CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS — *December 17, 2021*

Market Analysis Group / Crops and Horticulture Division
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This report is an update of Agriculture and Agri-Food Canada's (AAFC's) November outlook report for the 2021-22 crop year. For most crops in Canada, the crop year started on August 1 and ends on July 31, although for corn and soybeans, the crop year started on September 1 and ends on August 31. The economic outlook, for the world and Canadian grain markets, is expected to be affected by the domestic and international uncertainty caused by COVID-19, rising energy prices, as well as increased fertilizer and transportation costs. Recently, a severe weather event caused extensive damage to road and rail access to the Port of Vancouver. While rail access has been restored, it is expected to be some time before grain movement returns to a normal pace and a short-term back-log in the grain handling and transportation system is expected. This is not anticipated to materially affect expected total exports for the crop year.

For 2021-2022, the outlook incorporates the results of Statistics Canada's (STC) November Farm Survey of crop production, which was released on December 3, 2021, and was based on a survey of approximately 28,600 farmers that was conducted during October to early November. These are the last official estimates for crop production from STC in 2021 and replace the model-based ones that were released on September 14, 2021.

Total 2021 field crop production for Canada is estimated by STC to be 30.2% lower than in 2020 and be 27.0% below the previous five-year average. Western Canadian production of principal field crops is estimated to have decreased by 40.2% from 2020 and be 36.8% below the previous five-year average due to significant reductions in yields as a result of severe and widespread drought conditions experienced during the growing season, although indications from the Canadian Grain Commission's Harvest Survey Program are of generally good quality grain. Field Crop production in Eastern Canada is estimated to have increased marginally. Carry-out stocks (ending-year inventories) for all principal field crops are expected to end the year at a record low level, as a sharp decline in production combined with a low level of carry-in stocks (beginning-year inventories) more than offset a decrease in exports and domestic use.

Grain prices are forecast to remain relatively strong on support from: (i) tight Canadian supplies (ii) more comfortable but still relatively tight global grain supplies (iii) expectations for a continuation of firm international demand.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on January 21, 2022. STC is scheduled to release stocks of principal field crops in Canada as of December 31, 2021, on February 8, 2022.

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	27,660	26,263	3.34	87,752	2,643	104,919	44,827	46,491	13,601
2020-2021	27,491	26,536	3.44	91,205	2,619	107,424	51,041	44,950	11,434
2021-2022f	27,693	26,507	2.45	65,039	4,052	80,524	32,007	41,357	7,160
Total Pulse And Special Crops									
2019-2020	3,912	3,804	1.99	7,559	328	9,425	7,219	1,311	896
2020-2021	4,000	3,949	2.16	8,545	344	9,784	6,772	1,545	1,467
2021-2022f	3,832	3,730	1.22	4,567	277	6,311	4,595	1,226	490
All Principal Field Crops									
2019-2020	31,571	30,067	3.17	95,311	2,972	114,344	52,046	47,802	14,497
2020-2021	31,491	30,485	3.27	99,750	2,962	117,209	57,813	46,495	12,901
2021-2022f	31,525	30,237	2.30	69,606	4,329	86,835	36,602	42,583	7,650

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecasts by AAFC except for area, yield and production for 2021-2022 which are STC

Durum

For 2021-22, Canadian durum production is estimated at 2.6 Mt, 60% less than last year's volume, due to dry hot weather throughout the growing season. Average yield is estimated at 1.23t/ha, down from 2.86t/ha last year. Statistics Canada's (STC) final production estimate was 25% lower than its September estimate. Saskatchewan accounted for 81% of the production, Alberta for 18% and Manitoba for 0.8%.

The average quality in terms of grades is higher than for 2020-21, and also above the last five-year average. According to Canadian Grain Commission's sample survey analysis to November 29, 2021, over 70% of the durum graded No. 1 and 2 and another 22% graded No. 3. The protein content averaged 15.7%, compared to 13.9% last year.

Total supply decreased by 53%, and exports are forecast to decline 60% to 2.3 Mt. Domestic use is forecast to decline 14% to 0.68 Mt with a reduction in both food and feed use. Carry-out stocks are forecast to fall by 40% from 2020-21's already tight carry over, to 0.45 Mt, the lowest since 1984/85. The export forecast is 25% lower than in the November report because of the shortage in production and supply.

According to the International Grains Council, world durum production is forecasted to fall to 31.04 in 2021-22, down 8% compared to the previous year. Low production accompanied by tight opening stocks led to a 7% decrease year over year to 39.3 Mt. Total demand is expected at 33.2 Mt, down 2% due to a reduction in both food and feed use. Exports are forecast to contract to 6.6 Mt, from 8.9 Mt one year prior. Closing stocks are estimated at 6.05 Mt, the lowest in 14 years.

The USA, who was similarly affected by the hot and dry weather this past spring/summer, estimates their durum production at 1.01 Mt, according to the USDA. Total supply is estimated at 2.99 Mt, down from 4.03 Mt in 2020-21; total use is anticipated at 2.5 Mt, exports at 0.41 Mt, and closing stocks at 0.46 Mt, down 0.3 Mt from carry-in levels.

The lower-than anticipated production estimate will be supportive of prices moving forward. The average spot price for 1 CWAD is increased to $700/tonne.

Wheat (excluding durum)

For 2021-22, Canadian wheat production declined by 34% from 2020-21 to just under 19 Mt, as the lower seeded area was compounded by poor yields as a result of the dry hot spring and summer. STC's final production estimate was 5% higher from its September estimate. Saskatchewan accounted for 32% of the wheat production, Alberta 31%, Manitoba 20%, Ontario 15%, Quebec 1.5%, with the remaining 0.5% in the Maritimes and British Columbia.

Production by class of wheat, with 2020-21 production in brackets, is estimated at: winter (hard red, soft red and soft white) 2.99 Mt (2.77 Mt); Canada Western Red Spring (CWRS), premium quality hard wheat, 13.20 Mt (21.93 Mt); Canada Prairie Spring (CPS) 1.30 Mt (1.82 Mt), Canada Northern Hard Red Spring (CNHR) 0.64 Mt (.83 Mt); soft white spring (CWSWS) 0.20 Mt (0.52 Mt), other western spring wheat 0.33 Mt (0.44 Mt), eastern spring wheat, mainly hard red spring (CERS), 0.28 Mt (0.24 Mt).

For 2021-22, the Canadian winter wheat area, seeded in the fall of 2021, declined by 6.6% from fall 2020 to 547,000 hectares. Ontario accounted for 69% of the winter wheat area, Quebec for 5%, Western Canada for 23%, and the remaining 3% across the Maritimes.

The average quality for CWRS wheat in terms of grades is better than seen in 2020-21 and better than the past five year average. According to Canadian Grain Commission's sample survey analysis to November 29, 2021, close to 90% of the CWRS wheat graded No. 1 and 2 and another 6% graded No. 3; 4% of samples graded as feed. The protein content averaged 14.7%, higher than last year's 13.3%. In 2021-22, CWRS made up approximately 70% of all non-durum wheat in Canada and over

80% all non-durum wheat produced across the Prairies.

Total supply is forecast at 24.3 Mt, up 4% from last month's forecast, with a slight increase in imports, currently pacing above last year's levels. This however remains 28% less than in 2020-21 and 24% less than the last five year average. Exports are forecast to fall roughly 32% to 14 Mt, domestic use by 8% to 7.2 Mt, due to lower feed use as a result of high wheat prices. Carry out stocks are forecast to drop to 3 Mt, the lowest on record since 2007-08. Exports were revised up 8% versus last month's report due to the upward revision in production by STC.

According to the USDA's most recent report, total world wheat supply (including durum) is projected at 1,067.5 Mt, up 4.3 Mt compared to last month's report, on record production prospects in Australia. This however is still 4.36 Mt below last year's volume. Consumption is forecast at 789.4 Mt, on higher feed and residual use, particularly in Australia, where the crop is expected to be of a lower quality due to adverse weather conditions. Global trade is forecast to reach 205.5 Mt and ending stocks at 278.2 Mt.

US all wheat production dropped by 4.9 Mt from 2020-21 to 44.8 Mt. Supply is forecasted at 70.8 Mt down 12% year over year as the lower production is accompanied by tight carry in stocks. Exports decline to 22.9 Mt from 26.99 last year and ending stocks are forecast at 16.3Mt, up 2.5% relative to last month's report, but sill 29% below last year's levels.

The 2021-22 forecasted average price for CWRS 1 13.5% is unchanged at $400/tonne.

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Coarse Grains

Barley

For 2021-22, Canadian barley supply is revised lower from last estimate, reflecting a decline in total production as reported by Statistics Canada (STC). Total supply is now projected at 7.81 million tonnes (Mt), down sharply from 2020-21 and a record low level, primarily due to production issues in Canada's Prairie provinces, as well as record low carry-in stocks.

STC confirmed in its final production report for 2021that the 2021 barley crop is the smallest on record in Canada. Set at 6.95 million tonnes (Mt), the final Canadian barley production for 2021 is down 3% from STC's September estimate of 7.14 Mt and well below 10.74 Mt a year earlier. The decrease in national production was largely driven by the much smaller 2021-barley crop in Western Canada, compared to 2020, because of the severe drought on the Prairies. In the final 2021 production report, barley production in Western Canada for this year is estimated at 6.55 Mt, down from the September estimate of 6.82 Mt and well below the 10.35 Mt a year earlier.

Due to the tight supply, demand for both domestic feed consumption and exports will be sharply lower than last year. Carry-out stocks are projected at 300 thousand tonnes (Kt), a record low level.

The average price of feed barley for 2021-22 is revised higher from last estimate and projected at a new record of $420/t, up sharply from the previous record set in 2020-21. Prices are supported by tight carry-in stocks, significant crop production problems due to drought, robust demand and stronger prices of other grains.

Corn

For 2021-22, Canadian corn supply is revised lower from the last estimate, reflecting a decline in total production from the September estimate, as reported by STC. Total supply is now projected at 19.15 Mt, up sharply from 2020-21 and a record high level. This is primarily due to a bumper corn crop output in Eastern Canada, as well as a sharp increase in expected imports to Western Canada.

STC confirmed a good 2021 corn crop in Canada due to record high corn output in Eastern Canada. Set at 13.98 Mt, 2021 Canadian corn production is down 3% from STC's September estimate but 3% and 2% above last year's level and the previous five-year average. In the final 2021 production report, yield average for this year in Eastern Canada is pegged at a historically high level, leading to a record corn production of 13.03 Mt in this region, mainly reflecting good corn production in Ontario and Quebec, despite a decrease from the September estimate. Corn production in Western Canada has deteriorated since the September estimates and is now pegged at 0.95 Mt, the lowest in the past six years, primarily reflecting the state of corn production in Manitoba.

Domestic use is projected to increase mainly due to higher volumes for feed use. Exports are expected to increase from last year. Carry-out stocks are predicted to decrease slightly.

Following the forecast for a surge in the 2021-22 US corn price, the 2021-22 corn price in the Chatham region is projected at a new record of $275/t, up slightly from the old record set in 2020-21.

The season-average farm price for US corn projected by the USDA was unchanged at US$5.45/bu, up from US$4.53/bu for 2020-21 and US$3.56/bu for 2019-20.

Oats

For 2021-22, Canadian oat supply is revised higher from the last estimate, reflecting an increase in total production from the September estimate as reported by STC. Total supply is now projected at 3.28 Mt, down sharply from 2020-21 and close to a record low level. This is primarily due to production issues in Canada's Prairie provinces, despite a normal level of carry-in stocks. Accordingly, total demand, including exports and domestic use, is anticipated to drop sharply. Carry-out stocks are projected at 200 Kt, drastically down from last year and a new record low level.

STC confirmed that the 2021 oat crop in Canada is the smallest since 2010. At 2.61 Mt, the final Canadian oat production for 2021 is up slightly from STC's September estimate of 2.58 Mt but still far below the 4.58 Mt of a year earlier. This largely reflects a much smaller 2021 oat crop in Western Canada, compared to 2020, due to severe drought on the Prairies. The final 2021 production report shows oat output in Western Canada for this year at 2.28 Mt, down from the September estimate of 2.30 Mt and far below 4.27 Mt for last year.

The average price of oats for 2021-22 is revised higher from the last estimate and projected at a new record of $500/t, up sharply from the old record set in 2020-21, due to severe production problems in North America and stronger prices of other grains.

Rye

For 2021-22, Canadian rye supply is revised higher from the last estimate, reflecting an increase in previous estimate of total production as reported by STC. Total supply is now forecast at 546 Kt, up from 2020-21 and the previous five-year average. Domestic use (mostly for feed use) is expected to be similar to last year. Exports and carry-out stocks are predicted to rise on the increased supply. The 2021-22 average price is projected at $310/t, up sharply from 2020-21 and a new record, due to robust demand and stronger prices of other grains.

STC confirmed that the 2021 rye crop in Canada is the largest in the last three decades, primarily caused by the continuous increase in area seeded in recent years. Pegged at 0.47 Mt, the final Canadian rye production for 2021 is up about 13% from STC's September estimate, as rye yields were raised for Canada's major rye producing provinces. Total production is 29% above the previous five-year average, despite a slight decline from a year earlier.

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Canola

For 2021-22, production was estimated by Statistics Canada at a 13 year low of 12.6 Mt on a seeded and harvested area of 9.1 Mha and 9.0 Mha, respectively. This post-harvest, survey-based, estimate is slightly below Statistic Canada's mid-harvest production estimate of 12.8 Mt. By province, Manitoba produced 2.29 Mt of canola while Saskatchewan grew slightly under 6.0 Mt and Alberta grew 4.2 Mt. The Prairie-wide drought affected the province of Saskatchewan the most with canola yields 54% of the 5 year average. By contrast canola yields in Alberta were 67% of the 5 year normal, while Manitoba had yields 71% of the 5 year average, while overall Canadian canola yields averaged 60% of the 5 year average.

91% of the Canadian canola crop is grading Number 1 based on the Canadian Grain Commission's Harvest Sample Survey, with 8% Grading Number 2, 1% grading Number 3 and significantly less than 1% grading Sample. By province, the grade distribution appears uniform with 94% of Manitoba's canola grading Number 1 while 94% of Saskatchewan's and 84% of Alberta's canola crop also graded Number 1. The canola oil content is significantly lower than normal at an average of 41.9%, versus 44.1% last year, with the western grown crop averaging 41.9% while eastern Canadian canola possessed an average oil content of 44.2%.

Canadian supplies are estimated at 14.5 Mt, the lowest since 2008-09 on tight carry-in stocks, reduced output and modest imports. Canola supplies were 23.0 Mt in 2020-21 and the 5-year average is 23.1 Mt.

Canadian exports are forecast to fall 49% from last year to 5.4 Mt as tight Canadian supplies offset strong world demand. Domestic crush is forecast to decline from last year's record of 10.4 Mt to 8.5 Mt as tight domestic supplies are rationed among users. Ending stocks are forecast to tighten to 0.50 Mt, with 0.3 Mt in commercial position and 0.2 Mt stored on farm, for a stocks-to-use ratio of 4%. Tight canola stocks combined with strong US soyoil prices are forecast to support a canola price of $1,000/t for 2021-22, compared to $730/t in 2020-21 and the 5-year average of $556/t.

This outlook contains higher-than normal uncertainty given the expansion in world vegetable oil consumption and the adverse growing conditions experienced across various growing regions over the past year. Volatility for canola prices is expected to remain high with the market vulnerable to sharp corrections from either demand or supply shocks.

Flaxseed

For 2021-22, flaxseed production is estimated at 0.35 Mt, a 19-year low, on seeded and harvested areas of 0.42 Mha and 0.40 Mha, respectively**.** Most of Canada's flaxseed was grown in the province of Saskatchewan, 0.26 Mt, while 60,000 t and 39,000 t were grown in Alberta and Manitoba, respectively**.** Yields are estimated at 0.86 t/ha compared to 1.56 t/ha for 2020-21 and the 5-year average of 1.5 t/ha. By province, Manitoba flaxseed yields were 1,095 kilograms per hectare (kg/ha), Saskatchewan 792 kg/ha and Alberta 1,059 kg/ha. The grade distribution for flaxseed is near normal with 99% of the crop grading No.1. The mean oil content is 44.2%, ranging from a minimum of 40.6% to a maximum of 47.3%.

Flaxseed supplies are estimated at 0.41 Mt due to a decline in carry-in stocks and production, combined with modest imports. Supplies are 38% below last year and 42% under the 5-year average.

Exports are forecast down 37% from 2020-21, to 0.33 Mt, as Canada is forced to ration sales to its traditional Chinese, European and United States customers. Total domestic use is forecast to fall by 37% to 58,000 tonne (t) on lower feed, waste and dockage. Carry-out stocks are forecast to decrease by 48% to 30,000 t, with 15,000 t remaining on farm and 15,000 t in commercial position. The outlook for flaxseed prices strengthened sharply on tight supplies and inelastic world demand, increasing to $1,350/t from $693/t in 2020-21 and the 5-year average of $526/t. If realized, this would be a record price for flaxseed; this price forecast carries a high degree of uncertainty and remains vulnerable to a

sharp downwards correction.

Soybeans

For 2021-2022, production is estimated at 6.3 Mt on planted and harvested areas of about 2.15 Mha and 2.13 Mha, respectively. Yields are estimated at 2.93 t/ha, down slightly from the 3.12 t/ha for 2020-21 but above the 5-year average of 2.87 t/ha. By province, Ontario produced 4.1 Mt of soybeans, Quebec 1.1 Mt and Manitoba 963,000 tonnes. Provincially, yields were the highest in Ontario at 3.47 t/ha (3.41 t/ha last year), Quebec 2.97 t/ha (3.25 t/ha) and Manitoba 1.82 t/ha (2.51 t/ha).

Total Canadian supply is forecast to decrease to slightly under 7.0 Mt, a 7% drop from last year, on lower production, reduced imports and lower carry-in stocks. The tightening of supplies is forecast to result in a 7% moderation in exports to 4.2 Mt, despite strong world demand. Domestic processing is forecast to rise to 1.8 Mt while carry-out stocks rise to 0.45 Mt. Soybean prices are forecast to decline modestly to $560/t, in line with movements in US prices and the Canadian-American exchange rate.

For December, the USDA left its 2021-22 farm gate price estimates for soybeans unchanged at US$12.10/bu along with its production estimate of 4.43 billion bushels. The export estimate also remained steady with 2.05 billion bushels expected to be shipped out of the country, down sharply from last year's shipments of 2.27 billion bushels. The US is expected to crush 2.19 billion bushels of soybeans versus 2.14 billion bushels in 2020-21. Although the crush estimate remains steady with last month, soyoil output was increased based on a higher extraction rate. Consequently, food, feed and industrial use estimates were raised based on the increase in supplies. Based on a review of EPA's proposed rules for 2020-22 renewable fuel obligations targets, soybean oil used for biofuel for 2021-22 is unchanged at 11 billion pounds. With the decline in soybean consumption expected to exceed the drop in supplies for this crop year, the ending stocks estimate was raised to 340 million bushels, versus 256 million bushels last year, but unchanged from last month.

The USDA also tightened up its world outlook for oilseeds based on a slight decrease in output, which was only partly offset by a slight rise in use. World oilseed production is estimated at 627.6 Mt along with a total supply of 741.3 Mt. Word trade in oilseeds is forecast at a record 196 Mt, while total use rises by 18.3 Mt to 527.2 Mt. Ending stocks, while tighter than last month are up from last year at 114.1 Mt.

For 2021-22, factors to watch are: (1) South American cropping situation, (2) US export sales and shipping pace, (3) Canadian export and domestic processing pace, (4) the strength of Chinese buying, (5) price volatility and (6) US policy developments in support of the American biodiesel and renewable diesel sectors.

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Dry Peas

For 2021-22, production decreased 51% to below 2.3 million tonnes (Mt) due to lower yields and harvested area. Yields were 44% lower than the previous year due to drought conditions. Yellow and green pea types are expected to account for about 1.9 Mt and 0.3 Mt, respectively, with the remainder spread across other varieties. Supply has decreased by only 43% to 2.8 Mt, due to higher carry-in stocks. Exports are forecast to fall to 2.1 Mt, due to a rationing of exports. This is expected to result in lower imports by China. Carry-out stocks are forecast to fall sharply due to the decreased supply. The average price is expected to rise by 76% from 2020-21, with record dry pea prices for all types at $600/t.

During November, the on-farm price of yellow peas and green peas in Saskatchewan was unchanged. This was largely due to solid export demand from China, which was offset by expectations for a larger Indian winter pulse crop. For the crop year to-date, yellow dry pea's prices have been maintaining a premium of $25/t above green dry peas. Last year, green peas were at a $5/t premium to yellow peas.

In the US, area seeded to dry peas for 2021-22 is estimated by the USDA to have fallen by 3% to 0.97 million acres. This is largely due to a decrease in area in North Dakota. With estimates of below average yields, due to drought condiitons, US dry pea production is estimated by USDA to fall by 44% to over 0.55 Mt. US dry peas compete, on a smaller scale, in Canadian export markets such as China and the Philippines.

Lentils

For 2021-22, production decreased by 44% to 1.6 Mt due largely to poor yields. Large green lentil production is estimated to be lower than last year at 0.25 Mt while red lentil production fell to about 1.2 Mt. Production of the other remaining lentil types is estimated to have fallen to 0.15 Mt.

Supply, however, is expected to be 35% lower than last year due to larger carry-in stocks. Exports are forecast to decrease sharply to 1.7 Mt. India, the United Arab Emirates and Turkey are currently the top export markets. Imports are expected to be lower than the previous year due to the average grade distribution. Carry-out stocks are expected to fall sharply to tight levels, due to the smaller exportable supply. The overall average price is forecast to rise by 67% with record prices for red, small green and French types of lentils.

During the month of November, the on-farm price in Saskatchewan for No. 1 grade large green lentils rose by about C$20/t when compared to last month, and the price of No. 1 red lentils decreased by over C$65/t. This was largely due to expectations for a larger Indian winter pulse crop, with an expected increase in lentil area. The quality of the Canadian lentil crop is considered to be average. There is a smaller proportion in the supply of No.1 and No.2 grade Canadian lentils for 2021-22 when compared to last year. No.1 large green lentil prices are forecast to maintain a premium of $300/t over No. 1 red lentil prices, versus $135/t in 2020-21.

In the US, the area seeded to lentils for 2021-22 was forecast by the USDA at more than 0.7 million acres, up 35% from 2020-21 due to higher area seeded in Montana. With estimates of below average yields, 2021-22 US lentil production is estimated by the USDA at 0.23 Mt, down 31% from the 2020-21 level.

Dry Beans

For 2021-22, production fell 21% to 386 thousand tonnes (Kt), consisting of 102 Kt of white pea bean types and 284 Kt of colored bean types. Production in Ontario fell, mostly due to lower area. In Manitoba, production fell due to lower yields for colored bean and white pea bean types. In Alberta, colored bean production rose due an increase in area.

Supply is expected to rise marginally as higher carry-in stocks offset the smaller production. Exports are forecast to be similar to the previous year. The US and the EU are forecast to remain the main markets for Canadian dry beans, with smaller volumes exported to Mexico and Japan. Carry-out stocks are expected to be unchanged. The average Canadian dry bean price is forecast to increase by

27% to a record level $1,180/t due to the smaller North American supply.

In the US, area seeded to dry beans is estimated by the USDA to have decreased by 20% to 1.4 million acres, largely due to lower area seeded in Michigan. US total dry bean production (excluding chickpeas) is estimated by the USDA to fall by 31%, to just over 1.0 Mt. US export markets continue to be Canada, EU and Mexico.

Chickpeas

For 2021-22, production fell by 64% to 76 Kt due to lower harvested area and poor yields. Crop quality is below average when compared to the previous year. Supply is forecast to fall by only 25% as higher carry-in stocks more than offset the lower production. Exports are forecast to be higher at 160 Kt, with the US and Turkey as the main importers. Carry-out stocks are expected to fall sharply to 145 Kt. The average price for all grades of chickpeas is forecast to rise by 66%, to a record $1,065/t, due to lower world supply.

US chickpea area seeded is estimated by the USDA at 0.38 million acres, down 39% from 2020-21. With poor yields, 2021-22 US chickpea production is forecast by USDA at 0.14 Mt, down 29% from the previous year.

Mustard Seed

For 2021-22, production fell by 50% to 50 Kt, due to poor yields. Production of all types of mustard seed fell. Supply, decreased by 41% to 97 Kt, the lowest in modern times. Exports are expected to be rationed at 70 Kt. Due to lower supply, carry-out stocks are forecast to fall by 75% to 10 Kt. The US and the EU are expected to remain the main export markets for Canadian mustard seed. The average price is forecast to more than double to a record $2,080/t due to lower North American supply and carry-out stocks.

Canary Seed

For 2021-22, production fell by 39% to 109 Kt due to the lowest yields since 2002-03. Exports are expected to be lower than last year at 120 kt, due to the lower supply. The EU and Mexico are forecast to remain the main export markets, followed by Brazil and the US. The average price is forecast to nearly double from the 2020-21 level, to a record $1,200/t due to tight supply and carry-out stocks.

Sunflower Seed

For 2021-22, production was 19% lower than the previous year at 82 Kt due to a fall in area and lower yields. Supply fell marginally with larger carry-in stocks. Exports are forecast to fall marginally from last year to 50 Kt. Carry-out stocks are forecast to fall marginally to 110 Kt. The US is expected to continue to be Canada's main export market for sunflower seed. The average price is forecast to be 29% higher than 2020-21 to a record $800/t due to higher oilseed and confectionery type prices.

US sunflower seed production is estimated by the USDA at nearly 0.9 Mt, down 36% from 2020-21, largely due to smaller production in North Dakota. It is estimated by AAFC that US production of oil type varieties and confectionery type varieties fell to 0.8 Mt and about 70 kt, respectively. US supply is forecast by the USDA to be 25% lower at 1.2 Mt. US exports and domestic use is expected to decrease. US sunflower seed carry-out stocks are expected to fall and support North American prices.

For 2021-22, the global supply of sunflower seed is estimated by the USDA at a record 62.5 Mt. This is 15% higher than last year, due to higher output by Ukraine and Russia. World exports are expected to increase by 31% to 3.8 Mt and domestic use is expected to rise by 14% to 56.4 Mt. World carry-out stocks are expected to rise by 18% to 2.3 Mt, well above the five year average.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

December 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	1,908	2.63	5,017	96	6,946	5,268	216	504	941	737	270
2020-2021	2,302	2,295	2.86	6,571	13	7,321	5,773	194	387	796	752	302
2021-2022f	2,238	2,157	1.23	2,654	25	3,431	2,300	180	297	681	450	700
Wheat Except Durum												
2019-2020	8,145	7,754	3.57	27,653	179	32,040	19,081	3,369	4,009	8,197	4,763	225
2020-2021	7,892	7,723	3.70	28,612	100	33,474	20,634	3,190	3,942	7,886	4,954	271
2021-2022f	7,255	7,090	2.68	18,998	300	24,252	14,000	3,000	3,527	7,252	3,000	400
All Wheat												
2019-2020	10,126	9,662	3.38	32,670	275	38,986	24,349	3,585	4,513	9,138	5,499	
2020-2021	10,194	10,018	3.51	35,183	113	40,795	26,407	3,383	4,329	8,682	5,705	
2021-2022f	9,493	9,247	2.34	21,652	325	27,682	16,300	3,180	3,824	7,932	3,450	
Barley												
2019-2020	2,996	2,728	3.81	10,383	63	11,308	3,054	277	6,759	7,298	957	232
2020-2021	3,060	2,809	3.82	10,741	295	11,992	4,572	291	6,131	6,709	711	294
2021-2022f	3,357	3,002	2.31	6,948	150	7,809	2,250	319	4,660	5,259	300	420
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
2020-2021	1,440	1,408	9.63	13,563	1,512	17,636	1,412	5,376	8,664	14,055	2,169	272
2021-2022f	1,413	1,391	10.06	13,984	3,000	19,153	1,500	5,400	10,087	15,503	2,150	275
Oats												
2019-2020	1,459	1,171	3.61	4,227	13	4,637	2,615	143	1,324	1,597	426	274
2020-2021	1,554	1,314	3.48	4,576	16	5,018	2,928	141	1,175	1,431	659	301
2021-2022f	1,385	1,112	2.34	2,606	15	3,279	1,877	140	936	1,202	200	500
Rye												
2019-2020	175	103	3.25	333	3	386	165	19	140	180	40	221
2020-2021	237	153	3.19	488	2	530	150	41	245	308	72	225
2021-2022f	246	147	3.22	473	2	546	155	44	245	311	80	310
Mixed Grains												
2019-2020	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021	168	97	2.41	233	0	233	0	0	233	233	0	
2021-2022f	133	65	2.53	164	0	164	0	0	164	164	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	
2020-2021	6,459	5,780	5.12	29,601	1,825	35,408	9,062	5,848	16,447	22,736	3,610	
2021-2022f	6,534	5,716	4.23	24,175	3,167	30,952	5,782	5,903	16,093	22,439	2,730	
Canola												
2019-2020	8,572	8,471	2.35	19,912	155	24,502	10,040	10,129	838	11,028	3,435	484
2020-2021	8,410	8,325	2.34	19,485	123	23,042	10,534	10,410	265	10,741	1,767	730
2021-2022f	9,097	9,002	1.40	12,595	150	14,512	5,400	8,500	61	8,612	500	1,000
Flaxseed												
2019-2020	379	339	1.43	486	22	568	350	N/A	138	154	64	518
2020-2021	377	371	1.56	578	26	668	519	N/A	73	92	57	693
2021-2022f	416	404	0.86	346	10	413	325	N/A	38	58	30	1,350
Soybeans												
2019-2020	2,313	2,271	2.71	6,145	242	7,087	3,578	1,742	933	2,888	621	419
2020-2021	2,052	2,041	3.12	6,359	532	7,512	4,518	1,636	841	2,700	294	605
2021-2022f	2,153	2,139	2.93	6,272	400	6,966	4,200	1,800	316	2,316	450	560
Total Oilseeds												
2019-2020	11,263	11,081	2.40	26,543	419	32,157	13,968	11,871	1,908	14,070	4,119	
2020-2021	10,839	10,738	2.46	26,421	681	31,222	15,571	12,045	1,179	13,532	2,118	
2021-2022f	11,666	11,545	1.66	19,212	560	21,890	9,925	10,300	414	10,985	980	
Total Grains And Oilseeds												
2019-2020	27,660	26,263	3.34	87,752	2,643	104,919	44,827	21,198	23,534	46,491	13,601	
2020-2021	27,491	26,536	3.44	91,205	2,619	107,424	51,041	21,276	21,955	44,950	11,434	
2021-2022f	27,693	26,507	2.45	65,039	4,052	80,524	32,007	19,383	20,331	41,357	7,160	

(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 2021-2022 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

December 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	3,709	689	233	5%	265
2020-2021	1,722	1,685	2.73	4,594	83	4,910	3,580	851	479	11%	340
2021-2022f	1,546	1,491	1.51	2,258	73	2,809	2,100	659	50	2%	600
Lentils											
2019-2020	1,530	1,489	1.60	2,382	90	3,327	2,734	384	209	7%	485
2020-2021	1,713	1,705	1.68	2,868	114	3,190	2,326	459	406	15%	645
2021-2022f	1,742	1,716	0.94	1,606	60	2,072	1,700	322	50	2%	1,080
Dry Beans											
2019-2020	160	150	2.11	317	75	442	361	56	25	6%	985
2020-2021	185	183	2.68	490	63	578	396	62	120	26%	930
2021-2022f	177	171	2.26	386	75	581	395	66	120	26%	1,180
Chickpeas											
2019-2020	159	156	1.61	252	48	440	105	85	250	132%	490
2020-2021	121	120	1.79	214	42	506	150	77	280	124%	640
2021-2022f	75	74	1.04	76	25	381	160	76	145	61%	1,065
Mustard Seed											
2019-2020	161	155	0.87	135	7	214	112	42	61	39%	700
2020-2021	104	101	0.98	99	6	166	111	15	40	32%	885
2021-2022f	125	113	0.44	50	7	97	70	17	10	11%	2,080
Canary Seed											
2019-2020	118	115	1.52	175	0	186	161	10	15	9%	630
2020-2021	111	110	1.62	178	0	193	158	9	26	16%	690
2021-2022f	127	125	0.87	109	0	135	120	10	5	4%	1,200
Sunflower Seed											
2019-2020	31	29	2.18	63	26	186	37	45	103	125%	615
2020-2021	45	45	2.25	101	36	241	52	73	116	93%	620
2021-2022f	41	40	2.03	82	37	235	50	75	110	88%	800
Total Pulses and Special Crops (c)											
2019-2020	3,912	3,804	1.99	7,559	328	9,425	7,219	1,311	896	11	
2020-2021	4,000	3,949	2.16	8,545	344	9,784	6,772	1,545	1,467	18	
2021-2022f	3,832	3,730	1.22	4,567	277	6,311	4,595	1,226	490	8	

(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 2021-2022 which are STC