CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS *March 19, 2020*

Market Analysis Group / Crops and Horticulture Division
Sector Development and Analysis Directorate / Market and Industry Services Branch

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) February outlook report for the 2019-20 crop year and provides AAFC's preliminary look at the upcoming 2020-21 crop year. This report incorporates recent information from the United States Department of Agriculture (USDA) on the World Agriculture Supply and Demand Estimates (WASDE) and the USDA Outlook conference.

For 2019-20, total exports are expected to be almost 55 percent of total production and reach about 50 million tonnes (Mt), of which 87 percent is grains and oilseeds (G&O) and 13 percent is pulses and special crops (P&SC). Total exports are about 5 percent lower than the 2018-19 crop year as lower exports of wheat, corn and oilseeds more-than outweigh higher exports of peas, and to a lesser extent, lentils. Total domestic use is forecast at about 46.5 Mt, about 50 percent of production, of which 97 percent is G&O and 3 percent is P&SC. Total carry-out stocks are forecast to reach 14.8 Mt, slightly lower than last year, but same as the 10-year average. In general, world grain prices are expected to continue to be pressured downward by abundant supplies of grains at the global level. World and Canadian grain markets are expected to be impacted by COVID-19, but the full effect will not be known for some time.

For 2020-21, rotation considerations, moisture conditions, expected prices, input costs and delivery opportunities are expected to play a crucial role in determining actual seeding decisions in the spring. However, based on current market conditions and historical trends, the area seeded to field crops in Canada is forecast to increase marginally from 2019-20. The area seeded to wheat and coarse grains is expected to increase slightly, while the area seeded to oilseeds decreases. In general, average yields are forecast to increase compared to 2019-20 because excessive moisture conditions in some areas reduced yields last year. The production of grains and oilseeds (G&O) and pulses and special crops (P&SC) is forecast to increase modestly so that total field crop production is expected to expand by 2 percent to 95.3 Mt. In general, abundant supplies of grains at the world level are expected to pressure world grain prices but grain prices in Canada will continue to be supported by the relatively low value of the Canadian dollar.

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									
2018-2019	27,820	26,861	3.22	86,584	4,199	105,363	46,840	44,601	13,922
2019-2020f	27,568	26,094	3.30	85,997	2,442	102,361	43,620	45,071	13,670
2020-2021f	27,731	26,469	3.32	87,949	2,602	104,221	45,840	43,716	14,665
Total Pulse And Special Crops									
2018-2019	3,652	3,576	1.88	6,714	293	8,734	6,097	1,327	1,310
2019-2020f	3,892	3,783	1.93	7,317	322	8,949	6,381	1,403	1,165
2020-2021f	3,856	3,774	1.96	7,380	278	8,823	6,076	1,447	1,300
All Principal Field Crops									
2018-2019	31,472	30,437	3.07	93,298	4,492	114,097	52,937	45,928	15,232
2019-2020f	31,460	29,877	3.12	93,314	2,764	111,309	50,001	46,473	14,835
2020-2021f	31,587	30,243	3.15	95,329	2,880	113,044	51,916	45,163	15,965

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecast by AAFC except for area, yield and production for 2019-2020 which are STC

Durum

For 2019-20, Canadian durum production decreased by 13% from 2018-19 to 4.98 million tonnes (Mt). About 3% of the durum area remained to be harvested at the start of winter, according to provincial crop reports. The durum which will be harvested during the winter and spring is expected to be low quality and some may not be harvested.

Total supply decreased by 5%, as the lower production was partly offset by higher carry-in stocks. Exports are forecast to increase by 6% to 4.8 Mt due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 50% from 2018-19 to 0.9 Mt, 37% lower than the past five-year average of 1.43 Mt.

The average quality of the durum harvested before winter in terms of grades is lower than for 2018-19, which was exceptionally good quality crop, but near the past five year average. According to the Canadian Grain Commission's sample survey analysis to January 29, 2020, 49% of the durum was graded No. 1 and 2 and another 41% graded No. 3 and 4. The protein content averaged 13.7%, lower than for 2018-19, but better than the past five-year average.

World durum production fell by 3 Mt from 2018-19 to 34 Mt, while supply decreased by 2.4 Mt to 43.5 Mt, according to the International Grains Council (IGC). Use is expected to be stable at 36.4 Mt. Carry out stocks are forecast to fall by 2.4 Mt to 7.2 Mt, the lowest since 2012-13. US durum production fell by 0.66 Mt from 2018-19 to 1.46 Mt, according to the United States Department of Agriculture (USDA).

The average Canadian crop year producer price for durum is forecast to rise from 2018-19 due to lower world, Canadian and US supply.

For 2020-21, the area seeded to durum in Canada is forecast to increase by 15% from 2019-20 because of relatively good prices and low carry-out stocks for 2019-20. Production is forecast to rise by 19% to 5.9 Mt as the increase in seeded area is compounded by higher trend yields. Supply is projected to be stable as the higher production is offset by lower carry-in stocks. Exports are expected to be stable. Carry-out stocks are forecast to rise by 11% to 1 Mt.

World durum production is forecast to increase by 1.8 Mt from 2019-20 to 35.8 Mt due to higher seeded area and assuming normal yields. Supply is expected to fall by 0.5 Mt to 43 Mt because of lower carry-in stocks. Use is expected to be stable at 36.4 Mt, while carry-out stocks fall by 0.6 Mt to 6.6 Mt. US durum production is forecast to rise by 0.25 Mt to 1.71 Mt.

The average Canadian crop year producer price for durum is forecast to fall from 2019-20 due to higher production at the world, Canadian and US levels.

Wheat (excluding durum)

For 2019-20, Canadian wheat production rose by 3.5% from 2018-19 to 27.4 Mt. About 7% of the spring wheat area in Western Canada remained to be harvested at the start of winter, based on provincial crop reports. The spring wheat harvested during the winter and spring is expected to be low quality and a significant portion may not be harvested.

Production by class of wheat, with 2018-19 production in brackets, is estimated at: winter wheat (hard red, soft red and soft white) 1.7 Mt (2.51 Mt); Canada Western Red Spring (CWRS), premium quality hard wheat, 22.17 Mt (20.03 Mt); Canada Prairie Spring (CPS) 1.49 Mt (1.59 Mt), Canada Northern Hard Red Spring (CNHR) 0.74 Mt (1.06 Mt); soft white spring (CWSWS) 0.54 Mt (0.48 Mt), other western spring wheat 0.27 Mt (0.39 Mt), eastern spring wheat, mainly hard red spring (CERS), 0.46 Mt (0.39 Mt).

The average quality for CWRS wheat harvested before winter in terms of grades is lower than for 2018-19, but better than the past five-year average. According to the Canadian Grain Commission's sample survey analysis to January 29, 2020, 72% of the CWRS wheat graded No. 1 and 2 and another 17% graded No. 3. The protein content averaged 13.3%, lower than for 2018-19 and the past five-year average.

Total supply fell marginally, as lower carry-in stocks more than offset the increase in production. Exports are forecast to fall by 8% to 18.2 Mt, due to more competition from other exporters because of higher world production. Carry-out stocks are forecast to increase by 18% to 5 Mt, but only 1% higher than the past five-year average of 4.96 Mt. The export forecast was reduced by 0.2 Mt from the February report based on the pace of exports for the first seven months of the crop year.

World all wheat (including durum) production increased by 33 Mt to 764 Mt, while the supply increased by 27 Mt to 1,042 Mt, according to USDA. Total use is expected to increase by 18 Mt to 755 Mt. World all wheat carry-out stocks are forecast to rise by 10 Mt to 287 Mt or, if stocks in China are not included, stocks would increase by 1 Mt to 139 Mt. Chinese wheat stocks are seldom exported.

US all wheat production rose by 1 Mt from 2018-19 to 52.3 Mt, according to USDA. Supply is 0.4 Mt lower at 84.5 Mt. Domestic use and exports are each forecast to increase by 1.7 Mt. Carry out stocks are forecast to decrease by 3.8 Mt to 25.6 Mt.

Average Canadian producer prices for wheat for the crop year are forecast to fall from 2018-19 because of the higher world supply.

For 2020-21, Canadian area seeded to wheat is forecast to be nearly the same as for 2019-20 as a 17% increase in the winter wheat area is expected to be offset by a 1% decrease for the spring wheat area. Production is projected to rise by 2% to 28 Mt. The winter wheat production is projected to increase by 60% to 2.7 Mt due to higher seeded area and assuming a return to normal abandonment rate. Spring wheat production is expected to fall by 1% to 25.3 Mt.

Supply is forecast to increase by 4% because of higher carry-in stocks. Exports are expected to rise by 5%. Carry-out stocks are forecast to increase by 16% to 5.8 Mt.

World all wheat production is forecast to fall by 4 Mt from 2019-20 to 760 Mt while supply increases by 5 Mt due to higher carry-in stocks. Total use is expected to rise by 8 Mt to 763 Mt. Carry-out stocks are forecast to fall by 3 Mt to 284 Mt. Excluding China, carry-out stocks are projected to decrease by 5 Mt to 134 Mt.

US all wheat production is forecast to fall by 2.3 Mt from 2019-20 to 50 Mt, according to USDA's Grains and Oilseeds Outlook. Imports are forecast to increase by 0.9 Mt. Supply of all wheat is projected to fall by 5.1 Mt to 79.4 Mt. Exports are forecast to be stable, while domestic use decreases by 0.7 Mt. Carry-out stocks are forecast to decrease by 4.4 Mt to 21.2 Mt. The USDA is forecasting the average farm price for all wheat at US$4.90/bu, up 8% from US$4.55/bu for 2019-20.

Average Canadian producer prices for wheat for the crop year are forecast to rise from 2019-20 because of the lower US supply and carry-out stocks.

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Barley

For 2019-20, total supply of barley increased by 17% from 2018-19 due to higher production despite historically low carry-in stocks. Domestic use is expected to increase significantly, due to higher feed use. Exports are expected to increase slightly due to higher exports of barley products. Carry-out stocks are forecast to rise sharply from last year due to higher supply.

The average price of feed barley is expected to be lower than 2018-19, due to increased supply in Canada, the US and around the world.

In the US, barley production increased by 12%, however total supply increased by only 6%, due to a decline in carry-in stocks according to the USDA. Imports are expected to increase by more than half of the level of last year. Total use is expected to increase by 2% and carry-out stocks are expected to increase by 12%. The average farm price of barley in the US is expected to rise by US$0.03/bushel (bu) to US$4.65/bu from last year.

World barley production and supply in 2019-20 increased to its highest level in the recent two decades. Barley production increased in the major exporting countries, including the EU, Russia, Ukraine and Australia. World trade is expected to rise due to higher supply and forecasts for increased imports from Saudi Arabia, China and Morocco. Total consumption is anticipated to grow. Carry-out stocks are expected to increase from 2018-19.

For 2020-21, the area seeded to barley in Canada is forecast to decrease due to the sharp increase in carry-in stocks and expectations for lower prices. Barley prices in 2019-20 have decreased from last year but are still good relative to prices in the past few years, which will limit the decline in area seeded. Production is forecast to decrease by 8% from last year, using the five-year (2015-16 to 2019-20) average for area harvested and yields. Supply is forecast to be similar to 2019-20. Domestic use is anticipated to decrease slightly on a marginal decline in feed use. Exports are expected to be stable. As a result, carry-out stocks are forecast to rise slightly from 2019-20.

The average price of feed barley is expected to drop from 2019-20 due to higher supplies in Canada and the world, as well as lower corn prices in the US.

US barley production is forecast by the USDA to decrease by 3% due to lower area seeded/harvested and lower average yields. However, supply is expected to increase by 4% due to the continuous increase in carry-in stocks and imports. Total use is expected to increase by 6%, while carry-out stocks are forecast to be unchanged. The average farm price of barley in the US is expected to drop by US$0.35/bu to US$4.30/bu from 2019-20.

At the world level, the International Grains Council (IGC) forecasts that the barley supply, consumption and carry-out stocks will increase in 2020-21. This is expected to pressure world barley prices.

Corn

For 2019-20, total supply of corn in Canada decreased by 10% as a result of lower carry-in stocks, production and imports.

Corn imports for 2019-20 are expected to decrease due to a major decrease in imports of corn into Western Canada, more-than offsetting the slight increase in imports to Eastern Canada. Corn imports, for the crop year to January 2020, dropped by 62% to 350 thousand tonnes (Kt) for Western Canada. However, imports rose by 91% to 380 Kt for Eastern Canada.

Exports for the current crop year are expected to decrease, as a result of low supplies and the slow pace of export sales to-date. For the crop year to January 2020, corn exports declined by 83%, as exports to the EU countries fell sharply.

Total domestic use is expected to decrease largely due to the reduction in industrial use and feed use. Carry-out stocks are forecast to fall largely due to smaller supplies.

The average price of corn for 2019-20 is expected to be higher than last year due to the expected increase in the US corn price and a significant decline in the domestic corn supply.

US corn production for 2019-20 decreased by 5% from 2018-19 largely due to a decline in yields. The average on-farm price for corn in the US is forecast to increase to US$3.80/bu from US$3.61/bu last year. Corn production in other major world exporters, including Brazil, Argentina, Russia and Ukraine, remains abundant, which will put pressure on corn prices.

For 2020-21, the area seeded to corn in Canada is forecast to decrease by only 2% from 2019-20 due to good prices and expectations for strong demand. Production is forecast to increase by 3%, largely due to higher yields. Imports are expected to increase. As a result, supply is projected to rise by 2%. Domestic use is projected to rise slightly due to increased feed use. Given the increase in domestic supplies and continued strong global demand, exports are expected to increase. Carry-out stocks are forecast to rise due to good supply.

The average price of corn in Canada is expected to drop following forecasts for lower corn prices in the US for 2020-21.

The USDA projects that US corn acreage for 2020-21 will rise by 5%, which, combined with forecasts for higher area harvested and improved yields, will increase US corn production by 13%. Supplies are projected to increase by 9%. Uses for animal feed, ethanol production and exports are anticipated to rise. Ending stocks are expected to increase by 39%. The US corn price is projected to fall to US$3.60/bu from US$3.80/bu in the previous year.

Area seeded to corn for 2020-21 at the world level is forecast to increase, according to the IGC, and world production is expected to set a new record. Total use of corn around the world is expected to continue its upward trend in 2020-21 and is projected to grow to a record level, driven by demand in China and Brazil. In the EU, total supply of corn is expected to fall due to lower carry-in stocks, in spite of higher production and imports. Total use is projected to rise. As a result of lower supplies and higher consumption, carry-out stocks of corn in the EU are expected to decrease.

Oats

For 2019-20, total supply of oats in Canada increased by 8%, as the increase in production is partly offset by the decrease in carry-in stocks. Domestic use is expected to increase by 5% on higher supply. Exports of oats, including grain and products, are anticipated to rise by 5% due to increased supply and solid export sales. Carry-out stocks are expected to increase significantly due to increased supply, but will remain low.

The average provincial price of oats in the Prairie Provinces is currently strong. The 2019-20 cumulative average price to-date in Alberta is 9% higher than for the same period for 2018-19, 2% higher for Saskatchewan and 5% higher for Manitoba. The average oat futures price on the Chicago Board of Trade increased by 7%. Throughout the crop year, oat prices are expected to increase only slightly from last year, as oat prices are showing downward trends.

US oat supply for 2019-20 increased by 1% from 2018-19 as higher imports offset lower production and carry-in stocks. Total use is forecast to increase by 3% due to higher feed use. Carry-out stocks are projected to decline by 2%. The US oat price for 2019-20 is projected to rise by 11% to US$2.95/bu.

Oat production for 2019-20 in the world major exporting countries, including the EU and Australia, increased. World total use is projected to increase by 2%, while total carry-out stocks are anticipated to increase by 19%.

For 2020-21, the area seeded to oats in Canada is forecast to increase by about 9%, mainly due to good prices and strong demand. This will be the highest level since 2009. Production is forecast to increase by 5%, as higher area harvested, more-than offsets lower yields. Supply is projected to increase by 8%, owing to higher carry-in stocks and production. Domestic use is expected to increase due to higher feed use. Exports are anticipated to remain unchanged. Carry-out stocks are forecast to rise due to increased supply.

The average price of oats for 2020-21 is expected to be lower than 2019-20 due to higher supply in Canada, the US and the world, as well as a lower US corn price forecast for 2020-21.

In the US, oat production is forecast by the USDA to increase by 24% due to a 3% increase in area seeded combined with higher area harvested and improved average yield. Supply is projected to rise by only 6%, owing to forecasts for lower carry-in stocks and unchanged imports. Total use is expected to increase by 4% and carry-out stocks are projected to increase by 16%. The US oat price is projected to fall by 15% to US$2.50/bu.

At the world level, the IGC forecasts that the supply of oats in 2020-21 will continue to grow due to higher carry-in stocks and higher production. Total use will increase by 1% and carry-out stocks are projected to increase by 12%.

Rye

For 2019-20, the total supply of rye increased by only 6% from 2018-19, as most of the increase in production was offset by a significant drop in carry-in stocks. Domestic use is expected to reduce slightly as the drop in feed use will only be partially offset by a rise in seed use. Exports are forecast to increase due to improved supply and solid need for exports. Carry-out stocks are expected to rise due to increased supply.

The current rye prices at Saskatchewan and Manitoba elevators are lower than they were a year ago but still strong. For 2019-20, the rye price is anticipated to decrease by 11% from 2018-19 to an average of $210/t.

The US is the main importer of Canadian rye. The supply of rye in the US for 2019-20 increased by only 7 Kt. However, total consumption is projected to increase by 48 Kt, which will result in lower ending stocks of rye in the US and should support Canadian exports of rye to the US.

For 2020-21, the area seeded to winter rye in Canada increased by 32% from 2019-20, as a result of relatively good prices, strong exports and tight carry-in stocks. Production is forecast to increase by almost 30% to 429 Kt, using the previous five-year average yield. Supply is expected to increase by about 26% to 485 Kt. Exports, domestic use and carry-out stocks are forecast to rise due to improved supplies.

The average price of rye is expected to decrease from 2019-20 due to higher supply in Canada and the world.

At the world level, the IGC forecasts that the supply of rye in 2020-21 will grow by 5% due to higher carry-in stocks. Production is projected to be the same as 2019-20. Although total use is anticipated to increase slightly, carry-out stocks are also expected to increase by about 20%.

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Canola

For 2019-20, canola supplies decreased marginally to 22.6 million tonnes (Mt) as high carry-in stocks are more than offset by lower production. Some canola remains unharvested due to a wet, late fall. Anecdotal reports suggest some deterioration of crop quality and yields is occurring due to rodent damage and intermittent freezing and melting. The Canadian Grain Commission is researching the effects of late harvest for canola and invites farmers to submit 2019 grown, spring 2020 harvested, samples to the Commission for laboratory analysis.

Domestic processing of canola is forecast at a record 9.8 Mt, versus the 9.3 Mt processed in 2018-19. The crush pace to-date, as reported by Statistics Canada, is running ahead of last year. It had been assumed that canola seed and canola product consumption will remain unaffected by the spread of the COVID- 19 virus.

Canola exports are forecast to fall to 9.0 Mt, versus the 9.14 Mt shipped in 2018-19. For the crop year to-date, exports through licensed facilities are running 8% behind last year's pace. Shipments into the European Union are almost quadruple last year's pace in response to last summer's drought and reduced yields across the EU-28. Exports into the Asian region are two-thirds of last year's pace as a sharp decline in shipments to China is partly offset by increased shipments into alternate price sensitive countries. Shipments into the western hemisphere are running 26% behind last year.

Carry-out stocks are forecast to fall to 3.3 Mt, versus 3.8 Mt for 2018-19. Canola prices are estimated to range between $465-495/t down from $497/t last year.

For 2020-21, seeded area in Canada is forecast to decrease by 2% to 8.3 million hectares (Mha), as farmers shift into alternative crops away from oilseeds. Harvested area is forecast at 8.2 Mha while yields are projected at 2.25 tonnes per hectare (t/ha), up marginally from the 2.24 t/ha achieved in 2019-20. Production is forecast to fall slightly to 18.5 Mt versus the 18.6 Mt grown last year. Total supply is forecast to fall to 21.9 Mt on lower carry-in stocks and lower output.

Exports are forecast up by 6% to 9.5 Mt on support from the slow and steady growth in world consumption of vegetable oils and high oil content oilseeds. Domestic crush is forecast to fall slightly to 9.3 Mt, due to competition from large world soybean oil and palm oil supplies. Carry-out stocks are forecast to tighten slightly to 2.8 Mt for a stocks-to-use ratio of 14% supporting a rise in canola prices to $480-520/t.

Flaxseed

For 2019-20, supplies are estimated at 0.56 Mt, versus 0.63 Mt for last year, because of lower production and decreased carry-in stocks. Exports are forecast to decline to 0.40 Mt on stable world demand, tighter domestic supplies and disciplined farmer selling. Total domestic use is forecast to fall to 0.09 Mt on lower feed, waste and dockage. Carry-out stocks are forecast to rise marginally to 0.07 Mt while flaxseed prices rise slightly to $490-520/t, versus $496/t in 2018-19.

For 2020-21, seeded area for flaxseed in Canada is forecast at 0.45 Mha, up slightly from last year, on support from higher prices. Production is forecast to rise by 34% to 0.65 Mt, assuming a steady abandonment in the harvested area and using five-year average historical yields. Supplies increase by 30% to 0.73 Mt as higher output more than offsets the slight drop in carry-in stocks.

Exports are forecast up by 25% from 2019-20, to 0.50 Mt, on steady to stronger world consumption. Total domestic use is also forecast to rise to 0.11 Mt, on higher feed, waste and dockage. Carry-out stocks are forecast at 0.12 Mt while prices also rise slightly, to $490-530/t for 2020-21.

Soybeans

For 2019-20, supplies are estimated at 7.1 Mt, down from last year's 9.2 Mt on sharply lower production and imports. As of Feb 27, the US shipped a total of 34,900 tonnes of soybeans into Canada since September 1st, compared to 580,700 t for the same

period last year. Canadian exports are forecasts to decline to 4.3Mt, versus 5.6 Mt last year, on tighter domestic supplies. Canadian soybean crush is expected to fall by 13%, to 1.8 Mt, as some processors switch to crushing canola. Carry-out stocks are estimated at 0.3 Mt, versus 0.7 Mt last year. Soybean prices are forecast modestly higher at $400-430/t versus $406/t for 2018-19.

World soybean crush is estimated up by 6 Mt, to 304 Mt, by the USDA, primarily on an increase in Argentine processing. China remains the world's largest crusher in 2019-20, at 86.0 M, up marginally from 2018-19 but below the 90.0 Mt processed in 2017-18. Chinese crushing volumes continue to be pressured by outbreaks of African swine fever and COVID-19.

The United States remains the world's second largest processor of soybeans with crush rising marginally to a record 57.3 Mt. American crush is supported by large supplies and increased domestic soymeal usage. Argentine crush is up 4 Mt, to a record 44.6 Mt, on support from increased exports to assorted countries. Brazil remains the world's fourth largest soybean crushing country, at a record 43.8 Mt, on support from rising domestic soymeal consumption. The rest of the world is expected to crush 72.6 Mt of soybeans for 2019-20 versus 73.1 Mt for 2018-19.

The factors to watch are: (1) the impact of COVID-19 on world soybean trade, (2) the South American soybean harvest and export pace, (3) US planting intentions and (4) China's import pace.

For 2020-21, planted area in Canada is forecast to fall marginally to 2.23 Mha on concerns over low prices and growing conditions. Production is forecast at 6.6 Mt, vs 6.0 Mt in 2019-20 and 7.4 Mt in 2018-19, assuming five-year average yields.

Total supply is forecast up slightly, to 7.3 Mt, as higher production and imports more than offsets the drop in carry-in stocks. Exports are forecast at 4.7 Mt to a diverse assortment of countries. Domestic processing is forecast up slightly at 1.9 Mt as crushers return to a normal processing pace. Carry-out stocks are forecast at 0.27 Mt versus 0.30 Mt estimated for 2019-20 and the 0.70 Mt carried out in 2018-19.

Soybean prices are forecast up slightly to $410-450/t on support from stronger US prices and a stable Canadian-US dollar exchange rate.

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Dry Peas

For 2019-20, exports are forecast to rise to 3.5 million tonnes (Mt), with China, Bangladesh and India ranking as Canada's top three markets. Canadian dry pea exports to India are expected to fall marginally to 205 thousand tonnes (Kt). Through August to January of this crop year, Canadian dry pea exports total 1.9 Mt, nearly 0.4 Mt higher than the same period in 2018-19. Carry-out stocks are expected to rise despite firm export demand, due to increased supply. The average price is expected to be lower than 2018-19, with lower green and feed pea prices offsetting similar yellow pea prices.

During the month of February, the on-farm price of yellow peas in Saskatchewan rose by $8/t, while the price of green peas fell by $40/t. Monthly dry pea exports have continued at a steady pace. The remaining yellow pea stocks are similar to the previous year at this time. Indications are that there will be another large winter pulse crop in India. Even if a higher-than-average pulse crop in India is realized, Canadian dry pea export demand is expected to remain firm through the remainder of the crop year. Support factors include the continued weakness of the Canadian dollar against the US dollar and solid demand from China. Green dry peas prices are expected to maintain a $120/t premium over yellow peas, compared to the $130/t premium in 2018-19.

US dry pea production is estimated by the USDA at over 1.0 Mt, up nearly 40% from 2018-19. This is largely due to improved yields and higher area in Montana. As a result, Canadian exports to the US are forecast to be lower than the previous year. For the 2019-20 crop year to-date (August to December), Canadian dry pea exports to the US totaled 55 Kt.

For 2020-21, seeded area is forecast to be largely unchanged from 2019-20 at 1.75 Mha because of good returns relative to other crops and strong export demand. Production is forecast to rise marginally to 4.3 Mt with similar area seeded and trend yields. However, supply is expected to rise marginally due to higher carry-in stocks. Exports are expected to be lower than the current crop year and carry-out stocks are expected to rise. The average price in 2020-21 is expected to be unchanged from the previous year.

Lentils

For 2019-20, exports are forecast to rise to 2.1 Mt. India, Turkey and Bangladesh are currently the top three export markets. Through August to January of this crop year, Canadian lentil exports total over 1.0 Mt, up 5% from this same period in 2018-19.

Carry-out stocks are forecast to decrease to below average levels. The overall average price is forecast to rise sharply due to lower carry-out stocks.

During the month of February, the on-farm price of large green lentils fell by $25/t and the price of red lentils fell by C$15/t in Saskatchewan. Canadian lentil export demand has not been as robust as dry pea demand, particularly for green lentil types. The price premium for large greens over red lentils is forecast to increase to $130/t versus $85/t in 2018-19.

US lentil production, dominated by the green types, is estimated by the USDA at 250 Kt, down 36% from 2018-19. Despite this, Canadian lentil exports to the US to-date (August to December) are lower than last year at this time at 21 Kt.

For 2020-21, area seeded in Canada is expected to be unchanged at 1.53 Mha, due to higher returns relative to other crops. A higher yield is forecast and production is still expected to rise to 2.2 Mt. Supply is expected to fall to 2.6 Mt with smaller carry-in stocks. Exports are forecast to be lower at 2.0 Mt. Carry-out stocks are expected to fall. The average price is forecast to increase from 2019-20 with the assumption of an average grade distribution and discounts for lower grades.

Dry Beans

For 2019-20, exports are expected to be marginally lower than for the 2018-19 crop year despite an increase in supply. The EU and the US are forecast to continue to be the main markets for Canadian dry beans, with smaller volumes exported to Japan, Angola and Mexico. Canadian carry-out stocks are expected to increase. The average Canadian dry bean

price is forecast to rise, due to expectations for lower carry-out stocks in North America. To-date (August-February), Canadian white pea bean prices are 5% higher, pinto bean prices are 20% higher and black bean prices are 5% lower than realised in 2018-19.

US total dry bean production (excluding chickpeas) is estimated by the USDA at over 0.9 Mt, down 17% from 2018-19. US dry bean production fell for nearly all bean types, while production increased for light red kidney types. This is expected to continue to support US and Canadian dry bean prices for 2019-20.

For 2020-21, the area seeded is forecast to fall marginally from 2019-20 to 150 thousand hectares because of lower potential returns compared to other crops. Production is expected to increase to 330 Kt due to higher expected yields and lower abandonment. Supply is expected to rise with higher production combining with large carry-in stocks. Exports are forecast to be slightly higher with steady demand from the EU and the US. Carry-out stocks are forecast to rise sharply. The average Canadian dry bean price is forecast to fall due to expectations for increased supply in North America.

Chickpeas

For 2019-20, exports are expected to fall significantly from 2018-19, due to decreased import demand from Pakistan. As a result, carry-out stocks are expected to rise sharply. The average price is expected to be unchanged from last year, due to smaller world supplies of chickpeas, including in North America.

US chickpea production is estimated by USDA at 283 Kt, a 50% decrease from 2018-19.

For 2020-21, the area seeded is expected to fall notably from 2019-20 because of higher carry-in stocks and the complications and quality issues from last year's harvest. As a result, production is expected to fall to 200 Kt. Supply is forecast to fall only marginally from 2019-20 due to the burdensome carry-in stocks. Exports are forecast to be higher and carry-out stocks are expected to fall. The average price is forecast to be lower, due to expectations for larger world chickpea supplies.

Mustard Seed

For 2019-20, exports are forecast to be similar to last year at 120 Kt, and carry-out stocks are forecast to fall. The US and the EU are the main export markets to date for Canadian mustard seed. The average price is forecast to rise from the previous year due to the lower supply and expectations for tight Canadian carry-out stocks.

For 2020-21, the area seeded is forecast to be higher than the previous year. Production is forecast to rise to 145 Kt, with marginally higher area and yields when compared to the previous year. Supply is expected to fall marginally due to lower carry-in stocks. Exports are expected to be unchanged, but despite this, carry-out stocks are forecast to fall. The average price is forecast to be slightly lower than 2019-20.

Canary Seed

For 2019-20, exports are expected to be higher than 2018-19 with increased demand from the EU and Mexico, the top two export markets. Carry-out stocks are expected to tighten. The average price is forecast to rise sharply from 2018-19.

For 2020-21, the area seeded is forecast to rise due to competitive returns relative to other crops. Production is expected to decrease, assuming lower yields than 2019-20. Supply is forecast to fall to 145 Kt. Exports are expected to be lower than 2019-20, and carry-out stocks are expected to remain tight. The average price is expected to be lower than the 2019-20 level.

Sunflower Seed

For 2019-20, exports are forecast to be marginally higher than last year due to increased US demand. Carry-out stocks are forecast to rise, despite increased exports. The US remains Canada's main export market for sunflower seed. The average price is forecast to rise from 2018-19 due to higher oilseed sunflower seed prices.

For the US, sunflower seed production is estimated by the USDA to have decreased to below 0.9 Mt. With a smaller US oilseed and confectionery crop, this has supported Canadian sunflower seed prices.

The world supply of sunflower seed is estimated by the USDA at a record 60 Mt. This is 7% higher than last year, due to higher production in Russia. World exports are expected to rise marginally, with domestic use expected to rise to a record 54 Mt. Global carry-out stocks are expected to rise sharply to 3.0 Mt, which may pressure world sunflower oilseed prices.

For 2020-21, area seeded is anticipated to be unchanged from 2019-20 due to expectations of good returns. Production is forecast to fall to 60 Kt and supply is expected to rise to 194 Kt. Exports are expected to be lower, and as a result, carry-out stocks are forecast to increase further. The average price is forecast to fall from 2019-20 as similar prices for confectionery sunflowers in Canada and the US combines with lower prices for oil types.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

March 19, 2020

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 tonnes*				----------	*$/t*
Durum												
2018-2019	2,503	2,456	2.34	5,745	24	7,245	4,526	204	532	927	1,792	235
2019-2020f	1,980	1,902	2.62	4,977	80	6,849	4,800	210	720	1,149	900	255-275
2020-2021f	2,280	2,235	2.64	5,900	40	6,840	4,800	210	611	1,040	1,000	240-270
Wheat Except Durum												
2018-2019	7,570	7,425	3.56	26,456	95	31,807	19,762	3,294	3,669	7,797	4,247	245
2019-2020f	8,145	7,754	3.53	27,371	100	31,718	18,200	3,350	4,333	8,518	5,000	215-235
2020-2021f	8,150	7,920	3.54	28,000	100	33,100	19,200	3,380	3,883	8,100	5,800	220-250
All Wheat												
2018-2019	10,073	9,881	3.26	32,201	119	39,052	24,288	3,498	4,201	8,724	6,040	
2019-2020f	10,125	9,656	3.35	32,348	180	38,568	23,000	3,560	5,053	9,668	5,900	
2020-2021f	10,430	10,155	3.34	33,900	140	39,940	24,000	3,590	4,494	9,140	6,800	
Barley												
2018-2019	2,628	2,395	3.50	8,380	43	9,667	3,068	104	5,375	5,737	863	260
2019-2020f	2,996	2,728	3.81	10,383	40	11,285	3,150	116	6,069	6,435	1,700	210-240
2020-2021f	2,900	2,580	3.69	9,520	40	11,260	3,150	116	5,963	6,310	1,800	200-230
Corn												
2018-2019	1,468	1,431	9.70	13,885	2,739	19,040	1,617	5,786	9,638	15,440	1,983	194
2019-2020f	1,496	1,451	9.24	13,404	1,700	17,087	1,000	5,300	8,971	14,287	1,800	190-220
2020-2021f	1,460	1,420	9.75	13,850	1,800	17,450	1,200	5,300	9,034	14,350	1,900	180-210
Oats												
2018-2019	1,235	1,005	3.42	3,436	10	4,225	2,475	186	1,046	1,353	397	254
2019-2020f	1,459	1,160	3.58	4,157	10	4,564	2,600	190	1,091	1,414	550	240-270
2020-2021f	1,590	1,250	3.50	4,380	10	4,940	2,600	190	1,139	1,440	900	205-235
Rye												
2018-2019	136	79	2.99	236	2	363	146	19	134	167	49	236
2019-2020f	175	103	3.25	333	2	384	170	19	119	159	55	195-225
2020-2021f	231	147	2.92	429	2	485	190	20	185	220	75	170-200
Mixed Grains												
2018-2019	144	69	2.82	195	0	195	0	0	195	195	0	
2019-2020f	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021f	140	60	2.83	170	0	170	0	0	170	170	0	
Total Coarse Grains												
2018-2019	5,610	4,979	5.25	26,132	2,794	33,490	7,305	6,095	16,387	22,892	3,292	
2019-2020f	6,270	5,509	5.17	28,469	1,752	33,512	6,920	5,625	16,442	22,487	4,105	
2020-2021f	6,321	5,457	5.19	28,349	1,852	34,306	7,140	5,626	16,492	22,491	4,675	
Canola												
2018-2019	9,232	9,120	2.23	20,343	146	22,995	9,141	9,295	666	10,023	3,831	497
2019-2020f	8,481	8,319	2.24	18,649	100	22,580	9,000	9,750	479	10,280	3,300	465-495
2020-2021f	8,300	8,215	2.25	18,500	100	21,900	9,500	9,250	299	9,600	2,800	480-520
Flaxseed												
2018-2019	347	342	1.44	492	9	628	466	0	85	102	60	496
2019-2020f	379	339	1.43	486	10	556	400	0	71	91	65	490-520
2020-2021f	450	421	1.54	650	10	725	500	0	90	110	115	490-530
Soybeans												
2018-2019	2,558	2,540	2.92	7,417	1,131	9,199	5,640	2,058	563	2,859	700	406
2019-2020f	2,313	2,271	2.66	6,045	400	7,145	4,300	1,800	495	2,545	300	400-430
2020-2021f	2,230	2,221	2.95	6,550	500	7,350	4,700	1,900	275	2,375	275	410-450
Total Oilseeds												
2018-2019	12,137	12,001	2.35	28,252	1,286	32,821	15,247	11,354	1,314	12,984	4,591	
2019-2020f	11,172	10,929	2.30	25,180	510	30,281	13,700	11,550	1,045	12,916	3,665	
2020-2021f	10,980	10,857	2.37	25,700	610	29,975	14,700	11,150	664	12,085	3,190	
Total Grains And Oilseeds												
2018-2019	27,820	26,861	3.22	86,584	4,199	105,363	46,840	20,946	21,902	44,601	13,922	
2019-2020f	27,568	26,094	3.30	85,997	2,442	102,361	43,620	20,735	22,540	45,071	13,670	
2020-2021f	27,731	26,469	3.32	87,949	2,602	104,221	45,840	20,366	21,650	43,716	14,665	

(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 but exclude oilseed products.
(d) Food and Industrial use for soybeans is based on data from the Canadian Oilseed Processors Association.
(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. 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)
Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecast by AAFC except for area, yield and production for 2019-2020 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

March 19, 2020

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 tonnes* ----------						*%*	*$//t*
Dry Peas											
2018-2019	1,463	1,431	2.50	3,581	62	4,291	3,268	711	312	8	270
2019-2020f	1,753	1,711	2.48	4,237	70	4,619	3,500	694	425	10	245-275
2020-2021f	1,755	1,720	2.50	4,300	60	4,785	3,300	860	625	15	245-275
Lentils											
2018-2019	1,525	1,499	1.40	2,092	51	3,016	2,032	353	631	26	390
2019-2020f	1,530	1,489	1.46	2,167	80	2,878	2,100	428	350	14	410-440
2020-2021f	1,530	1,500	1.47	2,200	50	2,600	2,000	325	275	12	440-470
Dry Beans											
2018-2019	143	137	2.49	341	98	464	348	37	80	21	815
2019-2020f	160	150	2.11	317	85	481	345	41	95	25	880-910
2020-2021f	150	145	2.28	330	85	510	350	40	120	31	770-800
Chickpeas											
2018-2019	179	176	1.77	311	51	376	147	129	100	36	480
2019-2020f	159	156	1.61	252	53	405	130	145	130	47	465-495
2020-2021f	120	117	1.71	200	50	380	135	130	115	43	455-485
Mustard Seed											
2018-2019	204	197	0.88	174	8	235	121	42	73	45	690
2019-2020f	161	155	0.87	135	9	216	120	41	55	34	700-730
2020-2021f	165	160	0.91	145	9	209	120	44	45	27	680-710
Canary Seed											
2018-2019	109	109	1.45	158	0	174	156	7	11	7	505
2019-2020f	99	94	1.56	148	0	158	158	0	0	0	620-650
2020-2021f	105	102	1.42	145	0	145	145	0	0	0	560-590
Sunflower Seed											
2018-2019	29	27	2.13	57	24	179	26	49	104	138	585
2019-2020f	31	29	2.18	63	25	191	28	53	110	135	590-620
2020-2021f	31	30	2.00	60	24	194	26	48	120	162	575-605
Total Pulses and Special Crops (c)											
2018-2019	3,652	3,576	1.88	6,714	293	8,734	6,097	1,327	1,310	18	
2019-2020f	3,892	3,783	1.93	7,317	322	8,949	6,381	1,403	1,165	15	
2020-2021f	3,856	3,774	1.96	7,380	278	8,823	6,076	1,447	1,300	17	

(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
(d) Producer price, FOB plant, average over all types, grades and markets.
Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecast by AAFC except for area, yield and production for 2019-2020 which are STC