as price discounts for barley relative to imported corn make barley attractive to feedlot operations. Barley ending stocks are forecast to rise slightly, but remain low.

Corn

Canadian corn production for 2003/04 is forecast to increase more than six percent relative to 2002/03 levels to 9.6 MMT as increasing yields more than offset declining area harvested. While beginning stocks are up slightly over 2002/03, a sharp 56% drop in imports from the U.S. will see Canadian corn supplies actually decline by more than 11%. The recovery in Canadian 2003/04 barley production will result in less need for imported U.S. corn in western Canada. Record wheat production in Ontario will reduce the need for U.S. corn in eastern Canada. However, as a result of the decrease in overall corn supplies, Canadian corn exports will decline slightly to 300,000 MT. Domestic feed usage will decline by 16% to 10.5 MMT, and ending stocks will also decline slightly compared to 2002/03. Corn ending stocks are forecast to decrease.

Oats

Canadian oat production for 2003/04 is forecast to increase by more than 27% over 2002/03 levels to 3.7 MMT due to increases in harvested acreage and yields. While oat imports are forecast to decline, increases in beginning stocks in conjunction with increased production will result in forecasted Canadian oat supplies increasing by almost 30%. This will result in Canadian domestic exports increasing by 80% relative to 2002/03 levels, to 1.6 MMT, with the U.S. as the primary export market. Domestic feed usage is forecast to increase by more than 38%, outstripping domestic non-feed use, resulting in total domestic consumption increasing by approximately 14%. Ending stocks are forecast to increase slightly.

STATISTICAL TABLES

Table 1: Wheat PSD

PSD Table							
Country	Canada						
Commodity	Wheat				(1000 HA)(1000 MT)		
	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		08/2001		08/2002		08/2003	MM/YYYY
Area Harvested	10585	10585	8836	8836	10470	10450	(1000 HA)
Beginning Stocks	9658	9658	6729	6729	5650	5650	(1000 MT)
Production	20568	20568	16198	16198	23500	23500	(1000 MT)
TOTAL Mkt. Yr. Imports	341	97	382	178	150	50	(1000 MT)
Jul-Jun Imports	311	99	382	179	150	50	(1000 MT)
Jul-Jun Import U.S.	111	26	129	21	0	20	(1000 MT)
TOTAL SUPPLY	30567	30323	23309	23105	29300	29200	(1000 MT)
TOTAL Mkt. Yr. Exports	16272	15952	9403	9030	15500	15900	(1000 MT)
Jul-Jun Exports	16758	16415	9393	9013	15500	15900	(1000 MT)
Feed Dom. Consumption	3693	3342	4124	4188	3500	3500	(1000 MT)
TOTAL Dom. Consumptio	7566	7642	8256	8425	7700	7300	(1000 MT)
Ending Stocks	6729	6729	5650	5650	6100	6000	(1000 MT)
TOTAL DISTRIBUTION	30567	30323	23309	23105	29300	29200	(1000 MT)

Table 2: Durum Wheat PSD

PSD Table

Country	Canada						
Commodity	Wheat, Durum			(1000 HA)(1000 MT)			
	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		01/2001		01/2002		01/2003	MM/YYYY
Area Harvested	0	2036	0	2246	0	2400	(1000 HA)
Beginning Stocks	0	2873	0	1545	0	1660	(1000 MT)
Production	0	2987	0	3877	0	4280	(1000 MT)
TOTAL Mkt. Yr. Imports	0	12	0	6	0	5	(1000 MT)
Jul-Jun Imports	0	12	0	6	0	5	(1000 MT)
Jul-Jun Import U.S.	0	12	0	6	0	5	(1000 MT)
TOTAL SUPPLY	0	5872	0	5428	0	5945	(1000 MT)
TOTAL Mkt. Yr. Exports	0	3620	0	2955	0	3600	(1000 MT)
Jul-Jun Exports	0	3625	0	2939	0	3600	(1000 MT)
Feed Dom. Consumption	0	213	0	284	0	300	(1000 MT)
TOTAL Dom. Consumptic	0	707	0	813	0	845	(1000 MT)
Ending Stocks	0	1545	0	1660	0	1500	(1000 MT)
TOTAL DISTRIBUTION	0	5872	0	5428	0	5945	(1000 MT)

Table 3: Barley PSD

PSD Table

Country	Canada						
Commodity	Barley				(1000 HA)	(1000 MT)	
	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		08/2001		08/2002		08/2003	MM/YYYY
Area Harvested	4150	4150	3348	3348	4450	4500	(1000 HA)
Beginning Stocks	2516	2516	2047	2048	1441	1441	(1000 MT)
Production	10846	10846	7489	7489	12300	12400	(1000 MT)
TOTAL Mkt. Yr. Imports	102	112	247	259	50	40	(1000 MT)
Oct-Sep Imports	119	133	200	215	50	40	(1000 MT)
Oct-Sep Import U.S.	119	129	148	151	0	30	(1000 MT)
TOTAL SUPPLY	13464	13474	9783	9796	13791	13881	(1000 MT)
TOTAL Mkt. Yr. Exports	1149	1154	403	404	2000	2600	(1000 MT)
Oct-Sep Exports	1126	1137	304	304	2000	2500	(1000 MT)
Feed Dom. Consumption	8915	8913	6539	6796	8200	9000	(1000 MT)
TOTAL Dom. Consumptio	10268	10272	7939	7951	9600	9781	(1000 MT)
Ending Stocks	2047	2048	1441	1441	2191	1500	(1000 MT)
TOTAL DISTRIBUTION	13464	13474	9783	9796	13791	13881	(1000 MT)

Table 4: Corn PSD

PSD Table

Country	Canada						
Commodity	Corn				(1000 HA)(1000 MT)		
	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		09/2001		09/2002		09/2003	MM/YYYY
Area Harvested	1267	1268	1280	1283	1230	1230	(1000 HA)
Beginning Stocks	880	880	1056	1056	1111	1111	(1000 MT)
Production	8389	8389	8975	8999	9600	9600	(1000 MT)
TOTAL Mkt. Yr. Imports	3951	3843	3946	3902	2000	1700	(1000 MT)
Oct-Sep Imports	4022	3910	3836	3797	2000	1600	(1000 MT)
Oct-Sep Import U.S.	4011	3900	3835	3797	0	1600	(1000 MT)
TOTAL SUPPLY	13220	13112	13977	13957	12711	12411	(1000 MT)
TOTAL Mkt. Yr. Exports	199	199	314	313	300	300	(1000 MT)
Oct-Sep Exports	211	210	306	305	300	300	(1000 MT)
Feed Dom. Consumption	9665	9544	10252	10121	9000	8500	(1000 MT)
TOTAL Dom. Consumptio	11965	11857	12552	12533	11500	11111	(1000 MT)
Ending Stocks	1056	1056	1111	1111	911	1000	(1000 MT)
TOTAL DISTRIBUTION	13220	13112	13977	13957	12711	12411	(1000 MT)

Table 5: Oat PSD

PSD Table

Country	**Canada**						
Commodity	**Oats**				(1000 HA)(1000 MT)		
	2001 USDA Official [Old]	Revised Post Estimate [New]	2002 USDA Official [Old]	Estimate Post Estimate [New]	2003 USDA Official [Old]	Forecast Post Estimate [New]	UOM
Market Year Begin		08/2001		08/2002		08/2003	MM/YYYY
Area Harvested	1238	1238	1379	1379	1570	1570	(1000 HA)
Beginning Stocks	854	854	363	363	559	559	(1000 MT)
Production	2691	2691	2911	2911	3700	3700	(1000 MT)
TOTAL Mkt. Yr. Imports	53	53	50	21	5	5	(1000 MT)
Oct-Sep Imports	35	35	45	21	5	5	(1000 MT)
Oct-Sep Import U.S.	15	18	15	17	5	5	(1000 MT)
TOTAL SUPPLY	3598	3598	3324	3295	4264	4264	(1000 MT)
TOTAL Mkt. Yr. Exports	1106	1103	928	887	1500	1600	(1000 MT)
Oct-Sep Exports	1036	1036	1057	1017	1500	1600	(1000 MT)
Feed Dom. Consumption	1527	1479	1248	1228	1170	1700	(1000 MT)
TOTAL Dom. Consumptic	2129	2132	1837	1849	1870	2100	(1000 MT)
Ending Stocks	363	363	559	559	894	564	(1000 MT)
TOTAL DISTRIBUTION	3598	3598	3324	3295	4264	4264	(1000 MT)

Find FAS on the World Wide Web

Visit our headquarters' home page at http://www.fas.usda.gov for a complete listing of FAS' worldwide agricultural reporting.

Recent Reports from FAS/Ottawa:

Report Number	Title of Report	Date
CA4002	Record Ontario Wheat Crop Results In Increased Exports To U.S.	01/08/2004
CA3088	CWB Wheat Pool Deficit Elicits Mixed Reaction	12/31/2003
CA3086	CWB Announces Non-Durum Wheat Pool Account Deficit	12/19/2003
CA3085	Reins Of Canadian Wheat Board Pass From Goodale	12/16/2003
CA3085	Agriculture Minister Lyle Vanclief To Retire From Politics	12/16/2003
CA3085	Canada's New Agricultural Minister	12/16/2003
CA3081	Wheat Rejected By Ukraine Not From The Prairies	12/05/2003
CA3078	Alberta Government Survey Shows Support for Voluntary Canadian Wheat Board, CWB Says Survey Flawed	11/21/2003
CA3077	Canadian Grain Commission Launches Temporary Alsen Wheat Program	11/21/2003
CA3076	Canadian Durum Exports To U.S. Expected To Resume In Late Winter	10/31/2003
CA3068	FAS Opens Toronto Office	10/16/2003
CA3065	Statistics Canada Releases September Estimates Of 2003 Principal Field Crop Production	10/10/2003
CA3065	Saskatchewan Agriculture Final Crop Year Report	10/10/2003
CA3058	Ontario Wheat Growers Opt For Open Market	9/10/2003
CA3057	Grain and Feed September Update	9/06/2003
CA3053	Fusarium Infection Falls To Lowest Level In Ten Years	8/29/2003
CA3048	Canadian Wheat Board Lowers Crop Projections	08/07/2003
CA3046	CWB Wheat and Barley Exports at Record Low Despite Reduced Production	7/25/2003
CA3045	Western Canadian Wheat Growers Association To Continue	7/23/2003
CA3044	Canadian Controversy over RR Wheat	7/23/2003
CA3042	Expectations Of A Pool Account Deficit At Canadian Wheat Board	7/16/2003

CA3040	Canadian 2003/04 Grain Estimates Revised Downward, Still Well Above 2002/03 Levels	7/10/2003
CA3038	Farmers Plant More Canola But Less Spring Wheat, Oats And Barley	7/03/2003
CA3038	CWB Sues ConAgra Over Exporting 'Conspiracy'	7/03/2003
CA3037	Wheat Virus Symptoms Evident In Southwestern Ontario	6/25/2003
CA3036	U.S. Tariffs Shut Out Canadian Wheat	6/19/2003
CA3036	Improved Moisture Conditions Lend To Increased Production In Western Canada	6/19/2003
CA3036	Focus On Quality, Variety, Says New CWB Marketing VP	6/19/2003
CA3036	Alberta Grain Marketing Test Proposal Put On Backburner Due To BSE	6/19/2003
CA3035	Ontario Corn Production Outlook Lowered	6/05/2003
CA3034	Western Canadian Farmers Switching Out Of Feed Grains To Canola	5/29/2003
CA3034	CWB Pool Deficit Possible If Pros Continue To Drop	5/29/2003
CA3034	Seeding Catching Up, Western Canadian Crop Outlook Good	5/29/2003
CA3029	Canada - Grains And Oilseeds Outlook	5/12/2003
CA3025	Pulse And Special Crops Outlook	4/25/2003
CA3021	Grain and Feed Annual Report	4/10/2003

VISIT OUR WEBSITE: The FAS/Ottawa website is now accessible through the U.S. Embassy homepage. To view the website, log onto http://www.usembassycanada.gov; click on Embassy Ottawa offices, then Foreign Agricultural Service. The FAS/Ottawa office can be reached via e-mail at: agottawa@usda.gov