CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS ***February 17, 2021***

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

Acting Executive Director: Lauren Donihee **Deputy Director: Tony McDougall**

This report is an update of Agriculture and Agri-Food Canada's (AAFC) January outlook report for the 2020-2021 crop year and provides AAFC's preliminary look at the upcoming 2021-2022 crop year. For most crops in Canada, the crop year starts on August 1 and ends on July 31, although for corn and soybeans, the crop year starts on September 1 and ends on August 31.

For 2020-2021, the outlook incorporates information from Statistics Canada's (STC) survey of Canadian farms on Stocks of Principal Field Crops, which was released on February 5, 2021 and provides data on the 2020 stocks of principal field crops in Canada as of December 31, for both on farm and commercial storage.

Total field crop supply in Canada is forecast to increase to 115.9 million tonnes (Mt) based on record crop production. Total carry out stocks are forecast to decrease to 11.8 Mt, as exports are expected to remain strong and increase by 11%. Grain prices in Canada are forecast to continue to be supported by the expected relatively low value of the Canadian dollar and robust world demand.

For 2021-2022, the area seeded to field crops is forecast to increase marginally, with the area seeded to coarse grains, oilseeds and pulses expected to increase, while the wheat (excluding durum) area is expected to decrease. Production of grains, oilseeds and pulse and special crops are forecast to decrease slightly due to a return to trend yields, resulting in expected total field crop production decreasing to 97.1 Mt. In general, prices are expected to remain relatively strong, but decrease from their current levels as world production is expected to increase.

The economic outlook for the world and Canadian grain markets is expected to continue to be impacted by the domestic and international uncertainty caused by COVID-19. STC will conduct the 2021 Field Crop Area Survey in March, which will collect information from farmers on their crop planting intentions for grains, oilseeds and special crops and be published on April 27.

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									
2019-2020	27,568	26,242	3.32	87,125	2,957	104,606	44,827	46,478	13,302
2020-2021f	27,490	26,419	3.42	90,444	2,426	106,171	50,230	45,241	10,700
2021-2022f	27,913	26,811	3.32	89,035	2,612	102,346	47,440	43,606	11,300
Total Pulse And Special Crops									
2019-2020	3,911	3,804	1.99	7,559	328	9,425	7,217	1,312	896
2020-2021f	4,000	3,949	2.16	8,527	344	9,767	7,300	1,402	1,065
2021-2022f	4,025	3,947	2.03	8,015	323	9,403	7,005	1,358	1,040
All Principal Field Crops									
2019-2020	31,479	30,046	3.15	94,685	3,286	114,031	52,044	47,789	14,198
2020-2021f	31,490	30,368	3.26	98,971	2,770	115,938	57,530	46,643	11,765
2021-2022f	31,938	30,758	3.16	97,050	2,935	111,749	54,445	44,964	12,340

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

Durum

For 2020-2021, Statistics Canada is reporting durum production at 6.57 Mt, a +31% change year over year thanks to an increase in seeded area (+16%), harvested area (+21%) and a 9% increase in yields to 2.86 t/ha, the second highest on record since 2016-2017. Total supply is estimated at 7.3 Mt, 6% more than last year and 2% more than the last five year average.

The average quality of the durum harvested is higher than for 2019-20 and also above the last five year average. According to Canadian Grain Commission's sample survey analysis to January 6, 2021, over 80% of the durum was graded No. 1 and 2. The protein content averaged 13.8%, lower than for 2019-20, but on par with the last five year average.

Thanks to strong international demand, in particular from Europe and North Africa, exports of durum continue to move briskly, with volumes in January outpacing 2019/2020 volumes by 15%. Forecasted exports for 2020-2021 were raised slightly from the January report, to 5.45 Mt, a record high if realized. Domestic use is forecast at 0.9 Mt because of an increase in food use; while carry out stocks are forecast at 0.9 Mt, the third lowest over the past 10 years and 35% less than the average stocks over the last five years. This month's domestic use and stocks incorporates the most recent supply and disposition figures from Statistics Canada February 5 release.

According to the International Grains Council (IGC), world supply is expected to fall this year (-2%) with increased production in North America offset by lower world carry-in stocks (-14% y/y) compounded by poor harvest and supplies in Europe and North Africa. Use is expected to increase slightly (+1%) to 35.5Mt, while carry-out stocks are expected to drop 13% y/y to 7.7 Mt. If realized, this would be the fourth lowest ending stocks on record over the last 10 years and 17% less than the last five year average.

The average Canadian crop year producer price for Saskatchewan No. 1 Canadian Western Amber Durum (CWAD) 13% protein is forecast at $280/tonne, underpinned by continued strength in international demand and prices.

For 2021-2022, total supply is projected to remain relatively flat (-1%) as an increase in seeded area is offset by tight carry-out stocks and a return to average yields. Exports are forecast to reach 5Mt, down 8% year over year, on a decline in international demand, in particular from Europe. Total domestic use is forecast to remain relatively stable as a decline in human consumption is offset by an increase in feed use, as overall quality returns to average levels. Carry out stocks are forecast at 1.3 Mt, in line with the last five year average.

World durum supply is forecast to increase in 2021-22, with an increase in seeded area and production in Europe and North Africa. Global use and trade is expected to return to average pre-pandemic levels, barring any disruptions from new Covid variants or a third wave.

The average Canadian crop year producer price for durum is forecast to decline over 2021-2022, due to higher production at the world, Canadian and US levels.

Wheat (excluding durum)

For 2020-2021, total supply of Canadian wheat is forecast at 33.5 Mt. According to Statistics Canada, 2020-21 wheat production is reported at 28.6 Mt, the second highest on record since 2013-2014 and 14% greater than the last five year average.

The average quality for CWRS wheat harvested in terms of grades is higher than 2019-20, and also better than the last five year average. According to the Canadian Grain Commission's sample survey analysis to January 6, 2021, over 80% of the CWRS wheat graded No. 1 and 2, 8% graded No. 3 and another 8% was graded as feed. The protein content for grades 1 and 2 averaged 13.3%, lower than for 2019-20 (13.5%), and also slightly below the last five year average (13.4%).

Exports are forecast at 21 Mt, 10% more than the previous year and 18% more than the last five year average, underpinned by continued strong demand from China. Domestic use is revised up to 7.6 Mt on higher food use, while carry-out stocks are revised downward to 5.0 Mt. This month's domestic use and stocks incorporates the most recent supply and disposition figures from Statistics Canada February 5 release.

According to the USDA, the global outlook for wheat this month is for greater supplies, increased consumption, higher exports and continued tightening of stocks. Compared to WASDE's January report, overall supply was raised 0.8 Mt to 1,073.5 Mt on higher production in Kazakhstan offsetting lower production estimates from Pakistan and Argentina. Trade was revised upward to 194.8 Mt (+1.1 Mt), with higher exports forecast for the European Union, the United Kingdom and Kazakhstan. Chinese demand continues to remain strong with forecasted imports revised upwards to 10 Mt.

Global consumption is forecast to increase to 769.5 Mt (+9.8 Mt) based on higher feed and residual use in China, and increased food, seed and industrial use in India. Ending stocks were tightened another 9 Mt to 304.22 Mt, with China holding the bulk at 51%. Excluding China, world ending stocks are forecast at 149.2 Mt, relatively stable with 2019-2020.

For the US, the forecasted supply for 2020-2021 remains unchanged from the January report at 81 Mt, 5% less than 2019-20, due to a 5% decline in both carry-in stocks and production. Carry out stocks are forecast at 22.8 Mt, down 19% year over year.

Average Canadian producer prices for Saskatchewan for No. 1 Canadian Western Red Spring (CWRS) 13.5% protein are forecast at $240/tonne, up 10$/tonne compared to last month, underpinned by strong nearby futures, and tightening stocks as China continues its aggressive purchasing behavior. Other market influences include labour disruptions in Argentina and uncertainty about the effect of Russian export taxes.

For 2021-2022, seeded area is revised downward to 7.5 Million hectares, as competition for land increases with ongoing strength in the prices for most crops expected to continue through 2021. Assuming average yields, production is projected to decrease 8% year over year, for a total supply of 31.5 Mt. Exports are revised downward to 19 Mt on uncertainty surrounding China maintaining its current aggressive purchasing behavior. Domestic use is revised downward to 7.5 Mt and the forecast for ending stocks remains unchanged at 5Mt.

According to the IGC 5 year projections, the forecast for 2021-2022 is for larger production, supplies and ending stocks, underpinned by larger production in South America and Europe and large carry-in stocks in China. On January 12, the USDA reported that the area seeded to winter wheat, the major wheat type in the US, is estimated at over 12.9 Million hectares, 5% higher than 2020 and 2% more than in 2018. Assuming average yields, US supply is projected to increase about 3% over 2020-21.

Average Canadian producer prices for wheat for the crop year are forecast at $235/tonne, with downward pressure if projected global supplies are realized.

Romina Code: Wheat Analyst
Romina.Code@canada.ca

Barley

For 2020-21, total barley supply in Canada reached a ten-year high at 11.8 million tonnes (Mt), due to good production, despite low carry-in stocks.

Statistics Canada (STC) reported that total exports of barley for the August-December 2020 period increased by 45% compared to the same period a year ago, including a 62% rise in raw barley grain exports and a 5% drop in barley product exports. For the entire crop year, total exports are expected to be 3.6 Mt, 18% higher than last year and the highest level since 2008.

Total domestic use increased by 6% for the August-December 2020 period, largely due to a 6% rise in the volume of animal feed, waste and dockage, in spite of a drop in food use and industrial use, according to STC. For the entire crop year, total domestic use is expected to increase by 2%, driven by strong feed use. Industrial use is expected to recover to some degree, but will be lower than in 2018-19.

Carry-out stocks for the entire crop year are expected to be at a record low, due to robust exports and solid domestic feed use, despite a good supply.

The average price of feed barley for 2020-21 is expected to rise by 10% from 2019-20 to $255/t as a result of strong demand for exports and domestic use, as well as supportive corn prices.

World barley demand for the current crop year was revised up by almost 1.0 Mt in the USDA's February update of the World Agricultural Supply and Demand Estimates (WASDE) report. This upward revision mainly reflected a 1.3 Mt increase in the estimate of China's consumption, which led to the same amount of increase in China's imports. Compared with last year, world demand is expected to expand more than 3.0 Mt. Along with a smaller expansion in production, world carry-out stocks are expected to drop slightly, instead of rising as reported in the January update.

For 2021-22, the area seeded to barley in Canada is forecast to increase by 4% to 3.2 million hectares (Mha), as a result of good prices and historically low carry-in stocks. Harvest area is projected to be up by 1% and yields to be down by 3%, using the previous five-year averages, which leads to a 1% decrease in the production forecast. Supply is forecast to drop by 3% from the previous year to 11.4 Mt, but still reach the second highest level since 2010. Domestic use is anticipated to drop on lower feed use. Exports are expected to be lower than the level of the previous year, but still strong, as purchases by Canada's major barley importers are anticipated to remain strong. In addition, an abundant domestic supply is also supportive for exports. Carry-out stocks are forecast to rise on ample supply and reduced exports and domestic use.

The average price of feed barley for 2021-22 is forecast to decrease slightly on forecasts for increased carry-out stocks, as a result of lower demand.

Corn

For 2020-21, total corn supply in Canada is expected to increase by 1% from last year to 17.8 Mt, the third highest level on record, which is a mixed result of a sharp increase in carry-in stocks, a slight increase in production and a decrease in expected imports.

STC reported that corn imports for the September-December 2020 period decreased by 4% from the same period in 2019, while exports increased almost four-fold, but were still lower than the export levels attained in 2018 and 2017. The amount of human food and industrial use rose by 2% and 1%, respectively, from the same period in 2019 and 2018. The amount of animal feed, waste and dockage dropped by 1%, but was still 22% higher than the prior five-year average. Stocks at December 31 were 3% higher than a year ago, mainly due to a 5% increase in stocks in Ontario.

For the entire crop year, corn imports are expected to be lower than last crop year at 1.7 Mt due to good domestic feed grain supplies. Canadian corn exports are expected to increase to 1.4 Mt, versus 677

thousand tonnes (Kt) last year, largely due to anticipated increase in exports to the EU. Domestic use is predicted to decrease by 1% to 14.1 Mt on lower feed use. Carry-out stocks are forecast to fall by 10% to 2.3 Mt from the record level of the previous year.

Average price of Chatham corn for 2020-21 is expected to increase by 10% to $215/t, underpinned by stronger US corn prices.

The USDA revised upward the US corn export forecast for the current crop year by 50 million bushels. The US corn carry-out stocks were lowered by the same amount to a seven-year low. The marketing year weighted average price received by farmers was pegged at US$4.30 per bushel, revised up by US$0.10 per bushel, resulting in an increase of US$0.74 per bushel from last year.

Global demand was revised downward by 2.5 Mt, including an upward revision of 2.0 Mt for China and a downward revision of 2.5 Mt for the EU. World carry-out stocks were revised higher but still pegged at a six-year low.

For 2021-22, the area seeded to corn in Canada is forecast to decrease by 3% from 2019-20 to 1.4 Mha, as some corn area is forecast to shift to oilseeds. Production is forecast to decrease by 2% to 13.3 Mt on forecasts for lower harvested area, and imports are expected to increase accordingly. Supply is projected to drop by 2% from 2020-21, mainly due to lower carry-in stocks and production. Exports are projected to remain stable. Domestic use is projected to fall on reduced feed use. Carry-out stocks are forecast to decrease by 4% to 2.2 Mt.

The average price of corn for 2021-22 is forecast to drop by 2%, as the expected higher US corn price is more than offset by the appreciation of Canadian dollar.

Oats

For 2020-21, total oat supply in Canada increased by 8% to 5.0 Mt, the third highest level on record, due to improved production and higher carry-in stocks.

STC reported that total exports of oats for the August-December 2020 period increased by 25% compared to the same period a year ago, including a 26% rise in oat grain exports and a 21% rise in oat product exports. For the entire crop year, total exports are expected to be 2.8 Mt, 7% higher than last year and the second highest level on record.

Total domestic use increased by 10% for the August-December 2020 period, largely due to a 15% rise in the volume of animal feed, waste and dockage, in spite of a drop in food use. For the entire crop year, total domestic use is expected to increase by 7%, driven by strong feed use.

Carry-out stocks for the entire crop year are expected to be in the tight range, due to robust exports and solid domestic feed use, despite a good supply.

For the crop year to date, the average cash oat prices in the Prairie provinces have increased by 1%, 6% and 1% for Alberta, Saskatchewan and Manitoba, respectively, and the upward trends are expected to continue for the rest of the crop year. The Chicago Board of Trade (CBOT) oat futures price for 2020-21 is expected to rise slightly from last year to $275/t, the second highest level on record, supported by solid demand in North America and strong prices for other crops, despite abundant supplies in North America and major exporting countries around the world.

For 2021-22, the area seeded to oats in Canada is forecast to decrease by 3%, approaching 1.5 Mha, due to strong acreage competition from other crops, despite good oat prices and tight stocks. Production is forecast to decrease by 7% to 4.2 Mt due to lower harvested area and yield as predicted using the previous five-year averages. Supply is forecast to drop by 5% to 4.8 Mt, largely due to lower production more than offsetting the rise in carry-in stocks. Domestic use is anticipated to fall on lower feed use. Exports are expected to fade due to expectations for an increase in global supplies and an appreciation of the Canadian dollar. Carry-out stocks are forecast to rise due to reduced total use, despite lower supply.

The average price of oats for 2021-2022 is forecast

to decrease on anticipated weaker demand.

Rye

For 2020-21, total rye supply in Canada increased by 37% from last year to 530 Kt, the highest since 2006.

STC reported that Canadian rye exports for the August-December 2020 period decreased by 8% compared to the same period a year ago, while domestic use increased by 35%, reflecting a 42% increase in feed use.

For the entire crop year, exports are estimated to fall by 15% to 140 Kt, based on the current export pace. Domestic feed use is expected to increase significantly due to relatively cheap prices and good supplies. Carry-out stocks are projected to rise sharply due to bumper supplies. Rye prices are expected to fall by 17% from 2019-20, due to ample supplies in Canada, the US and around the world.

For 2021-22, the area seeded to fall rye in Canada increased to 240 thousand hectares (Kha), versus 237 Kha for a year ago. It is also the highest level since 2006-07, which combined with trending higher yield, might result in production and total supply at record high levels in the last thirty years. Exports are projected to remain the same as the previous year. Domestic use is anticipated to increase due to ample supply and expectations for increased feed use. Carry-out stocks are forecast to increase due to plentiful supply. Average price of rye for 2021-22 is forecast to decrease on predictions for larger supply.

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

Oilseeds

Canola

For 2020-21, the canola situation has tightened significantly from last year with supplies estimated 9% lower, at 22.0 Mt, due to a 29% decline in carry-in and a 5% drop in production. This estimate is supported by Statistic Canada's December 31st stocks report showing a 24% drop in canola stocks from the same time last year, to 12.1 Mt. Demand for Canadian canola remains strong on support from sharply higher world oilseed, vegetable oil and protein meal prices, supported in turn by aggressive Chinese buying as that country rebuilds its hog herd.

Canadian exports are forecast up 8.5% from 2019-20 to 10.9 Mt, the second highest level on record. Domestic crush is forecast to rise by about 1% to 10.2 Mt on support from strong world demand for vegetable oils and protein meals. Carry-out stocks are forecast sharply lower, down 78% to 0.7 Mt for a very tight stocks to use ratio of 3% vs 15% last year and the 5 year average of 14%. Canola prices, simple average, track, Vancouver are estimated at $655/t, surpassing the previous record of $650/t set in 2012-13.

For 2021-2022, seeded area in Canada is forecast to increase by 4%, to 8.8 million hectares (Mha), as farmers expand canola area at the expense of wheat, forages and summerfallow. Harvested area is forecast at 8.7 Mha while yields are projected at 2.32 tonnes per hectare (t/ha), up from the 2.25 t/ha achieved in 2020-21. Production is forecast to rise by 8% to 20.2 Mt, the third highest level on record. Total supply is forecast to tighten to 21.0 Mt on sharply lower carry-in stocks, which more than offset the rise in production.

Exports are forecast to fall by 5% to 10.4 Mt, as tighter domestic supplies limit Canada's ability to serve the strong world demand for vegetable oils and protein meals. Domestic crush is forecast to decline to 9.7 Mt while carry-out stocks remain unchanged at a very tight 0.7 Mt, for a stock-to-use ratio of 3%. Canola prices are forecast at $600/t, track Vancouver, due to expected easing of US soybean prices.

Flaxseed

For 2020-21, supplies are estimated up 17%, to 0.66 Mt, versus 0.57 Mt last year, as the result of higher production and marginally higher carry-in stocks. Exports are forecast to increase by about 55%, to 0.54 Mt due to the combination of strong European buying, as the EU's traditional supplier, Kazakhstan switches to supplying China instead. Total domestic use is forecast to fall by 54%, to 71,700 t, on sharply lower feed waste and dockage. Carry-out stocks are forecast to fall by 21% to 0.05 Mt while flaxseed prices rally sharply to $680/t, versus $518/t in 2019-20 and the 5 year average of $477/t.

For 2021-22, the area seeded to flaxseed in Canada is forecast to rise by 22% to a six-year high of 0.46 Mha, on support from the 31% rally in prices in 2020-21. The shift into flaxseed area is expected to be limited by agronomic factors, such as low spring soil moisture, and by competition for crop area from alternate crops, such as lentils. Flaxseed production is forecast at 0.68 Mt, assuming an area loss of 2% prior to harvest and five year average yields of 1.5 t/ha. Total supply is forecast to increase by 11%, to 0.74 Mt, as the decline in carry-in moderates the forecasted rise in output.

Exports are forecast down by 7% from 2020-21, to 0.50 Mt, on stronger Chinese, European and United States consumption. Total domestic use is forecast to rise by about 53% to 0.11 Mt, on higher feed, waste and dockage. Carry-out stocks are forecast to increase by 150% to 0.13 Mt. Flaxseed prices are forecast to decline by 19% to $550/t for 2021-22.

Soybeans

For 2020-2021, domestic supplies of soybeans are estimated up 4% from last year, to 7.4 Mt, versus 7.1 Mt last year, as a result of a marginal increase in carry-in stocks and a 3%, or 0.2 Mt, increase in production. Statistics Canada estimated Canadian December 31st stocks at 3.7 Mt versus 4.1 Mt for the same date in 2019. Soybean imports are estimated up slightly to 0.4 Mt for the current crop year, compared to the 0.24 Mt imported for 2019-20.

Canadian exports of soybeans are estimated up by 23%, to 4.4 Mt for the current crop year, on combined strong world demand and higher domestic supplies. Domestic processing of soybeans is forecast to increase by 9% from last year to a historically normal 1.9 Mt, on strong crush margins and strong demand for vegetable oils and protein meal. Soybean prices are estimated to increase by 37%, to $575/t, versus the simple average of $420/t earned in 2019-20.

The factors to watch for the rest of the crop year are: (1) strength of Chinese buying, (2) South American production, (3) Brazilian shipping pace, (4) possible US imports of Brazilian soybeans and (5) US planting intentions for 2021-22.

For 2021-2022, planted area in Canada is forecast to rise by 12% to 2.3 Mha, on support from high prices with area gains limited by concerns over low sub soil moisture, short growing season in western Canada and attractive prices for competing crops. Assuming 5-year average yields, production is forecast at 6.6 Mt, versus 6.4 Mt in 2020-21 and 6.1 Mt grown in 2019-2020.

Total supply is forecast to increase to 7.6 Mt as the rise in production and slightly higher imports more than offset lower carry-in. Exports are forecast to increase by 14% to 5.0 Mt, with shipments headed to a diverse group of countries. Domestic processing is forecast stable at 1.9 Mt. Carry-out stocks are forecast to fall to 0.23 Mt versus the 0.50 Mt estimated for 2020-21 and the 5 year average of 0.57 Mt.

Soybean prices are forecast to fall by $75/t to $500/t, on an expected easing of US prices.

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

Dry Peas

For 2020-2021, exports are expected to rise to 3.8 million tonnes (Mt) largely due to higher exports to China and Bangladesh. Carry-out stocks are forecast to rise with the larger supply. The average price is expected to be higher than 2019-2020 levels, with higher yellow and feed pea prices offset by lower green pea prices.

During the month of January, the on-farm price of yellow peas in Saskatchewan rose by $15/t while the green pea price fell by $20/t. This was largely due to solid export demand and despite indications that the seeded area for the winter pulse crop in India is expected to be higher than the previous year. Green dry peas prices are expected to maintain a $5/t premium over yellow dry peas, compared to the $115/t premium that green peas had over yellow peas in 2019-2020.

US dry pea production is estimated by the USDA at nearly 1.0 Mt, down marginally from 2019-20. This was largely due to above average yields but lower area. Canadian dry pea exports to the US are moving below last year's pace, and are forecast at just over 0.1 Mt in 2020-2021.

For 2021-2022, seeded area is forecast to increase marginally from 2020-21 at 1.75 million hectares (Mha) because of good expected returns for yellow pea types when compared to other crops. Production is forecast to decrease to 4.4 Mt, however, supply is expected to fall marginally from 2020-21 due to the decreased production. Exports are expected to be only slightly lower than in 2020-21. Carry-out stocks are expected to decrease. The average price is expected to be lower than in 2020-21, due to lower yellow dry pea prices and higher global supply.

Lentils

For 2020-2021, exports are forecast to decrease to 2.7 Mt despite strong import demand from Turkey and the UAE. With the lower supply and despite a decrease in exports, carry-out stocks are expected to fall, which will continue to support No.1 lentil prices throughout 2020-2021.

During the month of January, the on-farm price of large green lentils in Saskatchewan was unchanged while red lentil prices rose by $25/t. Prices have been supported throughout the crop year by solid export demand and lower world supply. Prices for No.1 large green lentils are expected to maintain a premium of $150/t over No.1 red lentil prices, compared to a $105/t premium in 2019-2020.

For 2020-2021, US lentil production, mostly green types, is estimated at 336 Kt, up 40% from 2019-2020. Canada is a minor exporter to the US. Canadian lentil exports to the US are expected to be similar to 2019-2020, at 60 thousand tonnes (Kt).

For 2021-2022, area seeded in Canada is forecast to fall marginally to 1.7 Mha with good potential returns compared to other crops. Production is forecast to decrease by 6% to 2.7 Mt. Supply is expected to fall to 2.9 Mt because of lower carry-in stocks. Exports are expected to be lower than in 2020-2021 at 2.5 Mt. Carry-out stocks are forecast to be similar to the previous year. The overall lentil price is forecast to decrease from 2020-2021 due to the higher world supply and carry-out stocks.

Dry Beans

For 2020-2021, exports are forecast to be higher than 2019-2020. The EU and the US remain the top two export markets. Carry-out stocks are also forecast to increase sharply from 2019-2020 due to the record supply. The average Canadian dry bean price is expected to decrease due to larger supply in North America. To-date, Canadian white pea bean prices are 15% lower, pinto beans are 20% lower and black beans are 5% higher than last year.

US total dry bean production (excluding chickpeas) is estimated by the USDA at a record 1.5 Mt, up 60% from 2019-2020. US dry bean production increased for all bean types with the exception of cranberry bean types, which fell marginally. This, along with a stronger Canadian dollar is expected to continue to pressure Canadian dry bean prices throughout 2020-2021.

For 2021-2022, the area seeded is forecast to decrease due to lower potential returns compared to other crops, particularly soybeans. Production is forecast to fall sharply to 0.36 Mt due to lower expected area and yields. Supply is expected to decrease marginally, despite higher carry-in stocks. Exports are expected to be lower than 2020-2021 and carry-out stocks are expected to increase. The average Canadian dry bean price is forecast to decrease due to expectations for similar North American supply and continued strengthening of the Canadian dollar against the US dollar.

Chickpeas

For 2020-2021, exports are forecast to be higher than 2019-2020, with Pakistan and the US as the top markets. Carry-out stocks are expected to rise. The average price is forecast to rise sharply due to stronger world demand and lower world supply.

US chickpea production is estimated by USDA at 194 Kt, 32% lower than 2019-2020, due to a large reduction in area. Canadian chickpea exports to the US are forecast to be similar to last year at 30 Kt.

For 2021-2022, the area seeded is forecast to decrease substantially from 2020-2021, largely due to lower potential returns compared to other crops. As a result, production is expected to fall sharply to 170 Kt. Supply, however, is expected to rise from last year due to higher carry-in stocks. Exports are expected to rise from last year and carry-out stocks are still expected to increase. The average price is forecast to be lower than the previous year.

Mustard Seed

For 2020-2021, exports are forecast to be lower than last year at 110 Kt but carry-out stocks are expected to tighten. The US and the EU currently account for 78% of Canada's total exports to-date for mustard seed. The average price is expected to increase sharply, due to the tighter expected carry-out stocks in Canada and the US.

For 2021-2022, the area seeded is forecast to rise sharply and production is expected to increase to 145 Kt due to the higher area. Supply is forecast to be marginally higher than the previous year, due to lower carry-in stocks. Exports are expected to be higher and carry-out stocks are still expected to decrease. The average price is expected to fall marginally compared to 2020-2021, but remains above the five year average price.

Canary Seed

For 2020-2021, exports are forecast to be lower than last year. The EU and Mexico currently account for 55% of the total Canadian canary seed export market. Carry-out stocks are forecast to be unchanged. The average price is forecast to increase to an average of $650/t from $630/t in 2019-2020.

For 2021-2022, the area seeded is expected to increase marginally due to higher returns relative to other crops. Production is forecast to be higher than last year with an increase in seeded area and similar yields. Supply is expected to be higher at 185 Kt. Exports are expected to be higher and carry-out stocks are forecast to remain tight. The average price is forecast to be lower than the 2020-2021 level.

Sunflower Seed

For 2020-2021, exports are expected to be higher than the previous year but carry-out stocks are forecast to rise sharply. The US is Canada's main export market for sunflower seed and accounts for 95% of Canada's total exports. The average price is expected to fall from 2019-2020 on lower oilseed prices, due to larger North American sunflower seed supply.

For the US, sunflower seed production is estimated by the USDA to have decreased be 53% to 1.35 Mt. Nearly 1.2 Mt of the US sunflower seed crop is estimated to be oilseed types, higher than last year. US confectionery type production was also higher this year at 166 Kt.

The global supply of sunflower seed is estimated by the USDA at 55 Mt, down 9% from last year. This is largely due to decreased production in Ukraine and Russia. As a result, world exports are expected to decrease by 21% while domestic use is forecast to fall to 51 Mt. World carry-out stocks are expected to tighten to 1.8 Mt and has supported world sunflower seed prices.

For 2021-2022, the area seeded is forecast to fall from 2020-2021 due to expectations for lower returns relative to other crops. Production is forecast to fall to 75 Kt. Supply is expected to decrease marginally despite higher carry-in stocks. Exports are expected to be lower than the previous year but carry-out stocks are expected to rise. The average price in Canada is forecast to be higher than in 2020-2021 as the prices for confectionary type varieties remain similar while prices for oil type varieties are expected to increase slightly.

Bobby Morgan: Pulse and Special Crops Analyst
Bobby.Morgan@canada.ca

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

February 17, 2021

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												
2019-2020	1,980	1,902	2.62	4,977	96	6,906	5,268	216	464	901	737	270
2020-2021f	2,302	2,295	2.86	6,571	30	7,338	5,450	230	485	938	950	280
2021-2022f	2,430	2,369	2.66	6,302	25	7,277	5,000	215	539	977	1,300	270
Wheat Except Durum												
2019-2020	8,145	7,754	3.53	27,371	179	31,758	19,081	3,369	3,727	7,915	4,763	225
2020-2021f	7,892	7,723	3.71	28,616	100	33,479	21,000	3,500	3,262	7,579	4,900	240
2021-2022f	7,496	7,346	3.60	26,446	100	31,446	19,000	3,200	3,469	7,446	5,000	235
All Wheat												
2019-2020	10,125	9,656	3.35	32,348	275	38,664	24,349	3,585	4,191	8,816	5,499	
2020-2021f	10,194	10,018	3.51	35,187	130	40,816	26,450	3,730	3,746	8,516	5,850	
2021-2022f	9,926	9,715	3.37	32,748	125	38,723	24,000	3,415	4,008	8,423	6,300	
Barley												
2019-2020	2,996	2,728	3.81	10,383	63	11,308	3,054	277	6,759	7,298	957	232
2020-2021f	3,060	2,809	3.82	10,741	60	11,757	3,600	298	6,889	7,457	700	255
2021-2022f	3,190	2,848	3.73	10,615	60	11,375	3,500	318	6,407	6,975	900	250
Corn												
2019-2020	1,496	1,451	9.24	13,404	2,184	17,568	677	5,303	9,012	14,331	2,560	195
2020-2021f	1,440	1,402	9.67	13,563	1,700	17,823	1,400	5,300	8,808	14,123	2,300	215
2021-2022f	1,400	1,362	9.77	13,308	1,800	17,408	1,400	5,300	8,492	13,808	2,200	210
Oats												
2019-2020	1,459	1,171	3.61	4,227	13	4,637	2,615	143	1,324	1,597	426	274
2020-2021f	1,554	1,245	3.62	4,576	14	5,015	2,800	140	1,450	1,715	500	275
2021-2022f	1,500	1,220	3.48	4,240	15	4,755	2,500	140	1,414	1,555	700	270
Rye												
2019-2020	175	103	3.25	333	3	386	165	19	140	180	40	210
2020-2021f	237	146	3.34	488	2	530	140	24	245	289	100	175
2021-2022f	240	159	3.21	510	2	612	140	24	297	321	150	170
Mixed Grains												
2019-2020	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021f	166	67	3.49	233	0	233	0	0	233	233	0	
2021-2022f	148	69	2.74	188	0	188	0	0	188	188	0	
Total Coarse Grains												
2019-2020	6,271	5,520	5.17	28,539	2,264	34,091	6,510	5,743	17,427	23,598	3,982	
2020-2021f	6,457	5,669	5.22	29,601	1,776	35,358	7,940	5,762	17,624	23,818	3,600	
2021-2022f	6,477	5,657	5.10	28,862	1,877	34,338	7,540	5,782	16,799	22,848	3,950	
Canola												
2019-2020	8,481	8,456	2.32	19,607	155	24,197	10,042	10,129	834	11,025	3,131	484
2020-2021f	8,410	8,320	2.25	18,720	100	21,950	10,900	10,200	90	10,350	700	655
2021-2022f	8,750	8,698	2.32	20,150	100	20,950	10,400	9,700	99	9,850	700	600
Flaxseed												
2019-2020	379	339	1.43	486	22	568	350	N/A	138	155	64	518
2020-2021f	377	371	1.56	578	20	662	540	N/A	52	72	50	680
2021-2022f	460	449	1.50	675	10	735	500	N/A	90	110	125	550
Soybeans												
2019-2020	2,313	2,271	2.71	6,145	242	7,087	3,576	1,742	930	2,885	626	419
2020-2021f	2,052	2,041	3.12	6,359	400	7,385	4,400	1,900	385	2,485	500	575
2021-2022f	2,300	2,292	2.88	6,600	500	7,600	5,000	1,900	275	2,375	225	500
Total Oilseeds												
2019-2020	11,172	11,066	2.37	26,239	419	31,852	13,968	11,871	1,903	14,064	3,820	
2020-2021f	10,839	10,732	2.39	25,656	520	29,997	15,840	12,100	526	12,907	1,250	
2021-2022f	11,510	11,438	2.40	27,425	610	29,285	15,900	11,600	464	12,335	1,050	
Total Grains And Oilseeds												
2019-2020	27,568	26,242	3.32	87,125	2,957	104,606	44,827	21,198	23,521	46,478	13,302	
2020-2021f	27,490	26,419	3.42	90,444	2,426	106,171	50,230	21,592	21,896	45,241	10,700	
2021-2022f	27,913	26,811	3.32	89,035	2,612	102,346	47,440	20,797	21,271	43,606	11,300	

(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: forecasts by AAFC except for area, yield and production for 2020-2021 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

February 17, 2021

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											
2019-2020	1,753	1,711	2.48	4,237	82	4,631	3,708	689	233	5%	265
2020-2021f	1,722	1,685	2.73	4,594	95	4,922	3,800	822	300	6%	330
2021-2022f	1,750	1,715	2.57	4,400	90	4,790	3,700	840	250	6%	300
Lentils											
2019-2020	1,530	1,489	1.60	2,382	90	3,327	2,733	385	209	7%	485
2020-2021f	1,713	1,705	1.68	2,868	100	3,177	2,700	327	150	5%	600
2021-2022f	1,700	1,675	1.61	2,700	75	2,925	2,500	275	150	5%	585
Dry Beans											
2019-2020	160	150	2.11	317	75	442	361	56	25	6%	985
2020-2021f	185	183	2.68	490	70	585	385	55	145	33%	860
2021-2022f	160	154	2.31	355	75	575	365	55	155	37%	825
Chickpeas											
2019-2020	159	156	1.61	252	48	440	105	85	250	132%	490
2020-2021f	121	120	1.79	214	45	509	110	84	315	162%	600
2021-2022f	100	97	1.75	170	50	535	125	85	325	155%	545
Mustard Seed											
2019-2020	161	155	0.87	135	7	214	112	42	61	39%	700
2020-2021f	104	101	0.98	99	7	166	110	41	15	10%	825
2021-2022f	160	155	0.94	145	8	168	115	43	10	6%	800
Canary Seed											
2019-2020	118	115	1.52	175	0	186	161	10	15	9%	630
2020-2021f	111	110	1.46	161	0	176	150	11	15	9%	650
2021-2022f	120	117	1.45	170	0	185	160	10	15	9%	615
Sunflower Seed											
2019-2020	31	29	2.18	63	26	186	37	45	103	125%	620
2020-2021f	45	45	2.25	101	27	232	45	62	125	117%	570
2021-2022f	35	34	2.21	75	25	225	40	50	135	150%	585
Total Pulses and Special Crops (c)											
2019-2020	3,911	3,804	1.99	7,559	328	9,425	7,217	1,312	896	11	
2020-2021f	4,000	3,949	2.16	8,527	344	9,767	7,300	1,402	1,065	12	
2021-2022f	4,025	3,947	2.03	8,015	323	9,403	7,005	1,358	1,040	12	

(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: forecasts by AAFC except for area, yield and production for 2020-2021 which are STC