CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS *May 22, 2020*

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

Executive Director: Nathalie Durand **Deputy Director: Fred Oleson**

This report is an update of Agriculture and Agri-Food Canada's (AAFC) April outlook report for the current 2019-20 crop year and the up-coming 2020-21 crop year.

For 2019-20, information has been incorporated from Statistics Canada's (STC) May 7 report on Stocks of Principal Field Crops in Canada which indicated that stocks of wheat, barley and oats were up on March 31 compared with the same date in 2019, while stocks of canola, corn for grain, soybeans, dry field peas and lentils were down. As a result of the COVID-19 pandemic, the estimates of on-farm stocks were produced under exceptional circumstances but data related to commercial stocks was not affected. Total carry-out stocks of field crops in Canada are expected to be about 14.2 million tonnes (Mt), almost 7% lower than 2018-19 but similar to the 10 year average. The situation and outlook for world and Canadian grain markets is expected to continue to be impacted by the domestic and international uncertainty caused by COVID-19.

For 2020-21, Statistics Canada's May 7 report on the March Seeding Intentions of Principal Field Crops in Canada indicated that farmers intend to increase the area seeded to wheat, corn for grain and oats in 2020 compared with 2019. However, the area seeded to canola, soybeans, barley, dry peas and lentils are expected to decrease. The actual planting decisions are strongly influenced by crop rotation considerations, current inventories, expected prices and marketing conditions such as ongoing trade issues, as well as weather during seeding and delays in planting due to the ongoing spring harvest of the 2019 crop. However, based on current market conditions and historical trends, the area seeded to field crops in Canada is forecast to decrease marginally from 2019-20. 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 95.7 Mt. In general, abundant supplies and factors related to COVID-19 are expected to pressure world grain prices but prices in Canada will continue to be supported by the 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	4,043	105,206	46,891	44,393	13,922
2019-2020f	27,568	26,094	3.30	86,077	2,167	102,166	43,053	45,892	13,220
2020-2021f	27,569	26,231	3.37	88,418	2,062	103,700	45,215	44,095	14,390
Total Pulse And Special Crops									
2018-2019	3,652	3,576	1.88	6,714	293	8,734	6,101	1,331	1,302
2019-2020f	3,897	3,788	1.93	7,317	325	8,944	6,632	1,327	985
2020-2021f	3,780	3,707	1.96	7,265	277	8,527	6,165	1,392	970
All Principal Field Crops									
2018-2019	31,472	30,437	3.07	93,298	4,336	113,940	52,992	45,724	15,224
2019-2020f	31,465	29,882	3.13	93,394	2,492	111,109	49,685	47,219	14,205
2020-2021f	31,349	29,938	3.20	95,683	2,339	112,227	51,380	45,487	15,360

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecast by AAFC except for area, yield and production for 2019-2020 and area seeded for 2020-2021 which are STC

Durum

For 2019-20, Canadian durum production decreased by 13% from 2018-19 to 4.98 million tonnes (Mt). Total supply decreased by 5%, as the lower production was partly offset by higher carry-in stocks. Exports are forecast to increase by 8% to 4.9 Mt due to stronger demand resulting from a decrease in world production. The exports forecast was raised by 0.1 Mt from the April report based on the pace of exports for the first nine months of the crop year. 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.

World durum production fell by 3.3 Mt from 2018-19 to 33.7 Mt, while supply decreased by 2.6 Mt to 43.5 Mt, according to the International Grains Council (IGC). Use is expected to fall by 0.7 Mt to 35.6 Mt. Carry out stocks are forecast to fall by 1.9 Mt to 7.9 Mt. 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 expected to increase by 7% from 2019-20, according to Statistics Canada's (STC) seeding intentions survey. Production is forecast to rise by 11% to 5.5 Mt as the increase in seeded area is compounded by higher trend yields and a return to normal abandonment rate. Supply is projected to fall by 5% as the higher production is more than offset by lower carry-in stocks. Exports are expected to be stable at 4.9 Mt due to the limited supply. Carry-out stocks are forecast to fall by 11% to 0.8 Mt.

World durum production is forecast to increase by 1.1 Mt from 2019-20 to 34.8 Mt, according to IGC. Supply is expected to fall by 0.8 Mt to 42.7 Mt because of lower carry-in stocks. Use is expected to fall by 0.1 Mt to 35.5 Mt, while carry-out stocks fall by 0.7 Mt to 7.2 Mt, the lowest since 2012-13. US durum production is forecast to rise by 0.09 Mt to 1.55 Mt.

The average Canadian crop year producer price for durum is forecast to be the same as for 2019-20.

Wheat (excluding durum)

For 2019-20, Canadian wheat production rose by 3.5% from 2018-19 to 27.4 Mt. 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).

Total supply fell marginally, as lower carry-in stocks more-than offset the increase in production. Exports are forecast to fall by 9% to 18 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 feed, waste and dockage forecast is unusually high because of the unharvested wheat at the start of winter.

World all wheat (including durum) production increased by 34 Mt to 764 Mt, while the supply increased by 29 Mt to 1,044 Mt, according to USDA. Total use is expected to increase by 14 Mt to 749 Mt. World all wheat carry-out stocks are forecast to rise by 16 Mt to 295 Mt or, if stocks in China are not included, stocks would increase by 5 Mt to 145 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 is forecast to increase by 1.5 Mt, while exports rise by 0.9 Mt. Carry out stocks are forecast to decrease by 2.8 Mt to 26.6 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 expected to increase by 1% from 2019-20, with a 17% increase in the winter wheat area and a marginal decrease for spring wheat area, based on the STC seeding intentions survey. Production is projected to rise by 4% to 28.4 Mt. The winter wheat production is projected to increase by 65% to 2.8 Mt due to higher seeded area and a return to normal abandonment rate. Spring wheat production is expected to fall marginally to 25.6 Mt.

Supply is forecast to increase by 5% because of higher production and carry-in stocks. Exports are expected to rise by 7%. Carry-out stocks are forecast to increase by 20% to 6 Mt.

World all wheat production is forecast to rise by 4 Mt from 2019-20 to 768 Mt while supply increases by 20 Mt to 1,064 Mt due to higher carry-in stocks, according to USDA. Total use is expected to rise by 5 Mt to 754 Mt, as higher food use is partly offset by lower feed use. Carry-out stocks are forecast to rise by 15 Mt to 310 Mt. Excluding China, carry-out stocks are projected to rise by 5 Mt to 150 Mt.

US all wheat production is forecast to fall by 0.5 Mt from 2019-20 to 50.8 Mt, according to USDA. Imports are forecast to increase by 0.9 Mt. Supply of all wheat is projected to fall by 3.3 Mt to 81.2 Mt. Exports are forecast to fall by 0.5 Mt, while domestic use falls by 0.9 Mt. Carry-out stocks are forecast to decrease by 1.9 Mt to 24.7 Mt.

Average Canadian producer prices for wheat for the crop year are forecast to rise from 2019-20 because of the forecast for a weaker Canadian dollar for 2020-21 as compared to 2019-20.

Stan Skrypetz: Wheat Analyst
stan.skrypetz@canada.ca

Barley

For 2019-20, the 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 by 18%, largely due to higher feed use. Total exports are expected to decrease on lower exports of feed barley to China despite higher exports of barley malt. Carry-out stocks are forecast to rise sharply from last year largely due to the significant increase in supply.

Barley prices for the crop-year to-date in the Prairie provinces declined from a year ago but remain strong. For the entire crop year, the feed barley price at Lethbridge feedlots is expected to be 14% lower than last year, due to increased barley supplies in Canada and around the world.

Since 2014-15, China has been the largest export market for Canadian barley, taking more than half of Canadian barley grain exports. For 2019-20 to March, exports to China decreased by 8% particularly due to the declined exports in February and March. The US is the second largest market for Canadian barley grain and barley malt. Exports to the US increased by 28% for barley grains and 7% for malt, although the import pace for malt slowed down in March. Japan is another important importer for Canadian barley grains and barley malt. Exports of barley grain to Japan decreased by 17% and increased by 8% for malt.

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 volume is expected to be similar to last year despite expanded supplies, as the major exporters are expected to import more corn because of lower prices for corn. Total consumption is anticipated to grow. Carry-out stocks are expected to be higher than the previous year

For 2020-21, the area seeded to barley in Canada is expected to decrease by 2%. Production is forecast to decrease by 7% from last year, using the five-year (2015-16 to 2019-20) averages for yield and area harvested. Supplies are forecast to be slightly higher than for 2019-20, which will encourage exports. Domestic use and carry-out stocks are expected to be similar to 2019-20.

The average price of feed barley for 2020-21 is expected to drop from 2019-20 due to increased domestic supplies. In addition, large corn supplies around the world will restrict feed grain prices.

World barley production for 2020-21 is expected to fall slightly but total supplies are expected to be ample due to higher carry-in stocks, according to the United States Department of Agriculture (USDA). Total use is anticipated to rise but will be limited by large corn supplies. Carry-out stocks are expected to increase. World trade volume for barley is expected to reduce as cheap corn will replace some feed barley.

Corn

For 2019-20, the total supply of corn in Canada decreased by 12% as a result of lower carry-in stocks, production and imports. Corn imports for the entire crop year are expected to decrease by 26%, based on the current import pace and lower domestic demand.

Total domestic use is expected to decrease due to reduced industrial use and feed use. Corn exports are expected to fall sharply to 400 thousand tonnes (Kt), as exports to the EU have been nil for the first seven months. As a result, carry-out stocks are forecast to fall only slightly.

The average price of corn for 2019-20 is expected to be flat with the level in last year due to lower US corn price being offset by the depreciated Canadian currency.

In the US, the use of corn for ethanol production has decreased significantly due to the decline in ethanol demand and motor gasoline consumption, as well as the major downturn in petroleum prices. A part of the decrease in industrial use has been offset by higher feed use.

The average on-farm price of corn in the US is projected by the USDA at US$3.60/bu, versus US$3.61/bu for last year.

Corn production in other major world exporters, including Brazil, Argentina, Russia and Ukraine, remains abundant, which will continue to pressure corn prices.

For 2020-21, the area seeded to corn in Canada is forecast to increase by 3% from 2019-20. Production is forecast to increase by 10% due to higher yields and area harvested. Imports are expected to fall given expectations for ample corn supplies. As a result, supply is projected to increase by 7%. Domestic use is projected to rise by 1% due to increased industrial use and stable 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 higher 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 projected corn acres in the US for 2020 at 97 million acres, up 8% from 89.7 million acres for 2019 and the highest since 2012. Combined with forecasts for higher area harvested and improved yields, US corn production will increase by 17%, and supplies will increase by 14%. Ending stocks are expected to increase by more than 50%, even with higher total use. The US corn price for 2020-21 is projected at US$3.20/bu, versus US$3.60/bu for 2019-20.

At the world level, the USDA forecast the 2020-21 world corn crop will be the largest ever, and the output in the word major exporters continue to expand. World consumption is tentatively seen a fresh peak. Carry-out stocks are set to rise to a three-season high, led by the US. World trade volume is forecast to expand to a record level owing to ample supplies and lower prices.

Oats

For 2019-20, the total supply of oats in Canada increased by 10% due to increased production, despite sharply lower carry-in stocks. Domestic use is expected to increase by 5% largely due to strong demand for food production. Exports, including grain and products, are anticipated to rise by 3% due to increased supply and solid export sales. Carry-out stocks are expected to increase significantly due to increased supply.

For the entire crop year, the CBOT oat futures price is expected to increase by 4% from last year.

Oat supply in the US, the leading importer of Canadian oats, decreased marginally from last year as higher imports more-than offset lower production and carry-in stocks. Total use is forecast to increase by 5% due to higher feed use. Carry-out stocks are projected to sharply fall by 24%. The US oat price for 2019-20 is projected to rise by 7% to US$2.85/bu.

Oat production for 2019-20 increased in the world major exporting countries, including the EU and Australia. World consumption is projected to fall, while total carry-out stocks are anticipated to rise.

For 2020-21, the area seeded to oats in Canada is forecast to increase by about 6% to the highest level since 2009. Production is forecast to increase only by 1%, as higher area harvested is expected to be partly offset by lower yields. Supply is projected to increase by 7%, owing to higher carry-in stocks and production. Domestic use is expected to drop by 7% due to lower food use. Exports are anticipated to remain unchanged due to expectations for bumper supplies in the major exporting countries, as well as in the US. Carry-out stocks are forecast to rise due to increased supplies.

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 around the world, as well as forecasts for lower corn prices.

The area seeded to oats in the US is expected to increase to about 3 million acres, the highest since 2016. Total supply is forecast to increase due to higher production and imports. Feed use continues to

rise. Carry-out stocks are forecast to increase by 45%. The US oat price for 2020-21 is projected at US$2.50/bu, versus US$2.85/bu for 2019-20.

Oat production in the world major exporters is expected to grow. With the increase in total use being more than offset by the rise in supplies, carry-out stocks are projected to increase by 33% with more than half of the increase coming from the world major exporters.

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 due to the drop in feed use. Exports are forecast to increase by 5%. Carry-out stocks are expected to rise due to increased supply.

The price of rye at Saskatchewan for the entire crop year is anticipated to decrease by 11% from 2018-19 to average $210/t.

The US has taken more than 99% of Canadian rye exports for this crop year to-date. The USDA forecasts lower imports of rye than last year.

For 2020-21, the area seeded to winter rye in Canada increased by 32% from 2019-20. Production is forecast to increase to 437 Kt due to higher area harvested. Supply is expected to increase to 518 Kt. Exports, domestic use and carry-out stocks are forecast to rise due to improved supplies.

The rye price is expected to decrease from 2019-20 due to higher supplies in Canada and around the world.

The USDA forecasts more rye will be shipped into the US in 2020-21. World trade volume will rise. Exports from the EU will decline significantly, while it increases sharply in the Black Sea region. The increase in 2020-21 world rye supply will surpass the increase in total use, which will result in carry-out stocks to increase significantly.

Mei Yu: Coarse Grains Analyst
mei.yu@canada.ca

Canola

For 2019-20, canola supplies decreased marginally to 22.6 million tonnes (Mt) as sharply higher carry-in stocks was moderated by a sharp decline in production. Total usage of canola is expected to reach a near record of 20.0 Mt based on an expected crush of 9.8 Mt and exports of 9.6 Mt, the fourth highest on record. Canada's canola crush pace is on a record setting pace on support from strong world vegetable oil demand, large domestic stocks and decent crush margins.

The Canadian export pace picked up sharply in March and April on strong European and United Arab Emirate buying while a sharp drop in crude oil shipments freed up railcar capacity. To date, the COVID-19 pandemic appears to have had a minimal impact on canola demand and AAFC assumes consumption will remain unaffected by the disease for the remainder of the crop year.

Carry-out stocks are expected to fall by 1.2 Mt to 2.6 Mt for 2019-20, the third highest level on record. The stocks-to-use ratio is estimated at 13 percent versus twenty percent for 2018-19 and the modern day record of 23 percent set in 2004-05. Canola prices are estimated at $465-495/t versus $497/t last year.

For 2020-21, seeded area in Canada is estimated by Statistics Canada to decline by about 2% to 8.3 million hectares (Mha), as farmers shift into alternative crops away from oilseeds. In the release, Statistics Canada informed readers that as a result of the timing of the COVID-19 pandemic, the March 2020 estimates were produced under exceptional circumstances, active collection of data for the survey was haltered earlier than planned resulting in a lower than usual response rate compared with previous years. These seeding intentions will be updated with revised seeded area estimates based on a post-seeding survey targeted for release on June 29.

AAFC forecasts a harvested area of 8.2 Mt for canola, based on farmer seeding intentions and assuming a normal rate of crop abandonment. Yields are projected at 2.27 tonnes per hectare (t/ha), up marginally from 2019-20, based on 5 year average yields. Production of canola is forecast to rise slightly to 18.7 Mt. Total supplies of canola are forecast to fall to 21.4 Mt based on the sharp decline in carry-in stocks and slightly lower expected imports.

Exports are forecast to decline marginally to 9.5 Mt, as a slow and steady growth in world consumption of vegetable oils is offset by a return to normal growing conditions for the European rapeseed crop. Domestic crush is forecast to fall to 9.3 Mt, on competition from large world soybean oil and palm oil supplies and spillover from the collapse in world crude oil prices. Carry-out stocks are forecast to tighten slightly to 2.3 Mt for a stocks-to-use ratio of 12% supporting a modest 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 0.35 Mt on stable world demand, tighter domestic supplies and disciplined farmer selling. Total domestic use is forecast to rise to 0.14 Mt on significantly higher feed, waste and dockage following last fall's challenging harvest. Carry-out stocks are forecast to rise marginally to 0.07 Mt while flaxseed prices rise slightly to $510-540/t, versus $496/t in 2018-19.

For 2020-21, farmers intend to seed 0.38 Mha to flaxseed, a marginal year-on-year increase fuelled by support from higher prices. Production is forecast to rise by 9% to 0.53 Mt, assuming a normal abandonment and using five-year average historical yields. Supplies are forecast to increase by 9% to 0.61 Mt on higher output and carry-in stocks.

Exports are forecast up by 43% from 2019-20, to 0.50 Mt, on steady to stronger world consumption. Total domestic use is also forecast to rise to 0.40 Mt, on higher feed, waste and dockage. Carry-out stocks are forecast at 0.70 Mt while prices are expected to range from $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 April 30th, the US had accumulated exports of 47,600 tonnes of soybeans into Canada since September 1st, compared to 684,100 t for the same period last year. Canadian exports are forecast 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, while soybean prices are forecast modestly higher at $400-430/t versus $406/t for 2018-19.

The factors to watch are: (1) US planting progress and crop conditions, (2) the impact of COVID-19 on world soybean consumption and trade, (3) South American soybean export pace, (4) China's import pace and (5) Canadian planting conditions.

For 2020-21, farmers intend to plant 2.11 Mha to soybeans according to Statistics Canada estimates generated from farmer surveys. The 0.2 MHa drop from last year is due to a combination of steady prices, difficult harvest conditions over the past few years and uncertainty over returns. Production is forecast at 6.1 Mt, vs 6.0 Mt in 2019-20 and 7.4 Mt in 2018-19, assuming five-year average yields.

Total supply is forecast to decrease slightly, to 6.9 Mt, as the sharp drop in carry-in stocks more than offsets the slight rise in production and imports. Exports are forecast at 4.2 Mt to a number 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 0.30 Mt unchanged from 0.30 Mt for 2019-20 and down from the 0.70 Mt carried out in 2018-19. Soybean prices are forecast to increase slightly to $410-450/t on support from stronger US prices.

For 2020-21, the outlook for US soybeans is for higher supplies, crush, exports and lower ending stocks, says the USDA. The United States Department of Agriculture projects soybean production at 4.124 billion bushels, up 16% from last year on higher harvested area and assuming trend yields. Total supplies are projected to increase by 5%, to 4.72 billion bushels despite lower beginning stocks.

The USDA projects total 2020-21 soybean crush at 2.13 billion bushels on support from higher domestic consumption while US soybean exports are forecast to rise by 375 million bushels from the revised 2019-20 forecast to 2.05 billion bushels. Ending stocks are projected at 405 million bushels, down 175 million bushels from the revised 2019-20 estimate. The 2020-21 US season average soybean price is forecast at US$8.20 a bushel, a drop of 30 cents a bushel from 2019-20.

The global oilseed outlook is for larger supplies as record production more than offsets lower carry-in stocks. World 2020-21 oilseed production is projected at a record 605.9 Mt by the USDA, up 30.7 Mt from 2019-20 mainly due to higher soybean production. World soybean production is forecast at 362.8 Mt, up 30.7 Mt year on year. World trade in soybeans is expected to increase 8.0 Mt, to 161.9 Mt, while ending stocks decline 1.9 Mt, to 96 Mt.

Chris Beckman: Oilseeds Analyst
chris.beckman@canada.ca

Dry Peas

For 2019-20, dry pea supply is slightly higher than the previous year at 4.6 million tonnes (Mt). Canada's exports are forecast to rise to 3.65 Mt, up from the 2018-19 level. Steady exports to India and Bangladesh have been augmented by the record export pace to China. Canadian exports to the US for the year-to-date (August-March) are lower than for the same period last year due to the near record US dry pea crop. As a result of larger domestic supply and higher exports, carry-out stocks in Canada are expected to be marginally lower than the previous year at 0.3 Mt.

The average price is expected to be unchanged from 2018-19, due to higher yellow and green pea prices being offset by lower feed pea prices. Green dry peas prices are expected to maintain a crop year premium of $130/t over yellow dry peas, similar to 2018-19. During the month of April, Saskatchewan yellow pea farmgate prices rose $20/t and green pea farmgate prices rose $35/t. This is largely due to stronger world demand resulting from the COVID-19 pandemic.

For 2020-21, producers intend to leave seeded area in Canada relatively unchanged at 1.73 million hectares (Mha), marginally lower than 2019-20. This would be the second largest Canadian dry pea area on record and is largely due to good returns relative to other crops and the continued recognition of the benefits of dry peas as part of crop rotation plan. By province, Saskatchewan is expected to account for 53% of the dry pea area, Alberta 41%, with the remainder seeded across Canada.

Production is forecast to rise marginally to nearly 4.3 Mt due to average yields but lower area seeded. Supply is forecast to be relatively unchanged at 4.6 Mt due to similar carry-in stocks. Exports are expected to be lower than 2019-20 at 3.4 Mt and carry-out stocks are forecast to increase. The average price is expected to be similar to slightly lower in 2019-20 due to increased domestic and world supply.

In the US, area seeded to dry peas for 2020-21 is forecast by the USDA to fall by 12% to 0.97 million acres (Mac). This is largely due to a decrease in expected area in North Dakota.

Lentils

For 2019-20, Canada's lentil supply is nearly 2.9 Mt and exports are forecast to rise from 2018-19 to 2.2 Mt. The main markets continue to be Turkey, the United Arab Emirates and India. Carry-out stocks are forecast to fall sharply to 0.3 Mt.

The average price of lentils in Canada is forecast to rise sharply from levels recorded for the previous year largely due to strong import demand, particularly from Turkey and India. Large green lentil prices are forecast to have a $95/t premium over red lentil prices for the entire crop year, compared to an $85/t premium to red lentils in 2018-19. During the month of April, Saskatchewan large green lentil farmgate prices rose $150/t while red lentil farmgate prices increased $125/t.

For 2020-21, producers intend to leave the area seeded to lentils in Canada marginally lower at 1.5 Mha. By province, Saskatchewan is expected to account for 90% of the lentil area, with the remainder seeded in Alberta and Manitoba.

Production is forecast to fall marginally to 2.15 Mt and supply is expected to decrease to 2.5 Mt, mostly due to smaller carry-in stocks. Exports are expected to be lower at 2.0 Mt. Carry-out stocks are forecast to fall to below 0.2 Mt. The average price is forecast to increase from 2019-20, with the assumption of an average grade distribution and with higher prices for No.1 red and green lentils grades.

In the US, the area seeded to lentils for 2020-21 is forecast by the USDA at 0.47 Mac, marginally lower than in 2019-20, as lower area seeded in North Dakota is partly offset by higher area in Montana.

Dry Beans

For 2019-20, dry bean exports are forecast to increase slightly due to the higher supply situation compared to the previous year. The US and the EU remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Angola. The late harvest affected the quality of the Canadian

supply. As a result, carry-out stocks are expected to be of lower quality. Tight North American carry-out stocks of canning quality dry beans is expected to continue to support US and Canadian dry bean prices for 2019-20. To-date (August-April), Canadian white pea bean prices have averaged over 15% higher, black beans are unchanged and pinto bean prices are 30% higher, than 2018-19 levels.

For 2020-21, the area seeded in Canada is forecast to fall by 18% from 2019-20 to 131 Kha despite higher returns from the previous year. By province, Ontario is expected to account for 47% of the dry bean area, Manitoba 36%, Alberta 16%, with the remainder in Saskatchewan, Quebec and the Maritimes.

Production is expected to decrease to about 290 thousand tonnes (Kt), but even with higher carry-in stocks, supply is expected to fall. Exports are forecast to fall marginally and stocks are expected to decrease. The average Canadian dry bean price is forecast to fall sharply due to expectations for an increase in North American supply.

In the US, area seeded to dry beans is forecast by the USDA to increase by 7% to 1.37 Mac, mostly in Nebraska and North Dakota.

Chickpeas

For 2019-20, the chickpea supply is higher than the previous year. Canadian chickpea exports are expected to decrease sharply to 125 Kt, largely due to lower exports to Pakistan, one of Canada's largest markets. Carry-out stocks are expected to rise significantly as the decrease in export demand has compounded with the increase in supply compared to the previous year. The average price is forecast to be unchanged from 2018-19, largely due to a large increase in North American and world supply.

For 2020-21, the area seeded is expected to fall significantly from 2019-20 due to sharply lower returns from the previous year compared to other pulse crops. By province, Saskatchewan is expected to account for a significant portion of the chickpea area, with the remainder seeded in Alberta.

Production is forecast to fall to 170 Kt, assuming a return to average yields higher than the previous year. Supply is forecast to fall compared to 2019-20. Exports are forecast to be similar compared to the previous year. Carry-out stocks are expected to decrease but remain burdensome. The average price is forecast to be lower than 2019-20.

US chickpea area for 2020-21 is forecast by the USDA to fall to 0.31 Mac, down 32% from 2019-20. This is largely due to an expected fall in area in Idaho, North Dakota and Washington.

Mustard Seed

For 2019-20, the mustard seed supply is 214 Kt, down from 2018-19. Canadian mustard exports are forecast at 115 Kt, marginally lower than the previous year. The US and the EU remain the main export markets for Canadian mustard seed. Carry-out stocks are forecast to fall. Prices are forecast to rise due to decreasing carry-out stocks.

For 2020-21, the area seeded is expected to be relatively unchanged due to higher prices from the previous year. Saskatchewan and Alberta account for 71% and 29% of the area seeded, respectively. Production is forecast to rise marginally to 140 Kt due to lower abandonment and trend yields. However, due to smaller carry-in stocks, supply is expected to be lower. Exports are expected to remain unchanged and carry-out stocks are forecast to be lower than in 2019-20. The average price is forecast to decrease from 2019-20.

Canary Seed

For 2019-20, supply is at 158 Kt, down 9% from the previous year. Exports are expected to be slightly higher than last year. The EU and Mexico are the main markets, followed by the South American region, mostly Brazil. The average price is forecast to rise sharply from 2018-19 due to tight carry-out stocks.

For 2020-21, producers intend to increase the area seeded due to more competitive returns relative to other crops. Production is expected to increase to 155 Kt with a return to trend yields. Supply is forecast to tighten due to lower carry-in stocks. Exports are expected to decrease and carry-out stocks are expected to remain tight. The average price is forecast to be lower than the 2019-20 level.

Sunflower Seed

For 2019-20, supply is higher than the previous year. Sunflower seed exports are forecast to be higher than the previous year at 34 Kt due to higher import demand from the US. The US is the top export market, followed by Japan and Costa Rica which import small volumes. Carry-out stocks are expected to rise marginally.

The average price for sunflower seed in Canada is forecast to rise from 2018-19 due to higher oil type sunflower seed prices.

For 2020-21, area seeded is expected to rise to the largest area in 10 years due to good returns compared to the previous year. Production is forecast to be lower at 85 Kt, assuming average yields. Supply is expected to rise to a record 209 Kt. Exports are forecast to fall due to expectations for a larger US crop and as a result, carry-out stocks are forecast to increase. The average price is forecast to fall from 2019-20 due to expectations for an increase in North American sunflower seed supply.

The area seeded to sunflower in the US for 2020-21 is forecast by the USDA to rise to 1.56 Mac, up 15% from 2018-19. Sharply higher area seeded in South Dakota is expected to combine with increased area in other US states. The area seeded to oil type varieties is expected to increase to nearly 1.4 Mac and the area seeded to confectionery type varieties is forecast to rise to 0.2 Mac.

Bobby Morgan: Pulse and Special Crop Analyst
Bobby.Morgan@agr.gc.ca

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

May 22, 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	100	6,869	4,900	210	655	1,069	900	260-280
2020-2021f	2,116	2,074	2.65	5,500	100	6,500	4,900	210	353	800	800	255-285
Wheat Except Durum												
2018-2019	7,570	7,425	3.56	26,456	95	31,807	19,750	3,294	3,681	7,809	4,247	245
2019-2020f	8,145	7,754	3.53	27,371	150	31,768	18,000	3,360	4,573	8,768	5,000	215-235
2020-2021f	8,233	7,920	3.59	28,400	100	33,500	19,200	3,390	4,073	8,300	6,000	215-245
All Wheat												
2018-2019	10,073	9,881	3.26	32,201	119	39,052	24,276	3,498	4,213	8,736	6,040	
2019-2020f	10,125	9,656	3.35	32,348	250	38,638	22,900	3,570	5,228	9,838	5,900	
2020-2021f	10,349	9,994	3.39	33,900	200	40,000	24,100	3,600	4,426	9,100	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	2,800	116	6,416	6,785	1,700	210-240
2020-2021f	2,934	2,606	3.69	9,605	40	11,345	2,875	116	6,424	6,770	1,700	195-225
Corn												
2018-2019	1,468	1,431	9.70	13,885	2,582	18,884	1,617	5,786	9,481	15,284	1,983	194
2019-2020f	1,496	1,451	9.24	13,404	1,300	16,687	400	5,200	9,171	14,387	1,900	180-210
2020-2021f	1,544	1,504	9.77	14,694	1,200	17,794	1,300	5,300	9,178	14,494	2,000	175-205
Oats												
2018-2019	1,235	1,005	3.42	3,436	11	4,225	2,475	182	1,049	1,353	397	254
2019-2020f	1,459	1,160	3.65	4,237	10	4,644	2,550	270	1,024	1,424	670	250-280
2020-2021f	1,551	1,215	3.54	4,301	10	4,981	2,550	190	1,022	1,331	1,100	210-240
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	153	15	115	151	80	195-225
2020-2021f	231	145	3.01	437	2	518	190	39	154	208	120	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	124	53	2.88	152	0	152	0	0	152	152	0	
Total Coarse Grains												
2018-2019	5,610	4,979	5.25	26,132	2,638	33,333	7,305	6,092	16,233	22,736	3,292	
2019-2020f	6,270	5,509	5.18	28,549	1,352	33,192	5,903	5,601	16,918	22,939	4,350	
2020-2021f	6,384	5,523	5.28	29,188	1,252	34,789	6,915	5,645	16,930	22,954	4,920	
Canola												
2018-2019	9,232	9,120	2.23	20,343	146	22,995	9,202	9,295	605	9,962	3,831	497
2019-2020f	8,481	8,319	2.24	18,649	150	22,630	9,600	9,750	629	10,430	2,600	465-495
2020-2021f	8,342	8,257	2.27	18,725	100	21,425	9,500	9,250	324	9,625	2,300	480-520
Flaxseed												
2018-2019	347	342	1.44	492	9	628	468	0	83	100	60	496
2019-2020f	379	339	1.43	486	15	561	350	0	125	141	70	510-540
2020-2021f	381	355	1.50	530	10	610	500	0	20	40	70	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	2,112	2,102	2.89	6,075	500	6,875	4,200	1,900	275	2,375	300	410-450
Total Oilseeds												
2018-2019	12,137	12,001	2.35	28,252	1,286	32,822	15,310	11,354	1,252	12,921	4,591	
2019-2020f	11,172	10,929	2.30	25,180	565	30,336	14,250	11,550	1,249	13,115	2,970	
2020-2021f	10,836	10,714	2.36	25,330	610	28,910	14,200	11,150	619	12,040	2,670	
Total Grains And Oilseeds												
2018-2019	27,820	26,861	3.22	86,584	4,043	105,206	46,891	20,943	21,698	44,393	13,922	
2019-2020f	27,568	26,094	3.30	86,077	2,167	102,166	43,053	20,721	23,395	45,892	13,220	
2020-2021f	27,569	26,231	3.37	88,418	2,062	103,700	45,215	20,395	21,975	44,095	14,390	

(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 and area seeded for 2020-2021 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

May 22, 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	3,270	708	312	8	270
2019-2020f	1,753	1,711	2.48	4,237	72	4,621	3,650	671	300	7	255-285
2020-2021f	1,732	1,700	2.51	4,275	60	4,635	3,400	760	475	11	250-280
Lentils											
2018-2019	1,525	1,499	1.40	2,092	51	3,016	2,033	352	631	26	390
2019-2020f	1,530	1,489	1.46	2,167	85	2,883	2,200	383	300	12	465-495
2020-2021f	1,501	1,475	1.46	2,150	50	2,500	2,000	350	150	6	500-530
Dry Beans											
2018-2019	143	137	2.49	341	98	464	348	37	80	21	815
2019-2020f	160	150	2.11	317	83	479	350	39	90	23	960-990
2020-2021f	131	126	2.30	290	85	465	345	40	80	21	790-820
Chickpeas											
2018-2019	179	176	1.77	311	51	376	147	129	100	36	480
2019-2020f	159	156	1.61	252	52	404	125	139	140	53	465-495
2020-2021f	103	100	1.70	170	50	360	125	135	100	38	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	7	214	115	44	55	35	700-730
2020-2021f	160	155	0.90	140	8	203	115	43	45	28	680-710
Canary Seed											
2018-2019	109	109	1.45	158	0	174	156	7	11	7	505
2019-2020f	104	99	1.49	148	0	158	158	0	0	0	610-640
2020-2021f	112	110	1.41	155	0	155	150	5	0	0	540-570
Sunflower Seed											
2018-2019	29	27	2.13	57	24	179	26	56	96	116	585
2019-2020f	31	29	2.18	63	26	185	34	51	100	118	590-620
2020-2021f	42	41	2.07	85	24	209	30	59	120	135	575-605
Total Pulses and Special Crops (c)											
2018-2019	3,652	3,576	1.88	6,714	293	8,734	6,101	1,331	1,302	18	
2019-2020f	3,897	3,788	1.93	7,317	325	8,944	6,632	1,327	985	12	
2020-2021f	3,780	3,707	1.96	7,265	277	8,527	6,165	1,392	970	13	

(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 and area seeded for 2020-2021 which are STC