



WORLD DURUM MARKET OUTLOOK 2010-11

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Manager Marketing & Sales

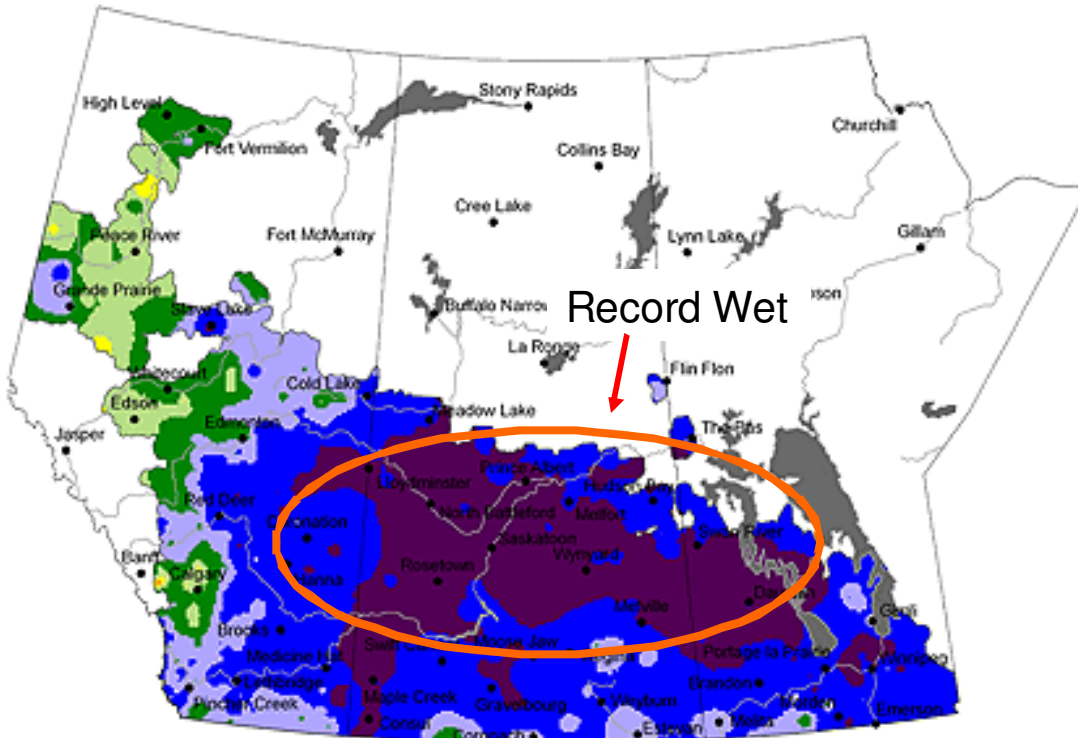
Latin America & the Caribbean

The Canadian Wheat Board



Precipitation Compared to Historical Distribution (Prairie Region)

April 1, 2010 to June 8, 2010



- Record Dey
- Extremely Low (0-10)
- Very Low (10-20)
- Low (20-40)
- Mid-Range (40-60)
- High (60-80)
- Very High (80-90)
- Extremely High (90-100)
- Record Wet
- Extent of Agricultural Land
- Lakes and Rivers

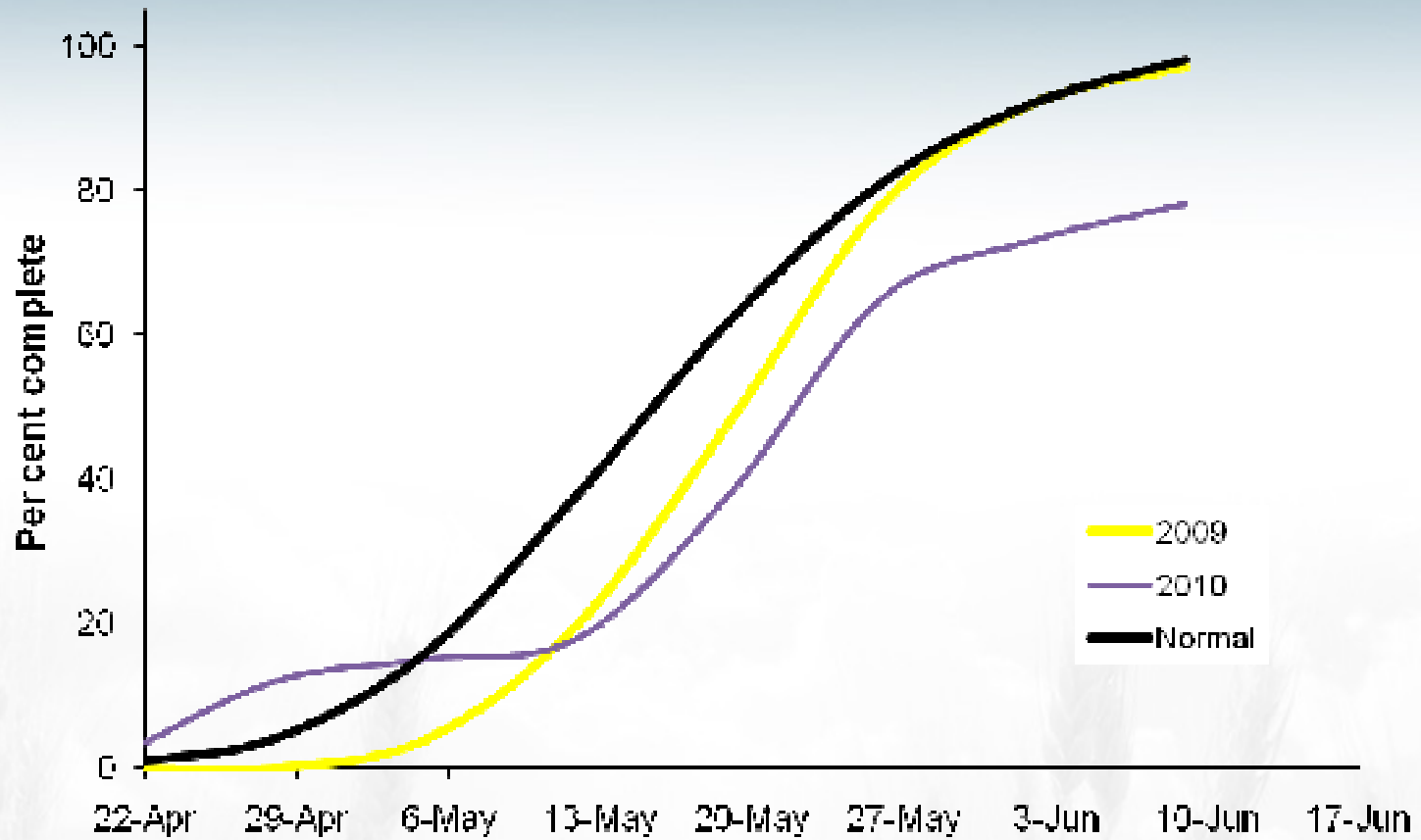
Produced using near real-time data that has undergone initial quality control. The map may not be accurate for all regions due to data availability and data errors.

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Prepared by Agriculture and Agri-Food Canada's National Agroclimate Information Service (NAIS). Data provided through partnership with Environment Canada, Natural Resources Canada, and many Provincial agencies.

Created: 06/09/10
www.agr.gc.ca/drought

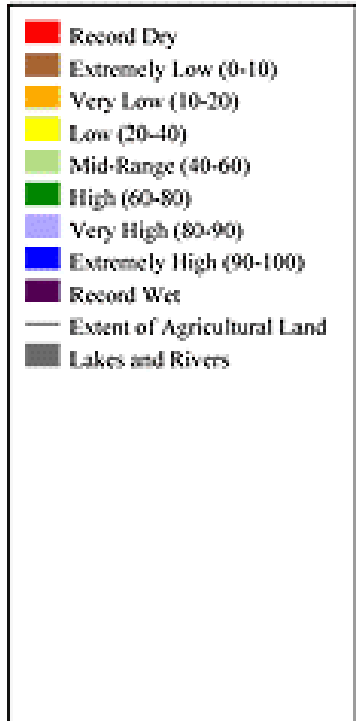
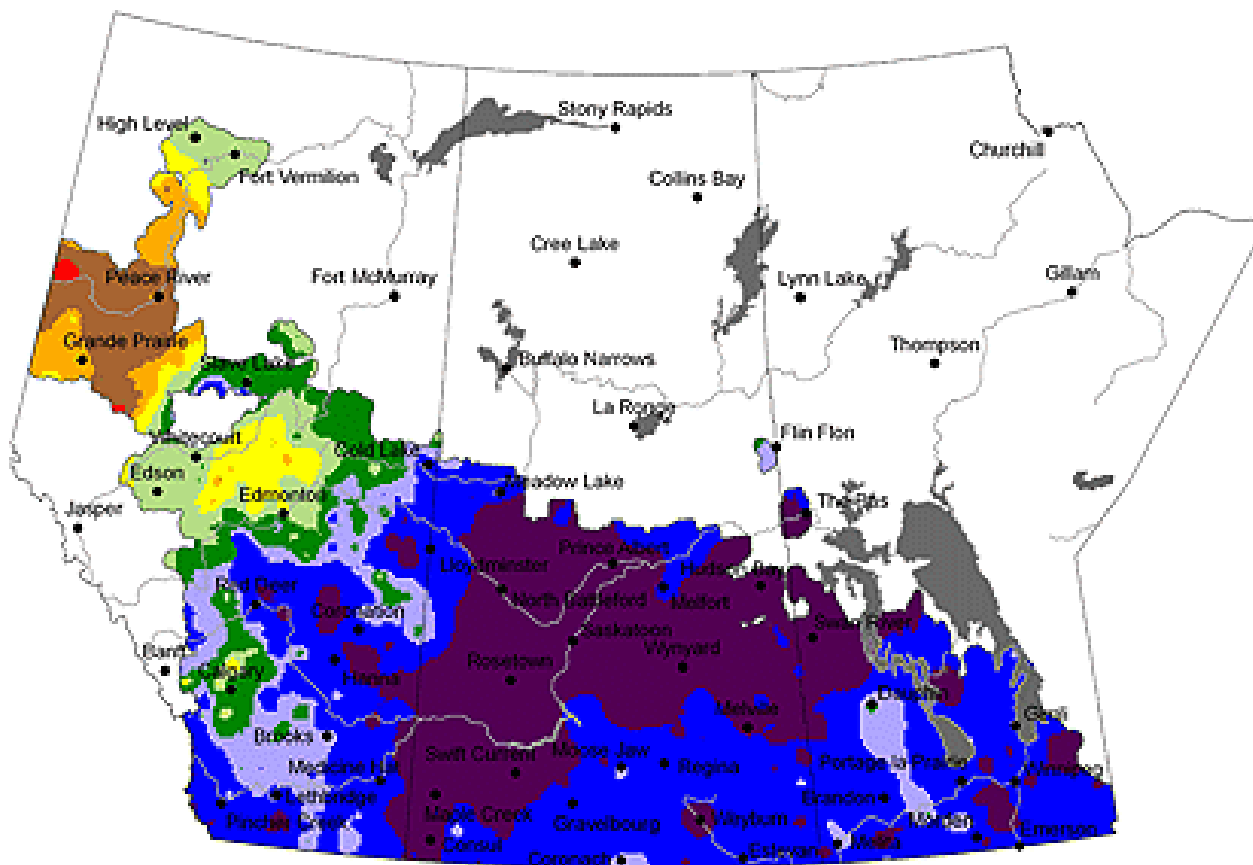
Western Canada Seeding Progress - 6 Major Grains





Precipitation Compared to Historical Distribution (Prairie Region)

April 1, 2010 to October 7, 2010

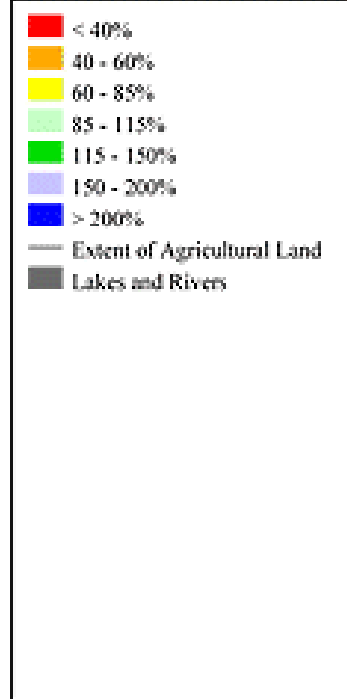
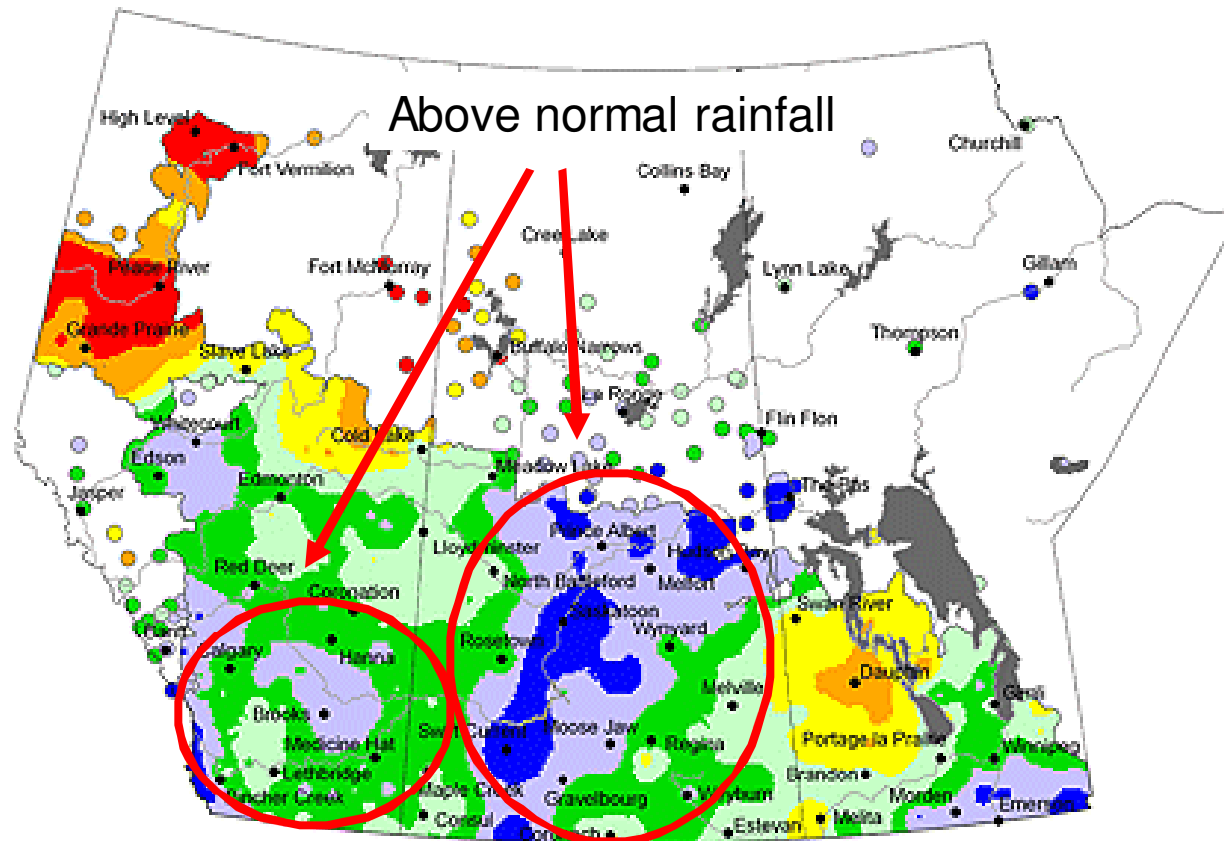


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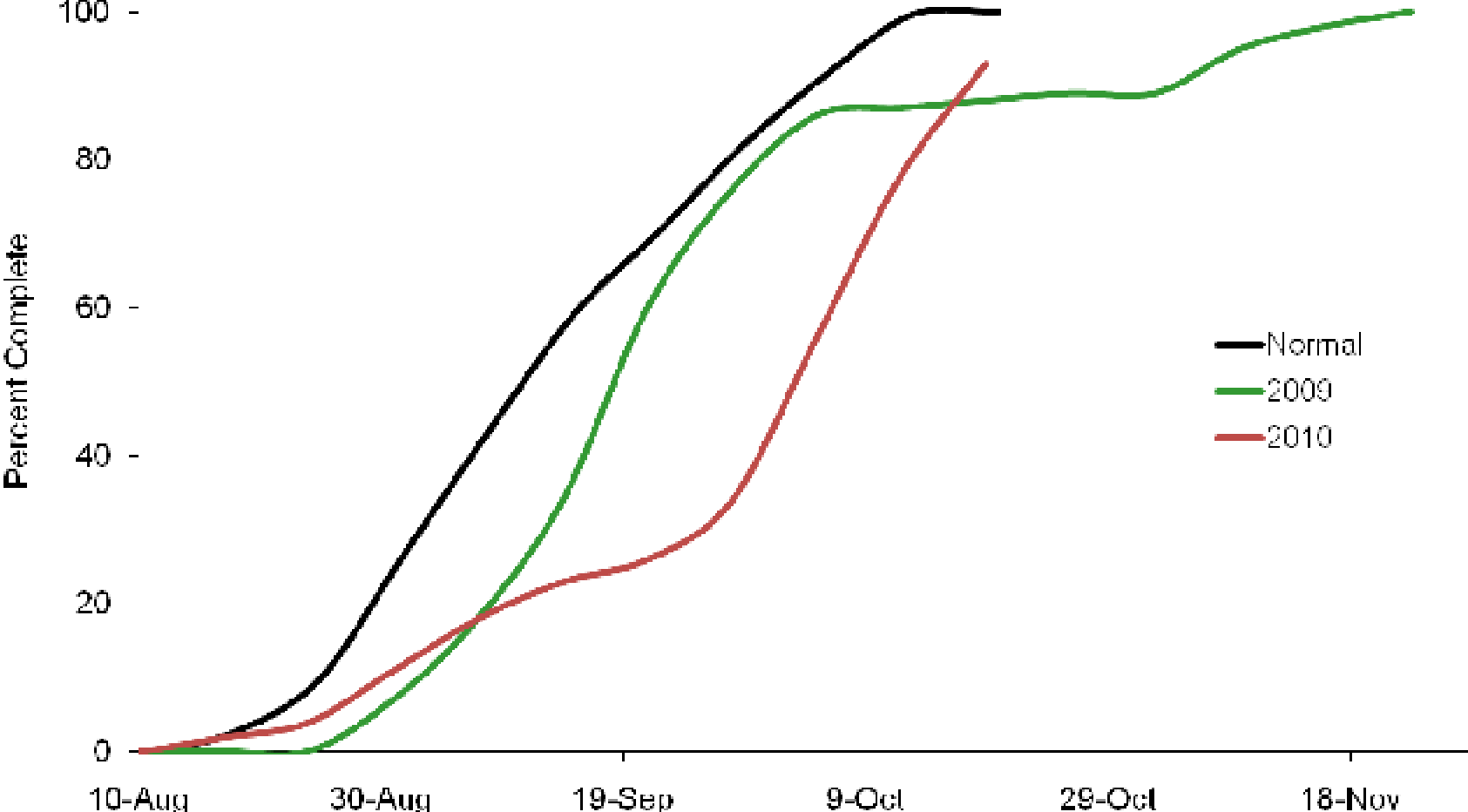
1 Month (30 Days) Percent of Average Precipitation (Prairie Region)

September 8, 2010 to October 7, 2010



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.

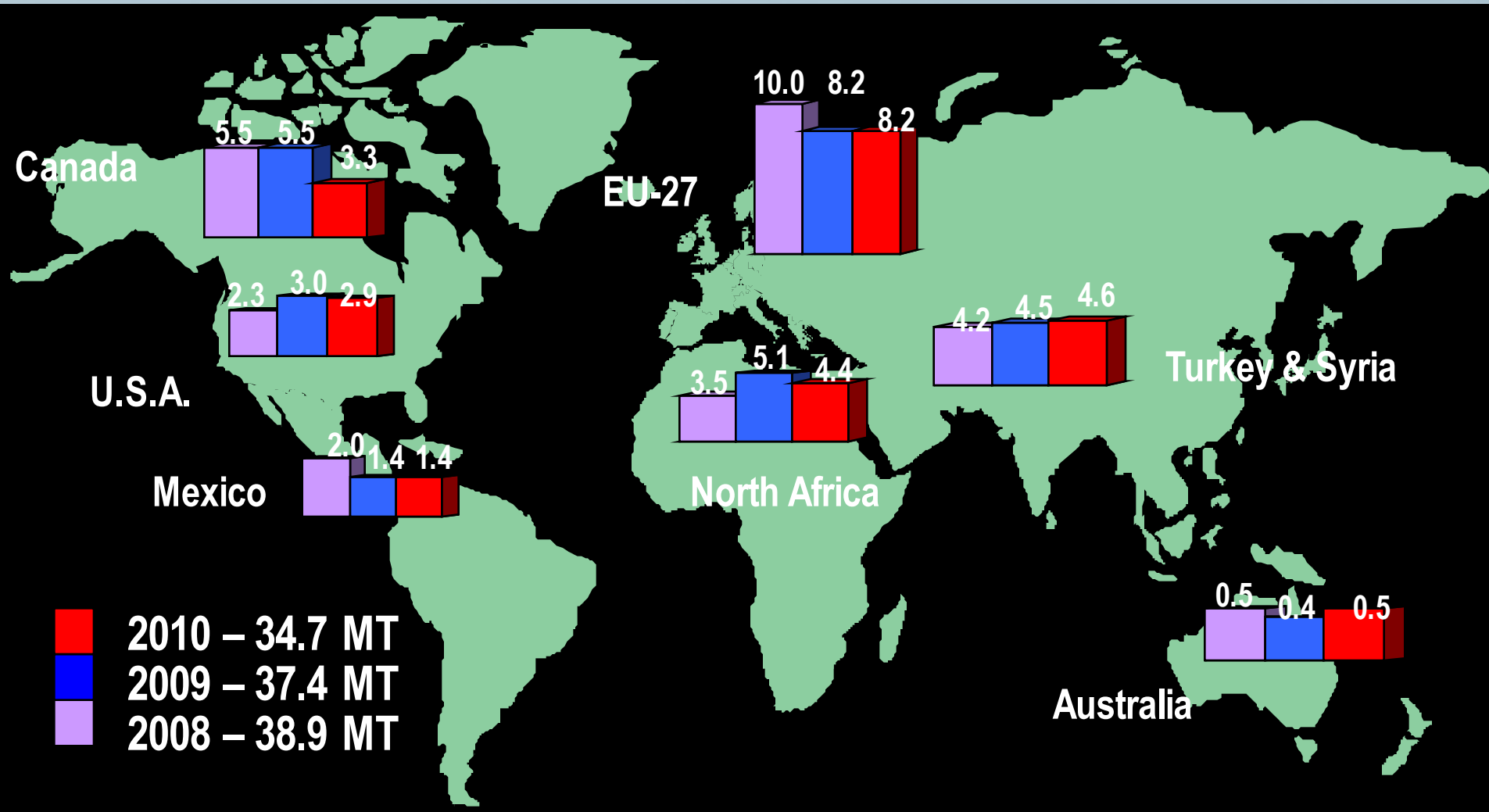
Western Canada Harvest Progress



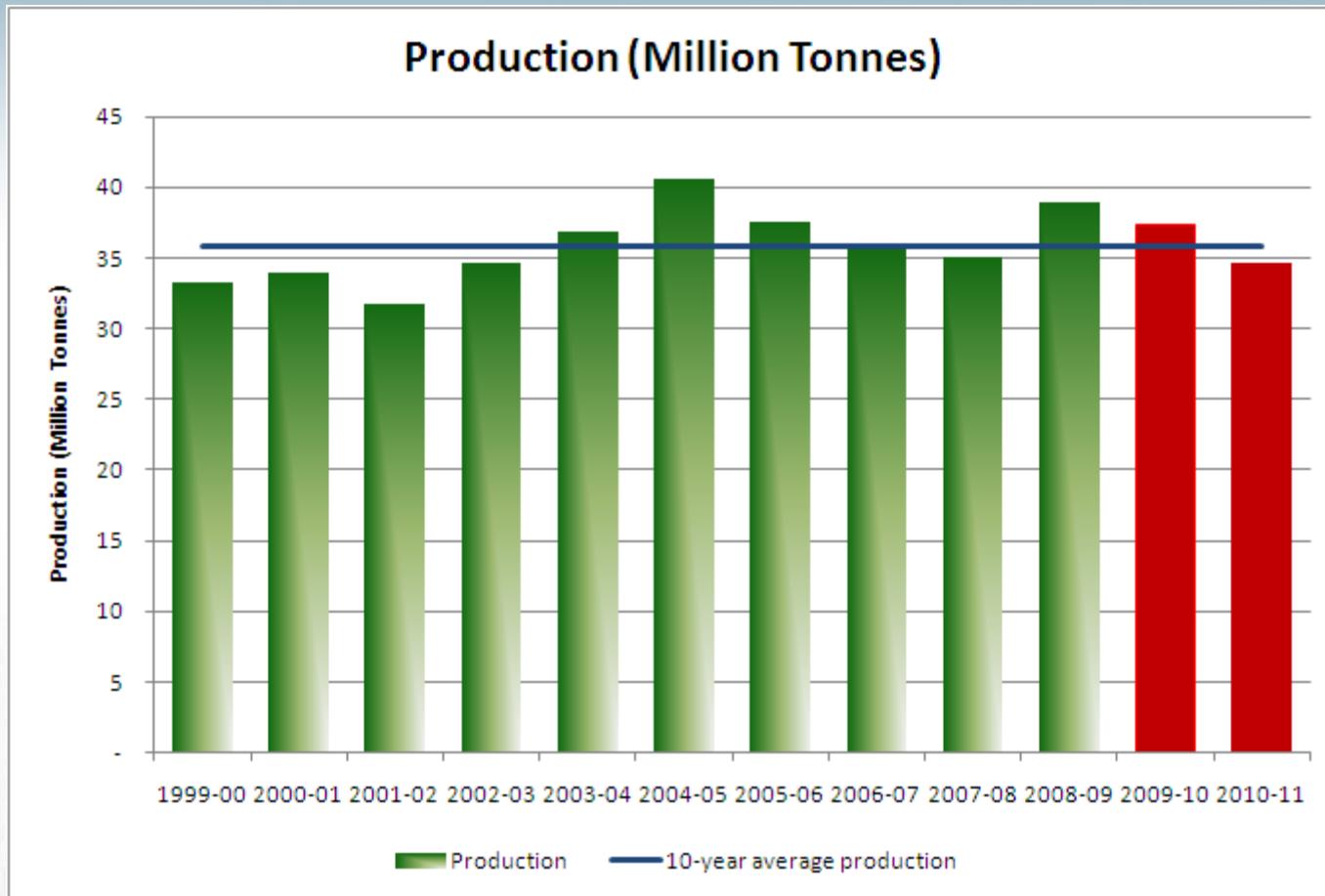
The lowest seeded area in decades

Western Canada Sown Area (million ha)						
	2005-09 Avg.	Stats. Can. 2008	Stats. Can. 2009	WMA 2010	% Change 2010/09	
All Wheat	9.26	9.48	9.515	7.774	-18.3%	
Spring Wheat	6.78	6.49	6.795	6.203	-8.7%	
CWRS	5.88	5.71	5.989	5.408	-9.7%	
CWHW	0.17	0.04	0.061	0.057	-6.7%	
CPSR	0.38	0.32	0.364	0.366	0.6%	
CPSW	0.03	0.02	0.018	0.018	0.0%	
CWES	0.09	0.08	0.079	0.079	0.0%	
Others	0.14	0.10	0.091	0.093	2.2%	
SWS	0.10	0.20	0.192	0.182	-5.3%	
Durum	2.11	2.44	2.267	1.325	-41.5%	
Winter Wheat	0.37	0.55	0.453	0.245	-46.0%	
Oats	1.72	1.61	1.416	1.012	-28.6%	
Barley	3.74	3.58	3.345	2.673	-20.1%	
Rye	0.13	0.12	0.113	0.081	-28.6%	
Flax (incl. Solin)	0.70	0.63	0.696	0.384	-44.8%	
Canola	5.89	6.50	6.273	5.828	-7.1%	
Six Major Grains	21.43	21.92	21.358	17.751	-16.9%	
Peas	1.45	1.62	1.516	1.396	-7.9%	
Lentils	0.69	0.63	0.939	1.101	17.2%	

Major Durum Producers (million tonnes)

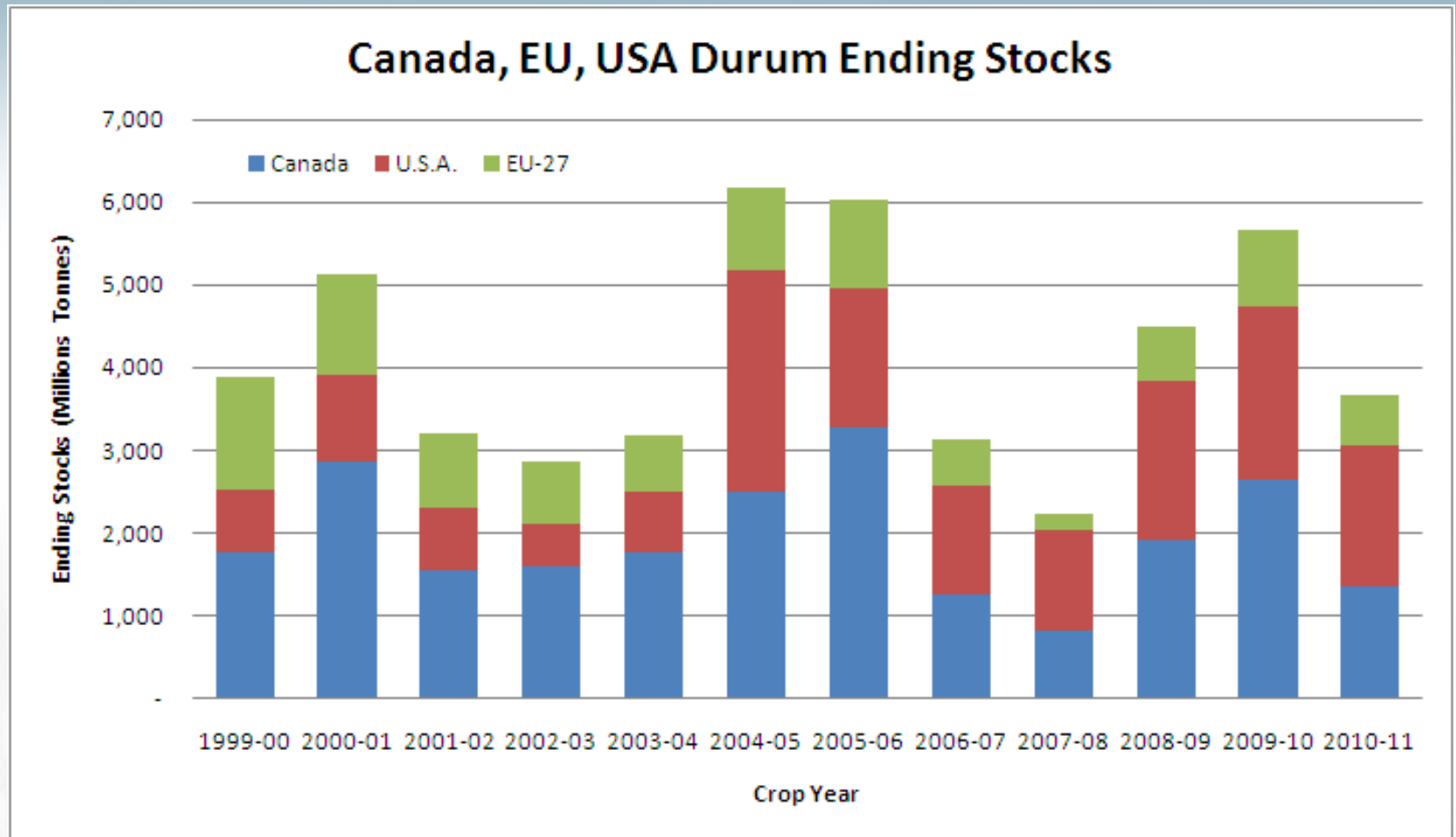


World Durum Production



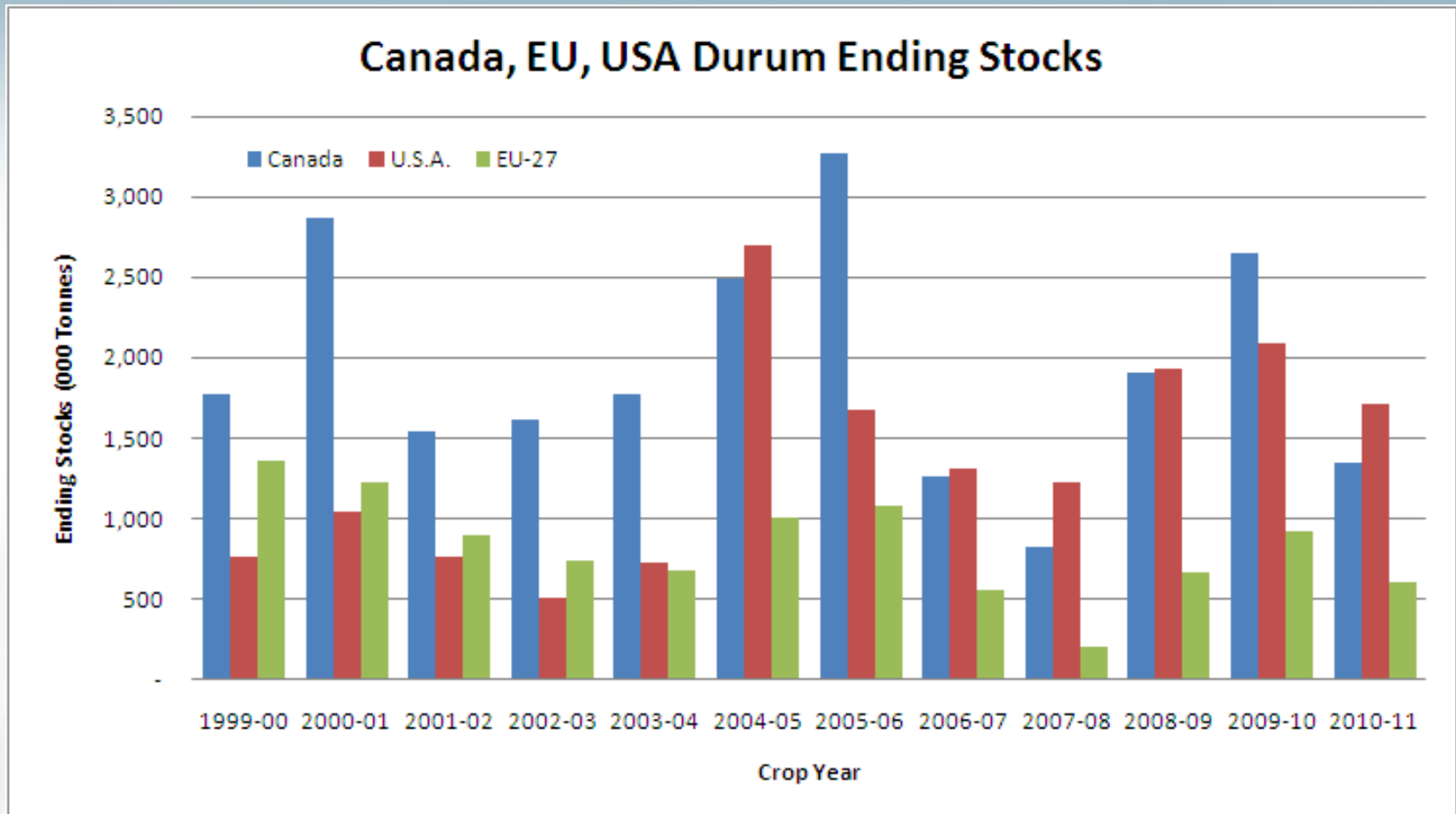
Source: ICG, 2009-10, 2010-11 CWB Forecast

Ending Stocks Canada, the US, the EU



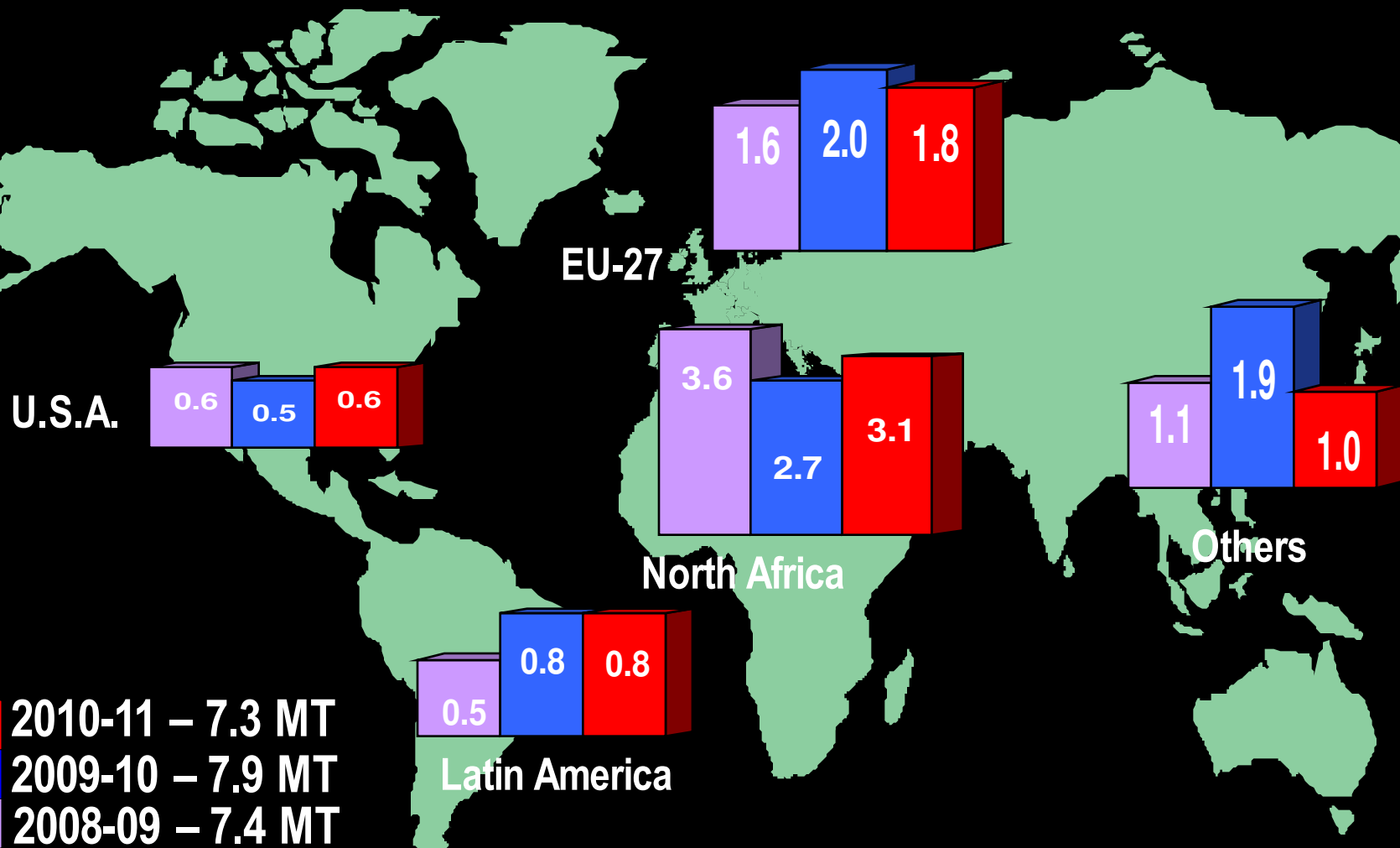
Source: ICG, 2009-10, 2010-11 CWB Forecast

Ending Stocks Canada, the US, the EU



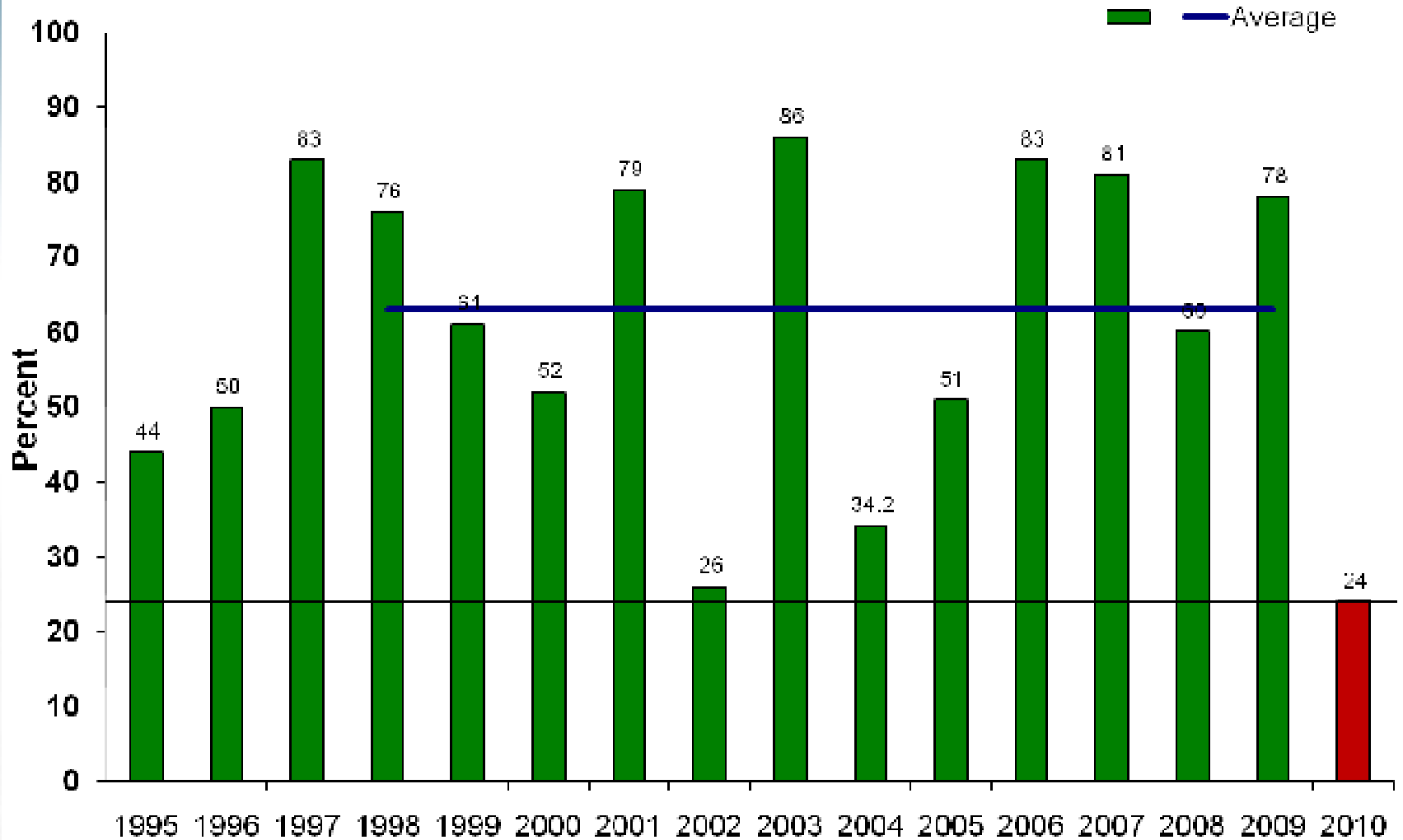
Source: ICG, 2009-10, 2010-11 CWB Forecast

Regional Durum Import Demand (million tonnes, excludes semolina)

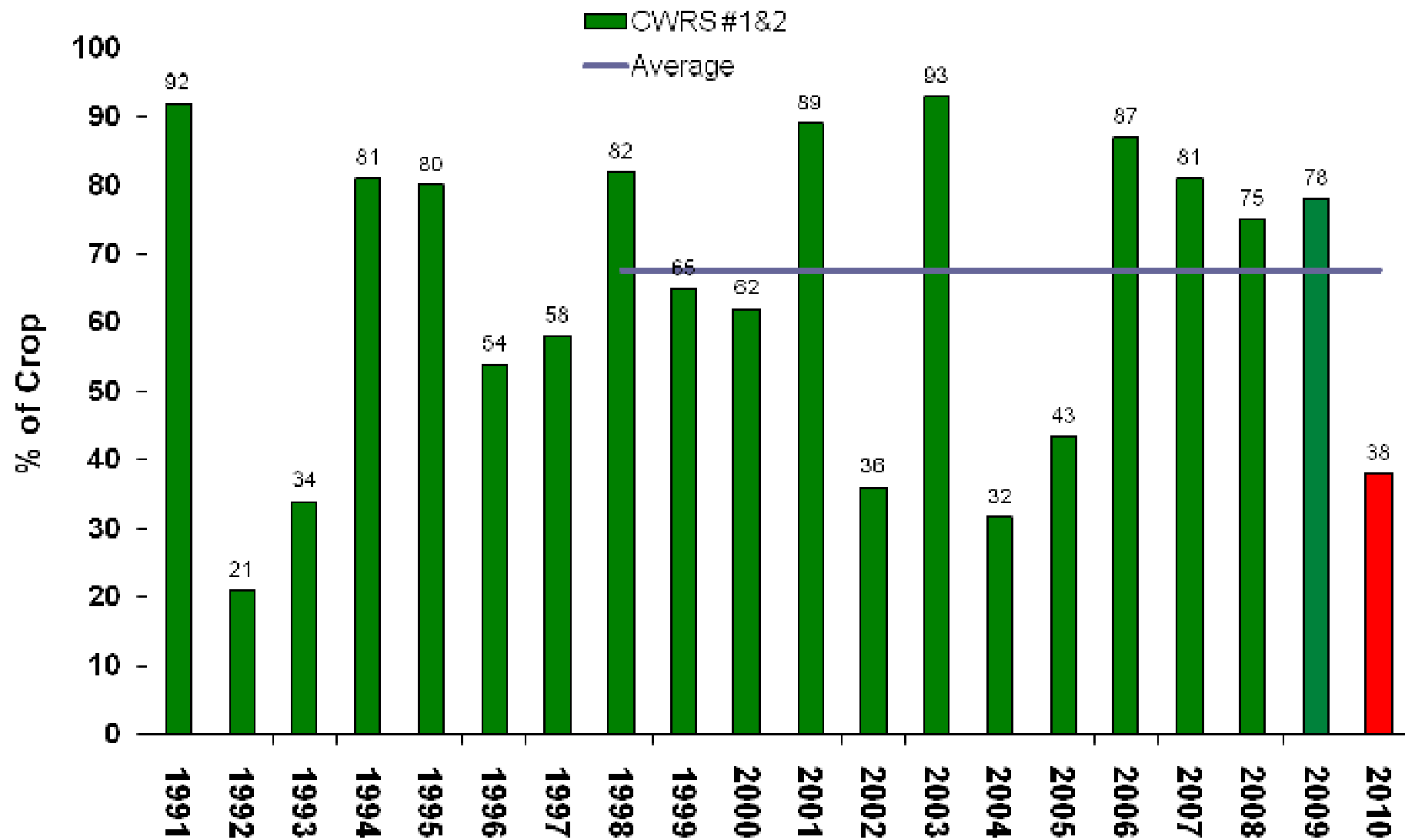


Source :IGC/CWB

Total CWAD grading #1 or #2



Per cent of CWRS Grading #1 and 2



Canadian Durum S&D

Canadian Durum S&D (Aug - Jul)				
MT	2007-08	2008-09	2009-10	2010-11
Area (MHA)	1.9	2.4	2.2	1.4
Carry-in	1.3	0.8	1.9	2.6
Production	3.7	5.5	5.5	3.3
Total Supply	4.9	6.3	7.4	5.9
Domestic Use	0.9	0.8	0.9	0.9
Exports	3.2	3.6	3.9	3.7
Carry-out	0.8	1.9	2.6	1.3

Source: ICG, 2009-10, 2010-11 CWB Forecast

Western Canadian Harvest Progress

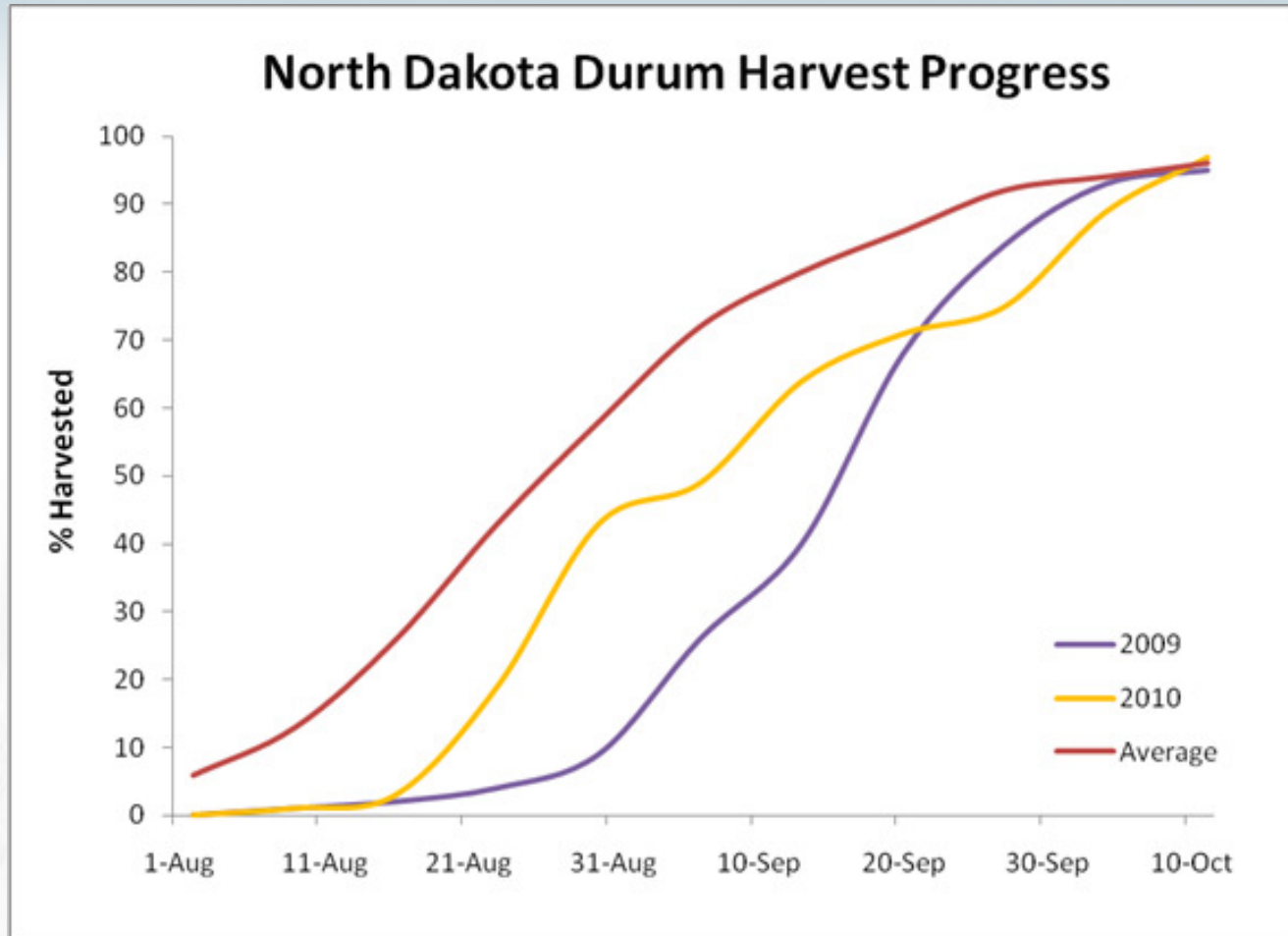
1. Western Canadian Harvest Progress is behind normal pacing.
2. Better than expected harvest conditions resulted in a rapid harvest pace over the past two weeks.
3. Harvest at least 2/3 done.

US Durum S&D (Jun – May)

US Durum S&D (Jun - May)				
MT	2007-08	2008-09	2009-10	2010-11
Area (MHA)	0.9	1.0	1.0	1.0
Carry-in	0.6	0.2	0.7	0.9
Production	2.0	2.3	3.0	2.9
Imports	1.1	1.0	1.0	0.9
Total Supply	3.6	3.5	4.6	4.8
Domestic Use	2.3	2.2	2.5	2.6
Exports	1.1	0.6	1.2	1.4
Carry-out	0.2	0.7	0.9	0.8
Stocks to Use	6%	23%	25%	21%

Source: ICG, 2009-10, 2010-11 CWB Forecast

North Dakota Durum Harvest Progress

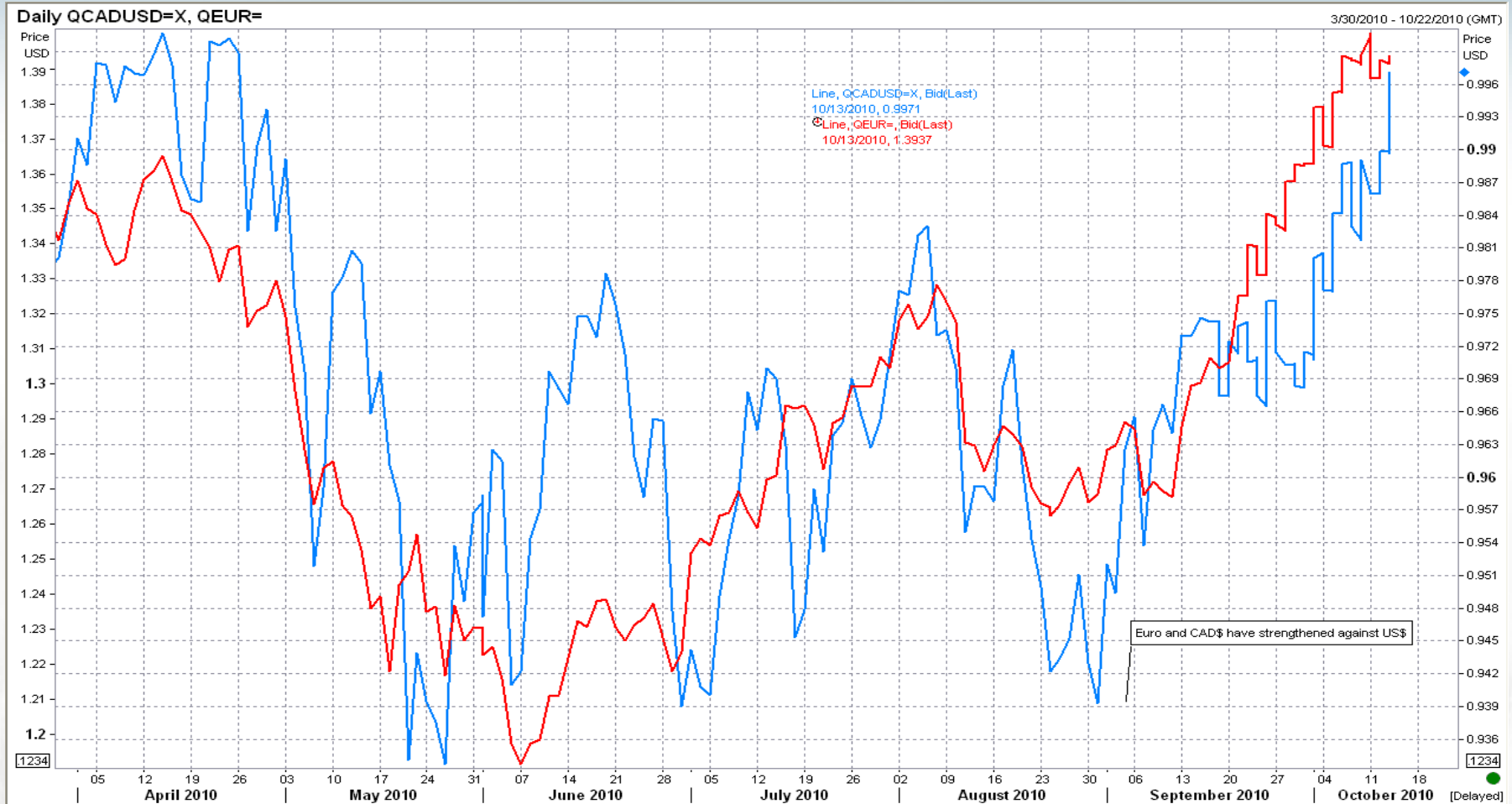


EU Durum S&D (Jul – Jun)

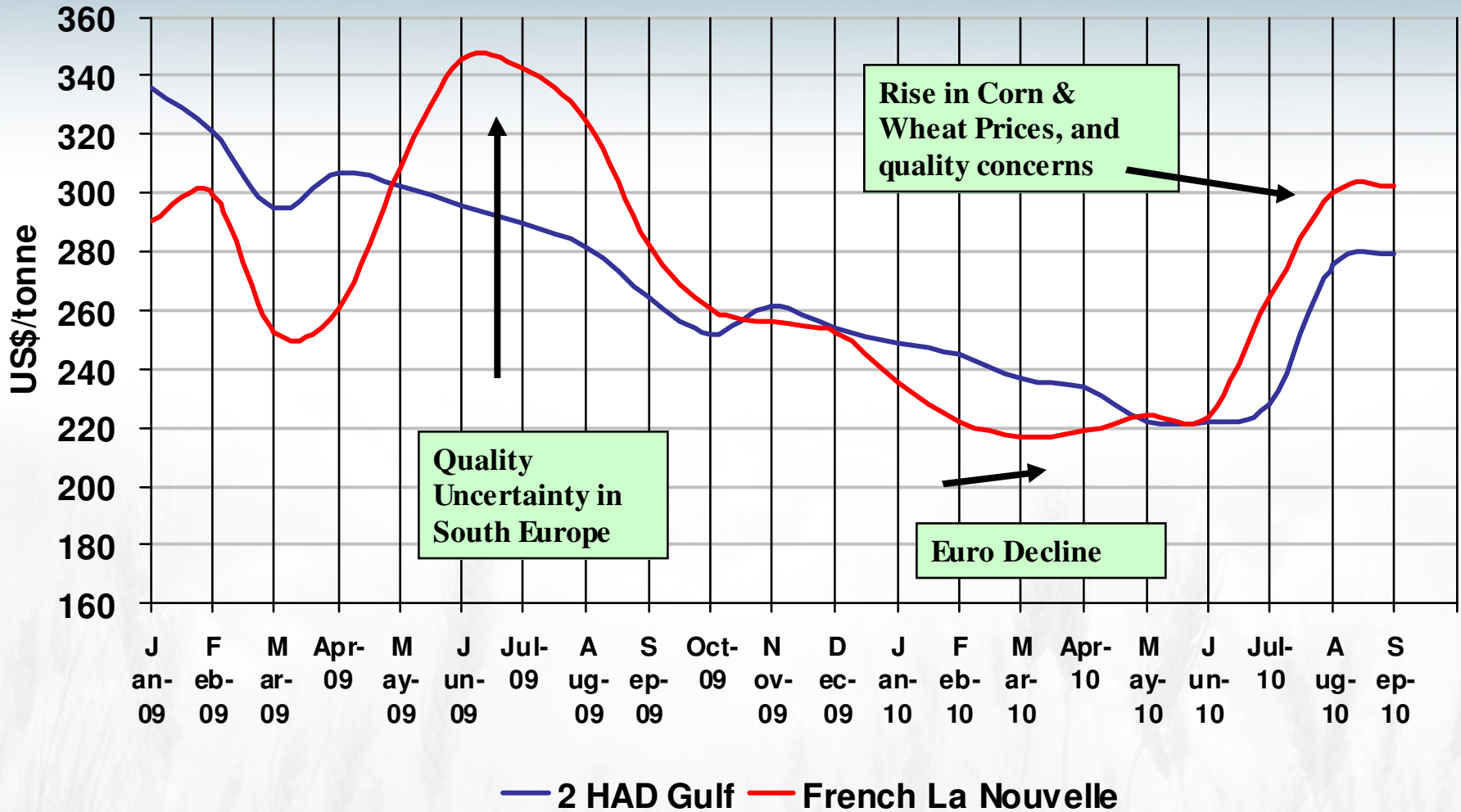
EU Durum S&D (Jul-Jun)				
MT	2007-08	2008-09	2009-10	2010-11
Area (MHA)	2.9	3.0	2.7	2.8
Carry-in	1.3	1.2	1.9	2.1
Production	8.4	10.0	8.2	8.2
Imports	1.9	1.6	2.0	1.8
Total Supply	11.6	12.8	12.2	12.1
Domestic Use	9.5	9.2	9.0	9.4
Exports	0.9	1.7	1.1	1.0
Carry-out	1.2	1.9	2.1	1.7
Stocks to Use	12%	18%	21%	17%

Source: ICG, 2009-10, 2010-11 CWB Forecast

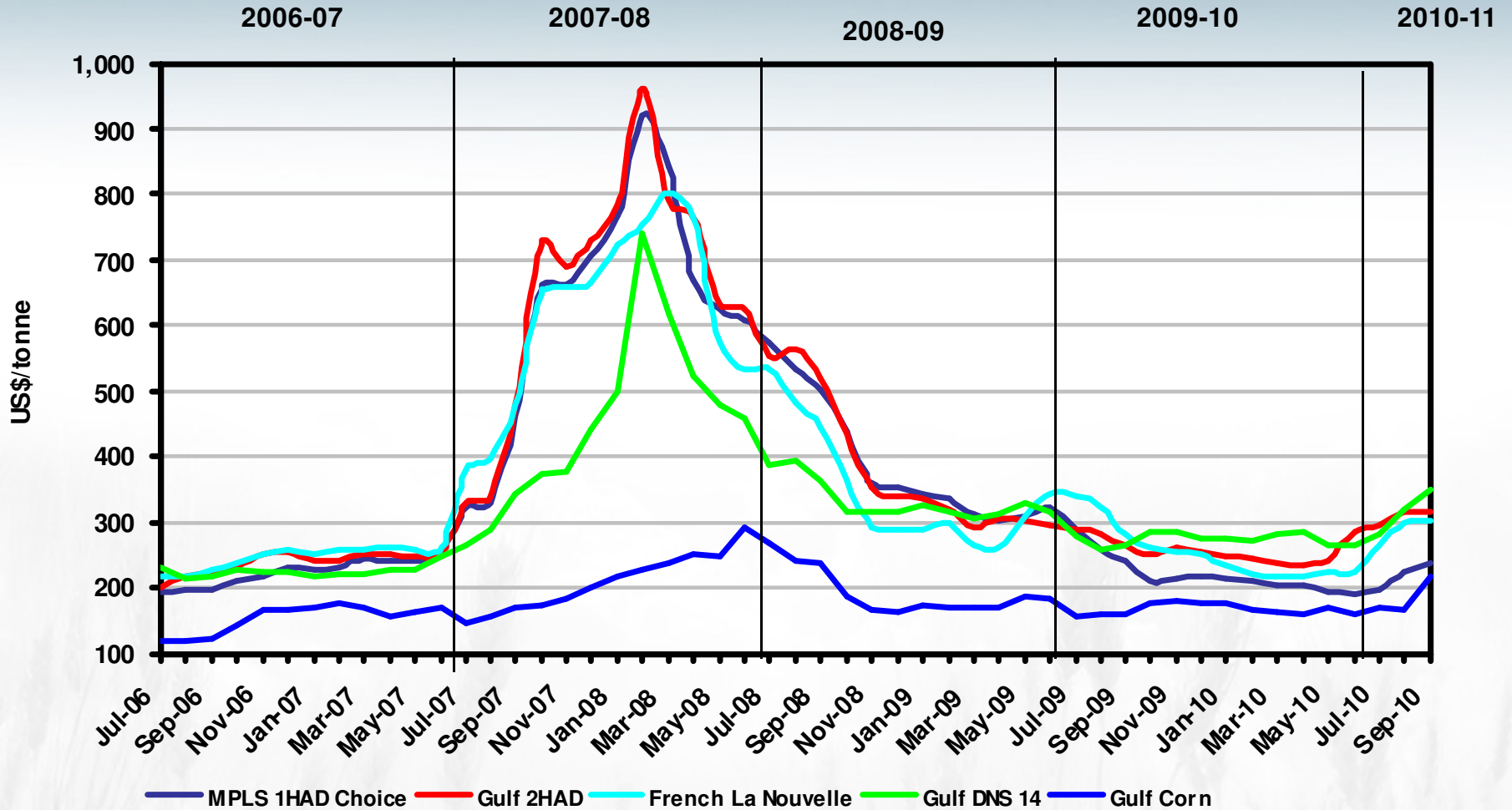
Exchange Rates: Euro and CAD rising against US\$



Durum FOB Prices (US\$/T)

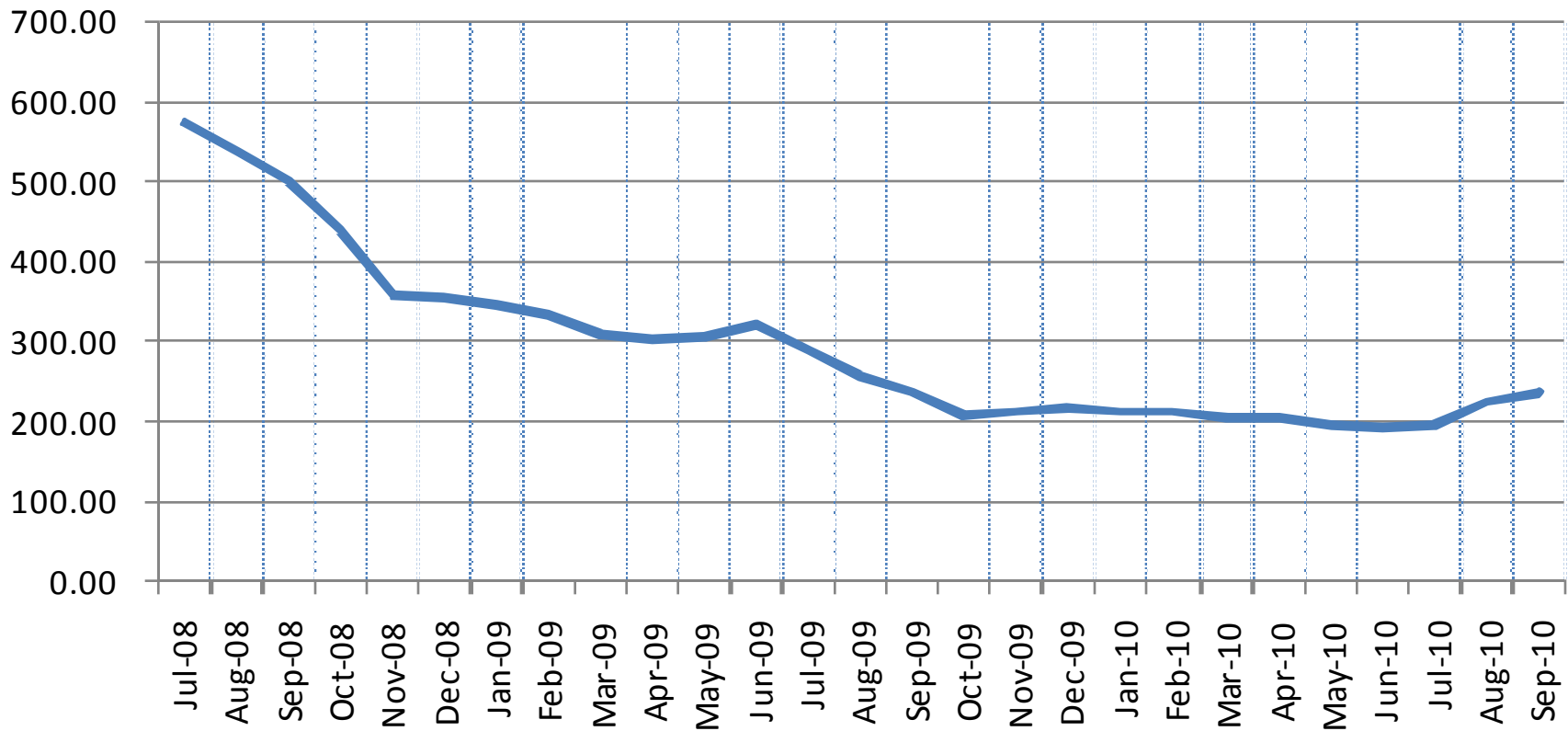


World Durum Indicator Prices (US\$/T)



U.S. 1 HAD Choice Values (US\$/T)

IHAD Choice



1. Durum market factors 2010-11

1. Durum outlook improving: heavy stocks, but quality issues wide spread.
2. Global carryout stocks may decline by 2 MT
3. North Africa above average crop, with some quality issues
4. Durum area lower in Canada, with quality issues.

2. Durum market factors 2010-11

6. EU production up, with some quality issues outside of France
7. If Euro appreciation against US\$ holds, will increase EU imports and reduce exports.
8. U.S. durum harvest nearing completion.

Questions?