CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS

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Market Analysis Group/Grains and Oilseeds Division
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This report provides an update of AAFC's October report and examines the outlook for the current crop year, 2015-16. For most crops, the *crop year* in Canada started on August 1 and ends on July 31. For corn and soybeans, the crop year started on September 1 and ends on August 31.

Harvest in western Canada is generally complete while in eastern Canada the corn and soybean harvest is still on-going but nearing completion. In general, harvest has progressed at a near-normal pace for both western Canada and eastern Canada. The quality of the crop is generally expected to be near-normal. However, the average grade quality and protein content of the wheat and durum crops is expected to be significantly higher than last year while the protein content of the canola crop is expected to be similar to last year.

The area, yield and production estimates in this report are dependent on Statistics Canada's (STC) October report which was based on a survey of 9,300 farmers conducted during the early part of September. The total production of grains and oilseeds (G&O) in Canada in 2015 decreased by 5% from last year to 70.7 million tonnes (Mt) and the production of pulses and special crops decreased by 9% from 2014 to 6.0 Mt. Total production of field crops in 2015 is estimated to have decreased by 6% from the 2014 level but total supply is expected to fall by about 10% as the decline in production is compounded by lower carry-in stocks and imports. Exports are expected to decrease by about 11% due to lower supply and weak international demand. However, domestic use is expected to decrease only marginally from last year. Carry-out stocks in Canada for all field crops are expected to decrease to 9.2 milion tonnes (Mt) versus the 10-year average of about 14.9 Mt. In general, abundant world grain supplies are expected to continue to pressure world prices, but the weak Canadian dollar, which is anticipated to remain at a discount of about 25 percent to the US dollar, is expected to provide some support to prices in Canada. Wheat, barley and canola prices for 2015-16 are expected to average slightly higher than 2014-15 but durum, oats and flaxseed prices are expected to average slightly lower than 2014-15.

The outlook will be updated following the revised survey-based estimates published in Statistics Canada's (STC) Field Crop Report on December 4, 2015.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	thousand hectares		*t/ha*	*thousand tonnes*					
Total Grains And Oilseeds									
2013-2014	26,982	26,269	3.46	90,885	1,109	100,973	43,283	39,251	18,440
2014-2015f	26,057	25,086	2.98	74,708	2,321	95,468	42,790	39,343	13,335
2015-2016f	26,286	25,274	2.80	70,670	1,768	85,773	37,713	39,220	8,840
Total Pulse And Special Crops									
2013-2014	2,884	2,853	2.44	6,969	144	7,912	5,236	1,422	1,265
2014-2015f	3,418	3,329	1.98	6,584	168	8,017	5,987	1,071	999
2015-2016f	3,549	3,512	1.71	5,988	148	7,135	5,825	1,007	345
All Principal Field Crops									
2013-2014	29,866	29,122	3.36	97,854	1,253	108,885	48,519	40,673	19,705
2014-2015f	29,475	28,415	2.86	81,292	2,489	103,485	48,777	40,414	14,334
2015-2016f	29,834	28,786	2.66	76,658	1,916	92,908	43,538	40,227	9,185

WHEAT

DURUM

For 2015-16, production fell by 9% from 2014-15 to 4.74 million tonnes (Mt) as the 21% increase in area was more than offset by lower yields related to the drought in Saskatchewan and Alberta. The average grade quality of the Canadian durum crop is much better than it was last year with 51% grading Number 1 and 2 CWAD, compared to only 11% for 2014-15 and an average of 60% over the past ten years, according to preliminary data from the Canadian Grain Commission (CGC). The protein level is averaging 14%, compared to 12.8% for 2014-15 and 12.8% for the past ten year average.

Supply is 18% lower than for 2014-15 as lower carry-in stocks compound the decline in production. Exports are expected to fall by 19% from 2014-15 to 4.2 Mt because of the lower supply. Carry-out stocks are forecast to fall by 29% to a low 0.7 Mt.

World production of durum increased by 4 Mt from 2014-15 to 37.3 Mt due to higher seeded area and higher yields. Supply increased by 2.6 Mt to 43.2 Mt as the higher production is partly offset by lower carry-in stocks. Use is expected to rise by 2.4 Mt to 37.1 Mt due to the higher supply. Carry-out stocks are forecast to rise by 0.2 Mt to 6.1 Mt. US durum production increased by 0.77 Mt to 2.24 Mt due to a 38% increase in seeded area and higher yields.

The average producer price in Canada for the crop year is forecast to be lower than it was for 2014-15 due to a recovery in US and world durum production from the low 2014-15 level and a return to near normal quality for Canada. These factors will more than offset support from the lower Canadian supply and the weaker Canadian dollar. Prices have fallen since the end of July.

WHEAT (excluding durum)

For 2015-16, production fell by 12% from 2014-15 to 21.3 Mt due to a 5% decrease in seeded area and lower yields related to the drought in Saskatchewan and Alberta. The average grade quality of Canada Western Red Spring (CWRS) wheat is better than it was last year with 71% grading Number 1 and 2 CWRS, compared to 50% for 2014-15 and 70% for the past ten year average, according to preliminary data from the CGC. The protein level is averaging 14.1%, compared to 13.4% for 2014-15 and an average protein level of 13.5% over the past ten years. Production declined for individual classes of wheat except for other spring, with hard red spring wheat accounting for 78% of the total production compared to 75% for 2014-15.

Supply decreased by 17%, as the drop in production was compounded by lower carry-in stocks. Exports are forecast to decrerase by 15% to 16 Mt because of the lower supply. Carry-out stocks are forecast to decrease by 43% to a low 3.5 Mt. The average crop year producer price in Canada for wheat is forecast to be higher than for 2014-15 because of the lower Canadian supply and the weaker Canadian dollar. Prices have increased since the end of July.

CANADA: WHEAT SEEDED AREA BY CLASS

	2014-15	2015-16
	thousand hectares	
Winter *	821	561
Hard Red Spring	6,166	6,178
Canada Prairie Spring	407	367
Soft White Spring	331	231
Other Spring	105	122
Extra Strong	39	40
Total	**7,869**	**7,499**
*Hard Red, Soft Red and Soft White		

Statistics Canada did not provide production estimates by class of wheat, but by using the seeded areas and analyzing the provincial yields the production estimates in the following table have been calculated.

CANADA: WHEAT PRODUCTION BY CLASS

	2014-15	2015-16
	thousand tonnes	
Winter *	2,929	2,263
Hard Red Spring	18,072	16,682
Canada Prairie Spring	1,585	1,163
Soft White Spring	1,203	743
Other Spring	310	354
Extra Strong	128	112
Total	**24,227**	**21,317**
*Hard Red, Soft Red and Soft White		

World all wheat (including durum) production increased by 8 Mt to a new record of 733 Mt. Supply rose by 26 Mt to 945 Mt, as the increase in production was compounded by higher carry-in stocks. Total use is forecast to increase by 10 Mt to 717 Mt, mainly in the food market. Carry-out stocks are forecast to rise by 16 Mt to 227 Mt.

US wheat production increased by 0.7 Mt to 55.8 Mt, while supply increased by 4.4 Mt to 79.7 Mt because of higher carry-in stocks. Production increased for hard red winter and hard red spring wheat, and decreased for soft red winter and white wheat. US domestic use is expected to rise by 5% and exports are forecast to fall by 6%. Carry-out stocks are forecast to increase by 4.3 Mt to 24.8 Mt.

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COARSE GRAINS

BARLEY

For 2015-16, the barley harvest is complete for the Canadian prairies. However, the quality of the crop was negatively affected by rain in the fall of 2015 but the damage was dependant on location and was not as significant as it had been with the difficult harvest conditions in 2014. This year the quality of the crop is very variable, dependent on location. Production is forecast to increase by 7% to 7.6 million tonnes (Mt) due to higher area seeded. Imports of malting barley are forecast to remain above normal but lower than last year due to quality issues. The total supply of barley is forecast to decrease by 3% to the new record low level of 8.9 Mt as lower carry-in stocks more than offset the increase in production. Total domestic use is expected to increase by 4% to 5.8 Mt due to higher feed use. Exports are forecast to decrease by 18% due to low supply and reduced world feed barley trade. However, exports of malting barley are expected to remain similar to last year. Carry-out stocks of barley are forecast to decrease to 1.2 Mt to a near record low level. The Lethbridge cash feed barley price is forecast to increase from 2014-15 due to low total supply, good domestic feed barley demand and continuing steady demand for good quality malting barley.

The Lethbridge feed barley price remains strong although harvest pressure did lower the price slightly for a short period. Barley remains at only a small discount to feed wheat. There are reports of generally poorer quality feed wheat for 2015 and this should help support feed barley prices throughout the rest of the crop year.

Good supplies of most coarse grain commodities, coupled with flat to trend total use demand, are expected to prevail this crop year. With the barley harvest essentially complete in the Northern Hemisphere, the average world malt barley price has softened and lost some of its premium to feed barley and the spread remains below the five-year average.

This past July Ontario barley producers joined the Grain Farmers of Ontario (GFO) which, in the past, had represented only corn, soybean and wheat producers. The GFO has expressed interest in expanding malt barley production in Ontario as the popularity of locally produced beer increases. On average, less than 2% of Ontario's annual crop area is dedicated to barley production so there is room to grow the commodity.

CORN

For 2015-16, the corn harvest in eastern Canada and Manitoba continues and the pace has been similar to that of the northern US. After experiencing one of the "worst harvests" in memory for many producers, this fall has been a relief. Ontario's 2015 corn crop is generally better, with higher yields and better quality in terms of bushel weights and grades, than the crop last year.

Production in Canada is forecast to increase 6% to 12.2 Mt due to the higher area and slightly above average yields. However, due to lower carry-in stocks and imports, total supply will remain virtually unchanged. Imports are forecast to decrease by 28% due to the higher domestic supply and a return to historical grade and bushel weight patterns. Total domestic usage is forecast to increase due to flat or trend changes to ethanol production, industrial use and livestock feeding. Exports are forecast to increase by 44% as supply returns to a normal grade pattern. Carry-out stocks are forecast to decrease by 22% to a 13-year low. The Chatham corn price is forecast to increase from 2014-15 due to a slightly higher US corn future's price and a weaker Canadian dollar. Despite a turnaround in both quantity and quality the Chatham nearby basis level remains above the previous five-year average, producers also have the opportunity to lock-in a good new crop basis off the December 2016 Chicago corn futures.

In the US, after a slow start to the 2015 corn harvest, progress moved ahead rapidly with better than expected yields. The US corn futures price has been range bound since August and there should not be much of a recovery until the second half of the crop year. The strong US dollar continues to be a limiting factor for US corn exports making US Gulf prices un-competitive against South American sourced product. The USDA export projection for 2015-16 US corn seems to high given the pace to date and any downward revision will ultimately increase US corn ending stocks and limit price gains.

OATS

For 2015-16, the quality of the Prairie oat crop crop was negatively affected by rain in the fall of 2015 but the damage was dependant on location and was not as significant as it had been with the difficult harvest conditions in 2014. Manitoba fared better as the harvest was more advanced and missed much of the damage that occurred in Saskatchewan.

Production increased 11% due mainly to the large increase in area harvested despite the slightly below average yield. However, total supply decreased slightly due to low carry-in stocks. Total domestic usage is forecast to decline by 2% due to lower feed use. Exports are forecast to decrease by 2% due to higher production and stocks in the US, the major oat importing country. Lower exports of oat grain are expected to be partly offset by a 7% increase in oat product exports. Carry-out stocks are forecast to increase slightly as the decrease in total use more than offsets the decrease in

total supply. US oat futures prices are forecast to decrease for 2015-16 due to the higher North American oat supplies; however, the weaker Canadian dollar will continue to limit the effect in Canada.

So far, this crop year spot oat prices in Manitoba and Saskatchewan have been closer to the longer-term average in terms of basis levels with the soft Canadian dollar being the main supportive factor. Export movement for oat grain to the US was good in September, achieving its highest level in three years and was ahead of the previous five-year average.

The US oat nearby oat futures continue to trade in a narrow range around US$2.25/bushel. The flat US corn and milling wheat futures markets have not provided much in the way of direction. Good North American oat production over the past three crop years has allowed US oats stock to re-build to their highest level in five years. As US oat stocks have re-built over the past two years and given the decline in US corn futures, the nearby oat futures have fallen sharply over the past year and a half. Expectations for the remainder of the crop year are for a slight price recovery.

RYE

For 2015-16, production is forecast to increase by 8% as the increase in seeded area more than offset the decrease in average yields. Total supply increased by 6% although it remains below the previous five-year average. With flat industrial use, total domestic use is forecast to decrease 7% due to lower feed use. Exports are forecast to increase by 28% due to the higher total supply, better quality and the continuing strong export demand. Exports remain about one third less than the previous five-year average. Rye carry-out stocks are forecast to decrease by 5% to 0.04 Mt, this is slightly below the previous five-year average. Canadian rye prices remain stable.

As the 2016-17 Canadian rye crop headed into dormancy, moisture conditions on the Prairies were good as fall rains replenished areas that suffered from below normal rainfall in May and June. The North American forecast is for a strong El Nino event for this winter; the main Canadian rye area can expect average normal temperatures with below normal precipitation. For rye, this creates the possibility of above average winterkill as the combination of light snow cover and warm temperatures will leave it vulnerable to breaking dormancy and being subject to freezing temperatures. The fate of the 2016 rye crop will be better accessed next spring after breaking normal dormancy in last half April.

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OILSEEDS

CANOLA

For 2015-16, production of canola decreased by 13% from last year, to 14.3 Mt, on lower yields and lower harvested area. Canola yields in the dry growing regions of Saskatchewan and Alberta were higher than previously expected on the crops ability to withstand dry conditions. Average yields are estimated at 1.8 t/ha, down 9% from last year and 5% from the 5-year average. The supply of canola is down 14% from last year's record levels due to a combination of lower carry-in stocks and production across western Canada.

Domestic processing of canola is forecast to increase marginally on support from increased crush capacity. The canola oil content is expected to be similar to the 44.2% achieved for No.1 canola last year, based on the harvest sample survey conducted by the Canadian Grain Commission. The crush pace is expected to be constrained by depressed crush margins which are expected to tighten as supplies tighten. Canadian crush margins are coming under pressure from sharply lower world prices for soyoil and palm oil. However, the USDA reports that canola oil prices are maintaining a significant premium to soyoil across the United States mid-west. By contrast, canola meal prices, as per the Pacific Northwest, are being pressured by lower US soymeal prices.

The strength of canola oil prices is partly related to the proportion of high-oleic canola oil compared to conventional canola oil that is marketed through the US. High-oleic canola oil possesses several nutritional and processing advantages making it less sensitive to price pressures from the conventional vegetable oils.

The forecast for canola exports was raised from AAFC's October report due to stronger than expected demand. Compared to 2014-15, exports are forecast to decline by 13% to 8.0 Mt, on limited domestic supplies. To-date, the export pace is ahead of 2014-15 but will need to decelerate during the rest of the marketing year as the exportable supply decreases.

Carry-out stocks are forecast to decline by 53% from 2014-15 as the strong world demand for canola, canola oil and canola meal supports the second highest domestic use on record of 7.6 Mt and exports of 8.0 Mt. Carry-out stocks are estimated at 1.1 Mt, with commercial stocks expected to be slightly under 1.0 Mt.

The average canola price is forecast to increase slightly from last year to C$495-525/t, as the sharp depreciation of the Canadian dollar against the US dollar more than offsets the impact of lower US prices for oilseeds, vegetable oil and meal. The lower Canadian dollar is allowing canola to compete against burdensome supplies of soybeans, soyoil and palm oil and soymeal.

For the crop year to date, the elevator bids for canola in Saskatchewan are about a $50/t discount to the Vancouver port price. This is a historically normal spread and indicates an efficient operation of the price discovery and transportation systems for canola, to date.

It should be noted that some industry analysts forecast Canadian canola production for 2015-16 at 16.0 Mt, which, if realized, would pressure canola prices lower. Other factors to watch are: South American planting progress, China's financial situation and fluctuations among the world's major currents.

FLAXSEED (excluding solin)

For 2015-16, production increased by 2% from last year, to 0.89 Mt, as the rise in seeded area was partly offset by lower yields resulting from dry growing conditions in Saskatchewan. Supplies are forecast to rise by 2% on higher carry-in stocks and the rise in output. Exports are forecast to be up by 9% to 0.80 Mt, on higher domestic supplies; the export pace constrained by burdensome world oilseed stocks.

Carry-out stocks are forecast unchanged at 0.10 Mt. Average prices are forecast to fall slightly from 2014-15 under pressure from stable world demand, increased supplies from Former Soviet Union and lower world oilseed prices. The decline in world flaxseed prices is cushioned by the lower Canadian dollar which is allowing domestic prices to remain near current levels. Factors to watch are: the strength of Chinese buying, potential competition from Russian and Kazakhstan supplies and any potential easing of EU-28 protocols to allow increased imports of Canadian flaxseed.

SOYBEANS

For 2015-16, production of soybeans decreased slightly to 5.93 Mt due to lower area seeded and despite a marginal rise in yields. Soybean production in western Canada increased to a record 1.47 Mt, compared to 0.93 Mt grown in Quebec and the 3.45 Mt produced in Ontario. Supplies are up marginally as a sharp rise in carry-in stocks large offset the drop in production.

Exports are forecast to remain at 3.8 Mt as support from a wider basis and the low value of the Canadian dollar, balances off competition from burdensome world soybean supplies. Domestic processing of soybeans is forecast to rise, to 1.9 Mt, on support from improved crush margins and adequate domestic capacity. Carry-out stocks are projected at 0.45 Mt.

Canadian soybeans are competitively priced into the world market on support from the devaluation of the Canadian dollar against the US currency. The spread between Chatham cash soybeans and nearby Chicago soybeans is averaging about -C$29t, with all prices normalized into Canadian dollars to remove the exchange rate effect.

For 2015-16, soybean prices are forecast at C$380/t-C$410/t versus 418/t last year under pressure from increased world supplies and lower US prices.

Factors to watch include: the pace of US soybean exports and domestic crush as harvest draws to a close, the impact of China's financial difficulties on its buying pace for Brazilian and US soybeans, the planting pace and weather conditions for the South American soybean crop.

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PULSES AND SPECIAL CROPS

DRY PEAS

For **2015-16**, production is estimated to fall by 17% to 3.2 Mt, due to lower area seeded and lower yields in Saskatchewan where the majority of the peas are grown. Yellow and green pea production are forecast to fall from last year to about 2.7 Mt and 0.4 Mt, respectively. Production of the other remaining dry pea types is also expected to fall sharply to about 30 thousand tonnes (kt). Supply is forecast to fall by only 13% due to higher carry-in stocks. Exports are forecast to decrease to 2.9 Mt. For 2015, from August to September, India, Bangladesh and China are Canada's top three markets. Carry-out stocks are forecast to decrease due to the lower exportable supply. The average price is expected to increase from 2014-15.

During the month of October, the on-farm price of yellow peas in Saskatchewan rose about $15/t while the green pea price was unchanged. Current indications of crop quality are an increase in the supply of No.1 or No.2 grade Canadian dry peas when compared to last year. For the crop year to-date, green dry peas prices have been maintaining a discount of C$20/t below yellow dry peas, for the first time since 2006-07. Last year, green peas held a C$30/t premium over yellow peas.

Area seeded to dry peas in the US for 2015-16 is forecast by the USDA to rise by 5% from last year to a record 1.0 mln acres. This is largely due to an estimated increase in area in Montana and North Dakota. Yields are expected to be average and US dry pea production is forecast by USDA to rise marginally to a record 0.8 Mt. The main export markets for US dry peas are China and India, similar to Canada.

LENTILS

For **2015-16**, production is estimated to rise by 9% to nearly 2.2 Mt, the second largest Canadian lentil crop. Lentil production rose despite record seeded area being partly offset by lower yields. Production of large green lentils is forecast to be relatively unchanged from last year at 0.4 Mt, while red lentil production is expected to rise from last year 1.6 Mt. Production of the other remaining lentil types is expected to increase to nearly 0.2 Mt.

Supply is expected to decrease by 8%, however, due to lower carry-in stocks. Exports are expected to rise to a record 2.2 Mt. To-date, India, Turkey, the EU-27 and United Arab Emirates are the top export markets. Domestic use is expected to decrease slightly, but remain above historical levels due to expectations of a below average grade distribution. Carry-out stocks are forecast to decrease sharply for the second consecutive year. The overall average price is forecast to rise above 2014-15 due to the tightening of total carry-out stocks.

During the month of October, the on-farm Saskatchewan large green and red lentil prices rose sharply to record and near record prices, respectively. This was largely due to strong export demand from the Indian subcontinent. Currently, indications point to an increase in the supply of No.1 or No.2 grade Canadian lentils for 2015-16 when compared to last year. Large green lentil prices are forecast to maintain a C$175/t premium over red lentil prices, compared to a C$135/t premium over red lentil prices in 2014-15.

For 2015-16, US area seeded to lentils is forecast by the USDA at nearly 0.5 mln acres, up sharply from 2014-15, due to higher area seeded in Montana and North Dakota. Assuming normal yields and abandonment, 2015-16 US lentil production is therefore forecast by AAFC at nearly 0.3 Mt, up substantially from 2014-15. The main US export markets for lentils to-date are India and the EU-27.

DRY BEANS

For **2015-16**, production is estimated to decrease by 10% to 249 thousand tonnes (kt). This includes 72 kt of white pea bean types and 176 kt of colored bean types. Production in Ontario decreased sharply, mostly due to a fall in yields for both bean types. In Manitoba, production also fell for both types.

Supply is forecast to fall by only 8%, due to large carry-in stocks. Exports are forecast to be similar to slightly higher than last year. As of August and September, the EU-27 and the US are the top two markets, with smaller volumes exported to Japan and countries in Africa. Carry-out stocks are also expected to decrease. The average Canadian dry bean price is forecast to fall due to the larger North American supply.

US area seeded to dry beans is forecast by the USDA to increase marginally to over 1.5 mln acres, mostly due to larger area seeded in Minnesota. US total dry bean production (excluding chickpeas) is forecast by the USDA to decrease to nearly 1.2 Mt, down marginally from 2014-15. The largest increases are expected to come from the black and kidney bean classes. US export markets continue to be Canada, EU-27 and Mexico.

CHICKPEAS

For **2015-16,** production is estimated to fall sharply to 105 kt, due to lower area estimates. Production of desi types is estimated to be unchanged, while kabuli chickpea production is expected to fall sharply compared to last year. However, due to large carry-in stocks from the previous year, supply is forecast to fall only by 12%. Exports are forecast to increase from 2014-15, and as of August and September, the US and Pakistan are the top two markets. Carry-out stocks are expected to decrease but remain burdensome. The average price is forecast to increase, for the second consecutive year, as Canadian stocks continue to fall.

The USDA has estimated US chickpea area seeded 0.22 mln acres, unchanged from 2014-15. Assuming normal yields and abandonment, 2015-16 US chickpea production is forecast by AAFC at a record 0.13 Mt, similar to 2014-15.

MUSTARD SEED

For **2015-16**, production is estimated to fall by 45% to 109 kt due to lower area seeded and lower yields. Production of all of the three major types of mustard (yellow, brown and oriental) are expected to decrease. Supply is forecast to fall by only 31%, however, due to large carry-in stocks. Exports are expected to be marginally lower than last year at 120 kt and, as of August and September, the US and the EU-27 are the top two markets. Carry-out stocks are forecast to tighten and, as a result, the average price is forecast to be sharply higher than in 2014-15.

CANARY SEED

For **2015-16**, production is estimated to fall by only 6% to 118 kt, as sharply lower yields were partly offset by higher harvested area. Exports are expected to be slightly lower than the previous year. As of August and September, Mexico and the EU-27 are the top two export markets, followed by Brazil and the US. Carry-out stocks are expected to remain low and be supportive for prices. The average price is forecast to rise from last year due to the limited supply and continued steady export demand.

SUNFLOWER SEED

For **2015-16**, production is estimated to rise by nearly 65% to 91 kt, due to higher estimated yields and harvested area. Supply is expected to increase by only 40% compare 2014-15, however, to 126 kt, due to higher carry-in stocks and lower imports. Exports are forecast to increase significantly and carry-out stocks are forecast to rise sharply. The US is expected to remain Canada's main export market for sunflower seed. The average price is forecast to fall from 2014-15 due to an expected increase in North American carry-out stocks.

US sunflower seed production for 2015-16 is forecast by the USDA at just over 1.3 Mt, up sharply from 2014-15, and largely due to higher production in North and South Dakota. Production of oil type varieties is estimated by AAFC to have risen to above 1.1 Mt and the production of confectionery type varieties is estimated by AAFC to have fallen to just above 0.2 Mt. US supply is forecast by the USDA to rise by nearly 30% to 1.5 Mt. As a result, exports and domestic use are estimated to increase. Despite this, US sunflower seed carry-out stocks are expected to rise and pressure North American prices.

For 2015-16, the world supply of sunflower seed is estimated by the USDA at 44.1 Mt. This is marginally lower than last year, despite higher production in Russia and Ukraine. However, world domestic use is expected to increase marginally and, as a result, world exports are forecast to fall sharply. World carry-out stocks are expected to decrease by 15% to 2.1 Mt, the lowest since 2002-03.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

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Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g)
	------ *thousand ha* -------		*t/ha*	---------- *thousand metric tonnes* ----------								*$/t*
Durum												
2013-2014	2,009	1,997	3.26	6,505	5	7,662	5,070	236	390	812	1,779	220
2014-2015	1,922	1,886	2.75	5,193	7	6,979	5,170	205	398	827	982	310
2015-2016f	2,327	2,282	2.08	4,744	10	5,736	4,200	210	393	836	700	280-310
Wheat Except Durum												
2013-2014	8,616	8,444	3.67	31,025	50	35,060	18,426	3,431	3,730	7,967	8,667	205
2014-2015	7,869	7,594	3.19	24,227	80	32,973	18,766	3,325	3,987	8,082	6,125	210
2015-2016f	7,499	7,310	2.92	21,317	80	27,522	16,000	3,330	3,906	8,022	3,500	215-245
All Wheat												
2013-2014	10,626	10,441	3.59	37,530	55	42,722	23,496	3,667	4,120	8,780	10,446	
2014-2015	9,791	9,480	3.10	29,420	87	39,952	23,935	3,530	4,385	8,909	7,108	
2015-2016f	9,826	9,592	2.72	26,061	90	33,259	20,200	3,540	4,300	8,859	4,200	
Barley												
2013-2014	2,866	2,652	3.86	10,237	9	11,229	2,391	374	6,515	6,888	1,950	188
2014-2015	2,380	2,136	3.33	7,119	136	9,205	2,461	466	5,061	5,527	1,217	201
2015-2016f	2,635	2,363	3.22	7,610	100	8,927	2,025	439	5,313	5,752	1,150	220-250
Corn												
2013-2014	1,493	1,480	10	14,194	593	16,336	1,893	5,181	7,662	12,843	1,600	169
2014-2015	1,246	1,227	9	11,487	1,659	14,746	416	5,394	7,534	12,928	1,402	172
2015-2016f	1,316	1,294	9	12,204	1,200	14,806	600	5,415	7,691	13,106	1,100	180-210
Oats												
2013-2014	1,284	1,113	4	3,906	30	4,381	2,243	173	911	1,084	1,054	281
2014-2015	1,132	912	3	2,979	19	4,052	2,227	150	994	1,144	681	241
2015-2016f	1,377	1,093	3	3,292	18	3,991	2,175	166	950	1,116	700	200-230
Rye												
2013-2014	109	87	3	223	0	269	120	51	53	105	44	170
2014-2015	113	82	3	218	0	262	88	51	81	132	42	217
2015-2016f	120	96	2	234	0	276	113	50	73	123	40	195-225
Mixed Grains												
2013-2014	105	54	3	156	0	156	0	0	156	156	0	
2014-2015	96	50	3	155	0	155	0	0	155	155	0	
2015-2016f	105	49	3	155	0	155	0	0	155	155	0	
Total Coarse Grains												
2013-2014	5,857	5,386	5.33	28,715	631	32,371	6,647	5,779	15,297	21,075	4,648	
2014-2015	4,966	4,407	4.98	21,957	1,814	28,420	5,192	6,060	13,826	19,886	3,342	
2015-2016f	5,553	4,895	4.80	23,495	1,318	28,155	4,913	6,070	14,182	20,252	2,990	
Canola												
2013-2014	8,197	8,159	2.27	18,551	66	19,205	9,096	6,979	60	7,102	3,008	503
2014-2015	8,407	8,344	1.97	16,410	65	19,483	9,154	7,357	591	8,007	2,322	489
2015-2016f	8,029	7,932	1.80	14,297	100	16,719	8,000	7,400	168	7,619	1,100	495-525
Flaxseed												
2013-2014	433	422	1.73	731	14	816	616	n/a	82	107	92	510
2014-2015	641	621	1.41	873	10	975	707	n/a	111	170	97	513
2015-2016f	684	674	1.32	889	10	996	800	n/a	70	96	100	475-505
Soybeans												
2013-2014	1,869	1,860	2.88	5,359	343	5,860	3,427	1,525	429	2,187	246	530
2014-2015	2,251	2,235	2.71	6,049	344	6,638	3,802	1,787	357	2,371	466	418
2015-2016f	2,194	2,180	2.72	5,928	250	6,644	3,800	1,900	269	2,394	450	380-410
Total Oilseeds												
2013-2014	10,500	10,441	2.36	24,641	423	25,880	13,139	8,504	571	9,396	3,346	
2014-2015	11,300	11,200	2.08	23,331	419	27,096	13,664	9,145	1,060	10,548	2,885	
2015-2016f	10,906	10,786	1.96	21,114	360	24,359	12,600	9,300	507	10,109	1,650	
Total Grains and Oilseeds												
2013-2014	26,982	26,269	3.46	90,885	1,109	100,973	43,283	17,950	19,988	39,251	18,440	
2014-2015	26,057	25,086	2.98	74,708	2,321	95,468	42,790	18,734	19,270	39,343	13,335	
2015-2016f	26,286	25,274	2.80	70,670	1,768	85,773	37,713	18,910	18,989	39,220	8,840	

(a) Crop year is August-July, except corn and soybeans, for which the crop year is September-August.
(b) Imports exclude products.
(c) Exports include grain products, while excluding oilseed products.
(d) Food and Industrial Use for soybeans is based on data from the Canadian Oilseed Processors Association. Total number excludes food and industrial use for flaxseed due to data confidentiality.
(e) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use + Loss in Handling
(g) Crop year average prices: Wheat (No.1 CWRS, 13.5% protein) and Durum (No.1 CWAD, 13% protein), both are average Saskatchewan producer spot prices and are not comparable to CWB pool returns for previous years. Barley (No. 1 feed, cash, I/S Lethbridge), Corn (No.2 CE, cash, I/S Chatham), Oats (US No. 2 Heavy, CBOT nearby futures); Rye (No. 1 CW, cash, I/S Saskatoon); Canola (No. 1 Canada, cash, Track Vancouver); Flaxseed (No. 1 CW, cash, I/S Saskatoon); Soybeans (No. 2 CE, cash, I/S Chatham).
f: forecast, by Agriculture and Agri-Food Canada
Source: Statistics Canada

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

November 23, 2015

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to-Use Ratio	Average Price (d)
	----- thousand ha ------		***t/ha***	***---------- thousand metric tonnes ----------***						***%***	***$//t***
Dry Peas											
2013-2014	1,345	1,329	2.98	3,961	25	4,160	2,781	1,050	329	9	260
2014-2015	1,613	1,588	2.40	3,810	31	4,170	3,094	647	429	11	260
2015-2016f	1,499	1,482	2.13	3,156	30	3,615	2,900	615	100	3	295-325
Lentils											
2013-2014	1,101	1,090	2.08	2,262	9	2,738	1,753	199	786	40	445
2014-2015	1,263	1,217	1.63	1,987	13	2,786	2,181	240	365	15	585
2015-2016f	1,566	1,554	1.39	2,162	10	2,537	2,200	237	100	4	780-810
Dry Beans											
2013-2014	100	100	2.32	232	73	335	304	26	5	2	995
2014-2015	126	122	2.27	278	85	368	307	26	35	11	845
2015-2016f	116	115	2.16	249	75	359	310	29	20	6	770-800
Chickpeas											
2013-2014	77	76	2.33	177	9	240	48	62	130	118	500
2014-2015	73	70	1.87	131	8	269	80	64	125	87	515
2015-2016f	54	54	1.95	105	8	238	85	63	90	61	600-630
Mustard Seed											
2013-2014	148	146	1.06	155	2	193	138	45	10	5	775
2014-2015	202	195	1.01	198	1	209	126	48	35	20	700
2015-2016f	132	130	0.84	109	0	144	120	19	5	4	855-885
Canary Seed											
2013-2014	85	85	1.54	131	0	153	164	N/A	N/A	N/A	500
2014-2015	111	107	1.17	125	0	125	165	N/A	N/A	N/A	540
2015-2016f	134	130	0.91	118	0	118	160	N/A	N/A	N/A	595-625
Sunflower Seed											
2013-2014	28	28	1.89	52	25	94	49	40	5	6	645
2014-2015	30	29	1.89	55	30	90	34	46	10	13	615
2015-2016f	49	48	1.90	91	25	126	50	46	30	31	540-570
Total Pulses and Special Crops (c)											
2013-2014	2,884	2,853	2.44	6,969	144	7,912	5,236	1,422	1,265		
2014-2015	3,418	3,329	1.98	6,584	168	8,017	5,987	1,071	999		
2015-2016f	3,549	3,512	1.71	5,988	148	7,135	5,825	1,007	345		

(a) Crop year is August-July. Grains Include pulses (dry peas, lentils, dry beans, chick peas) and special crops (mustard seed, canary seed, sunflower seed).
(b) Imports and exports exclude products.
(c) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use + Loss in Handling. Total domestic use is calculated residually.
(d) Producer price, FOB plant, average over all types, grades and markets.
f: forecast, by Agriculture and Agri-Food Canada
Source: Statistics Canada and industry consultations.