CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS ***September 23, 2022***

Market Analysis Group / Crops and Horticulture Division
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This report is an update of Agriculture and Agri-Food Canada's (AAFC) August Outlook for the 2021-2022 and 2022-2023 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. The outlook for the world's grain markets continues to be uncertain due to a number of factors: strong demand and relatively tight supplies, the Russian invasion of Ukraine which has disrupted Black Sea production and global trade patterns, inflation and concerns in regards to a global economic slowdown.

For the 2021-22 crop year, the report provides the near-final estimates for all crops, except for corn and soybeans, incorporating information from Statistics Canada's (STC) September 7, 2022 report on stocks of grains and oilseeds as of July 31. Stocks of principal field crops, excluding corn and soybeans, were 40% lower relative to 2021 levels and the lowest level on record since the first publication of the series in 1980. With the exception of flaxseed and rye, stocks for all other major field crops fell by a significant proportion. The decline was largely caused by drought which reduced production on the Canadian prairies as exports fell sharply.

For the 2022-23 crop year, the outlook incorporates yield estimates from STC's September 14, 2022 Model Based Principal Field Crop Estimates release, which were derived using remote sensing data from Statistics Canada's Crop Condition Assessment Program (CCAP), agroclimatic data, as well as survey data and administrative sources. As a result of significantly improved yields, total field crop production in Canada is estimated to increase by 36.1% as compared to last year, 7.3% above the previous five-year average and only 2.5% below the record 2020 crop. Despite record low carry-in stocks, the dramatic increase in production is expected to lead to a rebound in supply allowing for exports to return to average to above-average levels. According to provincial crop reports, harvest in Western Canada is progressing rapidly after a slow start; Alberta and Saskatchewan are ahead of the five-year average, while Manitoba remains well behind the five-year average.

Crop prices are generally forecast to remain strong in 2022-23, although decreasing from the record to near-record highs of 2021-22. The price forecasts are subject to significant volatility due to the elevated amount of uncertainty in global markets.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on October 21, 2022. STC is scheduled to publish its final principal field crop production estimates for the year on December 2, 2022 based on a survey in November of approximately 28,600 farmers across Canada.

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									
2020-2021	27,491	26,536	3.45	91,459	2,682	107,742	50,898	45,134	11,710
2021-2022f	27,571	26,459	2.53	67,058	7,131	85,900	31,600	46,138	8,162
2022-2023f	27,771	26,532	3.40	90,310	3,212	101,683	45,485	45,108	11,090
Total Pulse And Special Crops									
2020-2021	4,025	3,973	2.16	8,592	338	9,851	6,786	1,434	1,632
2021-2022f	3,821	3,725	1.23	4,597	231	6,460	4,333	1,061	1,066
2022-2023f	3,706	3,610	2.00	7,226	312	8,604	5,805	1,319	1,480
All Principal Field Crops									
2020-2021	31,516	30,510	3.28	100,051	3,019	117,593	57,683	46,568	13,342
2021-2022f	31,392	30,185	2.37	71,656	7,362	92,359	35,933	47,199	9,228
2022-2023f	31,477	30,142	3.24	97,536	3,524	110,287	51,290	46,427	12,570

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)

f: forecasts by AAFC except for area, yield and production for 2021-2022 and seeded area for 2022-23 which are STC

Durum

For 2021-22, carry-in stocks and production for durum were both revised by STC in their latest report. Carry-in stocks were raised to 0.81 Mt, up from 0.75 Mt and production is now estimated at 3.04 Mt, up from 2.65 Mt. Total supply grew to 3.86 Mt and exports to a total of 2.72 Mt, of which 2.7 Mt consisted of grain. Exports are down 53% year on year due to reduced demand caused by high prices. The top three destinations were Morocco (679 thousand tonnes (kt)), the USA (499 kt) and Algeria (413 kt). Carry-out stocks came in at 0.57 Mt, down 59% compared to 2021-22 and the third lowest on record.

The average Saskatchewan (SK) spot price for Canadian Western Amber Durum No.1, 13% protein (CWAD, 1, 13) was $631/tonne.

For 2022-23, STC forecasts Canadian durum production at 6.12 Mt, more than double last year's volumes thanks to an increase in seeded area and recovery of yields. Total supply is forecast at 6.71 Mt, 74% more than in 2021-22 and 4% more than the five-year average of 6.44 Mt.

Exports are expected to increase due to the recovery in supply, decline in prices, and increase in demand from Europe and North Africa (particularly Morocco, where poor weather led to disappointing harvests). Exports are forecast at 5.0 Mt, up 84% from 2021-22. Domestic use is forecast at an average level of 0.81 Mt, and carry-out stocks is expected to increase to 0.90 Mt due to the increase in supply outweighing demand. Although this is a 59% increase over current levels, it remains 17% less than the five-year average.

World durum production is forecast to increase by 8% to 32.99 Mt, but remain 3% below the last five-year average, according to the International Grains Council (IGC). Supply is expected to remain relatively stable at 38.93 Mt because of low carry-in stocks. Use is expected to reach 33.58 Mt, 2% more than in 2021-22, but still below average levels. Trade is anticipated at 8.71 Mt due to a recovery in exports from North America, while carry-out stocks are forecast to contract to 5.36 Mt, from 5.9 Mt this year.

US durum production is estimated to double to 2.01 Mt according to the United States Department of Agriculture (USDA).

The average SK spot price for CWAD 1, 13% for 2022-23 was reduced to $425/tonne, pressured by larger supplies and appreciation of the US dollar.

Wheat (excluding durum)

For 2021-22, STC also revised the estimates for Canadian wheat production and carry-in stocks; the former was raised 1% to 19.26 Mt and the latter by 5% to 5.14 Mt, bringing total supply up to 24.55 Mt. Exports are estimated at 12.41 Mt, of which 12.19 Mt consisted of unprocessed grain; this is 40% less than in 2020-21 due to the low Canadian supply accompanied by high prices for the high quality, high protein crop. The top destinations for Canadian wheat were Japan (1.6 Mt), Indonesia (1.2 Mt) and the USA (1.1 Mt). Carry-out stocks closed in at just a little over 3.10 Mt, the lowest since 2007-2008.

The average SK spot price for Canadian Western Red Spring, no.1, 13.5% protein (CWRS 1, 13.5) was $447/tonne.

For 2022-23, production is estimated by STC to rebound to 28.59 Mt, up 48% year on year and 12% more than the five-year average thanks to an 11% increase in seeded area and return to trend yields. Spring wheat production is estimated to grow 60% to 26.05 Mt with the following provincial breakdown: MB (5.05 Mt), SK (10.61 Mt), AB (9.94 Mt), BC (81.27 Mt). On the other hand, winter wheat production will fall 16% to 2.53 Mt, with the largest decline expected in Ontario (-24%).

Total supply of wheat is estimated to increase by 29% to 31.79 Mt, this is also 4% more than the last five-year average. Exports are forecast to rebound as a result of the larger supply and reduced prices; they are forecast at 18.2 Mt, slightly above average

levels. Domestic use is forecast to fall slightly to 8.19 Mt with a reduction in feed use. Carry-out stocks are currently pegged at 5.40 Mt.

World all wheat production is forecast to rise about 4 Mt to 783.92 Mt, according to the USDA. Supply declines close to 11 Mt constrained by low carry-in stocks, especially from major exporters; it is forecast at 1,059.59 Mt. Total use is expected to increase by over 3.7 Mt to 791.02 Mt due to an increase in feed and residual use, especially in Russia and the EU. Exports are forecast to increase 3% to 208.89 Mt, while carry-out stocks are forecast to tighten another 2.6% to 268.57 Mt, with 54% held in China and another 2% in the Ukraine.

US all wheat production is estimated to rise 4% to 48.52 Mt, but total supply is expected to fall 1% due to tight carry-in stocks. US exports are pegged at 22.45 Mt, up from 21.78 Mt last year; domestic use is forecast to reach 30.43 Mt, relatively on par with last year's levels. Carry-out stocks are forecast to tighten another 8% to 16.60 Mt.

The average spot price for SK CWRS 1, 13.5% is reduced to $400/tonne, under pressure from larger world supplies, increased trade activity and appreciation of the US dollar.

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Barley

For 2021-22, barley used for feed was estimated by Statistics Canada (STC) at 4.29 million tonnes (Mt), a drop of 33% on the year and the lowest on record going back to 1982-83. The sharp decline in domestic feed use is mainly due to the 2021 Prairie drought which severely reduced barley output and led to a significant shortage in supply and therefore rationed demand downward. Canada exported 2.60 Mt of barley, 39% and 16% lower than a year ago and the previous five-year average, respectively. Of the total exports, 1.90 Mt of barley grain was exported, with almost 85% going to China and the rest to the US (14%) and Japan (1%). Exports of grain equivalent of malt amounted to just over 0.70 Mt with nearly 60% going to the US, 20% to Mexico and 18% to Japan. Carry-out stocks were pegged at just over 0.50 Mt, the tightest on record (29% lower than the old record seen the previous year) largely due to the lowest record of on-farm stocks.

The Lethbridge feed barley price for 2021-22 is finalized at a new high of $432/tonne (t), up sharply from the old record of $294/t set in 2020-21 and well above the previous five-year average.

For 2022-23, Canadian barley output is expected to rebound from last year's drought-induced low, given the near-normal growing conditions this year. In its September 14th model-based yield and production report, STC estimated this year's Canadian barley production at 9.43 Mt. The increase in production, offsetting the historically low carry-in stocks and smaller imports will drive the 2022-23 supply to grow by 27% year on year to nearly 10 Mt, which is 6% below the pre-2021 five-year average but close to the ten-year average.

The expanded supply will support domestic use, including industrial and feed use, and exports in 2022-23. Carry-out stocks are projected to rise from 2021-22 to 0.55 Mt, which is still a tight level.

The average price is predicted to decline from the record level in 2021-22 to $370/t due to expectations for a recovery in domestic feed grain supply from last year's drought. However, it will remain historically high, largely underpinned by strong corn prices.

The United States Department of Agriculture (USDA), in its September World Agricultural Supply and Demand Estimates (WASDE) report, revised 2022-23 barley production forecasts upwards for Australia and Russia, while leaving them unchanged for other major barley exporting countries. Combined 2022-23 barley production in the world's major barley exporting regions and countries is 1.7 Mt higher than the August forecast, pushing it almost on par with the 2021-22 level and the previous five-year average. Production in Australia, EU and Ukraine is predicted to decrease by 1.7 Mt, 1.9 Mt and 3.5 Mt, respectively, from 2021-22, with those in Canada and Russia to increase by 2.9 Mt and 3.5 Mt, respectively, while Argentina remains unchanged.

Corn

For 2021-22, corn used for feed is predicted to increase sharply from the previous year due to strong feed demand in the Prairie provinces as a result of last year's drought-reduced barley output. Exports are forecast to rise by 34% to 1.9 Mt, with more than 85% going to Europe (Ireland – 34%, United Kingdom – 19% and Spain – 17%) while the rest will mostly go the US (12%). Imports are forecast to surge by nearly over three times than 6.0 Mt, with the US being almost the only source and nearly 90% going to the Prairie provinces to meet the local feed demand. Carry-out stocks are predicted at 2.2 Mt, slightly above last year but 5% below the previous five-year average.

The 2021-22 Chatham corn price average is finalized at a new record of $312/t, up $39/t and over $100/t, respectively, from the old record seen in 2020-21 and the previous five-year average. The surge in corn prices are linked to concerns about global corn supply prospects along with strong demand.

For 2022-23, Canada is expected to harvest another bumper corn crop. STC estimated this year's Canadian corn production at 14.86 Mt, a record

level, 6% and 8% higher than last year and the five-year average, respectively, thanks to historically high production expected in Ontario. Supply is projected at 19.56 Mt, which would be the second highest on record. However, despite larger production, this is still 12% lower than 2021-22 due to a significant decline in imports.

Domestic use is predicted to decrease from 2021-22 on lower feed use. Exports are forecast to decline from the high level seen in 2021-22, but increase from the previous five-year average. Carry-out stocks are projected at 2.40 Mt, 9% and 6% higher than last year and the previous five-year average.

The average price is predicted at $320/t, down from the record level of 2021-22, but still a relatively high level, supported by the strong new crop corn price in the US. The US farm average price is projected by the USDA at US$6.75/bu, up US$0.10/bu from last month's projection and up sharply from $5.95/bu for 2021-22 while only slightly below the record high of $6.89 reached in 2012-13.

The USDA revised 2022-23 corn production forecasts up for China and Ukraine, while lowering those for the EU and the USA. The notable downward revision of 10.5 Mt in the US corn production forecast brings the 2022-23 global corn production forecast to be 7.0 Mt lower than last month's forecast. Compared to 2021-22, the 2022-23 global corn production is expected to decline by 47 Mt to 1,173 Mt, but rise by 36 Mt from the previous five-year average.

Oats

For 2021-22, oats used for feed was estimated at 0.64 Mt, a drop of 46% on the year and the lowest on record. The sharp decline in domestic feed use is mainly due to the 2021 Prairie drought that severely reduced oat output and led to a significant shortage in supply, thereby rationing demand downwards. Canada exported 2.30 Mt of oats, 23% and 10% lower than a year ago and the previous five-year average, respectively. Of the total exports, oats for grain was exported at 1.33 Mt, with 93% going to the US followed by Mexico and Japan each taking 2%. Exports of oat products amounted to just over 0.97 Mt, with 94% going to the US and 3% to Japan. Carry-out stocks were pegged at 0.32 Mt, 52% lower than the previous year and the tightest on record, largely due to the lowest on record on-farm stocks.

The CBOT oat futures average price for 2021-22 is finalized to hit a new high at CAD$565/t, up sharply from the old record of CAD$301/t set in 2020-21. For Canadian Prairie oats, the 2021-22 average prices are finalized at $501/t, $448/t and $538/t, respectively, for Lethbridge/AB, SK and Winnipeg/MB. They are more than double last year's prices, and two and a half times the five-year averages.

For 2022-23, Canadian oat output is expected to rebound from last year's drought-induced low given the near-normal growing conditions this year. STC estimated this year's Canadian oat production at 4.65 Mt, 66% and 21%, respectively, higher than last year's record low and the pre-2021 five-year average. Owing to the larger production offsetting historically low carry-in stocks, supply is projected to increase by 43% from 2021-22 to almost 5.0 Mt, a comfortable level.

In responding to larger supply, domestic use, specifically feed use, and exports are predicted to increase. Carry-out stocks are projected to rise sharply from 2021-22 to 0.7 Mt, 18% over the pre-2021 five-year average.

The average price is predicted to fall sharply from the record level in 2021-22 to $360/t, due to an expected supply rebound in North America, but remain historically high, supported by strong prices in neighbouring markets.

Global oat production in 2022-23 is predicted to rise from 2021-22, largely due to production recovery in Canada. World feed demand will expand following larger supply. Human food consumption will continue to grow.

Rye

For 2021-22, rye used for feed was estimated at 258 thousand tonnes (Kt), a rise of 15% on the year and the highest since 1985-86 when a record of 273 Kt rye was consumed by the domestic feed sector.

Exports, at 151 Kt, were on par with last year's level, with over 98% going to the US and 1% to Japan. Carry-out stocks were pegged at an ample level of slightly over 100 Kt, significantly higher than the previous year and the five-year average. The 2021-22 average price is finalized at $320/t, a new record and up sharply from 2020-21, due to robust demand and strong alternative feed grain prices.

For 2022-23, Canadian rye production was estimated by STC to edge down from 2021-22 to 470 Kt. This is still a large production estimate. Supply is projected at 581 Kt, 3% and 24% higher than in 2021-22 and the previous five-year average.

Total demand for rye in 2022-23 is projected to decline due to lower feed use, given expected ample feed grain supplies in Western Canada. Exports are projected to be at the average level but increase from 2021-22. Carry-out stocks are projected to increase significantly from 2021-22 and the five-year average, due to larger supply and decreased feed use.

The 2022-23 average price is projected at $260/t, 19% lower than the 2021-22 price forecast, due to expectations for larger 2022-23 feed grain supplies on the Canadian Prairies and lower prices for other feed grains, but remains historically high, supported by strong prices in neighbouring markets.

Global rye production in 2022-23 is predicted to fall from 2021-22. World feed demand will drop following smaller supply. Food, seed and industrial consumption will grow.

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Canola

For 2021-22, Canada exported 5.3 Mt of canola, down sharply from the previous crop year as a result of the western Canadian drought, while domestic crush was 8.6 Mt. Carry-out was 0.87 Mt, versus the 5-year average of 2.7 Mt, on tight domestic supplies and strong world demand. The simple average price for canola is $1,075/t versus $730/t last year and the 5-year average of $556/t.

For 2022-23, canola seeded area is estimated at 8.7 million hectares (Mha), down 4% from last year with a predicted harvested area of 8.6 Mha. Yields are estimated at 2.23 tonnes per hectare (t/ha) compared to last year's drought reduced 1.54 t/ha. Production is projected at 19.1 Mt based on satellite image, model-based estimates. By province, Saskatchewan is forecast to grow 9.7 Mt of canola, Alberta 6.1 Mt and Manitoba 3.1 Mt. Total supply is forecast to rise sharply from last year to 20.1 Mt, as the increase in production is constrained by tight carry-in.

Usage of Canadian canola is forecast to recover; expected exports are up by about 77% to 9.3 Mt while domestic crush rises to 10.0 Mt versus 8.6 Mt last year. Carry-out stocks are down to 0.50 Mt for a stocks-to-use ratio of 3%. Canola prices are forecast to decline to $865/t track Vancouver, a drop of about 20% from the record high in 2021-22. If realized, this would be the second highest canola price on record.

The 2022-23 outlook remains sensitive to several factors: (i) harvest conditions across Western Canada, the US and the world, (ii) strength of world vegetable oil and protein meal demand, (iii) supply chain shocks, (iv) macroeconomic shocks such as inflation, rising interest rates and fluctuating crude oil prices, (v) rate of growth of the biodiesel sector and (vi) fallout from the Russian invasion of Ukraine.

Flaxseed

For 2021-22, exports were 0.22 Mt, versus 0.50 Mt the previous year, as a result of constrained domestic supplies. Total domestic use is estimated at 113,000 tonnes (t), while carry-out stocks rose to 84,900 t. Flaxseed prices rallied sharply to $1,206/t, versus $693/t in 2020-21 and the 5-year average of $526/t.

For 2022-23, flaxseed area is estimated at 0.32 Mha, versus the 5-year average of 0.39 Mha, with harvested area projected at 0.30 Mha. Yields are projected at 1.5 t/ha based on an estimated production of 0.47 Mt – 70% of which occurs in Saskatchewan. Total supply is forecast to increase by 34% to 0.56 Mt, on higher output and carry-in stocks.

Exports are forecast to increase to 0.38 Mt on steady Chinese, European and United States consumption. Total domestic use falls by about 16% to 0.10 Mt, on lower feed, waste and dockage while carry-out stocks rises to 90,000 t. Flaxseed prices are forecast to decline by 43%, but remain historically strong at $690/t for 2022-23.

Soybeans

For 2021-22, Canadian exports of soybeans are down 14%, to 4.0 Mt, as tight domestic supplies mute support from strong world demand. Domestic processing of soybeans increased by 13% from last year to a historically normal 1.8 Mt on strong crush margins and robust demand for protein meal. Soybean prices were $678/t versus the simple average of $605/t earned in 2020-21.

For 2022-23, farmers planted 2.13 Mha to soybeans in Canada, versus 2.15 Mha last year, with harvested area estimated at 2.10 Mha. Production is 6.5 Mt, versus 6.3 Mt in 2021-22, based on Statistics Canada's satellite-image, model-based estimates. Total supply is forecast to increase to 7.3 Mt, on higher production and carry-in combined with stable imports.

Exports are forecast to increase by 10% to 4.4 Mt, with shipments headed to a diverse assembly of countries. Domestic processing is forecast up slightly to 1.9 Mt compared to last year. Carry-out stocks are forecast unchanged from last year at 0.40 Mt versus the 5-year average of 0.49 Mt.

Soybean prices are forecast to fall by $8/t to $670/t, on pressure from a large US soybean crop. A stable Canada-US dollar exchange rate is assumed for the duration of 2022-23.

For 2022-23, world oilseed production is forecast at 645 Mt by the United States Department of Agriculture (USDA), a rise of 43 Mt from last year. US soybean production is projected at 4.38 billion bushels (Bbu), down 1% from last year, creating a slight drop in American soybean supplies. US soybean exports are forecast at 2.09 Bbu while domestic crush increases to 2.23 Bbu. Ending stocks are predicted to fall to 0.20 Bbu, versus 0.24 Bbu for 2021-22 and the five-year average of 0.47 Bbu. The USDA projects the farm gate price of soybeans steady with last month at US$14.35/bu, above US$13.30/bu for 2021-22.

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Dry Peas

For 2021-22, exports were significantly lower than the 2020-21 level at 1.9 million tonnes (Mt) due to lower shipments to China and no trade with Bangladesh despite record exports to the US. Domestic use was lower compared to the previous year. The average dry pea price was a record $590/t, rising sharply from 2020-21 due to lower global supply and a decrease in Canadian carry-out stocks.

For 2022-23, Canadian dry pea production is estimated by Statistics Canada (STC) to rise by 59% from 2021-22, to 3.6 Mt, due to higher yields. Saskatchewan and Alberta are expected to account for 51% and 41% of the dry pea production, respectively, with the remainder in Manitoba, British Columbia and Eastern Canada. As a result, total supply is forecast to rise sharply despite lower carry-in stocks. Exports are forecast to rise to 2.7 Mt, with China, the US and Bangladesh continuing to be Canada's top markets. Carry-out stocks are forecast to rise. The average price is expected to be sharply lower than 2021-22, at $440/t, due to higher world supply and increased carry-out stocks in Canada.

In the US, area seeded to dry peas for 2022-23 is forecast by the United States Department of Agriculture (USDA) to fall by 6% from 2021-22, to 0.9 million acres. This is largely due to a fall in area in North Dakota. With lower abandonment and higher yields, US dry pea production is forecast by the USDA to rise 29% to 501 Kt. The major US export markets for dry peas, were China, Canada, the Philippines and Yemen.

Lentils

For 2021-22, lentil exports fell to 1.6 Mt, down 31% from the previous year. Of this, 1.0 Mt were red lentil types, with 0.6 Mt consisting of the green lentil types. The leading export markets were Turkey, India and the United Arab Emirates. Total domestic use was lower than the previous year at 0.3 Mt. Carry-out stocks fell sharply to 0.22 Mt. The average Canadian lentil price was significantly higher than 2020-21 at $970/t. No.1 large green lentil prices maintained a crop year premium of $325/t over No.1 red lentil prices.

For 2022-23, lentil production is estimated to rise by 73% to 2.8 Mt due to higher yields. Seeded area was marginally higher, but above average yields are expected, with the majority of the increase being red lentil types. By province, Saskatchewan is expected to account for 84% of the lentil production and 16% in Alberta. With the sharp rise in production, total supply is forecast to increase by nearly 1.0 Mt to 3.1 Mt. Exports are forecast to be higher at 2.3 Mt. Carry-out stocks are expected to increase sharply to 0.4 Mt. The average price for all grades is forecast to be significantly lower than 2021-22 at $750t, due to higher carry-out stocks and expectations for a increase in world supply.

In the US, the area seeded to lentils for 2022-23 is forecast by the USDA at 0.67 million acres, 5% lower than 2021-22, due to reduced plantings in Montana and North Dakota. However, with higher yields and lower abandonment, US lentil production is forecast by USDA at 0.35 Mt, up 47% from last year. The main US export markets for lentils are expected to continue to be Canada, Mexico and the EU, particularly Spain.

Dry Beans

For 2021-22, dry bean exports were lower than 2020-21 at 327 kt. The EU and the US were the top two markets for Canadian dry beans, with smaller volumes exported to Angola, Japan and Mexico. A smaller North American crop provided the majority of the support for the record Canadian dry bean prices in 2021-22.

For 2022-23, Canadian production is forecast to fall by 21% to 305 kt, due to a decrease in seeded area, despite higher yields. By province, Manitoba is expected to account for 40% of the dry bean production, Ontario 38% and Alberta 22%. Total supply is expected to decrease by only 5%, due to record carry-in stocks. Exports are forecast to be higher than the previous year. As a result, carry-out stocks are expected to fall. The average Canadian dry bean price is forecast to rise to a record $1,250/t, due to lower expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to decrease by 8% to below 1.3 million acres, largely due to lower area seeded in North Dakota and Minnesota. Total US dry bean production for 2022-23 is forecast by the USDA at 1.1 Mt, 8% higher than in 2021-22.

Chickpeas

For 2021-22, Canadian chickpea exports rose from the previous year to a near record 176 thousand tonnes (Kt). Increased demand from the US and Turkey were behind the rise in exports. With the lower supply and an increase in exports, carry-out stocks fell sharply from the previous year. The average price increased sharply to $975/t.

For 2022-23, production is forecast to rise significantly to 157 Kt, driven by sharply higher average yields coupled with larger area. By province, Saskatchewan is expected to account for 87% of the chickpea production, with 13% in Alberta. Total supply is forecast to fall by 9% to 0.35 Mt due to lower carry-in stocks. Exports are forecast to be lower than 2021-22, however, due to the lower supply, carry-out stocks are expected to decrease for the third consecutive year. The average price is forecast to fall to $900/t due to expectations for a larger world chickpea supply.

US chickpea area for 2022-23 is forecast by the USDA to fall by 2% to 0.36 million acres. With higher yields and lower abandonment, 2022-23 US chickpea production is forecast by USDA at 178 kt, up 37% from the previous year. The main export markets are Pakistan, the EU and Canada.

Mustard Seed

For 2021-22, Canadian mustard exports were lower at 106 Kt, compared to the previous year, with the US and the EU as the top two markets. Despite reduced exports, lower supply resulted in carry-out stocks falling to 6 kt, which would be the lowest in 6 years. Prices rose sharply for all mustard seed types, due to support from tight domestic stocks.

For 2022-23, production is estimated at 177 Kt, sharply higher than last year due to a significant increase in area and yields. Supply is expected to rise by 46% to nearly 0.2 Mt, as lower carry-in stocks are offset by the increase in output. Exports are expected to rise to 115 Kt, with the US and the EU as the main markets for Canadian mustard seed. Carry-out stocks are forecast to rise sharply. The average price is forecast to fall from 2021-22 to $2,050/t.

Canary Seed

For 2021-22, exports were higher than the previous year at 173 Kt. This was due to higher exports to Mexico being offset by lower demand from the EU and Brazil. The average price increased by 63%, to $1,125/t with tighter Canadian carry-out stocks.

For 2022-23, production is estimated at 157 Kt, up 22% from last year, due to higher yields but lower area. Supply is forecast to decrease by 12%, with lower carry-in stocks. Exports are forecast to be limited by supply, with the EU and Mexico as the main markets, followed by the US. The average price is forecast to decrease from 2021-22 to $900/t.

Sunflower Seed

For 2021-22, sunflower seed exports were lower at 42 Kt due to decreased demand from the US. As a result, carry-out stocks rose marginally. The total average Canadian price for sunflower seed increased sharply from the previous year due to strong oilseed type prices.

For 2022-23, production is estimated at 68 Kt, 17% lower than last year, as the decrease in seeded area combines with below-average yields. While supply is expected to fall by 8%, exports are forecast to be higher at 45 Kt. The US remains Canada's main export market for sunflower seed. As a result of the decrease in supply, carry-out stocks are forecast to fall to 95 Kt. Sunflower seed prices are forecast to rise, to a record $960/t with higher prices for oil and confectionery types.

For 2022-23, area seeded to sunflower seed in the US is forecast by the USDA at 1.67 million acres, up 29% from 2021-22, due to higher area seeded in North and South Dakota. The area seeded is expected to rise to 1.54 and 0.12 million acres, respectively, for oil type varieties and confectionery type varieties.. Assuming higher yields and abandonment, 2022-23 US sunflower seed production is forecast by AAFC to rise sharply to 1.25 Mt.

For 2022-23, the global supply of sunflower seed is estimated by the USDA at 63.5 Mt, which is marginally higher than last year, due to lower production in the Black Sea region. World exports and domestic use are expected to rise to 4.9 Mt and 52.7 Mt, respectively. World carry-out stocks are expected to fall to 6.7 Mt, down 11% from the previous year.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

August 22, 2022

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												
2020-2021	2,302	2,295	2.86	6,571	13	7,321	5,766	198	328	742	813	302
2021-2022f	2,319	2,233	1.36	3,038	8	3,859	2,716	208	138	578	565	631
2022-2023f	2,431	2,372	2.63	6,117	25	6,708	5,000	200	394	808	900	425
Wheat Except Durum												
2020-2021	7,892	7,723	3.74	28,866	129	33,757	20,538	3,265	4,059	8,079	5,141	271
2021-2022f	7,133	6,960	2.77	19,258	153	24,552	12,412	3,258	4,963	9,034	3,106	447
2022-2023f	7,915	7,687	3.65	28,585	100	31,791	18,200	3,200	4,216	8,191	5,400	400
All Wheat												
2020-2021	10,194	10,018	3.54	35,437	142	41,078	26,303	3,463	4,388	8,821	5,954	
2021-2022f	9,453	9,193	2.43	22,296	161	28,411	15,128	3,466	5,101	9,612	3,671	
2022-2023f	10,345	10,059	3.45	34,703	125	38,499	23,200	3,400	4,610	8,999	6,300	
Barley												
2020-2021	3,060	2,809	3.82	10,741	294	11,991	4,277	299	6,416	7,003	711	294
2021-2022f	3,357	3,002	2.32	6,959	228	7,897	2,603	254	4,292	4,790	504	432
2022-2023f	2,851	2,562	3.68	9,428	60	9,992	3,450	318	5,394	5,992	550	370
Corn												
2020-2021	1,440	1,408	9.63	13,563	1,639	17,762	1,438	5,376	8,764	14,155	2,169	272
2021-2022f	1,413	1,391	10.06	13,984	6,200	22,353	1,930	5,400	12,807	18,223	2,200	312
2022-2023f	1,475	1,441	10.32	14,861	2,500	19,561	1,750	5,450	9,946	15,411	2,400	320
Oats												
2020-2021	1,554	1,314	3.48	4,576	17	5,019	2,972	104	1,170	1,390	657	301
2021-2022f	1,385	1,176	2.39	2,808	25	3,490	2,302	99	637	870	318	565
2022-2023f	1,608	1,301	3.58	4,654	15	4,987	2,850	120	1,191	1,437	700	360
Rye												
2020-2021	237	153	3.19	488	2	530	153	41	224	287	91	225
2021-2022f	246	147	3.22	473	1	565	151	26	258	304	109	320
2022-2023f	237	143	3.28	470	2	581	160	39	212	271	150	260
Mixed Grains												
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	
2022-2023f	138	47	2.63	124	0	124	0	0	124	124	0	
Total Coarse Grains												
2020-2021	6,459	5,781	5.12	29,601	1,952	35,535	8,840	5,819	16,807	23,068	3,627	
2021-2022f	6,534	5,780	4.22	24,387	6,454	34,468	6,986	5,779	18,157	24,352	3,131	
2022-2023f	6,309	5,494	5.38	29,538	2,577	35,245	8,210	5,927	16,866	23,235	3,800	
Canola												
2020-2021	8,410	8,325	2.34	19,485	125	23,044	10,589	10,425	190	10,680	1,776	730
2021-2022f	9,016	8,949	1.54	13,757	105	15,638	5,268	8,555	878	9,496	875	1,075
2022-2023f	8,667	8,580	2.23	19,099	100	20,074	9,300	10,000	223	10,274	500	865
Flaxseed												
2020-2021	377	371	1.56	578	26	667	505	N/A	85	103	59	693
2021-2022f	416	404	0.86	346	12	417	219	N/A	99	113	85	1,206
2022-2023f	315	303	1.53	465	10	560	375	N/A	76	95	90	690
Soybeans												
2020-2021	2,052	2,041	3.12	6,359	438	7,417	4,661	1,636	603	2,462	294	605
2021-2022f	2,154	2,134	2.94	6,272	400	6,966	4,000	1,845	520	2,566	400	678
2022-2023f	2,135	2,097	3.10	6,505	400	7,306	4,400	1,900	406	2,506	400	670
Total Oilseeds												
2020-2021	10,839	10,738	2.46	26,421	588	31,129	15,755	12,061	878	13,245	2,129	
2021-2022f	11,585	11,486	1.77	20,375	517	23,021	9,487	10,401	1,497	12,174	1,360	
2022-2023f	11,116	10,980	2.37	26,070	510	27,939	14,075	11,900	704	12,874	990	
Total Grains And Oilseeds												
2020-2021	27,491	26,536	3.45	91,459	2,682	107,742	50,898	21,343	22,073	45,134	11,710	
2021-2022f	27,571	26,459	2.53	67,058	7,131	85,900	31,600	19,645	24,755	46,138	8,162	
2022-2023f	27,771	26,532	3.40	90,310	3,212	101,683	45,485	21,227	22,181	45,108	11,090	

(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 (Average Prairie producer price, FOB farm); 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 and seeded area for 2022-23 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

August 22, 2022

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											
2020-2021	1,722	1,685	2.73	4,594	81	4,909	3,582	768	559	13%	340
2021-2022f	1,546	1,491	1.51	2,258	29	2,845	1,909	551	385	16%	590
2022-2023f	1,363	1,328	2.70	3,586	80	4,051	2,700	701	650	19%	440
Lentils											
2020-2021	1,713	1,705	1.68	2,868	110	3,187	2,326	422	438	16%	645
2021-2022f	1,742	1,716	0.94	1,606	51	2,096	1,600	271	224	12%	970
2022-2023f	1,748	1,724	1.61	2,777	75	3,076	2,300	376	400	15%	750
Dry Beans											
2020-2021	185	183	2.68	490	63	578	396	72	110	24%	930
2021-2022f	177	171	2.26	386	75	571	327	79	165	41%	1,210
2022-2023f	120	113	2.70	305	75	545	350	80	115	27%	1,250
Chickpeas											
2020-2021	121	120	1.79	214	41	506	160	70	275	119%	640
2021-2022f	75	74	1.04	76	30	382	176	59	147	63%	975
2022-2023f	95	92	1.71	157	45	349	150	59	140	67%	900
Mustard Seed											
2020-2021	104	101	0.99	100	6	191	111	20	61	46%	885
2021-2022f	117	110	0.55	61	9	130	106	18	6	5%	2,885
2022-2023f	225	214	0.83	177	7	190	115	20	55	41%	2,050
Canary Seed											
2020-2021	135	135	1.67	225	0	241	160	8	73	44%	690
2021-2022f	124	123	1.05	129	0	202	173	8	21	12%	1,125
2022-2023f	118	107	1.47	157	0	178	145	8	25	16%	900
Sunflower Seed											
2020-2021	45	45	2.25	101	36	241	51	74	116	93%	620
2021-2022f	41	40	2.03	82	37	235	42	75	118	102%	900
2022-2023f	38	33	2.07	68	30	216	45	76	95	78%	960
Total Pulses and Special Crops (c)											
2020-2021	4,025	3,973	2.16	8,592	338	9,851	6,786	1,434	1,632		
2021-2022f	3,821	3,725	1.23	4,597	231	6,460	4,333	1,061	1,066		
2022-2023f	3,706	3,610	2.00	7,226	312	8,604	5,805	1,319	1,480		

(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 and seeded area for 2022-23 which are STC