Global Durum Outlook

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May 29, 2017

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Presentation Overview

- World durum situation
- World durum trade
- 2016 Canadian durum quality
- Canadian durum outlook

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World Durum Supply and Demand

World Durum Supply and Demand (million tons)				
	2015-16 (est.)	**2016-17 (f)**	**2017-18 (f)**	**%∆Y/Y**
Carry-in	7.4	9.5	11	15.7
Production	39.1	39.9	39.4	-1.3
Imports	8.7	8.0	7.7	-3.8
Total Supply	46.4	49.4	50.4	2.0
Consumption	36.9	38.4	39.4	2.6
Exports	8.7	8.0	7.7	-3.8
Carry-Out	9.5	11	11	0

Source: IGC, April 2017

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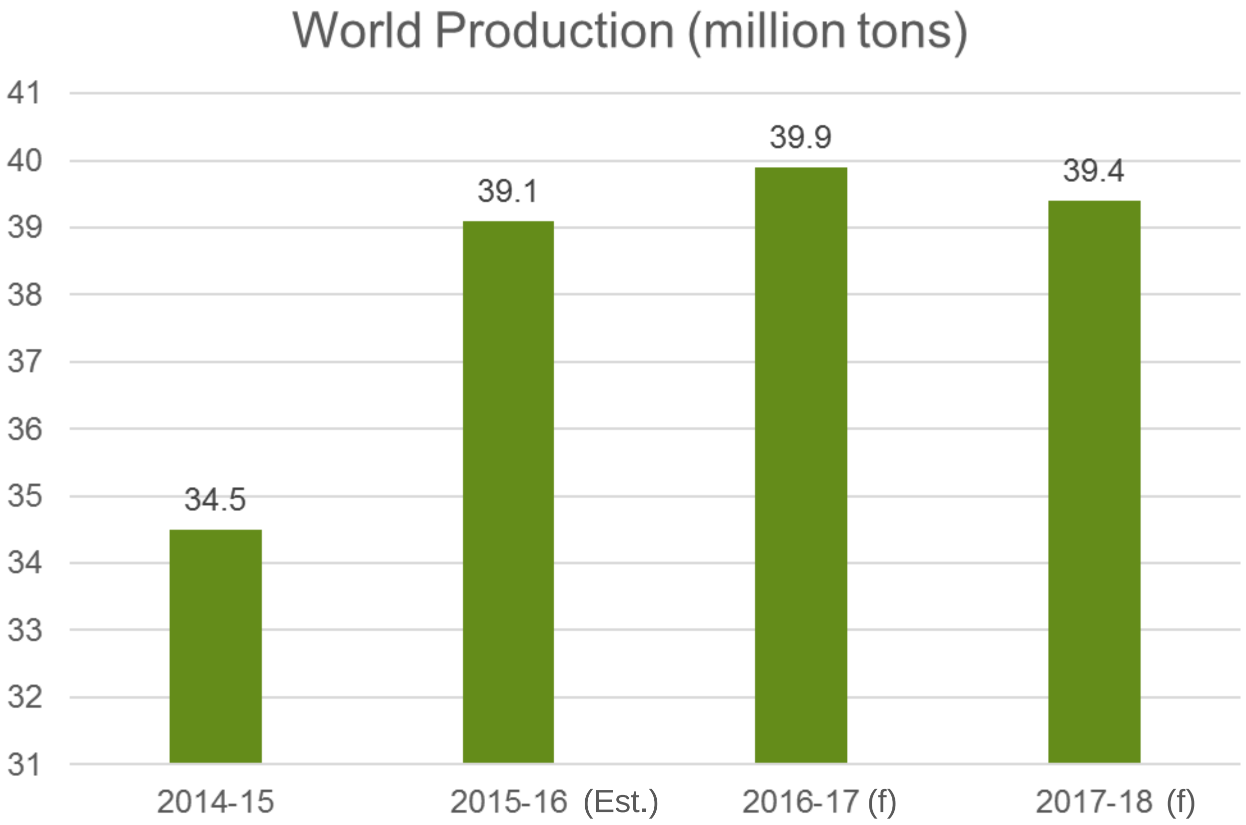
World Durum Production



Source: IGC, April 2017

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Yield Estimates

	2016-17 (t/ha)
Europe	3.36
Canada	3.28
United States	2.96

Sources: JRC Mars Bulletin, Vol 25, No 3
AAFC, Outlook for Principal Field Crops, March 2017
USDA-NASS, Prospective Plantings, March 2017

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Planted durum area – North America

Canada:

- 2017 estimated at 2 million hectares, down 20% from 2016-17.

United States:

- 2017 estimated at 0.81 million hectares, down 17% from 2016-17.

Sources: AAFC, Outlook for Principal Field Crops, March 2017
USDA-NASS, Prospective Plantings, March 2017

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World Harvested Area

- World harvested durum area 16.1 million hectares in 2016-17.
- 1% decrease projected for 2017-18.

Source: IGC, March 2017

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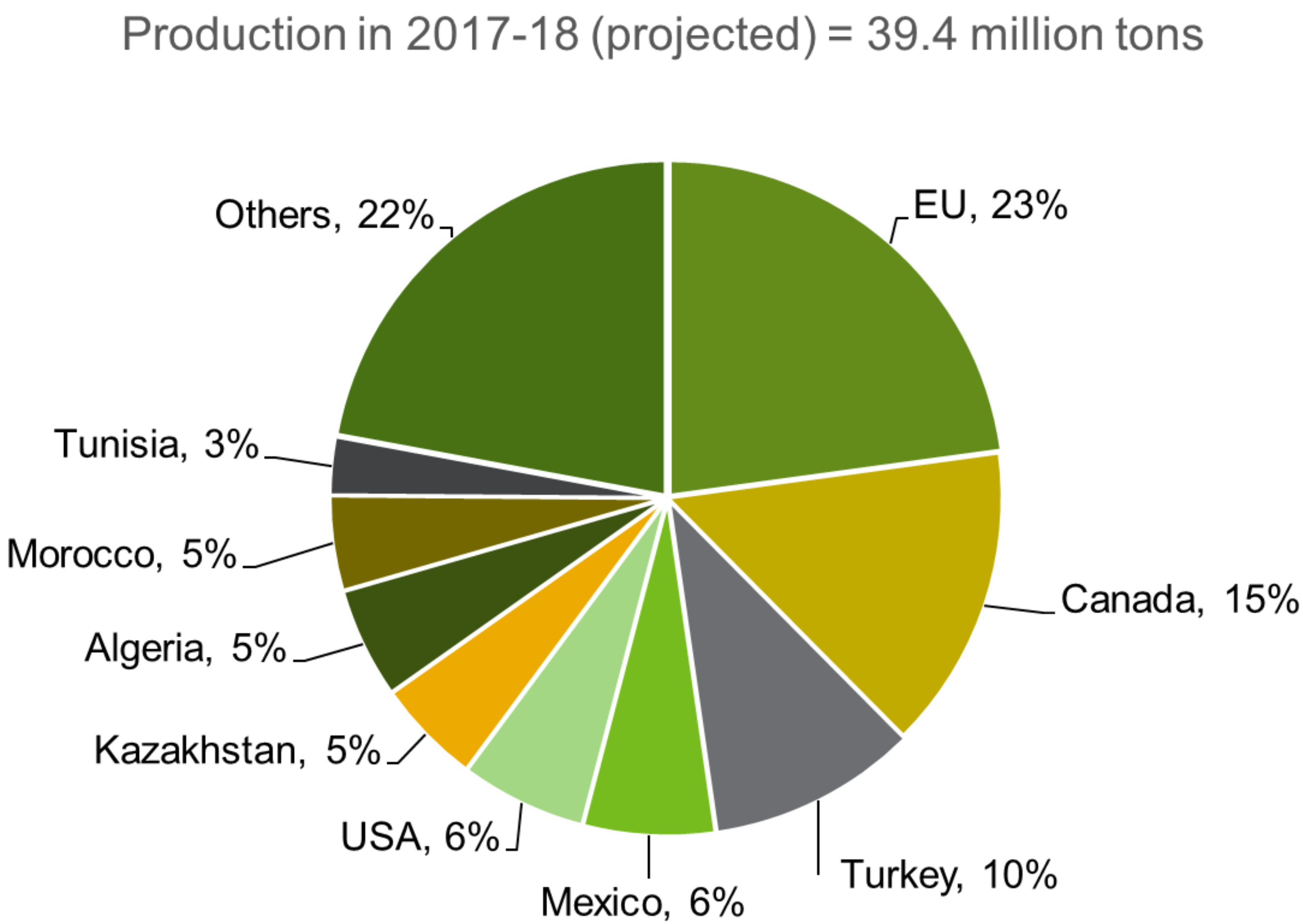
Durum Production by Region



Source: IGC, April 2017

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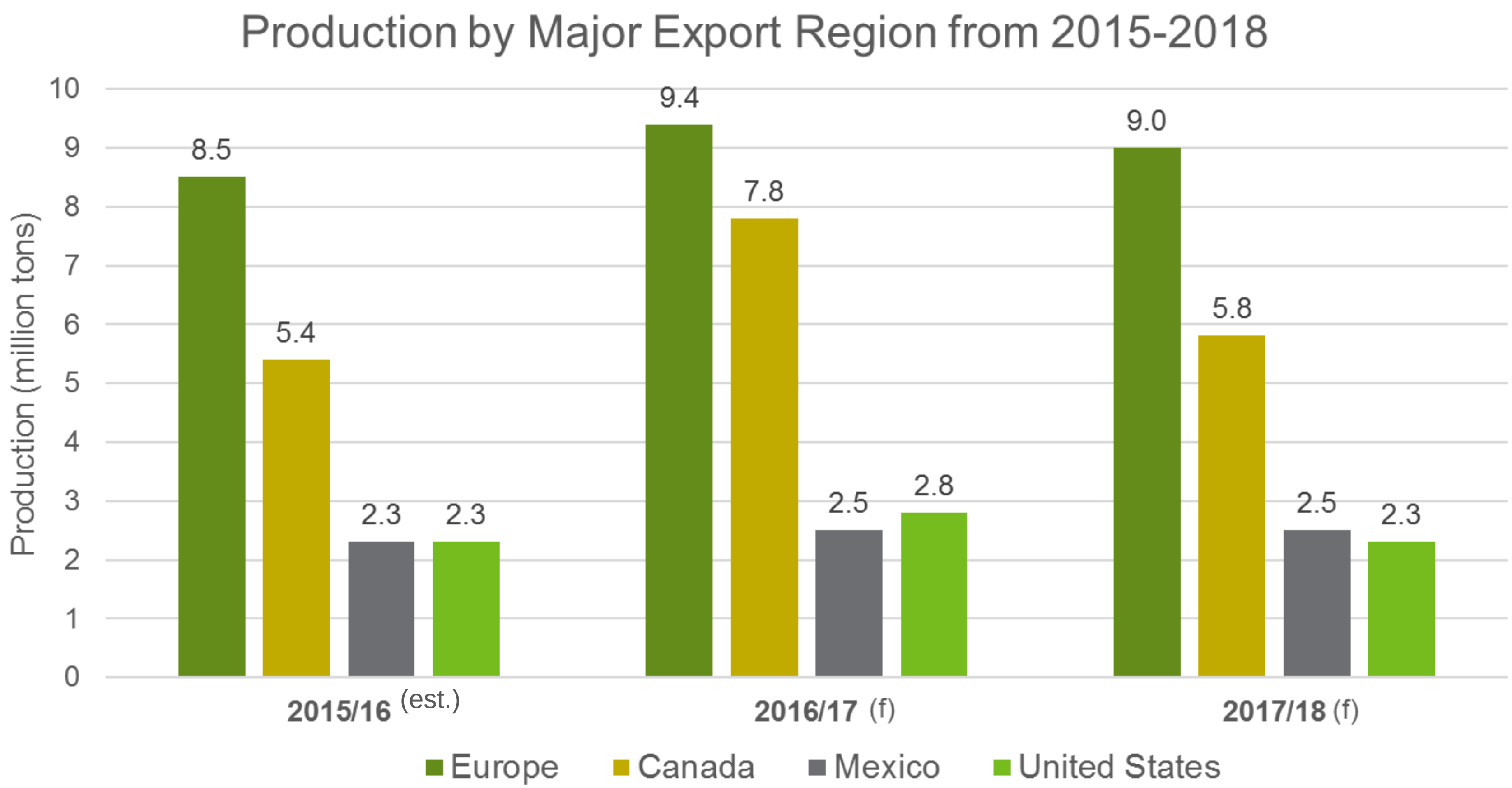
Production by Major Export Region, 2015/16 to 2017/18



Source: IGC, April 2017

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Major Durum Exporters

	Percentage Share	
Exporter	**2016-17 (f)**	**2017-18 (projected)**
Canada	50%	55%
Mexico	14	17
EU	19	16
USA	7	5
Kazakhstan	2	2
Australia	2	2
Turkey	1	1
Others	5	3

Source: based on IGC, April 2017

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Major World Durum Export Destinations, by value, 2015

Market	Share (%)
World	**100%**
Italy	**21%**
Algeria	**14%**
Germany	**8%**
Tunisia	**7%**
United States	**6%**
Morocco	**6%**
Venezuela	**5%**
Turkey	**3%**
Belgium	**3%**
Japan	**2%**
Rest of World	**25%**

Source: ITC TradeMap based on UN COMTRADE statistics, 2017

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Canadian Durum Exports, by volume, metric tonnes, 2016

Country	2016	Share
World	**4,100,950**	**100%**
Algeria	944,965	23%
Italy	939,269	23%
Morocco	623,696	15%
United States	294,424	7%
Japan	209,334	5%
Belgium	193,006	5%
Turkey	200,220	5%
Peru	106,349	3%
Tunisia	98,900	2%
United Arab Emirates	77,539	2%

Source: Canada International Merchandise Trade Database, 2017

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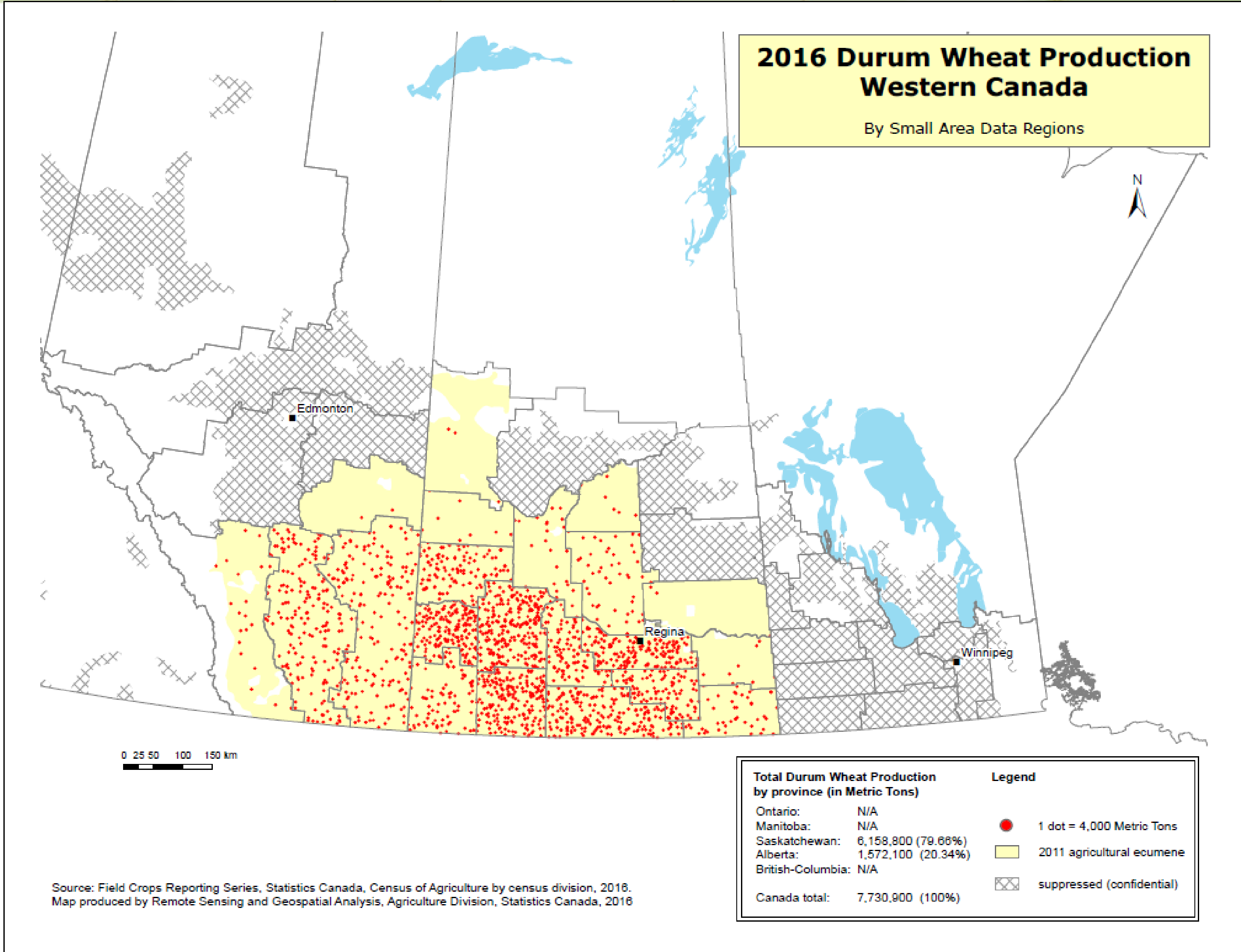
Canadian Durum Production Areas



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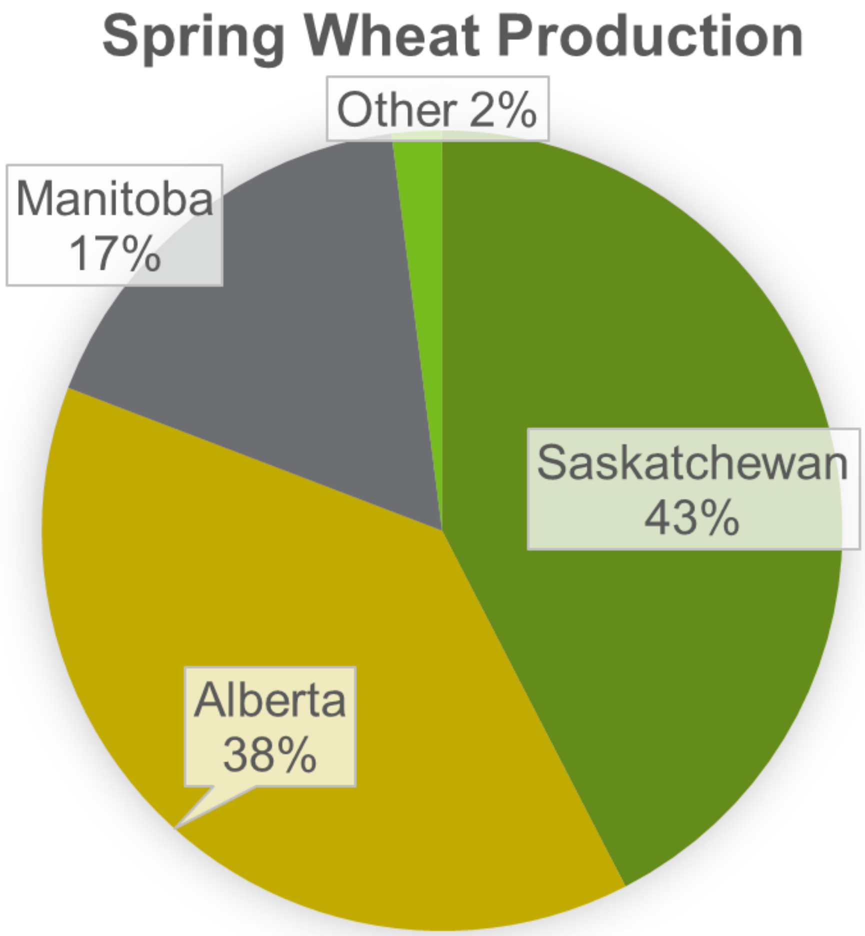
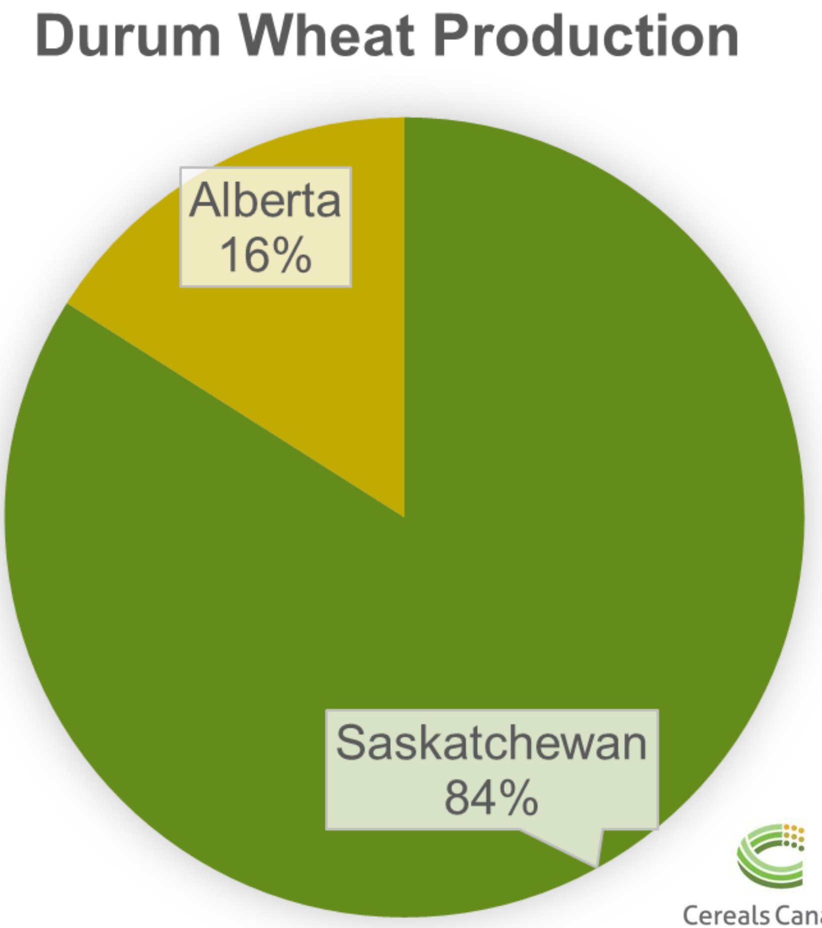
Where is Wheat Produced in Canada?

Average from 2012-2016





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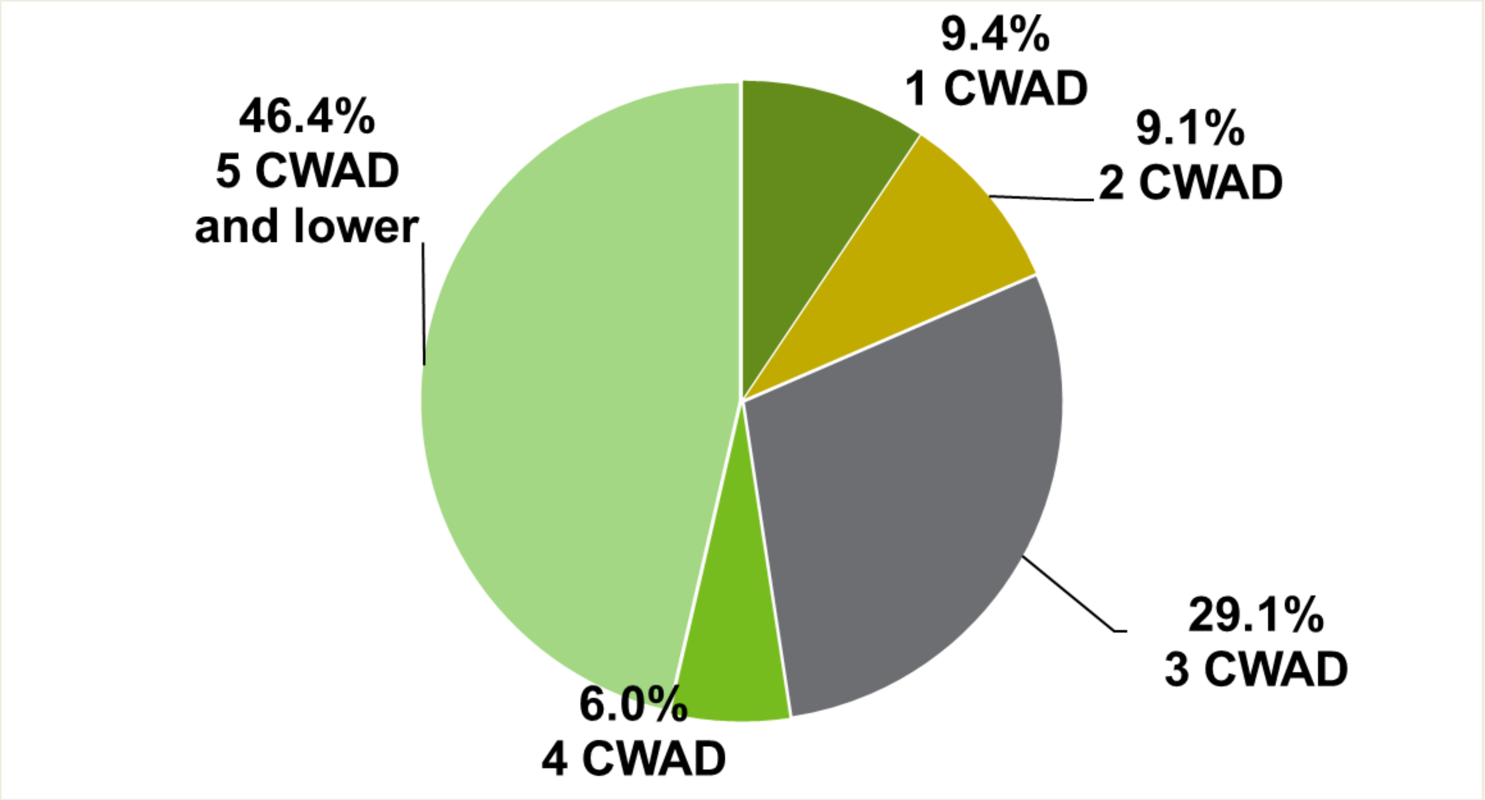
2016 Canadian Durum Quality

47.6% in top 3 grades (79% - 2015)



Based on 1,431 CWAD samples

Source: Canadian Grain Commission

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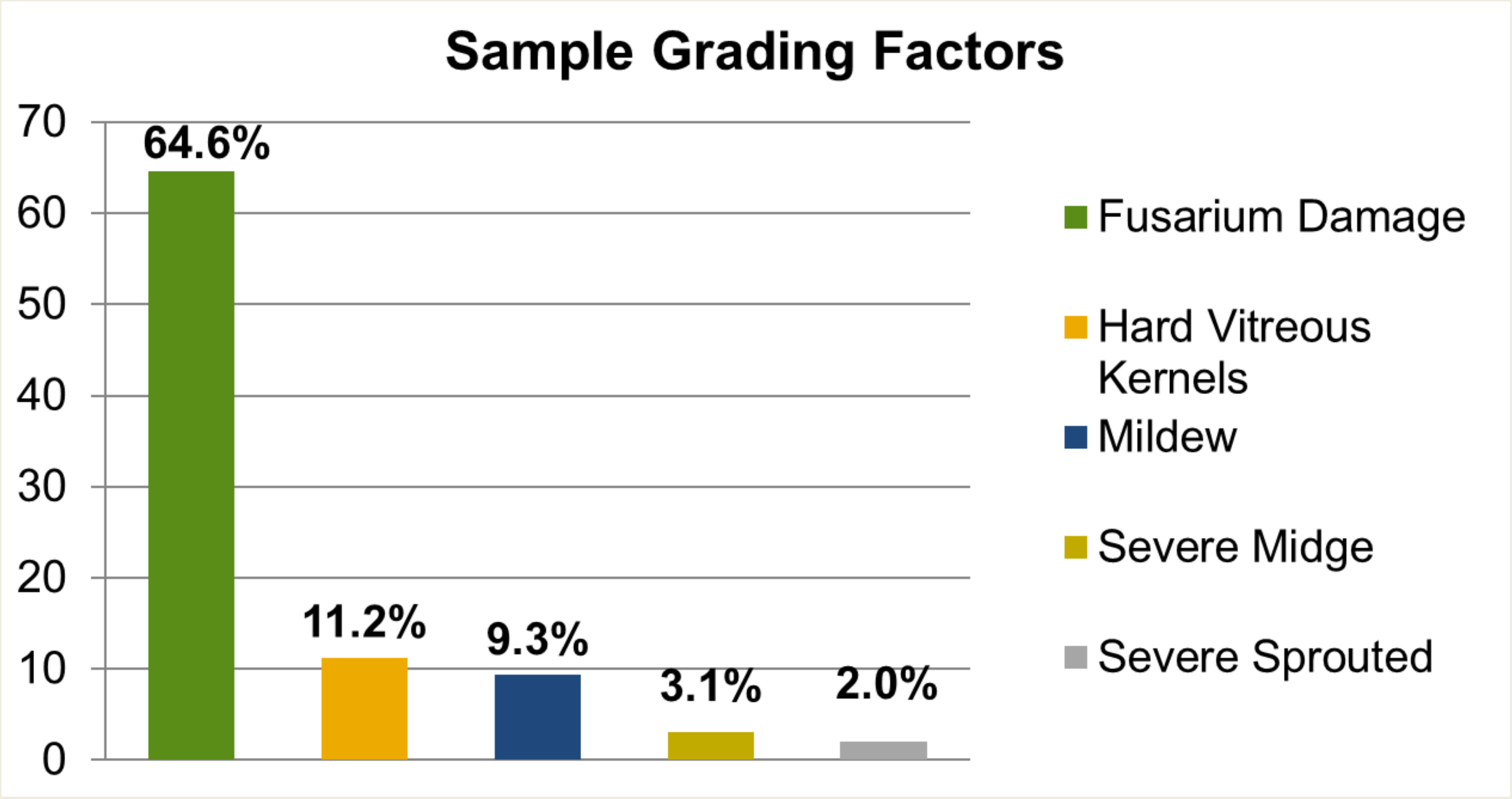
2016 Canadian Durum Quality



Note: Samples may contain more than one grading factor

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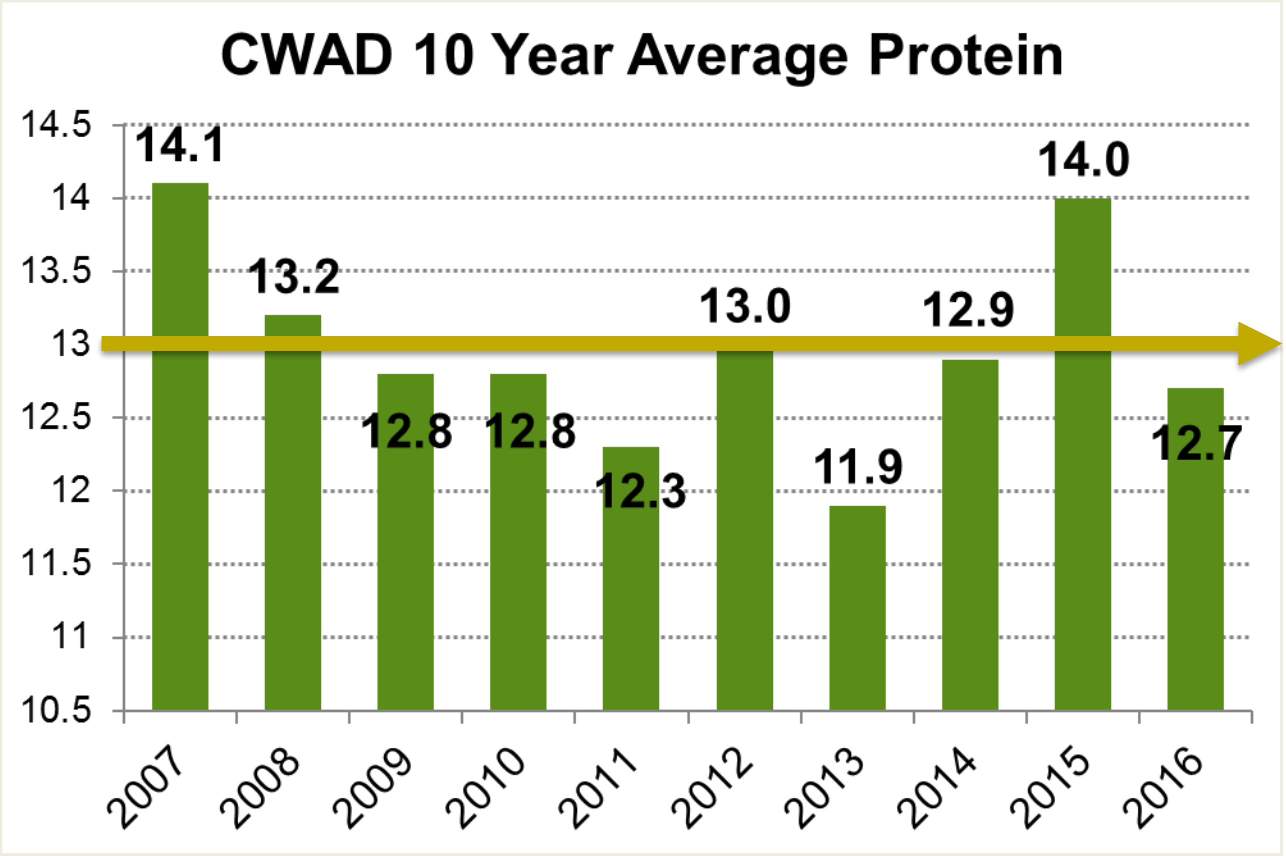
Source: Canadian Grain Commission

2016 Canadian Durum Quality



10 year average 13.0%

13.5% moisture basis

Source: Canadian Grain Commission

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Canadian Durum Sustainability

Net Greenhouse Gas Emissions for Canadian Durum, by Category

RU	Province	Energy Use	Fertilizer manufacturing	Seeds and Pesticides	N_2O Emissions	Changes in Soil Carbon	Total
		Kg CO_2eq/tonne					
28	Sask.	31.1	110.8	25.1	211.4	-119.2	**259.1**
29	Sask.	33.8	109.8	20.4	196.7	-181.9	**178.9**
30	Sask.	33.9	96.6	14.1	129.5	-206.2	**67.9**
34	Alberta	28.3	104.0	26.3	218.9	-82.7	**294.8**
35	Alberta	31.6	106.3	22.8	216.7	-141.7	**235.7**
37	Alberta	38.7	91.3	17.6	155.6	-157.2	**146.0**
Weighted Average		34.5	97.0	15.2	139.6	-196.5	**89.8**

Source: Canadian Roundtable for Sustainable Crops, March 2016

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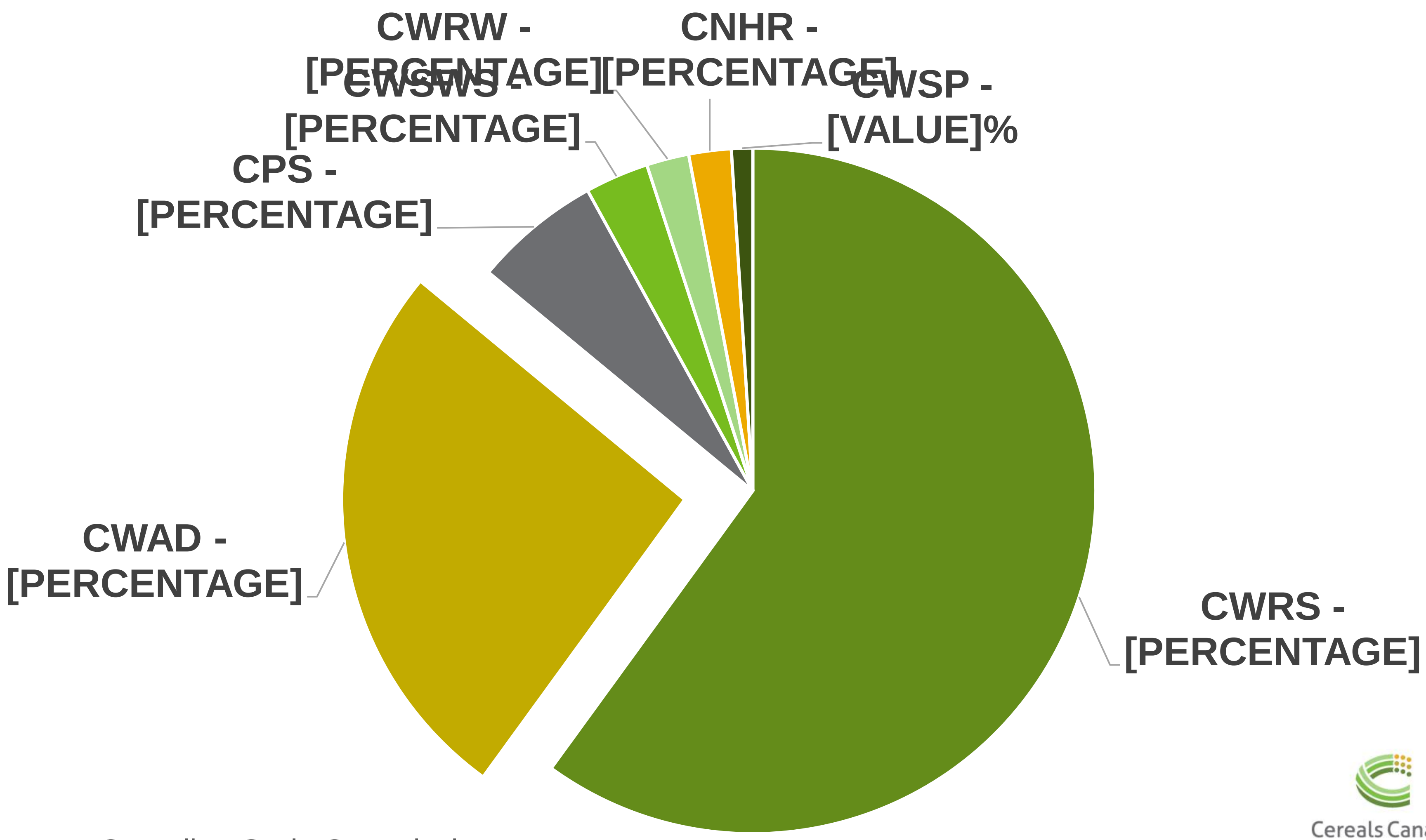
Percentage of Wheat Classes in Canada, Prairie Region



Source: Canadian Grain Commission

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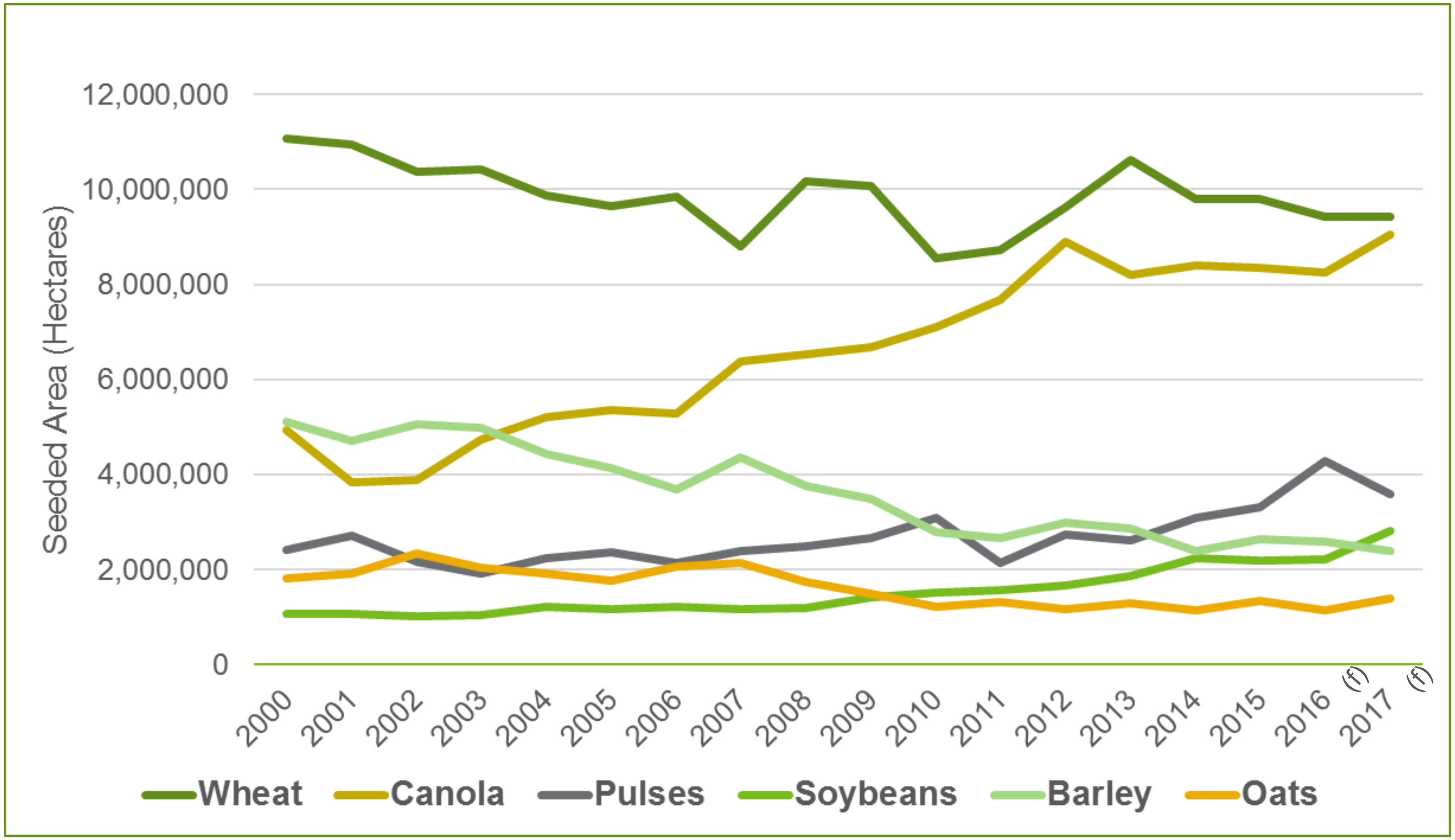
Canadian Crops, Seeded Area



Source: Statistics Canada, CANSIM Table 001-0010

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2017 Canadian Crop Seeded Area

Crop	2016 (hectares)	2017 (f) (hectares)	%ΔY/Y
Wheat (excl. durum)	6,915,100	7,340,800	+ 6%
Durum	2,505,000	2,082,100	- 17%
Canola	8,242,300	9,059,700	+ 10%
Soybeans	2,212,500	2,814,900	+ 27%
Pulses	4,281,800	3,591,200	- 16%
Barley	2,586,100	2,379,600	- 8%
Oats	1,147,000	1,383,500	+ 21%

Source: Statistics Canada, CANSIM Table 001-0010

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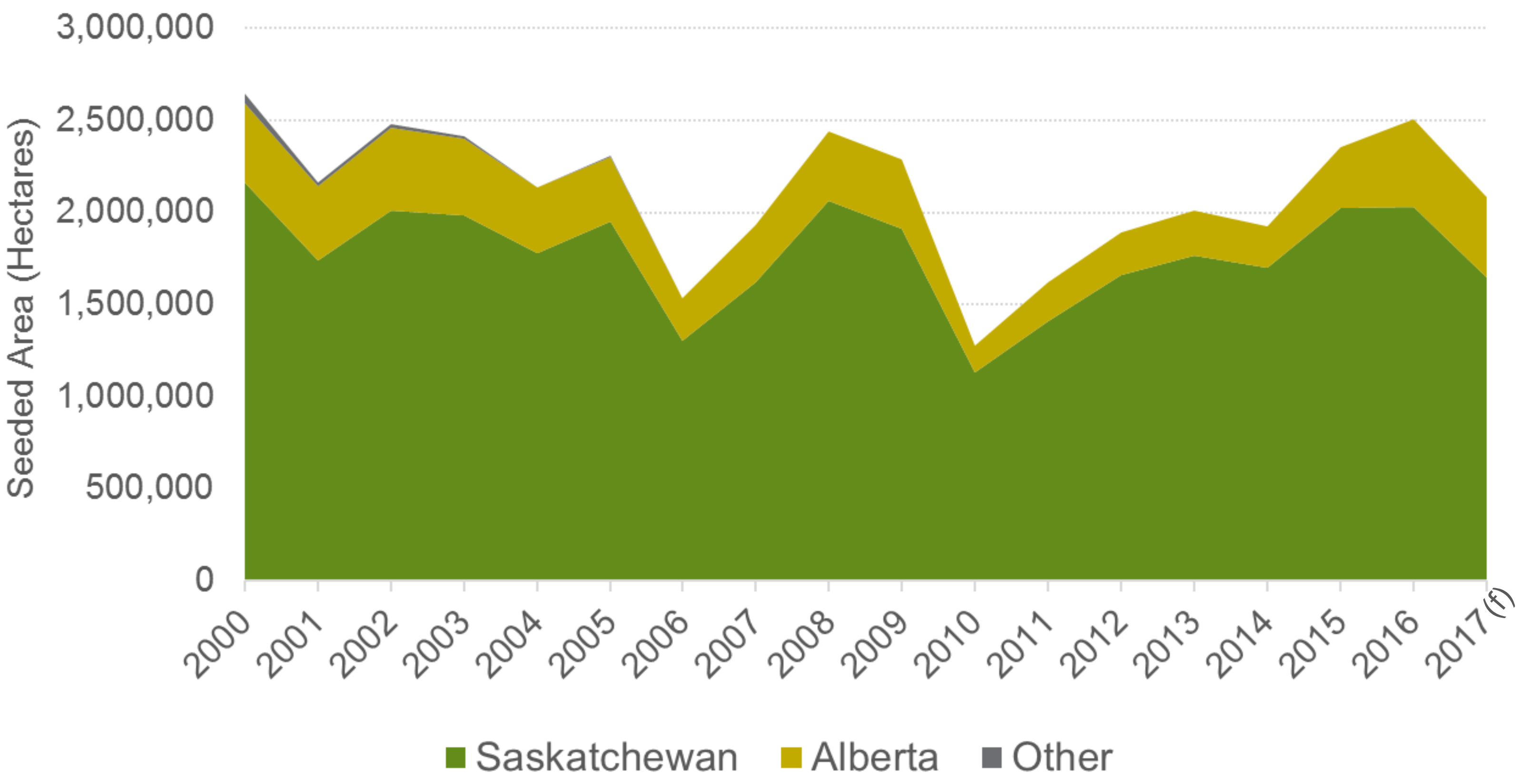
Canada Durum, Estimated Seeded Area



Source: Statistics Canada, CANSIM Table 001-0010

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Canada Durum Estimated Seeded Area 2017

- **Total: 2.08 million hectares**
  - **Saskatchewan**: 18.8% drop in area intended for durum wheat, to an area of 1.65 million hectares.
  - **Alberta**: 8.5% reduction in area dedicated to durum, to 433 thousand hectares.

Source: Statistics Canada, CANSIM Table 001-0010

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Canadian Durum Outlook

	2015-2016	2016-2017[f]	2017-2018[f]
Area seeded (kha)	2,355	2,505	2,010
Area harvested (kha)	2,327	2,367	1,970
Yield (t/ha)	2.32	3.28	2.79
Production (kt)	5,389	7,762	5,500
Imports (kt)	13	10	10
Total supply (kt)	6,367	8,873	8,310
Exports (kt)	4,542	4,500	4,800
Total Domestic Use (kt)	724	1,573	1,310
Carry-out Stocks (kt)	1,101	2,800	2,200

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Source: AAFC, Outlook for Principal Field Crops, March 2017

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