



# Western Canadian Wheat Situation 2008-09

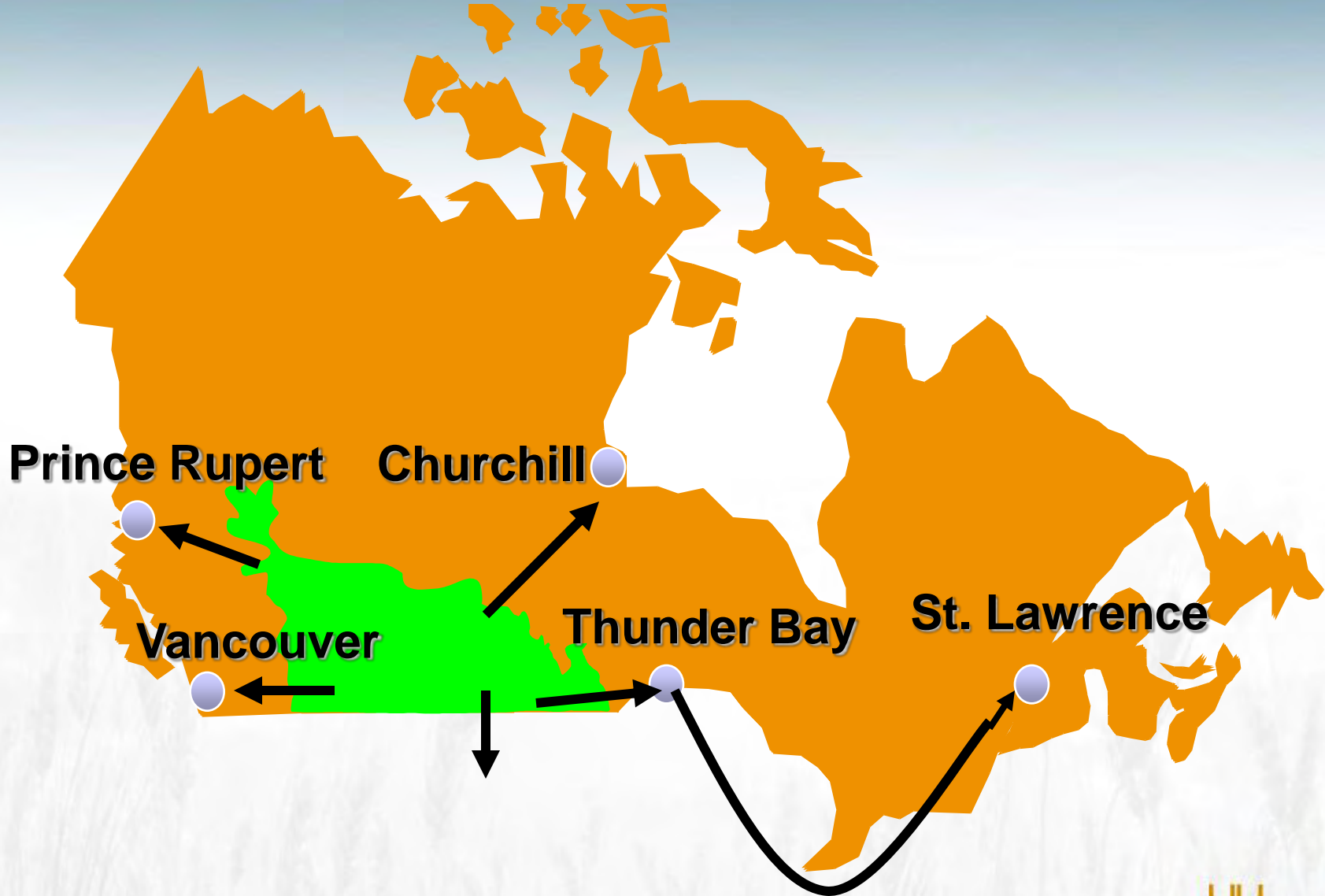
19<sup>th</sup> Annual IAOM conference  
Arusha, Tanzania

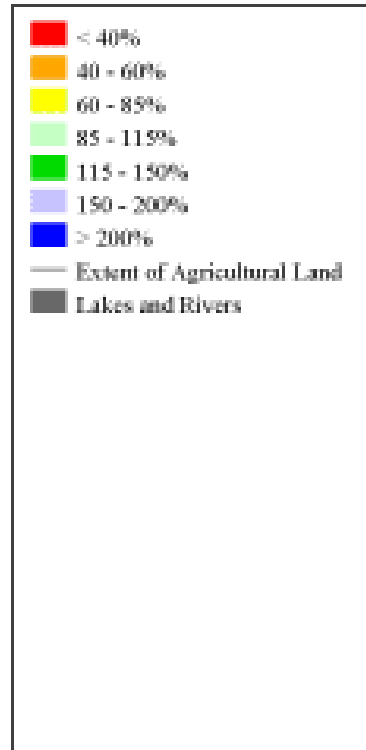
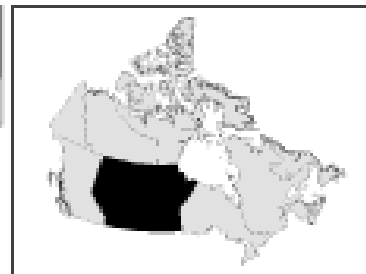
Jean-Benoit Gauthier  
Canadian Wheat Board



**Prairie strong, worldwide**

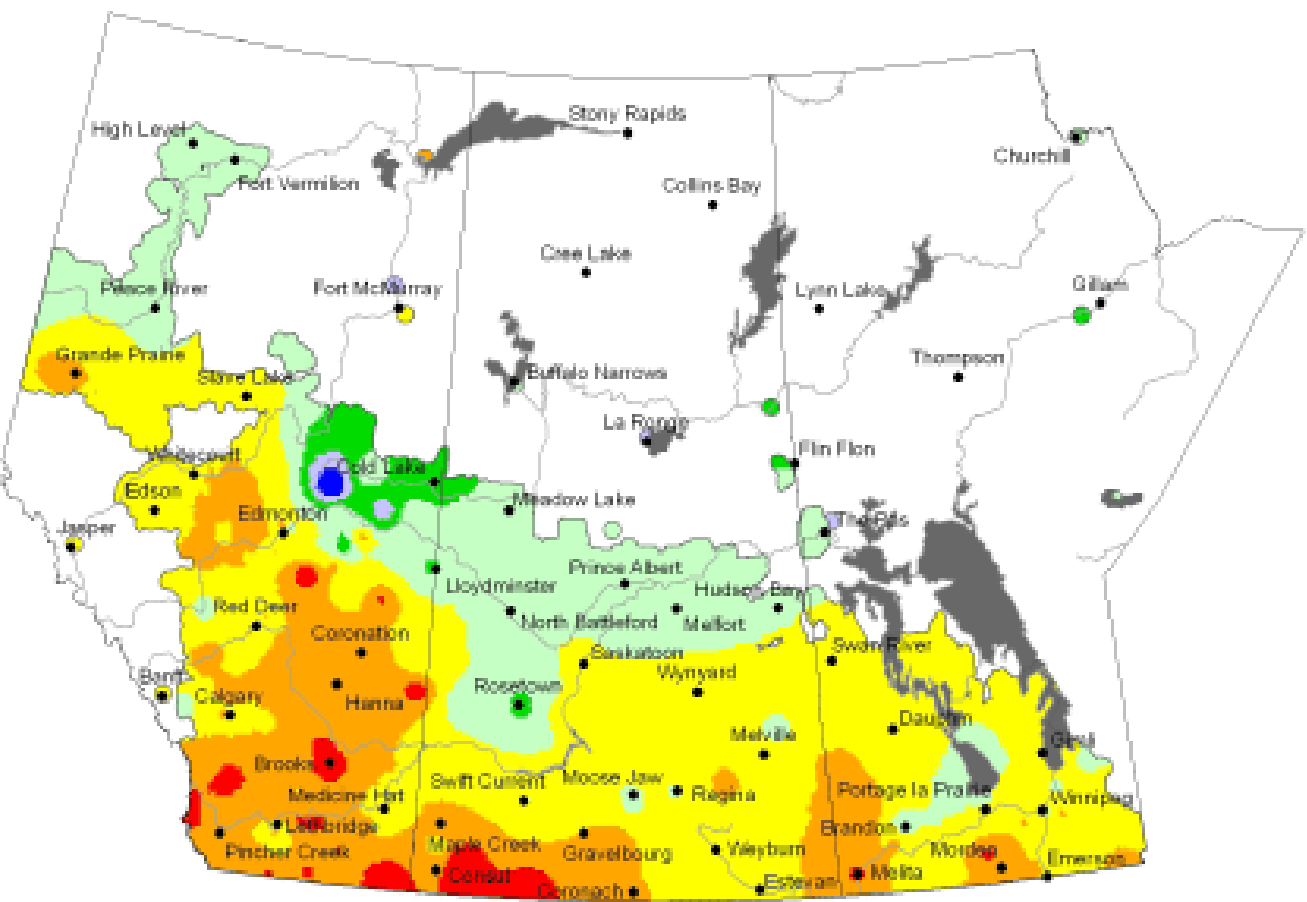
# Production Area





## Percent of Average Precipitation (Prairie Region)

November 1, 2007 to March 31, 2008



Produced using near real-time data that has undergone initial quality control. The map may not be accurate for all regions due to data availability and data errors.

Copyright

# Dry spring conditions for planting

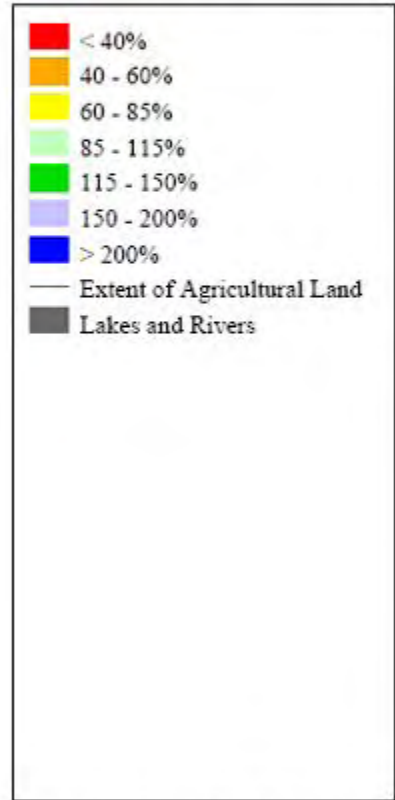
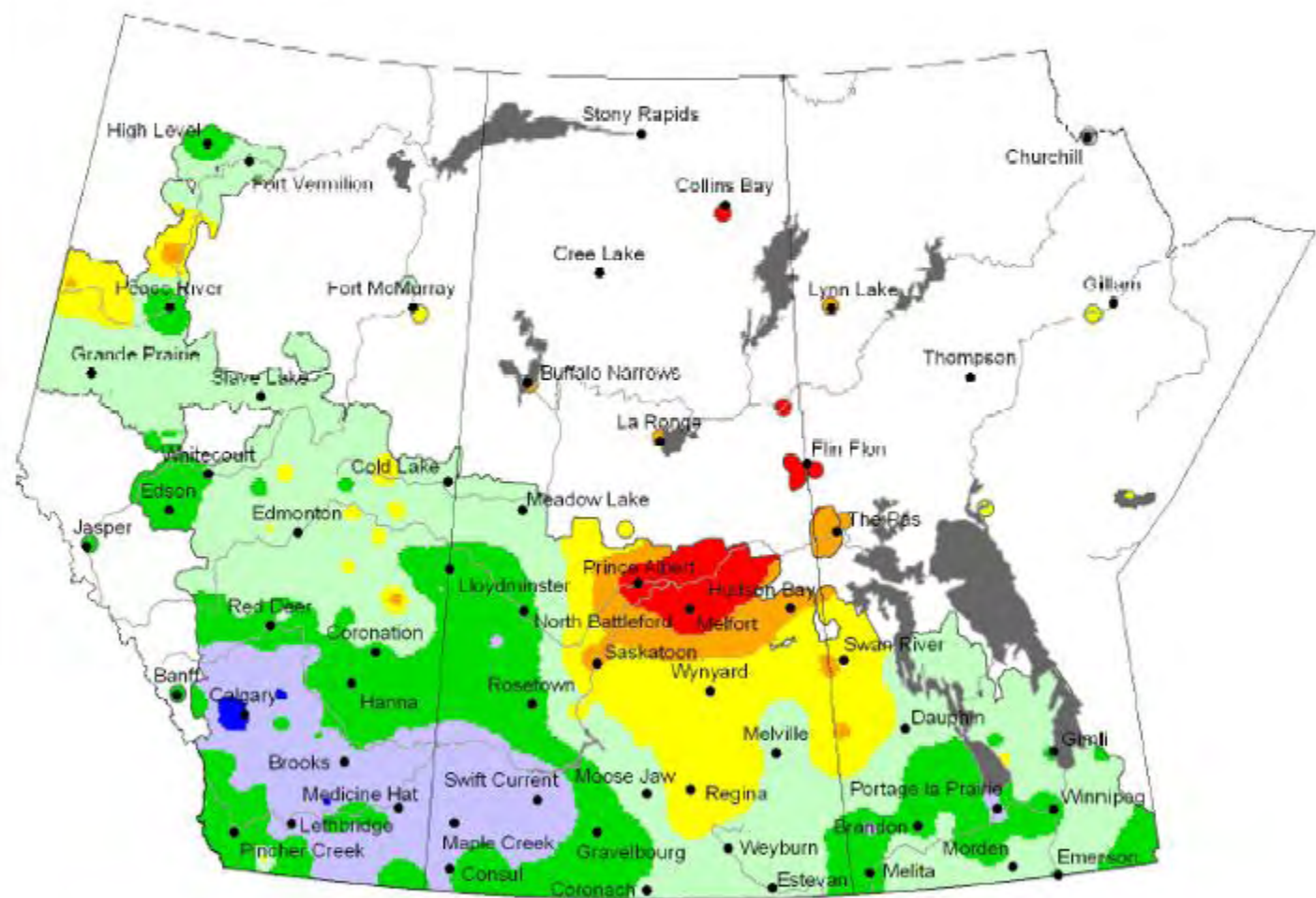
Prepared by Environment Canada, Natural Resources Canada, and many Provincial agencies.

Created: 04/28/08  
[www.agr.gc.ca/pfra/drought](http://www.agr.gc.ca/pfra/drought)



# 2 Month ( 60 Days) Percent of Average Precipitation (Prairie Region)

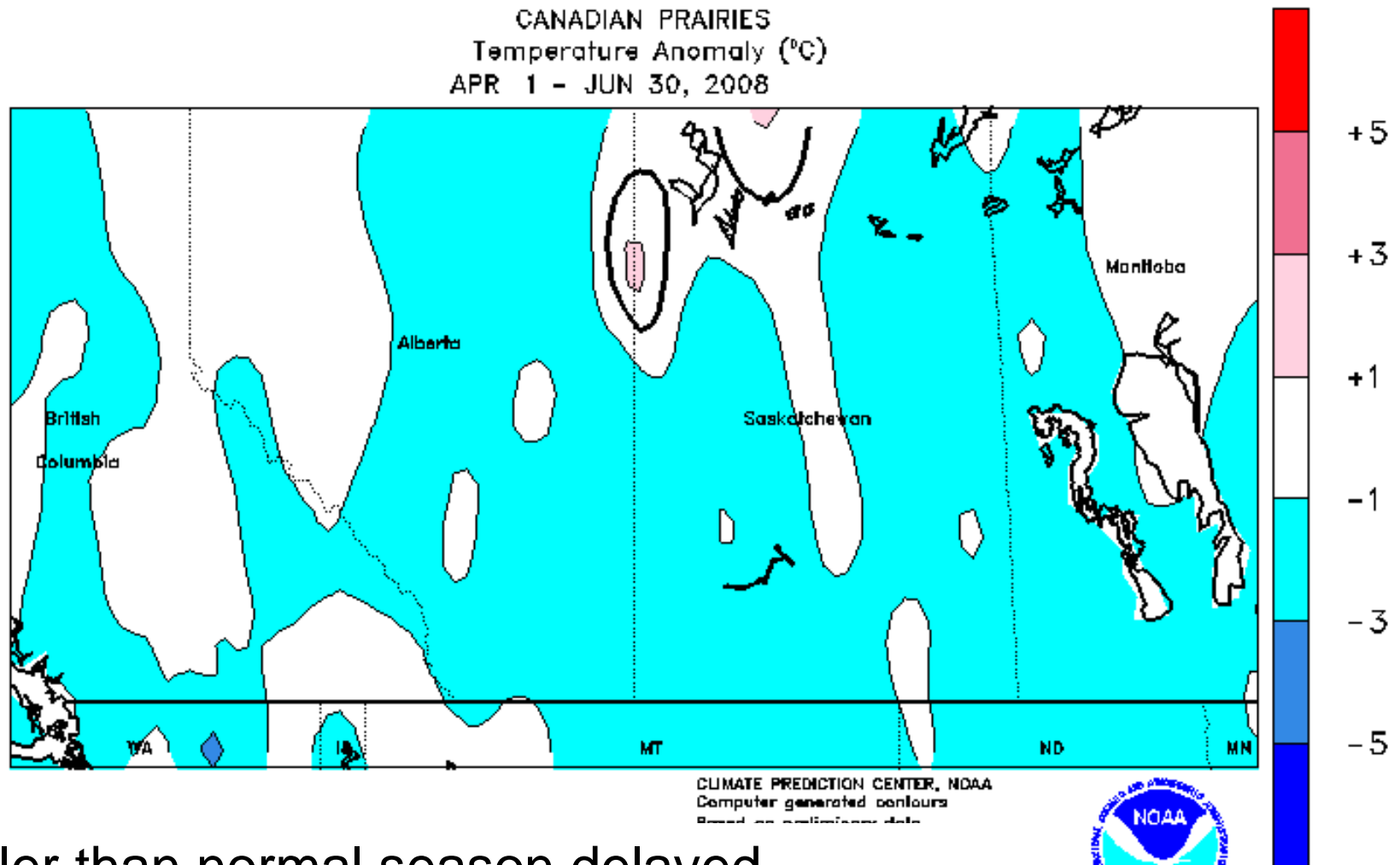
April 17, 2008 to June 15, 2008



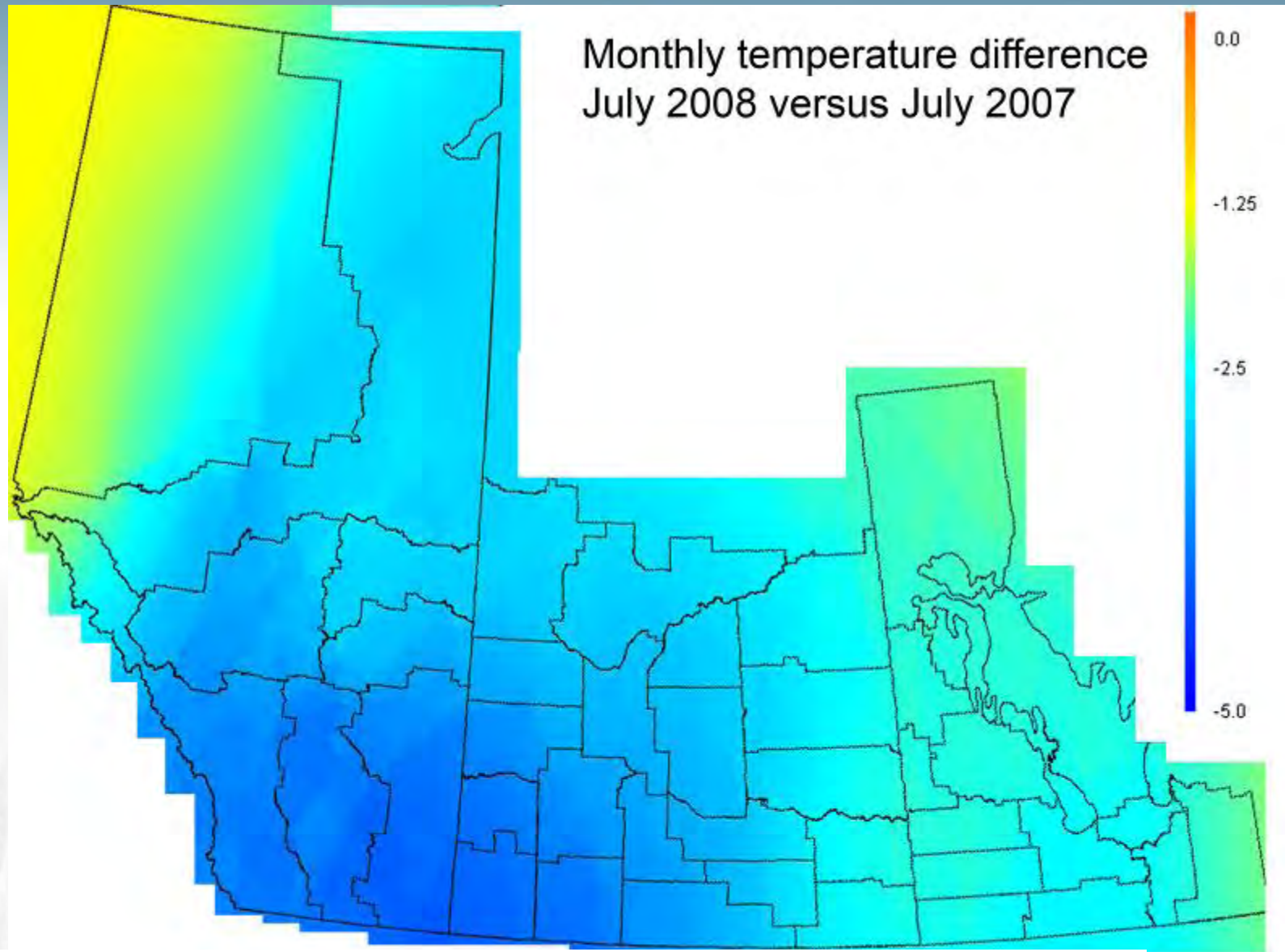
Produced using near real-time data that has undergone initial quality control. The map may not be accurate for all regions due to data

Good rains just after seeding provided excellent germination and early growth conditions

# Temperature Anomaly April 1 to June 30, 2008



Cooler than normal season delayed  
development but prevented heat stress

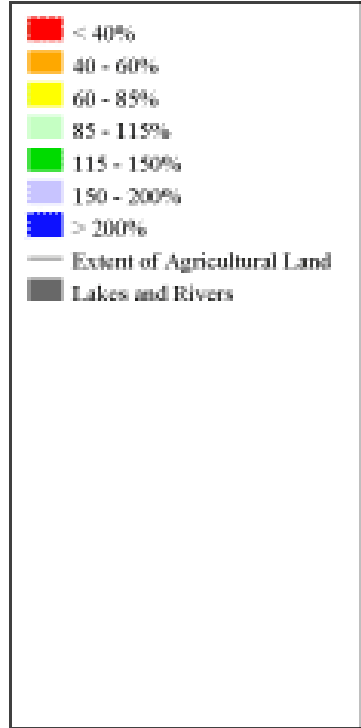
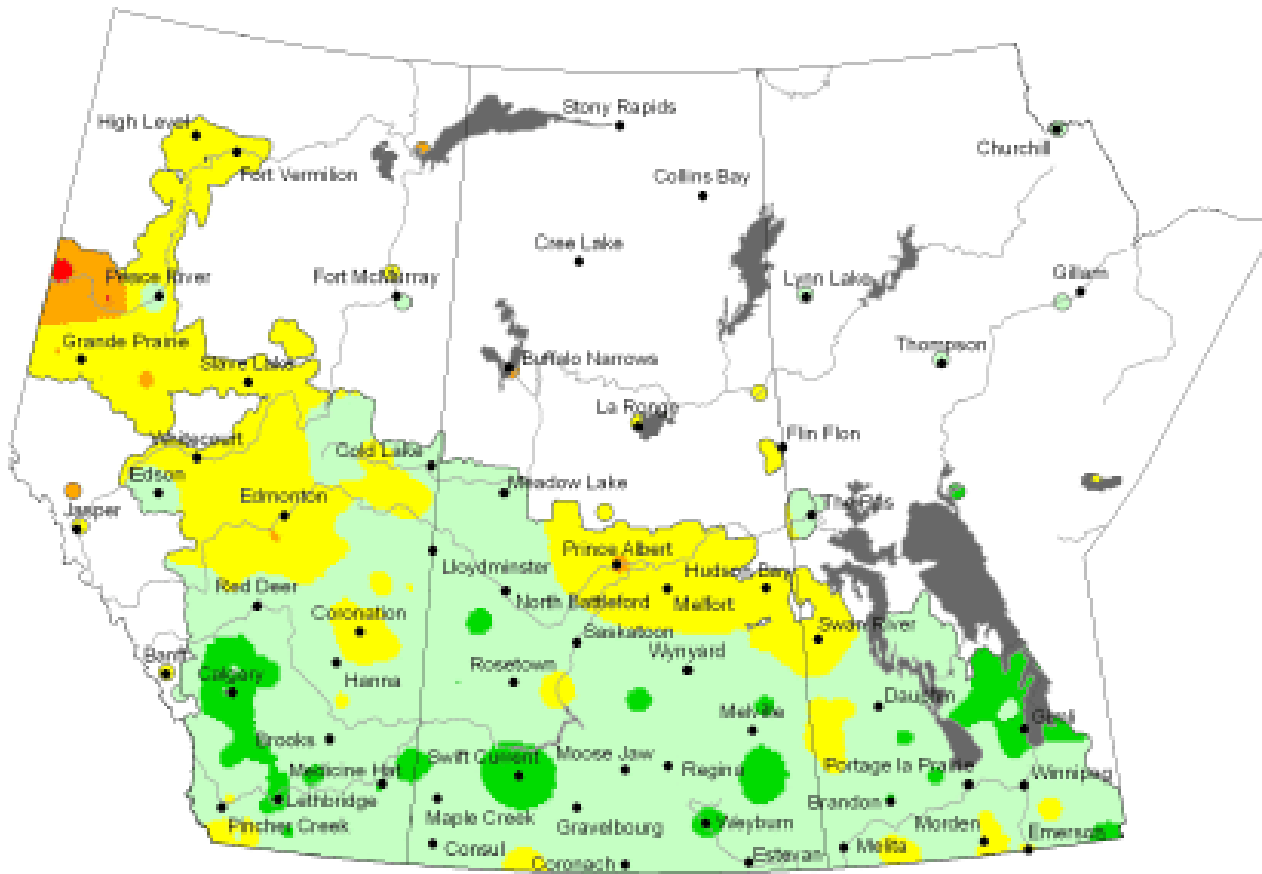


Below normal temperatures in July prevented excessive heat stress but slowed development



Percent of Average Precipitation (Prairie Region)

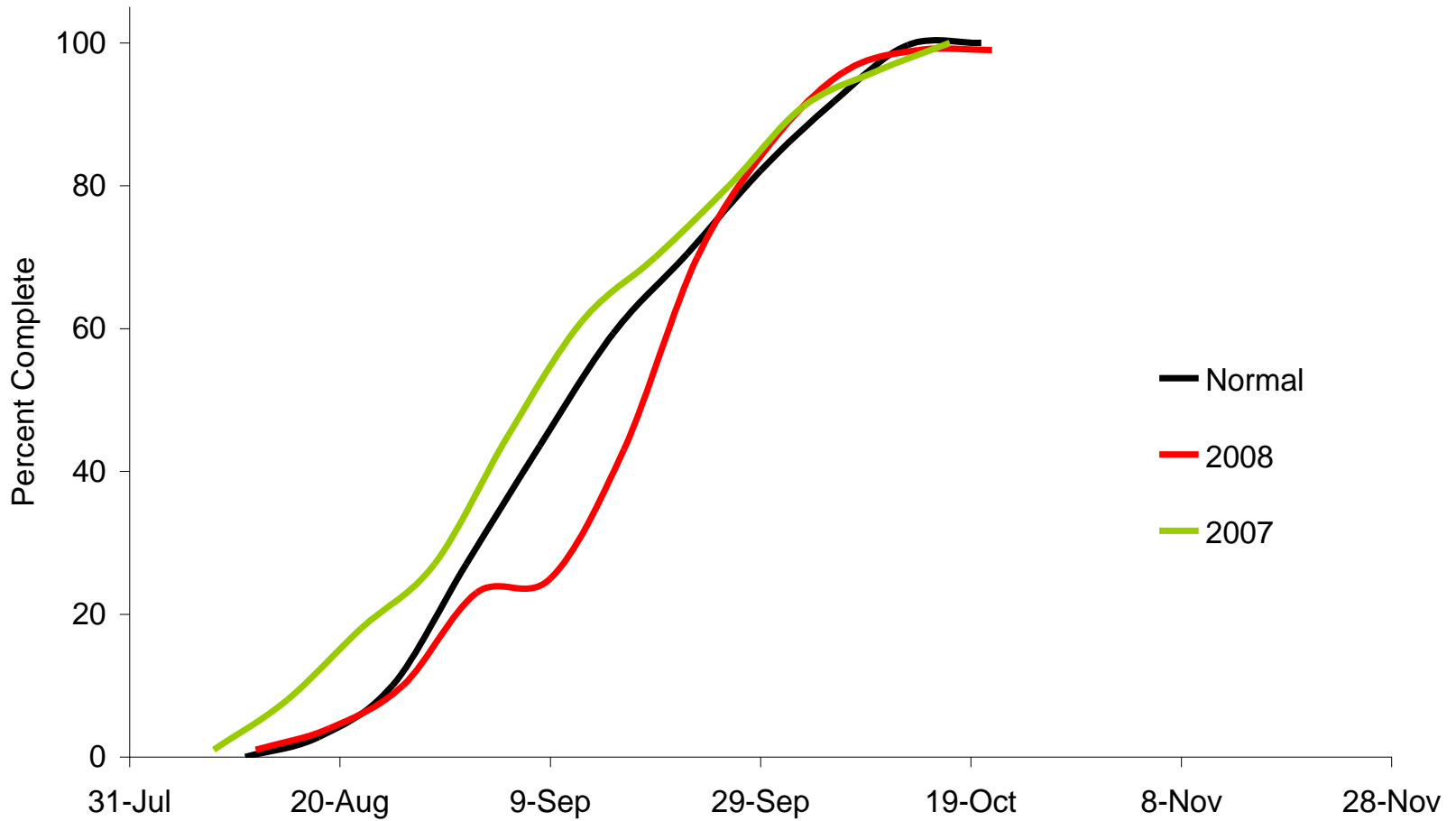
April 1, 2008 to August 24, 2008



Produced using near real-time data that has undergone initial quality control. The map may not be accurate for all regions due to data availability and data errors.

Good rains throughout season maintained favourable conditions in most regions

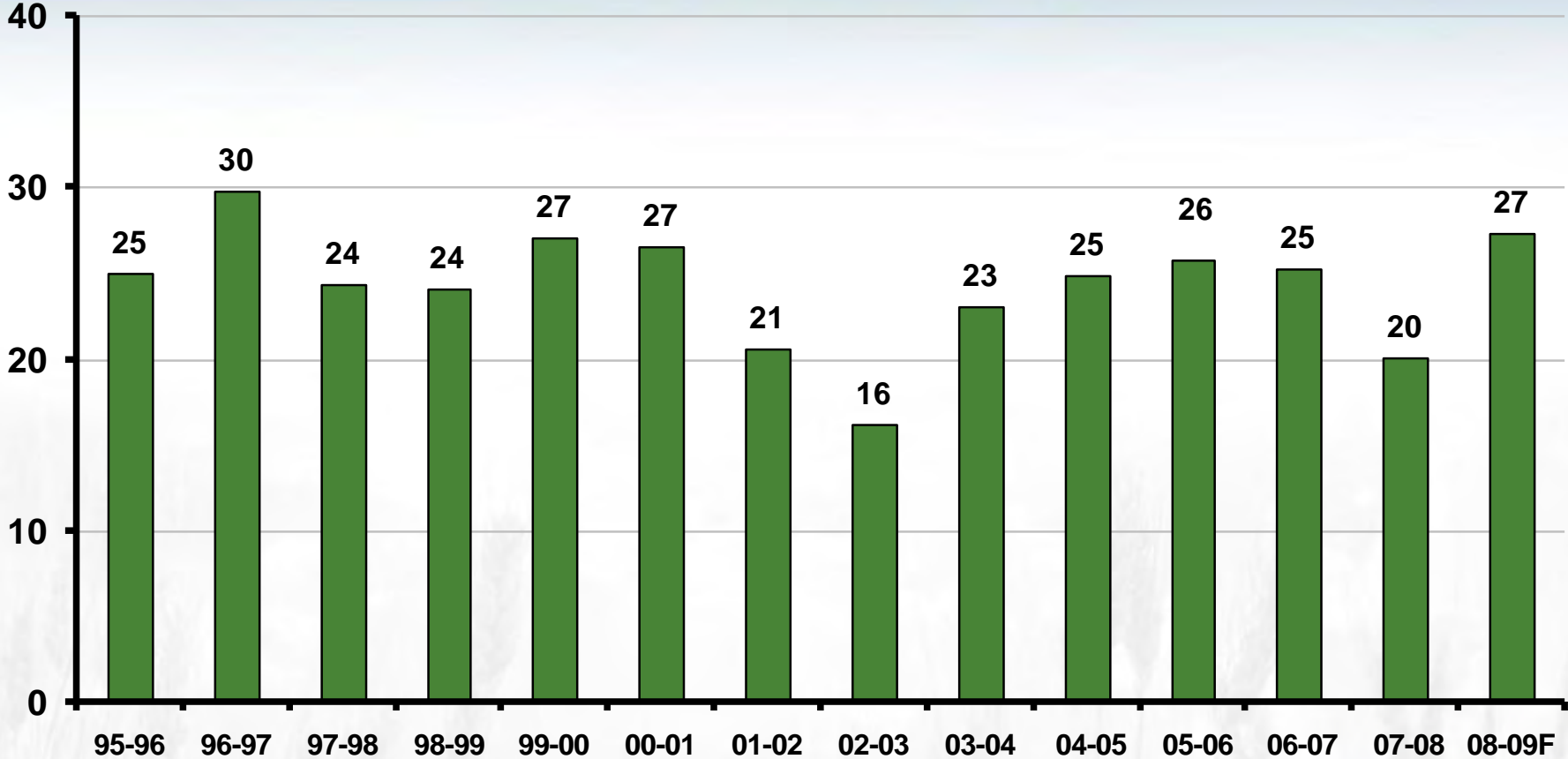
# Western Canada Harvest Progress





# Canada wheat production

Million tonnes



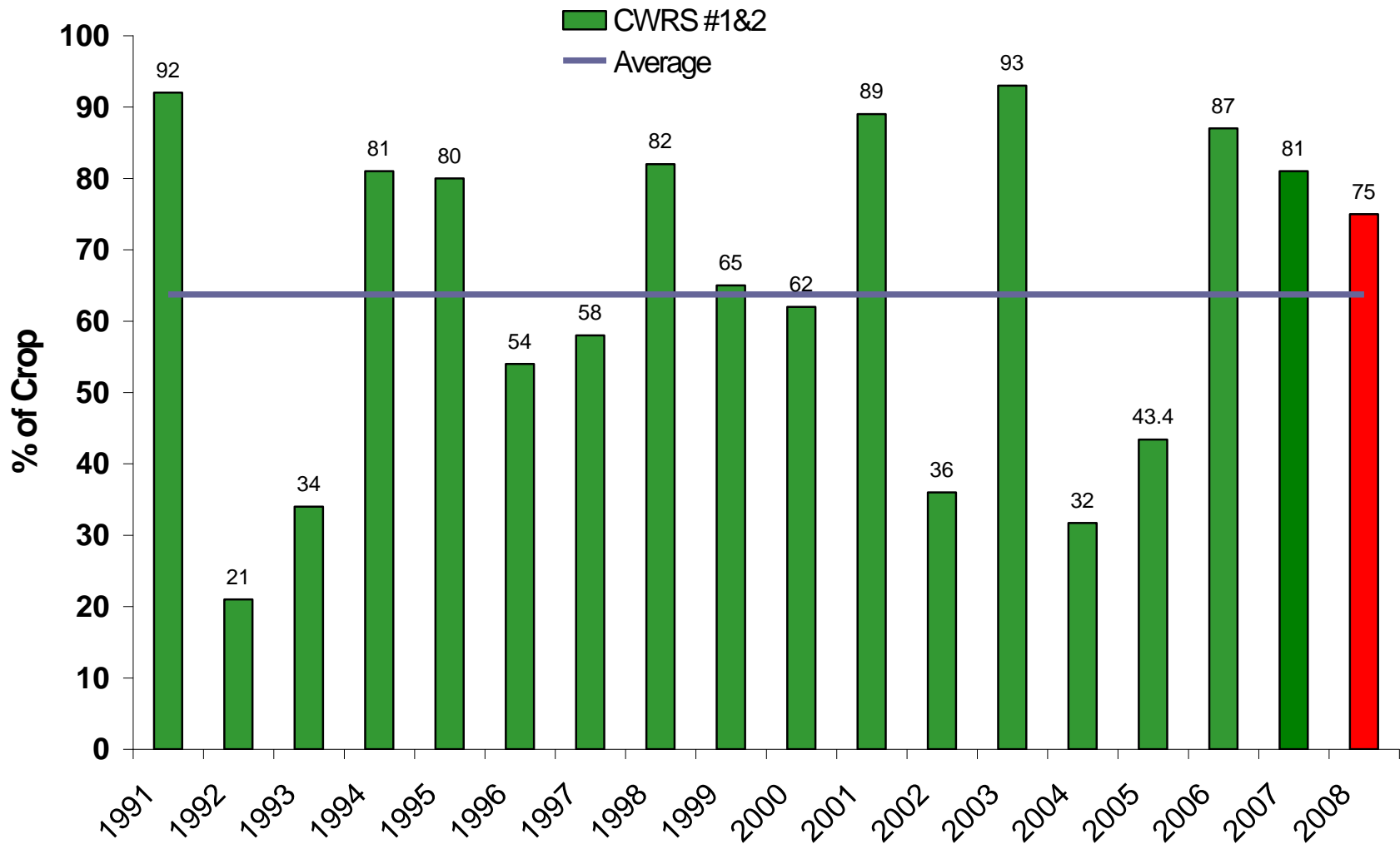
Source: Statistics Canada



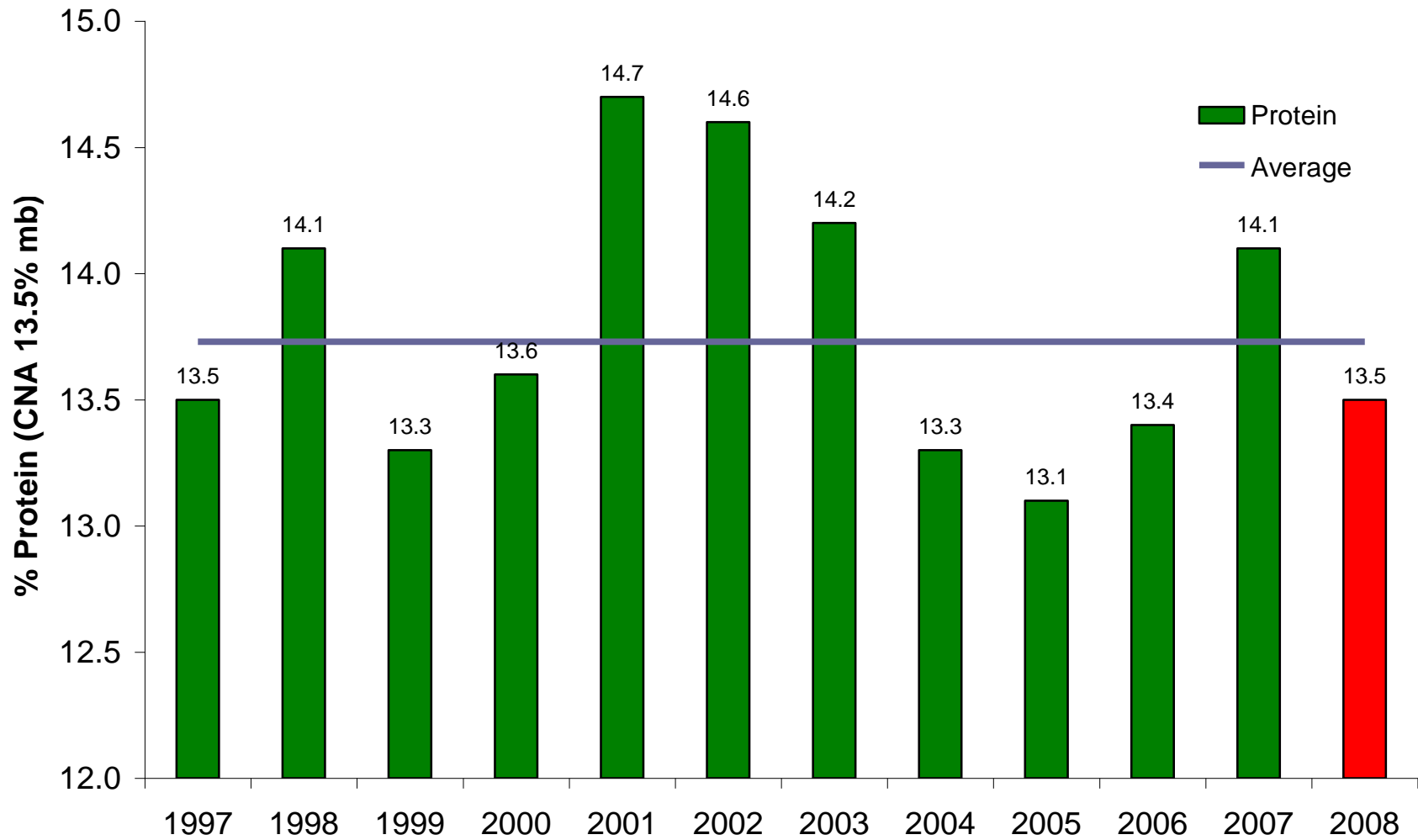
# Western Canada production and quality estimates 2008

<b>Class</b>	<b>Thousand of tonnes</b>	<b>#1 and #2</b>
<b>CWRS</b>	14,403	75%
<b>CPSR</b>	1,415	95%
<b>CWRW</b>	1,803	88%
<b>CWAD</b>	5,294	60%

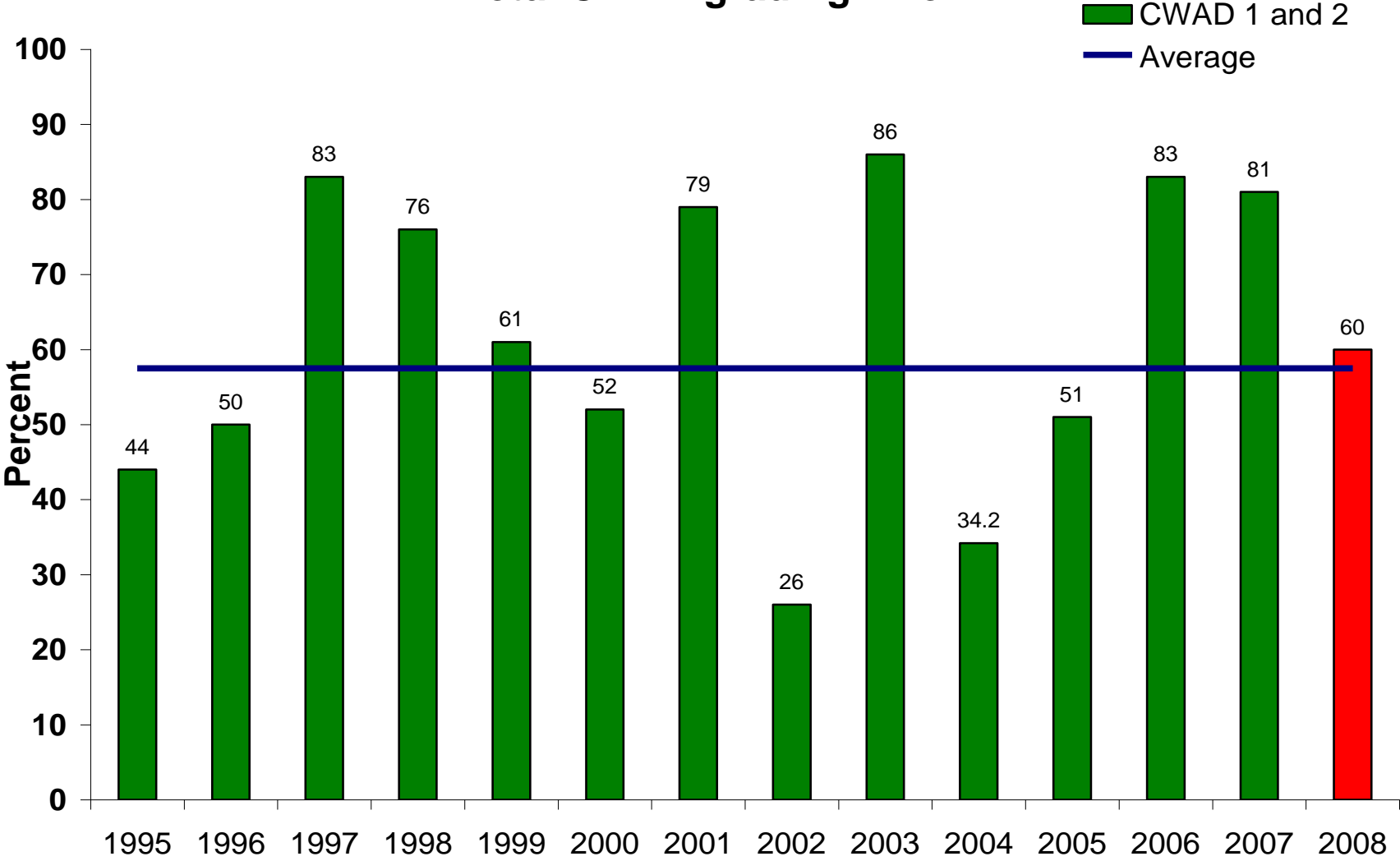
### Per cent of CWRs grading #1 and #2



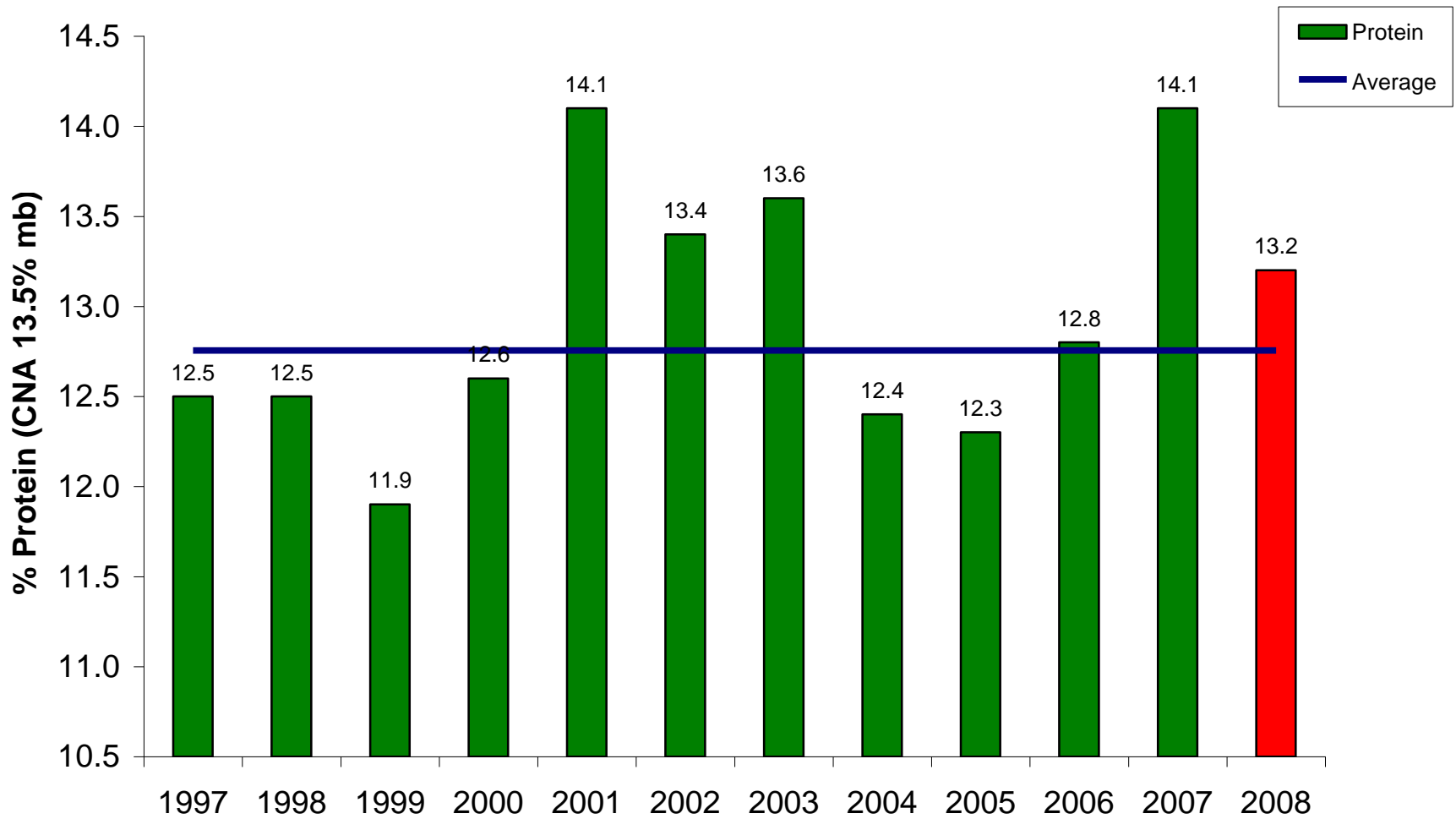
# CWRS Protein Content



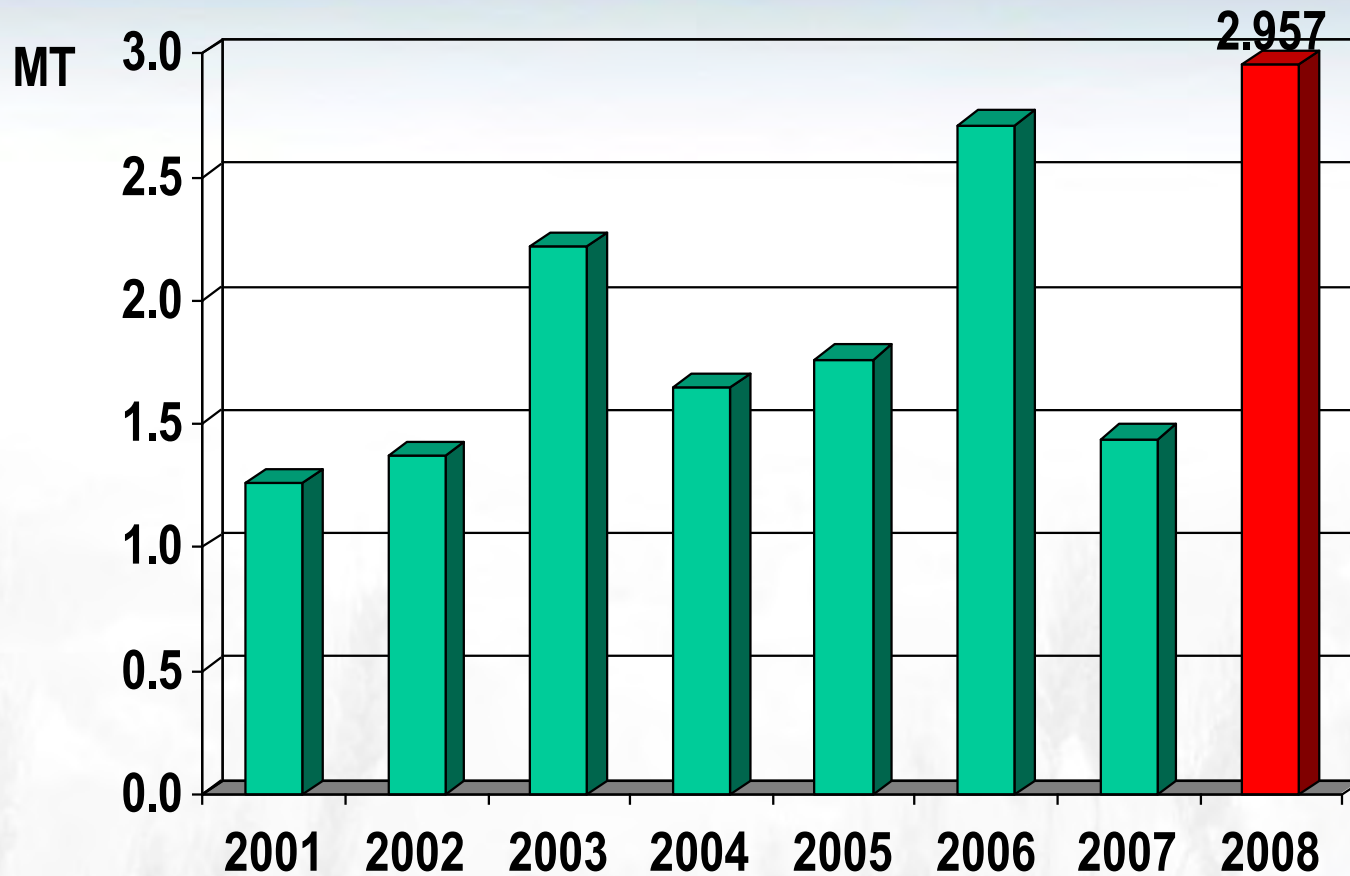
# Total CWAD grading #1 or #2



# CWAD Protein Content



# Ontario's Wheat Production



# Canada All Wheat S&D

	<u>04-05</u>	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>	<u>08-09F</u>
<b>Carryin</b>	<b>6.0</b>	<b>7.9</b>	<b>9.7</b>	<b>6.8</b>	<b>4.8</b>
<b>Production</b>	<b>24.8</b>	<b>25.7</b>	<b>25.3</b>	<b>20.1</b>	<b>27.3</b>
<b>Domestic use</b>	<b>8.1</b>	<b>8.2</b>	<b>8.7</b>	<b>6.2</b>	<b>8.4</b>
<b>Exports</b>	<b>14.8</b>	<b>15.8</b>	<b>19.5</b>	<b>15.9</b>	<b>16.9</b>
<b>Carryout</b>	<b>7.9</b>	<b>9.7</b>	<b>6.8</b>	<b>4.8</b>	<b>6.8</b>

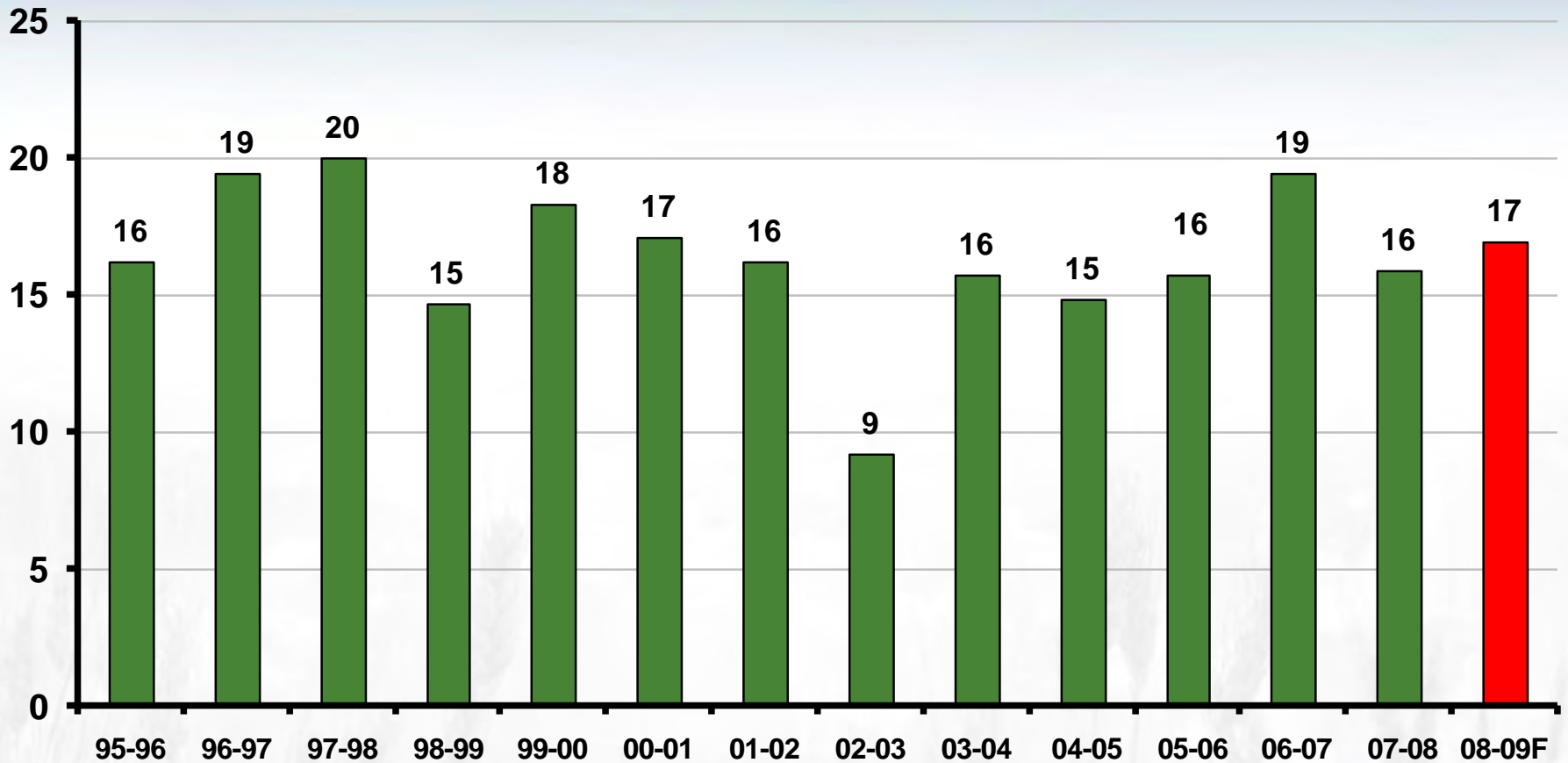
Source: Statistics Canada in million of tonnes





# Canada wheat exports

Million tonnes

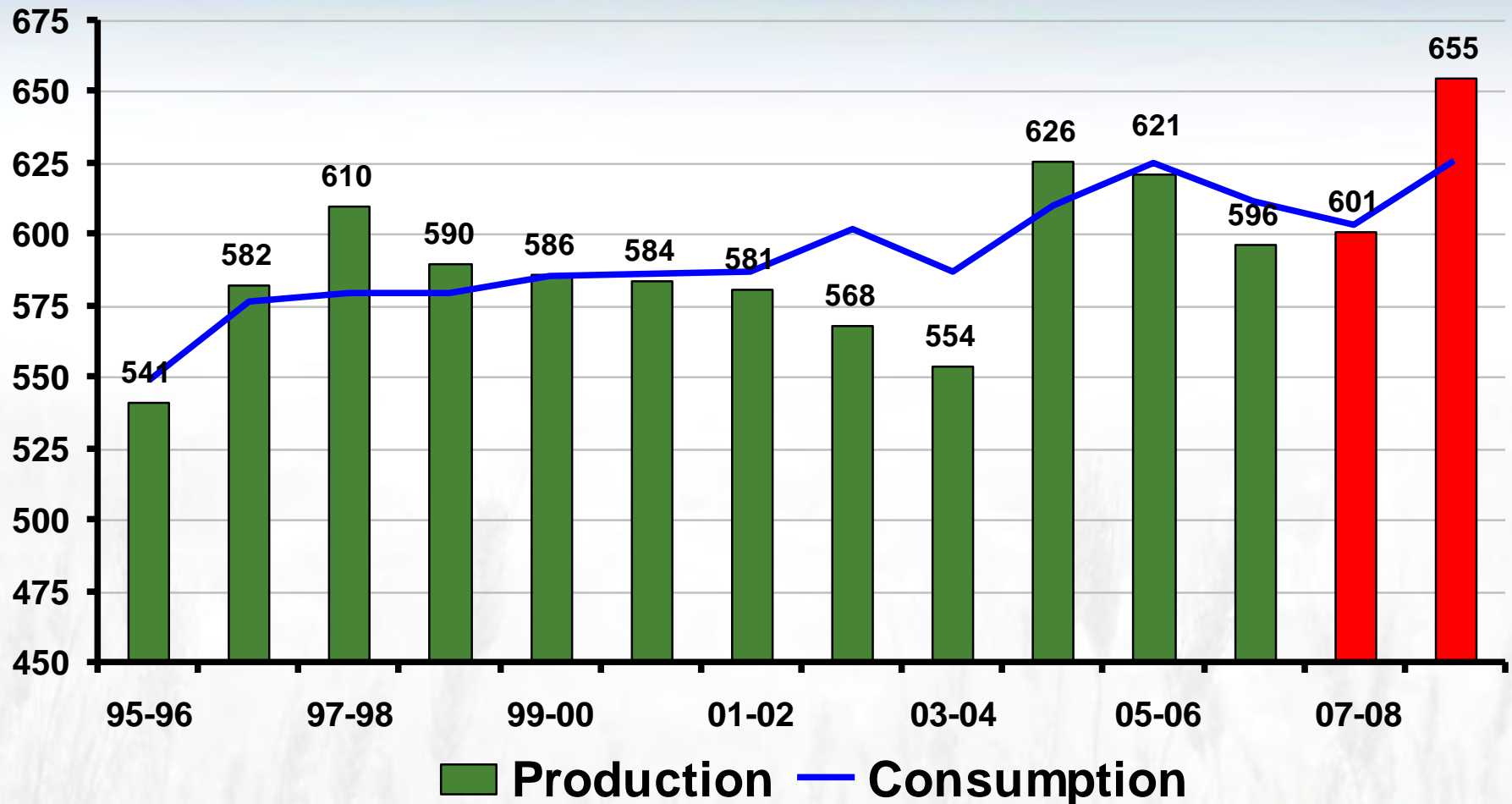


Source: Statistics Canada



# Global wheat production vs. consumption

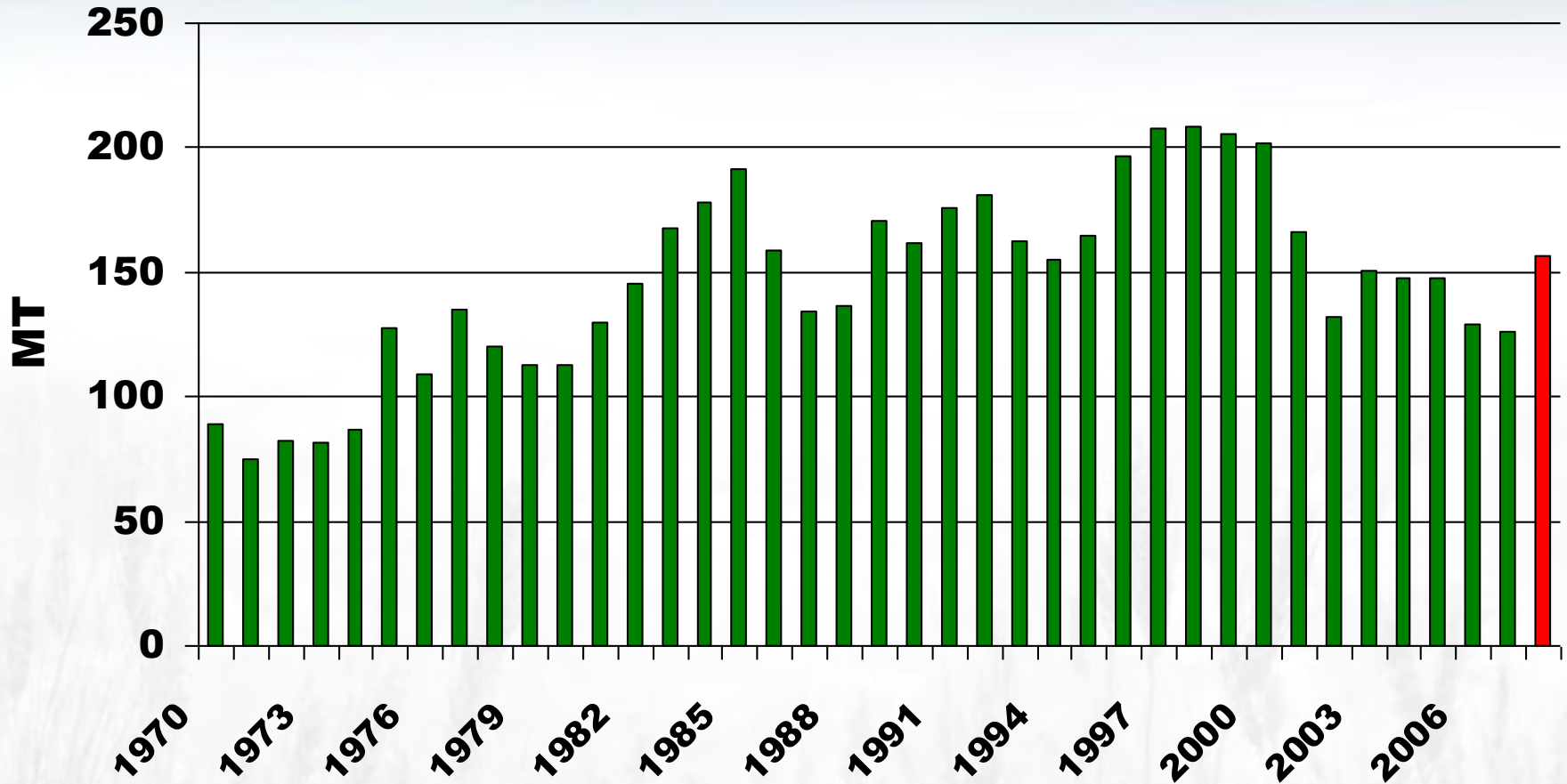
Million tonnes



Source: USDA, 07-08, 08-09 are CWB projections



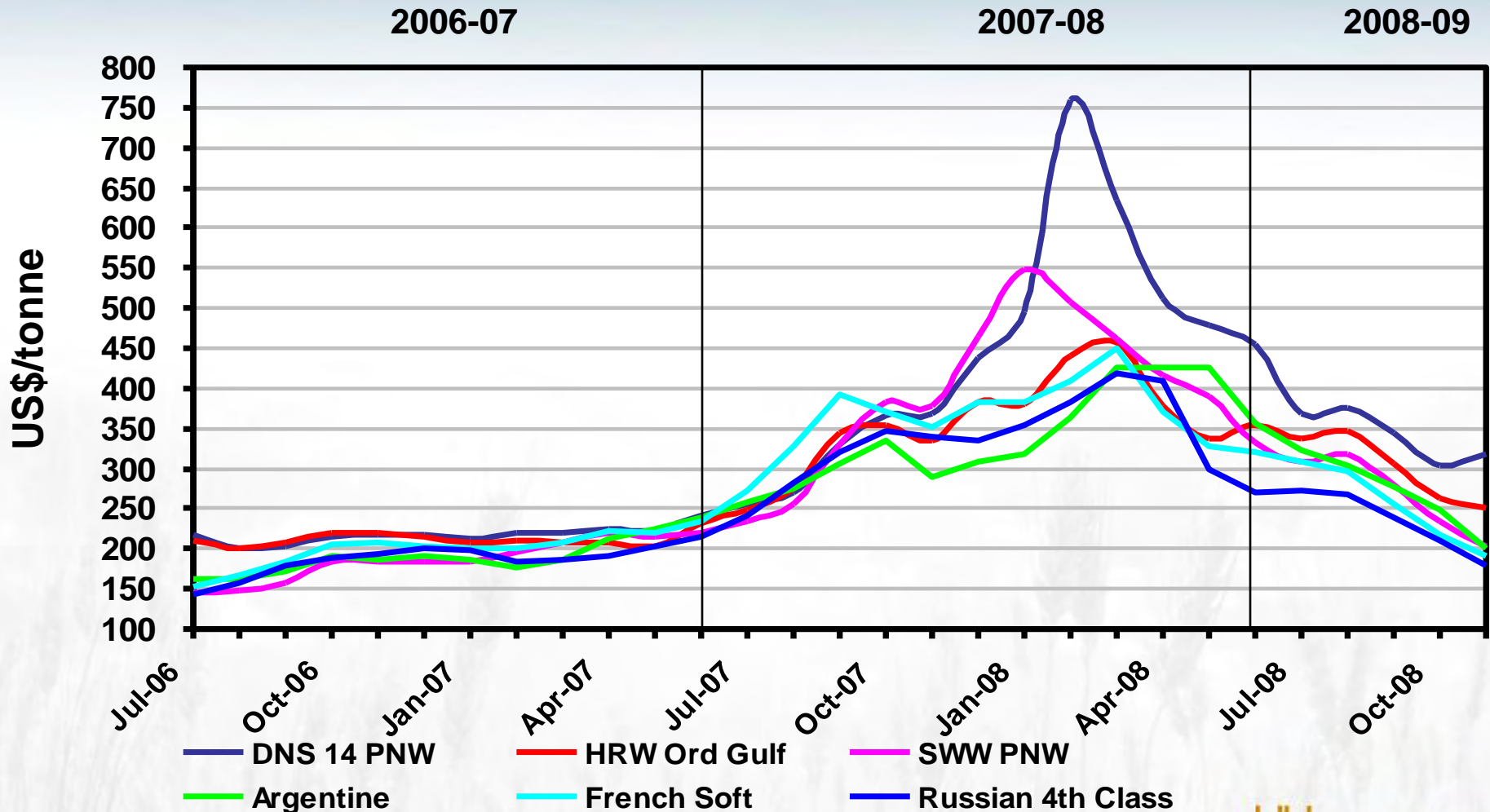
# World Wheat Ending Stocks



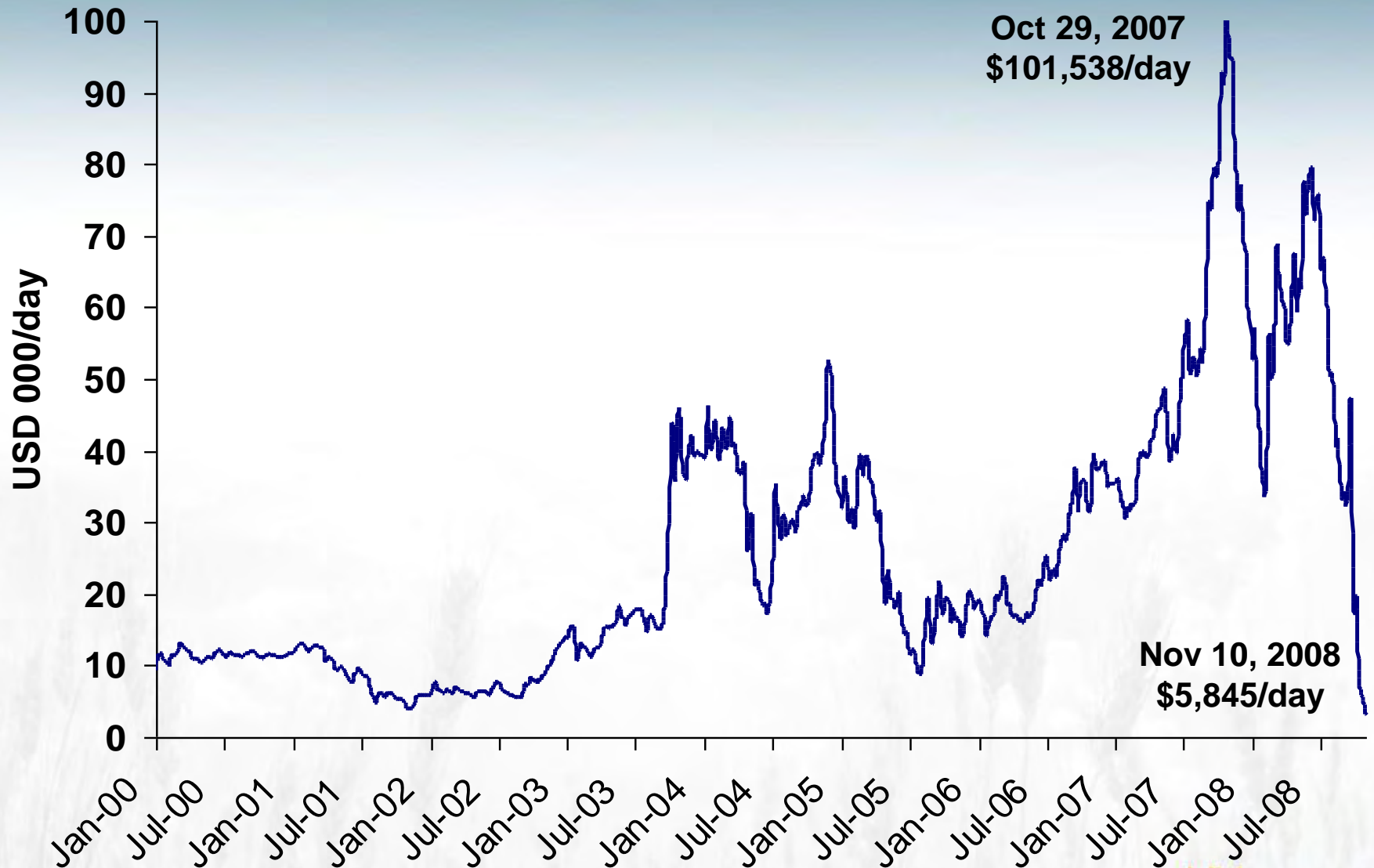
Source: USDA WASDE October 2008, 06-07, 07-08, 08-09 are CWB projections



# World Wheat Prices (USD)



# Panamax Daily Hire – Pacific Round Voyage



Nov 10, 2008  
\$5,845/day

Oct 29, 2007  
\$101,538/day



# Key Market Factors 2008-09

- **Lowest carry-in stocks in 20 years**
- **Largest global wheat production on record**
  - **Australian crop size uncertainty**
- **Global production larger than consumption in three years**
- **Demand stunned by price level**
- **Trade on hand-to-mouth mode**
- **Financial/banking debacle impact on commodities market**
- **Freight market tanking**
- **Ending stocks to return to a more comfortable level**

# Outlook 2009-10

- **Currencies and financial markets instability**
- **Another acreage battle coming for 2009-10**
- **Global wheat production to fall as seeded area decreasing**
- **Canadian wheat area down 10%?**
- **Canadian durum area down 15-20%?**
- **With global wheat consumption on trend this could mean tightening stock situation**
- **Weather**



**Prairie strong, worldwide**