



# Bi-weekly Bulletin

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## WORLD AND CANADIAN MARKET OUTLOOK FOR GRAINS AND OILSEEDS IN 2002-2003

World non-durum wheat prices are expected to increase slightly in 2002-2003, due to declining stocks in the United States (U.S.). Durum wheat prices, however, are expected to decline, as a result of lower world import demand and rising stocks in the major exporting countries. World coarse grain prices are expected to increase slightly, largely due to higher U.S. corn prices, while Canadian prices are expected to decline due to increased domestic supplies. World oilseed prices are expected to weaken, mainly due to lower U.S. soybean prices and increased supplies of soybeans. Canadian canola and soybean prices are expected to decrease slightly from 2001-2002, while flaxseed prices are expected to increase. For most of the major crops, domestic support programs in the U.S. and the European Union (EU) are expected to continue to encourage high production which will pressure prices downward. In addition, a slight appreciation of the Canadian dollar relative to the U.S. dollar is expected.

Area seeded in Canada is expected to shift from spring wheat into durum wheat, coarse grains, canola, and certain special crops. In general, in western Canada, it has been assumed that an increased proportion of the area seeded will be harvested for grain. Total production of grains and oilseeds is expected to increase due to higher yields, particularly in western Canada which was affected by drought in 2001-2002. Total Canadian exports of grains and oilseeds are projected to rise in 2002-2003 and imports, particularly for corn, are forecast to decrease considerably.

The market outlook for 2002-2003 is very tentative at the present time since there is a high degree of uncertainty regarding global supply and demand conditions. World, and Canadian, stocks of wheat and coarse grains are low, and serious weather problems in any of the major importing or exporting countries could significantly increase prices. However, normal weather patterns have been assumed. However, in Canada, due to extremely low subsoil moisture conditions in Saskatchewan and Alberta, and low carry-in stocks, precipitation patterns will be the major factor to watch.

### WHEAT

World wheat area seeded for 2002-2003 is projected by Agriculture and Agri-Food Canada (AAFC) to be only marginally higher than in 2001-2002, at an historically low 218 million hectares (Mha), due to continuing low prices for wheat. Assuming normal yields, production is forecast to rise by 4%, to about 600 million tonnes (Mt), which would be the highest since 1997-1998. An average yield of 2.75 tonnes per hectare (t/ha) or

40.9 bushels per acre (bu/ac) has been assumed, which is 2% above 2001-2002, largely due to a return to normal levels in Canada and the EU. Supplies should be up marginally from 2001-2002, at 745 Mt, with lower carry-in stocks offsetting the higher production.

U.S. seeded area is expected to be, overall, similar to 2001-2002, with winter wheat area relatively unchanged, durum area higher and hard red spring wheat area lower. Harvested area is forecast to rise by

7%, however, to 52 million acres, due to lower abandonment of winter wheat, assuming normal winterkill. Production is forecast by AAFC to increase by 12%, to 2.19 billion bushels, assuming a trend yield of 41.9 bu/ac. All wheat supplies are projected to be relatively unchanged, however, due to lower carry-in stocks.

Currently there is uncertainty regarding the impact of dry weather in parts of the major U.S. Hard Red Winter (HRW) wheat growing regions of Texas, Oklahoma, and Kansas.

**EU** wheat area is forecast to rise by 5% from 2001-2002, when the area was reduced by wet weather in the fall of 2000, which prevented all intended area from being seeded. Assuming a trend yield of 5.90 t/ha, production is forecast to rise by more than 10%, to 103 Mt. Although carry-in stocks are forecast to decline by 24%, partly offsetting the impact of the larger production, EU wheat supplies are expected to increase by 7% for 2002-2003.

World wheat **consumption** is projected to continue to rise in 2002-2003, reaching a record level of close to 600 Mt. Human food use is expected to increase, because of rising world population and continued recovery in the East Asian economies, while the use of wheat for animal feed is expected to be similar to the current year, at just over 100 Mt. World **trade** is expected to rise slightly from 2001-2002, to 110 Mt, versus the 5-year average of 106 Mt.

**Carry-out stocks** are projected to rise marginally to about 145 Mt, well below the 5-year average of 165 Mt. The stock-to-use ratio is expected to remain at a record low of 24%. However, stocks in the major exporting countries are forecast to increase, and the low world stock level therefore provides limited support for prices. EU carry-out stocks are expected to rise by 34% to 16.8 Mt. U.S. stocks are forecast to decline only slightly, to about 17 Mt, and the U.S. stock-to-use ratio will remain relatively high at 27%.

## DURUM

### World

Durum **production** is forecast to rise by 7%, to about 3.4 Mt, due to increased area in Canada and the U.S., and a return to normal growing conditions in Canada and the EU. The increased production will be largely offset by lower carry-in stocks, and world **supplies** are expected to be relatively unchanged at 37 Mt. **Trade** is forecast to decline by 5%, to 6.5 Mt, assuming normal growing conditions in North Africa, the major durum importing region. **Carry-out stocks** are forecast to rise slightly to 10%, to 2.5 Mt, but remain below the 5-year average of 3.6 Mt.

## PRICES: WHEAT AND DURUM

Carry-out stocks in the 5 major wheat exporting countries are forecast to increase by almost 10%, to about 45 Mt, close to the 10-year average, due to a sharp increase in EU stocks. This will pressure world wheat prices in 2002-2003. Some price recovery is expected, however, due to declining U.S. stocks.

U.S. Hard Winter Ordinary (HWO) **wheat prices**, free on board (FOB) U.S. Gulf, are forecast to rise to an average of US\$130-140 per tonne (t) for 2002-2003 (for the Canadian August-July crop year), compared to an estimated US\$125-135/t for 2001-2002, and US\$129/t in 2000-2001. The price for U.S. Dark Northern Spring wheat with 14% protein (DNS 14), FOB Pacific Northwest, is forecast at US\$155-165/t, up by about US\$10/t from 2001-2002. Premiums for spring wheat on the Minneapolis Grain Exchange versus HRW wheat on the Kansas City Board of Trade are forecast to increase, assuming a decline in U.S. and Canadian spring wheat stocks in 2002-2003. Protein premiums are expected to rise, assuming a return to normal protein levels in the U.S. and Canadian spring wheat crops. High protein Canada Western Red Spring (CWRS) wheat is generally priced competitively with U.S. DNS 14 wheat, while lower protein CWRS and Canada Prairie Spring (CPS) wheat are usually priced competitively with U.S. HWO.

World **durum prices** are expected to decline in 2002-2003, due to larger world supplies and rising stocks. Supplies in the major exporting countries are expected to

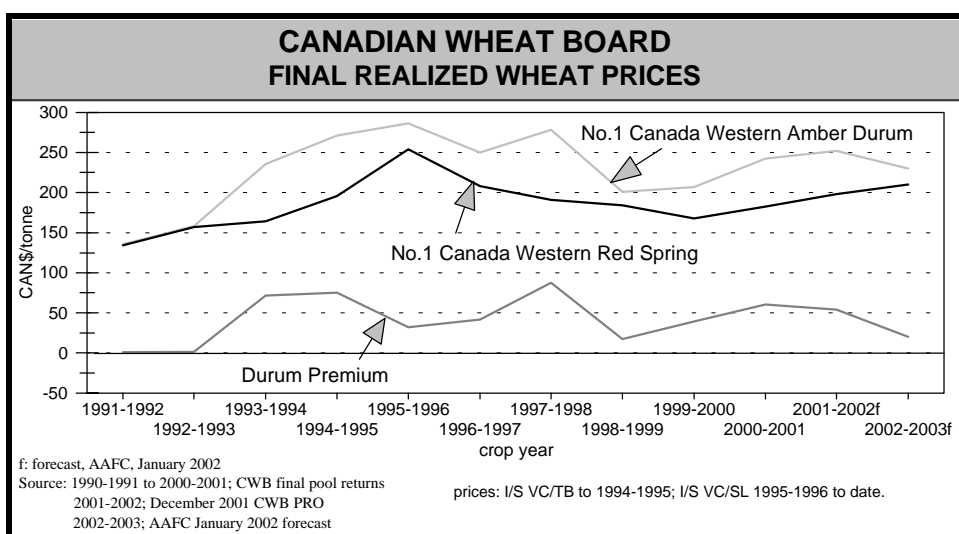
rise by 5%, to about 18 Mt, but remain below the 10-year average of 19 Mt. World import demand is expected to decline due to decreased requirements in North Africa, the EU, and the U.S. The U.S. No.3 Hard Amber Durum (HAD) price, FOB St. Lawrence, is forecast at US\$150-160/t (June-May), versus about US\$180/t in 2001-2002.

**Export subsidies** are not expected to be a significant factor in the world wheat market. The U.S. has not used the Export Enhancement Program since June of 1995, and continues to make use of credit and food aid programs to stimulate exports, with loan deficiency payments (LDP) used to support farm prices. With rising world prices and the lower EU intervention price, no significant EU subsidies are expected for commercial sales of wheat. However, the value of the Euro against the U.S. dollar will be critical in determining the need for export subsidies.

The average **wheat LDP** for 2001-2002 to date has been US\$0.24/bu, about CAN\$14/t, down from US\$0.44/bu (CAN\$25/t) in 2000-2001, but still pressuring both U.S. and world prices. LDP are expected to continue to be available in 2002-2003, although at lower levels, because average farm prices are forecast to increase but remain below the loan rate.

## CANADA

**Non-durum wheat harvested area** is expected to decline by almost 15% in 2002, due to a shift into durum wheat in



southern Saskatchewan and Alberta, and a shift into oats and barley in the remainder of the Prairies. **Production** is forecast to increase by 2%, to 18.6 Mt, assuming yields return to a near-normal level of about 36 bu/ac, from the drought-reduced 30 bu/ac in 2001. **Supplies** for 2002-2003 are forecast to decline by 4% due to lower carry-in stocks. **Domestic use** is projected rise slightly. **Exports** are expected to decline by 10%, to 11.3 Mt, the second lowest since 1988-1989 and well below the 10-year average of 16 Mt. **Carry-out stocks** are projected to decline to only 4.9 Mt, the lowest since 1995-1996.

**Durum seeded area** is projected to increase by almost 20% due to declining stocks and large premiums over spring wheat in 2001-2002. **Production** is forecast to rise by 71%, reaching 5.2 Mt, assuming a return to near-normal yields. This will be partly offset by lower carry-in stocks, and durum **supplies** are forecast to rise by only 8%, to 6.4 Mt, near the 10-year average. **Exports** are projected to be unchanged, at 3.8 Mt, since world

import demand is expected to soften, resulting in increased competition for export markets. **Carry-out stocks** are forecast rise to 1.6 Mt, from 1.2 Mt in 2001-2002, but remain below the 10-year average of 1.8 Mt.

**Ontario winter wheat** seeded area is estimated by Statistics Canada to be unchanged from 2001-2002, at a below normal 0.24 Mha, with a wet fall and a late soybean harvest preventing all intended area from being seeded. Due to the wet conditions and late seeding, much of the crop entered the winter in poor condition, and above-normal winterkill is expected. As a result, production is forecast to decline by 17%, to a below-average 0.87 Mt. The Ontario Wheat Producers' Marketing Board's 2002-2003 pool returns for No.1 or 2 Canada Eastern White Winter wheat are forecast by AAFC at \$130-140/t, terminal or processor position, similar to 2001-2002.

AAFC forecasts the 2002-2003 Canadian Wheat Board (CWB) pool returns for No.1 CWRS with 11.5% protein wheat at \$210/t, in-store Vancouver or St. Lawrence

(I/S VC/SL), \$12/t higher than the 2001-2002 CWB December Pool Return Outlook (PRO). Protein premiums are expected to rise, however, and pool returns for No.1 CWRS with 13.5% protein are expected to increase by \$20/t, to \$230/t I/S VC/SL. Pool returns for No.1 Canada Western Amber Durum 11.5% protein are forecast by AAFC at \$230/t I/S VC/SL, compared to the 2001-2002 CWB PRO of \$252/t. The durum premium over spring wheat is projected at \$20/t, compared to \$54/t in 2001-2002.

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## COARSE GRAINS

### World

World **production** of coarse grains is expected to increase by 3% due mostly to an increase in corn production in the U.S. and China. Supply is expected to be

## WORLD: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

	Area	Yield	Production	Total Supply	Trade	Use	Carry-out Stocks	Stocks-to-use Ratio	World Prices <sup>1/</sup>
	(Mha)	(t/ha)	.....	million tonnes	.....	.....	(%)	(US\$/t)	
<b>WHEAT</b>									
1998-1999	225	2.62	589	760	102	584	176	30	117
1999-2000	217	2.71	586	762	112	592	170	29	111
2000-2001	219	2.66	582	752	103	589	163	28	129
2001-2002p	215	2.69	577	740	107	596	144	24	125-135
2002-2003f	218	2.75	600	745	110	600	145	24	130-140
<b>COARSE GRAINS</b>									
1998-1999	307	2.89	889	1,085	96	870	215	25	93
1999-2000	301	2.92	876	1,091	104	882	210	24	88
2000-2001	296	2.89	857	1,067	104	879	188	21	91
2001-2002p	300	2.91	872	1,060	101	895	165	18	90-100
2002-2003f	302	2.96	895	1,060	101	905	155	17	95-105
<b>OILSEEDS <sup>2/</sup></b>									
1998-1999	187	1.59	297	326	56	294	32	10	177
1999-2000	191	1.60	306	338	65	304	34	10	174
2000-2001	188	1.65	310	347	74	314	33	10	171
2001-2002p	193	1.68	324	358	73	325	33	9	150-170
2002-2003f	195	1.68	328	361	74	329	32	9	145-165

Note: numbers may not add due to rounding

<sup>1/</sup> Wheat: Hard Winter Ordinary, US Gulf; June-May crop year.

Coarse Grains: US Gulf No.3 Yellow Corn; September-August crop year.

Oilseeds: Chicago Cash No.1 Yellow Soybeans; September-August crop year.

<sup>2/</sup> The 8 major oilseeds are soybeans, cottonseed, peanuts (whole), sunflowerseed, canola/rapeseed, copra, palm kernels and flaxseed.

p: preliminary; USDA (FAS)-December 2001 and AAFC estimates; f: AAFC January 2002 forecast.

Source: USDA, Oil World

stable at 1,060 Mt as higher production is offset by lower carry-in stocks. World **consumption** is forecast to increase slightly due to continued strong livestock feed demand and increased use of corn for ethanol production.

For **U.S. corn, area seeded** is expected to increase marginally from 2001-2002. **Production** is expected to increase by 4%, to 9.9 billion bushels, as the average yield is forecast to be slightly higher than the yield of 138 bu/ac recorded in 2001-2002. Lower carry-in stocks are expected to partially offset the increase in production, and **supplies** are expected to increase only slightly from 2001-2002. **Domestic use** is forecast to increase, as feed and industrial use is projected to expand, with considerable growth expected in ethanol production. **Exports** are forecast to remain similar to 2001-2002, as competition from Brazil and Argentina is expected to remain strong. Competition from China will be a factor to watch, as China will not subsidize exports under the World Trade Organization (WTO) and should reduce its competitiveness on the world market. **Carry-out stocks** are expected to decrease, by about 10%, with the stocks-to-use ratio declining to 14% from 16% currently.

In **China, corn production** is forecast to increase to 125 Mt, about 16% higher than the drought-reduced level of 2001-2002, primarily due to higher yields. **Total supply** is expected to decrease as higher production is more than offset by lower carry-in stocks, which are expected to be about 20 Mt below 2001-2002. **Domestic use** is forecast to increase as a result of increased livestock production, consistent with the trend of the past several years. China's corn **exports** are forecast to fall and imports are projected to increase, primarily as a result of joining the WTO. China's corn carry-out stocks have fallen sharply from about 100 Mt in 1999-2000 to 60 Mt in 2001-2002, due to an aggressive export program and drought in some areas. However, the Chinese stocks-to-use ratio remains very high, compared to U.S. levels, which suggests that China will not begin importing large amounts of corn in the near future. **Carry-out stocks** are forecast to continue to decline, falling to about 58 Mt in 2002-2003.

World **barley supplies** are expected to be 3% higher than 2001-2002, due to higher carry-in stocks and increased production. **Demand** is expected to increase but is not expected to keep up with the increase in supplies, and carry-out stocks are expected to rise.

In the **EU**, area seeded to **barley** is expected to be similar to 2001-2002 as producers shift out of spring barley into winter barley, due to improved weather for fall seeding. Yields are expected to improve as parts of the EU suffered from cool and wet conditions in 2001-2002.

**Production** is expected to remain similar to 2001-2002 at about 50 Mt. **Supplies** are expected to remain tight and restrict consumption, with **exports, domestic use, and carry-out stocks** forecast to remain near 2001-2002 levels. However, the tight EU supply and demand balance is expected to be partially offset by increased supplies in North America. The EU is not expected to subsidize barley exports, consistent with 2001-2002 to-date.

In **Australia**, the supply and disposition for **barley** is expected to remain similar to 2001-2002 as returns have generally been favourable, and competition in export markets is expected to remain strong.

## PRICES

The average **farm price of U.S. corn** is forecast to increase to about US\$2.10/bu, compared to the current USDA forecast of US\$1.85-2.15/bu for 2001-2002. This will cause **U.S. Gulf and Pacific Northwest (PNW)** corn prices to increase by about US\$5/t and support international coarse

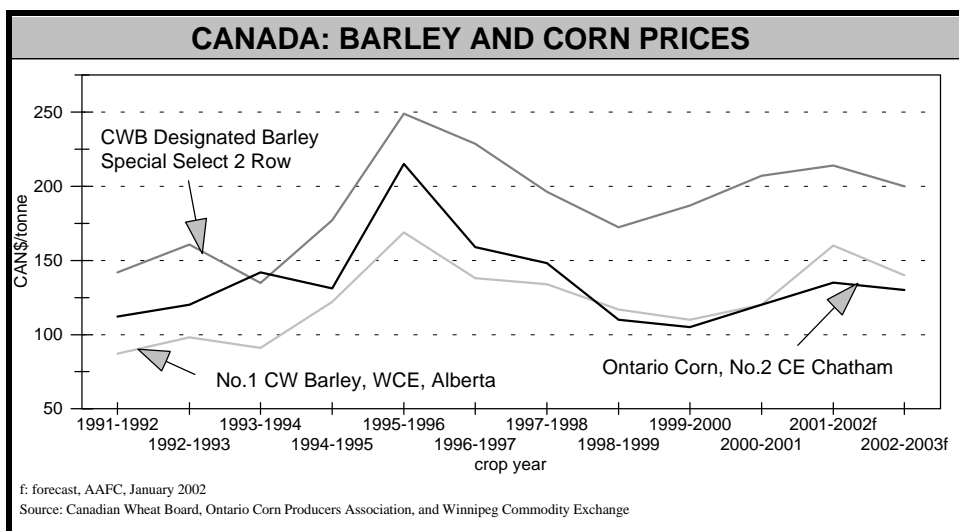
grain prices, including feed barley. The average U.S. PNW **feed barley** price is forecast to increase slightly from current levels, and average about US\$115/t in 2002-2003.

The average LDP to-date on corn for 2001-2002 has decreased to US\$0.16/bu (CAN\$9.45/t) from US\$0.29/bu (CAN\$17.90/t) for 2000-2001. For 2002-2003, LDP are expected to decrease slightly due to higher U.S. market prices.

## CANADA

**Production** of coarse grains is forecast to increase by 24% due to higher yields and increased area seeded. Considering the relatively dry soil conditions that currently exist across much of Canada, production of coarse grains may be particularly attractive given their relatively low input costs and drought tolerance. **Supplies** are forecast to increase by 9% despite a 30% decrease in carry-in stocks. **Net exports** are forecast to increase significantly as barley exports increase and corn imports decrease due to higher production.

**Barley production** is forecast to increase significantly as farmers are forecast to increase seeded area by 10% due to the strong demand for feed and forage and concerns that the soil may remain dry. Average yields are expected to increase and the rate of abandonment is expected to decline. **Supply** is expected to increase by 16% to 16 Mt, despite lower carry-in stocks. **Domestic use** of feed barley is expected to increase as a result of the increased supplies, and imports of U.S.



corn are forecast to decline. **Exports** of feed barley are expected to increase and approach the levels seen in 2000-2001, but remain historically low. Exports of malting barley are expected to increase as well, as a result of the increased production and improved quality. Protein content is likely to decline and be more suitable for malting. **Carry-out stocks** are expected to increase, from 1.7 Mt to 2.3 Mt as production is projected to exceed consumption.

**Off-Board feed barley prices** are forecast at \$125-155/t (I/S Lethbridge), versus \$150-170/t for 2001-2002, as the increase in domestic supplies are likely to pressure prices. The CWB final pool return for 2002-2003 for **No.1 CW feed barley** is forecast by AAFC to decrease by \$25/t from the December 2001 PRO to \$155/t I/S VC/SL, while the pool return for **Special Select Two-Row designated barley** is forecast to decrease from 2001-2002, to \$185-215/t, as an increased amount of sales are expected to be made to lower priced offshore markets. The premium for two-row malting barley over six-row is expected to remain similar to 2001-2002.

For **oats**, Canadian **production** is forecast to increase sharply from 2001-2002, but supplies are expected to remain tight. **Exports** are forecast to increase as a result of the increase in production and improved quality. **Carry-out stocks** are projected to increase slightly but remain near the lows of recent times. **Oat prices** are expected to decline sharply from current levels, as North American oat supplies are expected to be sufficient to meet its needs. U.S. oat supplies are expected to increase in response to the very high prices observed for oats in 2001-2002. Production in the EU is forecast to remain similar to 2001-2002. Export subsidies are not expected to be a significant factor in the world oat market. Oat prices are likely to be priced competitively with U.S. corn and the spread between corn and oats is forecast to approach historical levels. Chicago futures prices are expected to decrease by about US\$0.50/bu to US\$1.30-1.60/bu in 2002-2003, suggesting a decline in Canadian on-farm prices of \$40-60/t.

For **corn**, Canadian **production** is forecast to be a record. Yields are

expected to return to trend levels and area seeded is forecast to increase from 2001-2002 as farmers switch into corn from soybeans. **Imports** are forecast to decrease sharply to about 1.2 Mt. Increased corn production in eastern Canada is expected to prevent large imports into that region, while imports into western Canada are also forecast to drop sharply due to increased production of coarse grains in that region. **Exports** are expected to increase. **Domestic use** is forecast to increase as industrial use is projected to continue expanding, while feed demand is expected to remain strong. The **Chatham elevator corn price** is expected to decline slightly to \$115-145/t, as stronger U.S. corn prices are forecast to be more than offset by a weaker Chatham-Chicago basis.

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## OILSEEDS

### World

World **production** of the eight major oilseeds (soybeans, cottonseed, peanuts, sunflowerseed, canola/rapeseed, copra, palm kernels, and flaxseed) is forecast to increase slightly to a record high of about 328 Mt for 2002-2003. World soybean production is forecast to increase due to a rise in seeded area in the U.S., Brazil and Argentina.

World **oilseed consumption** is projected to rise slightly to 329 Mt. World **carry-out stocks** are projected to be slightly lower from 2001-2002 levels. **Trade** is expected to increase to 74 Mt. For **soybeans**, world crush is expected to increase to 159 Mt, from 155 Mt in 2001-2002, due to an increase in crush volumes in the U.S. and Asia.

For **U.S. soybeans**, the **area seeded** is expected to increase due to the favourable marketing loan rate for soybeans compared to corn and wheat and the continued expansion of soybeans north and westward due to the release of short season varieties. Combined with an expected trend yield, **production** is projected to increase by about 4%, to 81.9 Mt,

(3.01 billion bushels) despite lower market prices.

For **South American soybeans**, the 2002-2003 crop will be harvested in the second quarter of 2003. For Brazil, seeded **area and production** are expected to increase slightly because of an anticipated rise in yields resulting from adequate moisture conditions and an expansion in the land base. Brazil is expected to continue to aggressively export soybeans and maintain low carry-out stocks. Similarly, for Argentina the area seeded to soybeans is expected to increase, resulting in increased **production**, despite continued low prices.

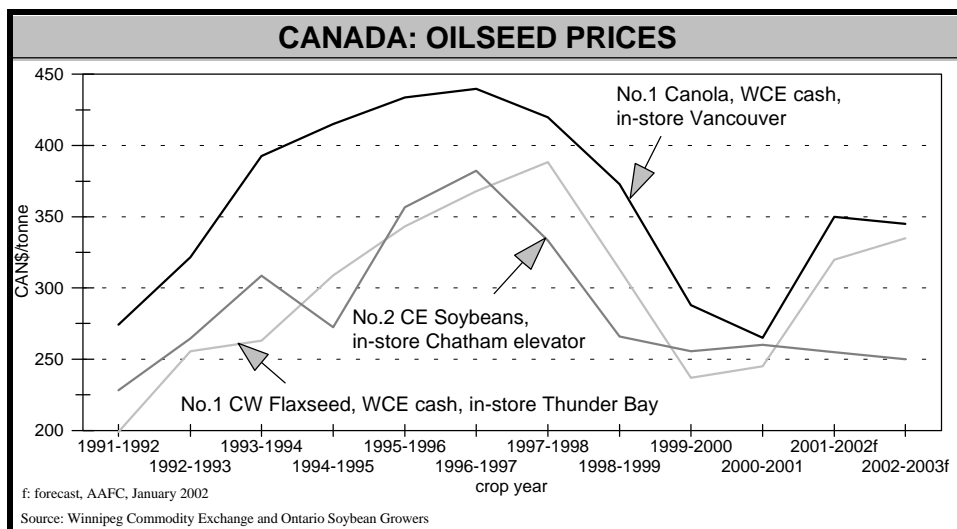
**World canola/rapeseed production** is expected to increase by about 5% due to a rise in seeded area and a return to normal yields in Canada and the EU. Chinese canola production is expected to be steady at about 11.9 Mt, due to lower domestic prices, promoted in part by China's entry into the WTO.

**World flaxseed** production is expected to remain stable. Production of flaxseed is expected to increase in Canada due to the favourable price relative to other oilseeds and the low cost of inputs. Production in the EU is expected to decline due to the reduction in domestic subsidies.

### PROTEIN MEAL AND EDIBLE OIL

For **soymeal**, world **production** is projected to rise by 3 Mt to about 126 Mt, primarily due to the increased supplies of soybeans within the U.S., Brazil, and Argentina. **Demand** is expected to increase due to the EU ban on animal meal use in livestock rations, increased world pork and poultry production, and an increase in per-capita disposable incomes. **Prices** of protein meals are expected to strengthen. As a result, crush margins and volumes are projected to increase.

For **edible oils**, world **production** is expected to increase, led by higher palm oil production and crushing of soybeans and canola/rapeseed, which is expected to offset a decline in sunflower and cottonseed crush. **Demand** for edible oil in China and other Asian countries is expected to remain strong, although this will increase trade in oilseeds rather than edible oils and protein meals.



Consumption of vegetable oil is forecast to increase and world trade is expected to increase slightly. **Supplies of palm oil** are expected to increase and continue to be burdensome as palm trees continue to mature and begin production. Increased trade and consumption of palm oil are expected to displace exports and usage of soyoil over the longer term.

## PRICES

Increased carry-out stocks of **U.S. soybeans** are forecast to pressure oilseed prices, from an expected average of US\$4.40/bu for U.S. soybeans in 2001-2002 to US\$4.20/bu in 2002-2003. The average U.S. **soymeal** price is forecast to rise by about US\$10-20 per short ton (/st) to US\$160-190/st. World vegetable oil prices are expected to remain historically weak, pressuring the average U.S. **soyoil** prices down to US\$0.13-0.17 per pound (/lb) compared to US\$0.14-0.17/lb expected for 2001-2002. The average LDP to-date on soybeans has increased to US\$1.24/bu (CAN\$71/t) from US\$0.93/bu (CAN\$53/t) for 2000-2001. For 2002-2003, LDP are expected to increase due to lower U.S. market prices for soybeans.

## CANADA

For **canola**, harvested area is expected to increase by about 10% to 4.3 Mha due to low carry-in stocks and higher prices in 2001-2002 than 2000-2001. Yields are expected to increase significantly, but

remain slightly below average due to the persistent dryness in western Canada. Production is projected to increase by 19% to 5.8 Mt. Supply is projected to increase at a slower pace due to very low carry-in stocks. Domestic processing is expected to remain stable, at lower than normal levels, due to poor crush margins. Export volumes are expected to increase due to the projected rise in supplies combined with stable Japanese demand. Carry-out stocks are expected to remain at very low levels. Canadian canola prices are forecast to decline by \$5/t, to \$330-360/t I/S Vancouver, due to burdensome world supplies of vegetable oils and protein meals.

For **flaxseed**, harvested area is forecast to increase by 10%, due to a slight increase in seeded area and a drop in crop abandonment. Yields are expected to rise to more normal levels, resulting in a 19% increase in production. Supply is expected to increase marginally, due to lower carry-in stocks. Exports are expected to increase to 0.75 Mt, from 0.70 Mt, due to the rebound in EU demand. Carry-out stocks are forecast to decrease to the lowest level since 1997-98. Prices are expected to increase by \$5/t, to \$320-350/t I/S Thunder Bay.

For **soybeans**, area seeded is forecast to decrease 7% because of chronic plant disease and insect infestations, projected lower prices and an increase in the area seeded to corn. However, production is expected to rise by 25% as a return to

normal yields more than offsets the drop in seeded area. Supply, however, is only expected to increase by 8% due to lower imports and carry-in stocks. Domestic processing of soybeans is forecast to remain stable because of ample supplies of raw beans, profitable crush margins, and continued strong protein meal prices. Exports are also projected to remain high as traders use Identity Preserved marketing techniques to market food-grade Canadian soybeans to niche markets. Carry-out stocks are expected to remain low. Soybean prices are expected to decline marginally to \$235-265/t, I/S Chatham, largely due to lower U.S. prices.

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