CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS — *March 18, 2021*

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 2020-2021 and 2021-2022 crop years. 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 recent information from the United States Department of Agriculture (USDA) World Agriculture Supply and Demand Estimates (WASDE) and the USDA Outlook Conference.

Despite record crop production, carry-out stocks for grains and oilseeds and for all principal field crops are expected to decrease significantly, driven lower by record exports. Grain prices in Canada are forecast to be supported by an expected continuation of robust international demand, as well as a general tightening of world and domestic grain supplies.

For 2021-2022, the area seeded to field crops is forecast to increase marginally as producers react to strong crop prices. Total field crop production is forecast to decrease slightly though, due to a return to trend yields. In general, prices are expected to remain relatively strong, but decrease somewhat as world production is expected to increase and the value of the Canadian dollar forecast to strengthen.

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. The next AAFC Outlook for Principal Field Crops is scheduled to be released on April 20, 2021. Statistics Canada 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, 2021.

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	2,643	104,292	44,827	46,164	13,302
2020-2021f	27,490	26,419	3.42	90,444	2,326	106,071	50,690	45,521	9,860
2021-2022f	27,913	26,893	3.32	89,342	2,612	101,814	47,450	43,544	10,820
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	357	9,780	7,305	1,415	1,060
2021-2022f	4,025	3,947	2.03	8,015	323	9,398	7,005	1,358	1,035
All Principal Field Crops									
2019-2020	31,479	30,046	3.15	94,685	2,972	113,717	52,044	47,475	14,198
2020-2021f	31,490	30,368	3.26	98,971	2,683	115,851	57,995	46,936	10,920
2021-2022f	31,938	30,840	3.16	97,357	2,935	111,212	54,455	44,902	11,855

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 2020-21, Statistics Canada reported production of durum at 6.57 million tonnes (Mt), 32% more than the previous year due to a 16% increase in seeded area and a 5% increase in yields. Total supply is estimated at 7.3 Mt, 6% more than last year and 2% more than the last five year average. As per the Canadian Grain Commission's sample survey analysis to January 6, 2021, the average protein content of grades 1 and 2 durum was 13.8%, down from 2019-20 (14.1%), but relatively on par with the last five year average. Over 80% of all durum was classified within the top 2 grades.

Exports of durum continue to move swiftly to Europe, and have been revised upwards to 5.6 Mt on the strong export pace seen to date. Carry out stocks were reduced to 0.86 Mt, the second lowest over the past 10 years and 38% less than the last five year average.

IGC world projections for durum were revised this month, pointing to lower supplies and demand. World durum supply was revised downward to 42.7 Mt (-1%) on reductions in Australian and Kazakhstani production, further compounding poor harvests in Europe, Mexico and North Africa. This represents a 2% drop in supply over 2019-2020 and is 4% lower than the last five year average. Total demand was also trimmed 2% to 34.8 Mt on lower feed and seed use, while exports remained relatively unchanged (+ / -0.5%) at 8.3 Mt. Although closing stocks were revised upwards to 7.95 Mt (+3%), they remain 10% below 2019-20 and 14% lower than the last five year average. Tight supplies are expected to continue supporting strong import demand and pricing for durum.

The average Canadian crop year producer price for Saskatchewan No. 1 Canadian Western Amber Durum (CWAD) 13% protein is forecast at $290/tonne.

For 2021-22, total supply is projected to drop 2% due to tight carry-out stocks, lower acreage and a return to average yields. Exports were trimmed slightly to 4.8 Mt on projected competition from Europe, whose climactic conditions to date have been favourable and point to an expected increase in production. Total domestic use is forecast to increase 22% as a slight decline in human consumption is offset by a larger increase in feed use as overall quality returns to average levels. Carry out stocks are forecast to increase to healthier levels at 1.3 Mt, relatively in line with the average over the last 3 to 5 years.

World durum supply is forecast to increase in 2021-22 with an increase in production in Europe and North Africa. In response, the USDA is forecasting a decline in U.S. seeded acreage due to the increased competition from these regions. Global use and trade is expected to return to pre-pandemic levels, barring any disruptions from new Covid-19 variants.

The average Canadian crop year producer price for durum is forecast at $270/tonne in the short term, with downward pressure should 2021-22 healthy world supplies be realized.

Wheat (excluding durum)

For 2020-21, Statistics Canada reported production of wheat at 28.6 Mt, the second highest on record since 2013-2014 due to a significant increase in crop yields. Total supply is estimated at 33.5 MT, 5% more than the previous year and 11% more than the last five year average. As per the Canadian Grain Commission's sample survey analysis to January 6, 2021, the average protein content of grades 1 and 2 CWRS averaged 13.3%, lower than in 2019-20 (13.5%), and also slightly below the last five year average (13.4%). Over 80% of all CWRS was graded within the top 2 grades.

Exports have been revised up from last month to 21.1 Mt, on a continued strong export pace, underpinned by aggressive Chinese demand and the implementation of the Russian export tax limiting shipments from the region. Carry-out stocks are tightened to 4.5 Mt (-0.5 Mt) on higher feed use.

According to the USDA, the global outlook for all wheat (including durum) points to larger supplies,

increased demand and a continued tightening of ending stocks. Compared to WASDE's February report, overall supply was raised to 1,077 Mt (+3.5 Mt) on higher production in Australia. Australia's record production is estimated at 33 Mt, surpassing the prior record of 31.8 Mt set in 2016-17.

World consumption continues to grow and is now forecast to 775.9 Mt (+6.6 Mt m/m), underpinned by strong Chinese demand for feed, in substitution to corn which remains at a premium. China's domestic use was revised upward by 5 Mt to a new high of 35 Mt. Global exports for 2020/21 are projected at 197.7 Mt, up 1% month over month and 3% more than 2019/20 if realized. Ending stocks were tightened another 3 Mt to 301.2 Mt on reductions in China. China and India are holding 50% and 9% of total global stocks respectively.

For the US, the forecasted supply for 2020-2021 remains unchanged from the February report at 81 Mt, 5% less than 2019-20; carry out stocks are forecast at 22.8 Mt, down 19% year over year.

Average Canadian producer prices for Saskatchewan No. 1 Canadian Western Red Spring (CWRS) 13.5% protein are forecast at $250/tonne.

For 2021-22, total supplies are forecast at 31 Mt, down 7% year over year due to a decline in harvested area, tight carry-in stocks and a return to average yields. Production is projected at 26.4 Mt, 8% less than the previous year. Compared to last month, exports have been revised upward to 19.1 Mt on continued demand from China and the Russian export tax limiting shipments from the region. Domestic use and carry-out stocks were both trimmed slightly to 7 Mt and 4.9 Mt.

According to the USDA, US production for wheat, including durum, is expected to remain relatively on par with current levels, with an increase in acreage offset by a lower yield. US exports are expected to decline slightly with increased competition globally, in particular from Europe where production is expected to rebound with trends showing an increase to average yields. US ending stocks are forecast to 25.6 Mt by the end of 2021-22 (-5 Mt y/y).

Worldwide, early projections by the IGC are pointing to an increase in world supplies with an increase in harvested areas underpinned by strong prices and favorable planting conditions. World harvested area is projected at 225.9 M ha., up 1% y/y on higher plantings in Europe (+8%) and India (+3%). Production is projected at 790 Mt, up 2% y/y under favorable weather conditions and average yields. Conditions however do remain mixed for winter wheat in Russia, Turkey and the United States due to persistent cold and dry temperatures. Supply projections for 2021/22 could change significantly, once the full effect of over winter losses are evaluated.

On the demand side, use is projected to increase 3% y/y to 777 Mt on continued consumption in China and India; trade is expected to remain at relatively elevated levels but with increased shipments, and competition, from Europe.

Average Canadian producer prices for wheat for the crop year are forecast at $245/tonne, with downward pressure if projected large global supplies are realized.

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Barley

For 2020-21, Canadian barley exports are projected at 3.7 million tonnes (Mt), 21% higher than last year and the highest level since 2007-08. Statistics Canada (STC) reported that total exports of barley for the first half of the crop year increased by 41% compared to the same period a year ago, including a 58% rise in exports of raw barley grain and an 8% drop in exports of barley product. With respect to the export destinations, about 91% of the overseas sales of raw barley grain were shipped to China and the rest to Japan and the US. For barley products, approximately 50% went to the US, 40% went to Japan and Mexico, the remaining went to other overseas markets.

Total domestic use is projected to increase by 2%, driven by strong feed use. Industrial use is expected to decrease slightly. Carry-out stocks are projected to decline to 0.6 Mt, a record low, based on expected robust exports and solid domestic feed use, despite a good supply at the beginning of the crop year.

The average price of feed barley for 2020-21 is expected to rise by 12% from 2019-20 to $260/t, as a result of strong demand for exports and domestic use, as well as supportive corn prices.

In the March update, the United States Department of Agriculture (USDA) revised up the 2020-21world barley production estimate by more than 2.0 Mt, largely owing to a 2.0 Mt increase in 2020-21 Australian barley production estimate, compared to the February estimates. The world demand estimate was revised up by more than 1.6 Mt based on increased consumption estimates for Saudi Arabia, Australia and Algeria. World carry-out stocks are expected to be at a four-year high.

For 2021-22, the area seeded to barley in Canada is forecast to increase by 4% from 2020-21 to 3.2 million hectares (Mha), as a result of good prices and historically low carry-in stocks. With projections for harvest area to be up by 4% and yields to be down by 3%, production is forecast to rise by 2%. Supply is forecast to drop by 1%, but will still be the second highest level since 2010. Exports are expected to be lower than the previous year, but still strong, as purchases by Canada's major barley importers are anticipated to remain strong. Domestic use is anticipated to drop on lower feed use. Carry-out stocks are forecast to rise but still be considered historically tight.

The average price of feed barley for 2021-22 is forecast to decrease slightly, based on an anticipated increase in carry-out stocks as a result of lower demand. In addition, forecasts for a lower 2021-22 corn price in the US is expected to pressure Canadian barley prices.

Corn

For 2020-21, corn imports are projected at 1.6 Mt, 14% lower than in 2019-20. Corn exports are predicted at 1.4 Mt, increasing from 677 thousand tonnes (Kt) last year. STC reported that corn imports for the first five months of the current crop year decreased by 9% from the same period in 2019-20. As for the exports, STC reported an almost four-fold increase for the first five months of the current crop year, compared with the level for the same period in 2019-20, but still lower than the level attained in 2018-19. About 55% of the exports were destined to the EU, with 20% to the US and the rest to other countries.

Domestic use for 2020-21 is predicted to increase by 1% to 14.1 Mt due to rising feed use. Carry-out stocks are forecast to fall by 14% to 2.2 Mt from the record level in the previous year.

The average price of Chatham corn for 2020-21 is expected to increase by 15% to $225/t, underpinned by stronger US corn prices, but partially offset by a negative price basis.

The USDA did not make any revisions to the 2020-21 US corn supply and usage forecasts. However, the corn production estimate for India for 2020-21 was revised up by 1.7 Mt, which is mostly behind a more than 2.0 Mt increase in the world corn production estimate and a more than 1.0 Mt increase in the world corn carry-out stock estimate,

compared to the February updates. World corn carry-out stocks were pegged at a five-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 a projection of lower harvested area. Imports are expected to increase given the predictions for lower domestic supply and the appreciation of the Canadian currency making US corn more attractive. 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 5% to 2.1 Mt.

The average price of corn for 2021-22 is forecast to drop by 4% to $215/t, following the predictions for lower US corn prices and a negative price basis.

The 2021-22 corn production in the US was projected at 15.15 billion bushels (Bbu) by the USDA in its 97th annual Agricultural Outlook Forum. It is 7% above the level of the previous year, based on projections for increased planted area and improved yields. If realized, the US will have the largest corn crop output on record. Total US corn use in 2021-22 was forecast to rise by 3.4% from a year ago on growth in domestic use, including feed consumption and ethanol production, and continued strength in exports. Projected ending stocks would increase by 3.3%, but remain tight and represent the second lowest level in the past seven years, which, together with the forecast for increased total use, results in a virtually unchanged stock-to-use ratio. The average farm price is expected to decrease slightly to US$4.20/bu, due to expectations for a recovery in grain production in the world's major exporting and importing countries.

Oats

For 2020-21, total exports of raw oat grain and oat product are projected at 2.9 Mt, 11% higher than last year and the highest level on record. STC reported an increase of 21% and 19%, respectively, for the exports of oat grain and oat product for the first half of the current crop year, compared to the same period a year ago. About 72% of the exports of oat grain were shipped to the US and 31% to Mexico, with the rest to other countries. Compared to the same period over the past few crop years, the shares of oat grain exports to the US and Mexico declined while the shares to Chile, Peru and China have increased. For oat product, approximately 83% of the exports went to the US and 10% went to Mexico, with the remaining to other overseas markets. Compared with the same period over the past few crop years, the share of exports of oat product to the US declined while the shares to other countries increased.

Total domestic use for 2020-21 is expected to increase by 7%, largely due to a forecasted increase in feed use. Carry-out stocks for the entire crop year are expected to fall to an almost record low level, due to robust exports and solid domestic feed use, despite an ample supply at the beginning of the current crop year.

For the crop year to date, the average cash oat prices in the Prairie provinces have increased by 4%, 8% and 2%, respectively, for Alberta, Saskatchewan and Manitoba, 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 by 2% from last year to $280/t, close to the highest level on record, supported by solid demand in North America and strong price prospects for other crops.

The estimate for world oat usage was revised up, as more oats is anticipated to go to the feed supply chain. World oat carry-out stocks are expected to hit a four-year high.

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 based on projections for lower harvested area and yield. Supply is forecast to drop by 7% to 4.7 Mt, largely due to lower production. 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 an anticipated drop in demand, but still remain strong.

Rye

For 2020-21, Canadian rye exports are estimated to fall by 9% to 150 Kt, based on the current export pace. The majority of the exports were shipped to the US. STC reported that Canadian rye exports for the first half of the current crop year decreased by 9% from the volume in the same period a year ago.

Domestic feed use for 2020-21 is expected to increase significantly due to relatively cheap prices and good supplies. Carry-out stocks are projected to rise sharply due to a bumper crop that increased domestic supply by 37% from last year and was the highest level since 2006.

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. Production and total supply are projected to be at record high levels. 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 the prediction for larger supply.

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Canola

For 2020-21, canola supplies tightened by 9% from last year, to 22.0 Mt, on a 29% decline in carry-in and a 5% drop in output. Demand for Canadian canola remains strong, with exports and crush running 32% and 5% ahead of last year respectively, supporting forecasts for a 10.9 Mt export program and a 10.2 Mt domestic crush. Carry-out is forecast to drop sharply from last year, 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 $700/t, surpassing the previous record of $650/t set in 2012-13. Canadian prices are supported by sharply higher world oilseed, vegetable oil and protein meal prices which in turn are supported by a sharp increase in Chinese and European import buying as the former country rebuilds its hog herd and the latter supplements a short fall in production.

For 2021-2022, seeded area in Canada is forecast to increase by 4%, to 8.8 million hectares, (Mha), while harvested area rises to 8.7 Mha, as farmers expand canola area at the expense of wheat, forages and summerfallow. The late winter moisture situation for canola across western Canada is decidedly mixed with the eastern and western 3rds of the prairies dry, and the middle 3rd having normal to above normal moisture. The majority of Canada's canola is grown across the northern prairies where current moisture conditions are significantly more favourable compared to the southern half. Early, pre snow-melt moisture conditions have a limited impact on crop yields compared to the moisture received from spring showers. For 2021-22, normal spring moisture conditions are currently assumed.

Canola 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 offsets the rise in production.

Exports are forecast to fall by 5% to 10.4 Mt, as tighter domestic supplies limit Canada's ability to service 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 to decline slightly to $650/t, track Vancouver, under pressure from an expected easing of US soybean prices for the upcoming crop year.

Flaxseed

For 2020-21, supplies increased by 17%, to 0.66 Mt, versus 0.57 Mt last year, due to increased production and marginally higher carry-in stocks. Exports are estimated up by 55%, to 0.54 Mt on strong European buying, as the EU's traditional supplier Kazakhstan switches to supplying China instead. Total domestic use is expected to fall by 54%, to 71,700 t, on sharply lower feed waste and dockage. Carry-out stocks are forecast down 21% to 0.05 Mt while flaxseed prices rally sharply to $715/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 2020-21 price rally. The shift into flaxseed is expected to be constrained by 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 reduced Chinese, European and United States buying. 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 while prices for flaxseed decline by 9% to $650/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. Soybean imports are estimated up slightly to 0.4 Mt for the current crop year, versus the 0.24 Mt imported for 2019-20.

Canadian exports of soybeans are forecast to rise by 23%, to 4.4 Mt for the current crop year, on strong world demand and increased domestic supplies. Domestic processing of soybeans is forecast to increase by 9% from last year to a historically normal 1.9 Mt, on good crush margins and strong demand for vegetable oils and protein meal. Soybean prices are estimated to increase by 39%, to $585/t, versus the simple average of $420/t earned in 2019-20.

The factors to watch for the remainder of the crop year are: (1) South American harvest progress and shipping pace, (2) strength of Chinese buying, (3) US import demand for Brazilian soybeans and (4) US plantings for 2021-22.

For 2021-2022, planted area in Canada is forecast to increase by 12%, to 2.3 Mha, in response to high prices, with gains in area 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 stocks. Exports are forecast to increase by 14% to 5.0 Mt on continued strong world demand, with shipments headed to a diverse group of countries. Domestic processing is forecast to remain stable at 1.9 Mt. Carry-out stocks are forecast to fall to 0.23 Mt, versus 0.50 Mt for 2020-21 and the 5 year average of 0.57 Mt. Soybean prices are forecast to fall by $35/t to $550/t, under pressure from an expected easing of US prices.

The United States is unlikely to rebuild its soybeans stocks despite a sharp rise in planted area and production, based on the USDA's Agricultural Outlook Forum projections. The area planted to soybeans is projected to increase by 6.9 Million Acres (Mac), to 90 Mac, while yields rise slightly to 50.8 bushels per acre. Total soybean production is projected at 4.5 Billion Bushels (Bbu), implying supplies of about 4.7 Bbu, taking beginning stocks and imports into account. By comparison, US total soybean supplies for 2020-21 were marginally higher but slightly under 4.7 Bbu.

Demand for US soybeans is expected to fall marginally on a projected 50 Mbu drop in exports, resulting in a slight recovery in ending stocks of 0.15 Bbu versus 0.12 Bbu for 2020-21 and 0.53 Bbu for 2019-20. The US farm-gate season average price for soybeans is projected at US$11.25/bu versus US$11.15/bu for 2020-21 and US$8.57/bu for 2019-20. This higher US price will support world prices for soybeans, including Canada.

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Dry Peas

For 2020-21, exports are forecast to rise to 3.8 million tonnes (Mt), with China and Bangladesh ranking as Canada's top three markets. Canadian dry pea exports to India are expected to fall sharply to marginal levels. Through August to January of this crop year, Canadian dry pea exports total 2.1 Mt, 0.2 Mt higher than the same period in 2019-20. Carry-out stocks are expected to rise, despite firm export demand and increased domestic use. The average price is expected to be higher than 2019-20, with higher yellow and feed pea prices offsetting lower green pea prices.

During the month of February, the on-farm price of yellow peas in Saskatchewan rose by $20/t and the price of green peas increased by $20/t. Monthly dry pea exports have continued at a steady pace. The remaining yellow pea stocks are lower than 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 record demand from China and increased domestic feed pea consumption. Green dry peas prices are expected to be similar to yellow pea prices, compared to the $115/t premium green pea prices had over yellow peas in 2019-20.

US dry pea production is estimated by the USDA at nearly 1.0 Mt, down marginally from 2019-20. This is largely due to improved yields but lower area. As a result, Canadian exports to the US are forecast to be lower than the previous year. For the 2020-21 crop year to-date (August to January), Canadian dry pea exports to the US totaled 30 Kt.

For 2021-22, seeded area is forecast to be marginally higher than 2020-21 at 1.75 Mha because of good returns relative to other crops and solid export demand. Production is forecast to fall to 4.4 Mt with lower area seeded and trend yields. Supply is also expected to fall marginally, despite higher carry-in stocks. Exports are expected to be lower than the current crop year and carry-out stocks are expected to fall. The average price in 2021-22 is expected to be lower than the previous year.

Lentils

For 2020-21, exports are forecast to fall marginally to 2.7 Mt. India, Turkey and the United Arab Emirates are currently the top three export markets. Through August to January of this crop year, Canadian lentil exports totaled over 1.3 Mt, up almost 30% from the same period in 2019-20.

Carry-out stocks are forecast to decrease to below 0.2 Mt. 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 rose by $30/t and the price of red lentils increased by C$5/t in Saskatchewan. Canadian lentil export demand has been slowing but stocks are beginning to tighten, particularly for green lentil types. The price premium for large greens over red lentils is forecast to increase to $150/t versus $105/t in 2019-20.

US lentil production, dominated by the green types, is estimated by the USDA at 336 thousand tonnes (Kt), up 40% from 2019-20. Despite this, Canadian lentil exports to the US to-date (August to January) are similar to last year at this time at 27 Kt.

For 2021-22, area seeded in Canada is expected to be marginally lower at 1.7 Mha, due to solid returns relative to other crops. A lower yield is forecast and production is expected to fall to 2.7 Mt. Supply is expected to fall to 2.9 Mt, with smaller carry-in stocks. Exports are forecast to be lower at 2.5 Mt. Carry-out stocks are expected to remain unchanged. The average price is forecast to decrease from 2020-21, with the assumption of an average grade distribution and discounts for lower grades.

Dry Beans

For 2020-21, exports are expected to be higher than for the 2019-20 crop year with the record 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 sharply. The average Canadian dry bean price is forecast to fall, due to expectations for higher carry-out stocks in North America. To-date (August-February), Canadian white pea bean prices are 10% lower, pinto bean prices are 20% lower and black bean prices are 10% higher than were realized in 2019-20.

US total dry bean production (excluding chickpeas) is estimated by the USDA at a record 1.5 Mt, up 60% from 2019-20. US dry bean production rose for nearly all bean types, while production decreased for cranberry types. This is expected to continue to pressure US and Canadian dry bean prices along with a stronger Canadian dollar for 2020-21.

For 2021-22, the area seeded is forecast to fall from 2020-21 to 160 thousand hectares because of lower potential returns compared to other crops. Production is expected to decrease to 355 Kt due to lower area and yields. Supply is expected to fall, but only marginally, with lower production combining with large carry-in stocks. Exports are forecast to be slightly lower with steady demand from the EU and the US. Carry-out stocks are forecast to rise slightly. The average Canadian dry bean price is forecast to fall due to expectations for only marginally lower supply in North America.

Chickpeas

For 2020-21, exports are expected to rise slightly from 2019-20, due to increased import demand from the US. Despite this, carry-out stocks are expected to rise sharply. The average price is expected to be higher than last year, due to smaller world supplies of chickpeas, including in North America.

US chickpea production is estimated by USDA at 194 Kt, a 32% decrease from 2019-20.

For 2021-22, the area seeded is expected to fall by 17% from 2020-21 because of higher carry-in stocks and lower potential returns relative to other crops. As a result, production is expected to decrease to 170 Kt. Supply, however, is forecast to rise by 5% from 2020-21 due to burdensome carry-in stocks. Exports are forecast to be higher and but carry-out stocks are expected to remain high. The average price is forecast to be lower, due to expectations for larger world chickpea supplies.

Mustard Seed

For 2020-21, exports are forecast to be similar to last year at 110 Kt, and carry-out stocks are forecast to fall significantly. 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 2021-22, the area seeded is forecast to be sharply higher than the previous year. Production is forecast to rise to 145 Kt, with increased area but trend yields when compared to the previous year. Supply is expected to be similar to the previous year due to lower carry-in stocks. Exports are expected to be slightly higher and carry-out stocks are forecast to fall. The average price is forecast to be slightly lower than 2020-21, but remain historically high.

Canary Seed

For 2020-21, exports are expected to be lower than 2019-20 with decreased demand from the EU, one of the top export markets. Carry-out stocks are expected to be unchanged. The average price is forecast to rise from 2019-20.

For 2021-22, the area seeded is forecast to rise due to competitive returns relative to other crops. Production is expected to increase, assuming trend yields. Supply is forecast to rise to 185 Kt. Exports are expected to be higher than 2020-21, and carry-out stocks are expected to remain tight. The average price is expected to be lower than the 2020-21 level, but remain historically high.

Sunflower Seed

For 2020-21, exports are forecast to be higher than last year assuming the strong export pace to the US remains. 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 fall from 2019-20 due to higher North American supply.

For the US, sunflower seed production is estimated

by the USDA to have increased significantly to nearly 1.4 Mt. With a larger US oilseed and confectionery crop, this has pressured Canadian sunflower seed prices.

The world supply of sunflower seed is estimated by the USDA at 55 Mt. This is 9% less than last year, due to lower production in Russia and Ukraine. World exports are expected to fall sharply to 2.8 Mt, with domestic use expected to fall to 51 Mt. Global carry-out stocks are expected to fall by 25% to 1.8 Mt, which may support world sunflower oilseed prices.

For 2021-22, area seeded is anticipated to be lower than 2020-21 due to competition with other crops. Production is forecast to fall to 75 Kt but supply is expected to only fall marginally to 225 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 rise from 2020-21 as similar prices for confectionery sunflowers in Canada and the US combines with higher prices for oil types.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

March 18, 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	5,600	230	425	878	860	290
2021-2022f	2,430	2,369	2.66	6,302	25	7,187	4,800	215	629	1,067	1,320	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	21,100	3,500	3,612	7,929	4,450	250
2021-2022f	7,496	7,346	3.60	26,446	100	30,996	19,100	3,200	3,019	6,996	4,900	245
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	26,700	3,730	4,036	8,806	5,310	
2021-2022f	9,926	9,715	3.37	32,748	125	38,183	23,900	3,415	3,648	8,063	6,220	
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	3,700	268	6,919	7,457	600	260
2021-2022f	3,190	2,930	3.73	10,923	60	11,583	3,500	288	6,994	7,283	800	250
Corn												
2019-2020	1,496	1,451	9.24	13,404	1,870	17,254	677	5,303	8,698	14,017	2,560	195
2020-2021f	1,440	1,402	9.67	13,563	1,600	17,723	1,400	5,300	8,808	14,123	2,200	225
2021-2022f	1,400	1,362	9.77	13,308	1,800	17,308	1,400	5,300	8,492	13,808	2,100	215
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	2,900	140	1,450	1,715	400	280
2021-2022f	1,500	1,220	3.48	4,240	15	4,655	2,600	140	1,414	1,555	500	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	150	24	235	279	100	175
2021-2022f	240	159	3.21	510	2	612	150	24	287	311	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	1,950	33,777	6,510	5,743	17,113	23,284	3,982	
2020-2021f	6,457	5,669	5.22	29,601	1,676	35,258	8,150	5,732	17,644	23,808	3,300	
2021-2022f	6,477	5,740	5.08	29,169	1,877	34,346	7,650	5,752	17,376	23,145	3,550	
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	700
2021-2022f	8,750	8,698	2.32	20,150	100	20,950	10,400	9,700	99	9,850	700	650
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	715
2021-2022f	460	449	1.50	675	10	735	500	N/A	90	110	125	650
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	585
2021-2022f	2,300	2,292	2.88	6,600	500	7,600	5,000	1,900	275	2,375	225	550
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	2,643	104,292	44,827	21,198	23,207	46,164	13,302	
2020-2021f	27,490	26,419	3.42	90,444	2,326	106,071	50,690	21,562	22,206	45,521	9,860	
2021-2022f	27,913	26,893	3.32	89,342	2,612	101,814	47,450	20,767	21,488	43,544	10,820	

(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

March 18, 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	100	4,927	3,800	827	300	6%	340
2021-2022f	1,750	1,715	2.57	4,400	90	4,790	3,700	840	250	6%	315
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	105	3,182	2,700	332	150	5%	630
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	390	55	140	31%	870
2021-2022f	160	154	2.31	355	75	570	365	55	150	36%	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%	610
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%	840
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%	670
2021-2022f	120	117	1.45	170	0	185	160	10	15	9%	630
Sunflower Seed											
2019-2020	31	29	2.18	63	26	186	37	45	103	125%	620
2020-2021f	45	45	2.25	101	30	235	45	65	125	114%	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	357	9,780	7,305	1,415	1,060	12	
2021-2022f	4,025	3,947	2.03	8,015	323	9,398	7,005	1,358	1,035	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