

Agricultural forecast for 1980-81

Agriculture Canada economists say farmers will have to plant about 26 million acres of wheat and increase barley plantings to 12 million acres this spring to fill export and domestic needs in 1980-81.

Canadian wheat exports are forecast to be between 14.5 and 16.5 million metric tons in 1980-81 because of continued strong world demand. World wheat consumption is expected to exceed production by 15 to 20 million metric tons this year. This strong demand for wheat is expected to result in an 11 percent increase in world wheat trade.

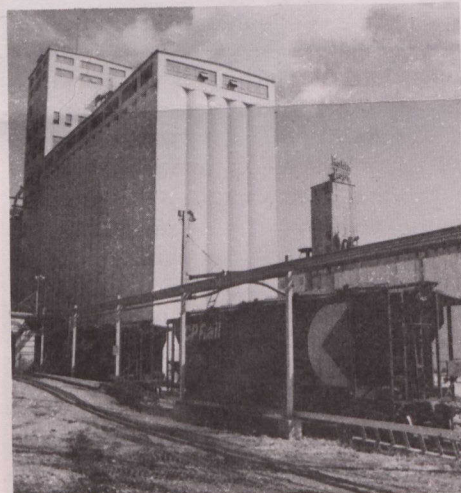
Canada's wheat and flour exports in 1979-80 are forecast to be 13.25 to 14.75 million metric tons, up from last year's 13.1 million metric tons.

Wheat exports to February were 8 percent below last year, but are expected to pick up in the latter part of the crop year because of the increased number of hopper cars, the extension of the boxcar rehabilitation program, the expansion of terminal facilities on the West Coast and the March reopening of the Second Narrows Bridge in Vancouver.

If Canadian farmers plant 26 million acres of wheat for 1980, this is likely to produce a crop of about 20 million metric tons. (In 1979, 17.7 million metric tons were produced in Canada from 25.9 million acres.) A crop of this size would meet both domestic and export needs for the 1980-81 crop year.

Coarse grains

World coarse grain prices should remain above current levels for the remainder of



Rapeseed pours into railway car on way to export markets.



Fields of yellow-coloured rapeseed bloom in the summer in the Prairies.

the 1979-80 crop year because of strong export demand and the effects of the United States grain programs.

World trade in coarse grains is expected to remain high despite U.S. restrictions on grain sales to the Soviet Union. World trade for 1979-80 is forecast at 99 million metric tons, about 10 percent higher than last year.

Canadian coarse grain prices for the rest of the 1979-80 crop year will likely be above current levels. Off-board barley prices should be at, or near, corn-competitive prices, and both should move up slightly over the next few months in line with U.S. corn prices.

Carryover of coarse grains at the end of this crop year is expected to be about 3.8 million metric tons, down from 7.1 million metric tons a year earlier. This is due to reduced production and increased use resulting largely from higher Canadian hog production.

In 1980-81, domestic use of coarse grains will likely decline slightly because of lower hog production.

The expected decline in the domestic use of barley will likely be offset by higher exports. To meet the probable demand for barley in 1980-81, up to a 30 percent increase in seeded area is indicated. This would require barley plantings of about 12 million acres.

Domestic demand for corn in 1980-81 should remain strong and the area planted to corn could increase. Expanded production could decrease imports of U.S. corn in the coming year.

Oilseeds outlook

World oilseed supplies are expected to increase more in 1980-81 than the demand for oilseed products. As a result, oilseed

prices will likely remain low throughout 1980.

In Canada, a sizeable reduction from the 8.5 million acres of rapeseed planted in 1979 may be desirable. Plantings of 6.5 million acres, with average yields, should be adequate to meet requirements.

Canadian rapeseed will likely meet stiff competition from large U.S. soybean stocks and tropical oils in world markets in the coming year.

World demand for flaxseed has increased mainly because of expanded interest from Eastern Europe and the Soviet Union. Flaxseed markets should remain firmer in 1980-81 than was anticipated in December. For flaxseed supplies to stay at this year's level, about 1.8 million acres would have to be planted.

A small but steady increase in Canadian soybean plantings outside the traditional areas is expected during the next few years.

Canada's most important export markets for grain are the European Economic Community, Japan, China and the U.S.S.R. Grains and oilseeds together constitute some 70 per cent of the value of agricultural exports. (Agricultural exports in turn account for about 10 per cent of the total value of all exports.) Grains and grain products (especially wheat) had an export value of approximately \$2.6 billion in 1978, oilseeds and oilseed products some \$645 million. Two-thirds of Canadian wheat production, roughly 15 million metric tons, is exported and Canadian wheat claims a 17 percent share of the world's export market, second only to the United States.