

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) March outlook report for the 2019-20 crop year and provides AAFC's preliminary look at the upcoming 2020-21 crop year. This report incorporates recent information from the United States Department of Agriculture (USDA) on the World Agriculture Supply and Demand Estimates (WASDE) and the USDA Outlook conference.

For 2019-20, total carry-out stocks are forecast at 14.7 million tonnes (Mt), similar to the 10-year average, but 4 percent lower than last year. The decrease in carry-out stocks is related to the reduction in production and supply for grains and oilseeds (G&O) and the increase in exports for the pulses and special crops (P&SC). Total exports of all field crops, are expected to decrease by about 7 percent compared to last year as lower exports of wheat, corn and oilseeds more-than outweigh higher exports of peas and lentils. In general, world grain prices are expected to continue to be pressured downward by abundant supplies of grains at the global level. The outlook for world and Canadian grain markets is expected to continue to be highly impacted by the domestic and international uncertainty caused by COVID-19. The impact is expected to be carried forward into the upcoming year as well.

For 2020-21, rotation considerations, moisture conditions, carry-out stocks from 2019-20, expected prices, input costs and delivery opportunities are expected to play a crucial role in determining the magnitude, and crop mix, of actual seeding decisions in the spring. However, based on current market conditions and historical trends, the area seeded to field crops in Canada is forecast to increase marginally from 2019-20. The area seeded to wheat and coarse grains is expected to increase slightly, while the area seeded to oilseeds decreases. In general, average yields are forecast to increase compared to 2019-20 because excessive moisture conditions in some areas reduced yields last year. The production of grains and oilseeds (G&O) and pulses and special crops (P&SC) is forecast to increase modestly so that total field crop production is expected to expand by 2 percent to 95.3 Mt. In general, abundant supplies of field crops at the world level, assuming normal growing conditions, are expected to pressure world grain prices but grain prices in Canada will continue to be supported by the relatively low value of the Canadian dollar. AAFC's outlook report for May will incorporate the results from Statistics Canada's May 7th survey based report on seeding intentions.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	--- thousand hectares ---		t/ha	----- thousand tonnes -----					
Total Grains And Oilseeds									
2018-2019	27,820	26,861	3.22	86,584	4,199	105,363	46,840	44,601	13,922
2019-2020f	27,568	26,094	3.30	85,997	2,072	101,991	43,160	45,251	13,580
2020-2021f	27,731	26,469	3.32	87,949	2,602	104,131	45,590	43,966	14,575
Total Pulse And Special Crops									
2018-2019	3,652	3,576	1.88	6,714	293	8,734	6,097	1,327	1,310
2019-2020f	3,892	3,783	1.93	7,317	322	8,949	6,475	1,399	1,075
2020-2021f	3,856	3,774	1.96	7,380	278	8,733	6,076	1,452	1,205
All Principal Field Crops									
2018-2019	31,472	30,437	3.07	93,298	4,492	114,097	52,937	45,928	15,232
2019-2020f	31,460	29,877	3.12	93,314	2,394	110,939	49,635	46,649	14,655
2020-2021f	31,587	30,243	3.15	95,329	2,880	112,864	51,666	45,418	15,780

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

f: forecast by AAFC except for area, yield and production for 2019-2020 which are STC

All Wheat

Durum

For 2019-20, Canadian durum production decreased by 13% from 2018-19 to 4.98 million tonnes (Mt). About 3% of the durum area remained to be harvested at the start of winter, according to provincial crop reports. The durum which will be harvested during the winter and spring is expected to be low quality and some may not be harvested.

Total supply decreased by 5%, as the lower production was partly offset by higher carry-in stocks. Exports are forecast to increase by 6% to 4.8 Mt due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 50% from 2018-19 to 0.9 Mt, 37% lower than the past five-year average of 1.43 Mt.

World durum production fell by 3.1 Mt from 2018-19 to 33.9 Mt, while supply decreased by 2.3 Mt to 43.6 Mt, according to the International Grains Council (IGC). Use is expected to fall by 0.1 Mt to 36.1 Mt. Carry out stocks are forecast to fall by 2.1 Mt to 7.6 Mt, the lowest since 2012-13. US durum production fell by 0.66 Mt from 2018-19 to 1.46 Mt, according to the United States Department of Agriculture (USDA).

The average Canadian crop year producer price for durum is forecast to rise from 2018-19 due to lower world, Canadian and US supply.

For 2020-21, the area seeded to durum in Canada is forecast to increase by 15% from 2019-20 because of relatively good prices and low carry-out stocks for 2019-20. Production is forecast to rise by 19% to 5.9 Mt as the increase in seeded area is compounded by higher trend yields. Supply is projected to be relatively stable as the higher production is offset by lower carry-in stocks. Exports are expected to increase by 2% to 4.9 Mt due to stronger world demand. Carry-out stocks are forecast to be stable at 0.9 Mt.

World durum production is forecast to increase by 1.9 Mt from 2019-20 to 35.8 Mt, according to IGC. Supply is expected to fall by 0.3 Mt to 43.3 Mt because of lower carry-in stocks. Use is expected to

rise by 0.2 Mt to 36.3 Mt, while carry-out stocks fall by 0.4 Mt to 7.1 Mt. US durum production is forecast to rise by 0.1 Mt to 1.56 Mt.

The average Canadian crop year producer price for durum is forecast to fall from 2019-20 due to higher production at the world and Canadian levels.

Wheat (excluding durum)

For 2019-20, Canadian wheat production rose by 3.5% from 2018-19 to 27.4 Mt. About 7% of the spring wheat area in Western Canada remained to be harvested at the start of winter, based on provincial crop reports. The spring wheat harvested during the winter and spring is expected to be low quality and a significant portion may not be harvested.

Production by class of wheat, with 2018-19 production in brackets, is estimated at: winter wheat (hard red, soft red and soft white) 1.7 Mt (2.51 Mt); Canada Western Red Spring (CWRS), premium quality hard wheat, 22.17 Mt (20.03 Mt); Canada Prairie Spring (CPS) 1.49 Mt (1.59 Mt), Canada Northern Hard Red Spring (CNHR) 0.74 Mt (1.06 Mt); soft white spring (CWSWS) 0.54 Mt (0.48 Mt), other western spring wheat 0.27 Mt (0.39 Mt), eastern spring wheat, mainly hard red spring (CERS), 0.46 Mt (0.39 Mt).

Total supply fell marginally, as lower carry-in stocks more-than offset the increase in production. Exports are forecast to fall by 9% to 18 Mt, due to more competition from other exporters because of higher world production. Carry-out stocks are forecast to increase by 18% to 5 Mt, but only 1% higher than the past five-year average of 4.96 Mt. The export forecast was reduced by 0.2 Mt from the March report based on the pace of exports for the first eight months of the crop year. The feed, waste and dockage forecast is unusually high because of the unharvested wheat at the start of winter.

World all wheat (including durum) production increased by 33 Mt to 764 Mt, while the supply increased by 28 Mt to 1,043 Mt, according to USDA. Total use is expected to increase by 13 Mt to 750 Mt. World all wheat carry-out stocks are forecast to rise

by 15 Mt to 293 Mt or, if stocks in China are not included, stocks would increase by 4 Mt to 142 Mt. Chinese wheat stocks are seldom exported.

US all wheat production rose by 1 Mt from 2018-19 to 52.3 Mt, according to USDA. Supply is 0.4 Mt lower at 84.5 Mt. Domestic use and exports are each forecast to increase by 1.3 Mt. Carry out stocks are forecast to decrease by 3 Mt to 26.4 Mt.

Average Canadian producer prices for wheat for the crop year are forecast to fall from 2018-19 because of the higher world supply.

For 2020-21, Canadian area seeded to wheat is forecast to be nearly the same as for 2019-20 as a 17% increase in the winter wheat area is expected to be offset by a 1% decrease for the spring wheat area. Production is projected to rise by 2% to 28 Mt. The winter wheat production is projected to increase by 60% to 2.7 Mt due to higher seeded area and assuming a return to normal abandonment rate. Spring wheat production is expected to fall by 1% to 25.3 Mt.

Supply is forecast to increase by 4% because of higher carry-in stocks. Exports are expected to rise

by 6%. Carry-out stocks are forecast to increase by 20% to 6 Mt.

World all wheat production is forecast to rise by 1 Mt from 2019-20 to 765 Mt while supply increases by 15 Mt to 1,058 Mt due to higher carry-in stocks. Total use is expected to rise by 13 Mt to 763 Mt. Carry-out stocks are forecast to rise by 2 Mt to 295 Mt. Excluding China, carry-out stocks are projected to fall by 2 Mt 140 Mt.

US all wheat production is forecast to fall by 2.3 Mt from 2019-20 to 50 Mt. Imports are forecast to increase by 0.9 Mt. Supply of all wheat is projected to fall by 4.3 Mt to 80.2 Mt. Exports and domestic use are forecast to be stable. Carry-out stocks are forecast to decrease by 4.4 Mt to 22 Mt.

Average Canadian producer prices for wheat for the crop year are forecast to rise from 2019-20 because of the lower US supply and carry-out stocks.

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Coarse Grains

Barley

For 2019-20, the total supply of barley increased by 17% from 2018-19 due to higher production despite historically low carry-in stocks. Domestic use is expected to increase significantly, largely due to higher feed use, as well as industrial use. Total exports are expected to decrease on lower exports of grains, despite higher exports of barley malt. Carry-out stocks are forecast to rise sharply from last year largely due to a significant increase in supply.

The average prices of barley, for the crop-year to-date in the Prairie provinces, declined from a year ago but remain strong. For the entire crop year, feed barley price at Lethbridge feedlots is expected to be 14% lower than 2018-19, due to increased supply in Canada, the US and around the world.

China became the largest destination of Canadian barley grain exports since 2014-15, taking more than half of Canadian barley grain exports. For 2019-20 to February, exports to China increased by 3%. The US is the second largest market for Canadian barley grains and barley malt; exports to the US increased by 25% and 9% for barley grains and malt, respectively. Japan is another important importer of Canadian barley but is expected to register a decrease of 9% for barley grains despite an increase of 9% for malt.

World barley production and supply in 2019-20 increased to its highest level in the recent two decades. Barley production increased in the major exporting countries, including the EU, Russia, Ukraine and Australia. World trade is expected to be more active. Imports are forecast to increase, led by Saudi Arabia, China and Morocco, including higher imports by Japan and the US. Total consumption is anticipated to grow. Carry-out stocks are expected to increase from 2018-19.

For 2020-21, the area seeded to barley in Canada is forecast to decrease due to the sharp increase in carry-in stocks and expectations for lower prices. Barley prices in 2019-20 have decreased from last year but are still good relative to prices in the past few years, which will limit the decline in area

seeded. Production is forecast to decrease by 8% from last year, using the five-year (2015-16 to 2019-20) average yield and harvest rate. Supply is forecast to be similar to 2019-20. Domestic use, exports and carry-out stocks are forecast to remain close to the levels for 2019-20.

The average price of feed barley is expected to fall from 2019-20 due to good domestic supply and increased supplies from major competitors.

Area seeded in the US is expected to increase by 7% to 2.92 million acres, the highest since 2017, according to the USDA's March Prospective Planting report. Supplies in the US is anticipated to increase on expectations for higher carry-in stocks and production.

Barley production in Australia, one of the world major exporters of barley, is forecast to increase by 3%, according to Australian agricultural government. Imports from China are forecast to fall.

Corn

For 2019-20, the total supply of corn in Canada decreased by 12% as a result of lower carry-in stocks, production and imports.

Corn imports into Canada for the entire crop year are expected to decrease significantly, due to sharply declined imports into Western Canada. Corn imports for the period of September 2019 – February 2020 (Sep. – Feb.) dropped by 60% to 412 thousand tonnes (Kt) for Western Canada. However, imports rose by 93% to 445 Kt for Eastern Canada during the same period.

Corn exports from Canada (Sep. - Feb) declined by 83% to only 150 Kt, as exports to the EU countries fell sharply. Exports for the remaining half of the crop year are expected to increase based on the trend in the past few years. Exports for the entire crop year are expected to decrease by 51% to 800 Kt.

Total domestic use is expected to decrease largely due to the reduction in industrial use and feed use.

Carry-out stocks are forecast to fall, largely due to smaller supplies.

The average price of corn for 2019-20 is expected to be only slightly higher than the level in last year due to lower US corn price being offset by the depreciated Canadian currency, as well as support from significant decline in the domestic corn supply.

In the US, the use of corn for ethanol production has been reduced significantly from last year due to closures of ethanol plants related to the unprecedented decline in ethanol production and motor gasoline consumption and major downturn in petroleum prices.

The average on-farm price of corn in the US is projected by the USDA at US\$3.60/bu, versus US\$3.80/bu in its March report and US\$3.61/bu for last year. Corn production in other major world exporters, including Brazil, Argentina, Russia and Ukraine, remains abundant, which will continue to pressure corn prices.

For 2020-21, the area seeded to corn in Canada is forecast to decrease only slightly from 2019-20 due to good prices. Production is forecast to increase due to higher yields. Imports are expected to rise given expectations for stronger domestic demand, ample corn supplies and relatively cheap corn prices in the US. As a result, supply is projected to rise by 4%. Domestic use is projected to rise by 2% due to increased industrial use and stable feed use. Given the increase in domestic supplies and continued strong global demand, exports are expected to increase. Carry-out stocks are forecast to rise due to higher supply.

The average price of corn in Canada is expected to drop following forecasts for lower corn prices in the US for 2020-21.

The USDA's Prospective Plantings report pegged corn acres in the US for 2020 at 97 million acres, up 8% from 89.7 million acres for 2019 and the highest since 2012. Combined with forecasts for higher area harvested and improved yields, US corn production could increase by 16%, and supplies could increase by 12%. Ending stocks are expected to increase sharply, even under the conditions that total use is

anticipated to rise. The US corn price for 2020-21 should be sharply lower than the 2019-20 average.

At the world level, the International Grains Council (IGC) indicated that the 2020-21 world corn crop is projected to be the largest ever, and supplies in the world major exporters continue to be abundant. World consumption is tentatively seen expanding by 2% from 2019-20, to a fresh peak. Despite an accumulation in the US, global stocks are set to recede to an eight-season low, led by a drawdown in China. Trade is forecast to expand for a twelfth successive year, to an unprecedented level.

Oats

For 2019-20, the total supply of oats in Canada increased by 8% due to increased production, despite sharply lower carry-in stocks. Domestic use is expected to increase by 5% on higher supply. Exports, including grain and products, are anticipated to rise by 5% due to increased supply and solid export sales. Carry-out stocks are expected to increase significantly due to increased supply, but are still tight.

For the crop-year to-date, the average cash prices of oats in Canada and the futures price at the Chicago Board of Trade (CBOT) are currently strong. For the entire crop year, the CBOT oat futures price is expected to increase by 2% from last year.

The supply of oats in the US, the leading importer of Canadian oats, increased marginally from last year as higher imports more-than offset lower production and carry-in stocks. Total use is forecast to increase by 3% due to higher feed use. Carry-out stocks are projected to decline by 2%. The US oat price for 2019-20 is projected to rise by 11% to US\$2.95/bu.

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

For 2020-21, the area seeded to oats in Canada is forecast to increase by about 9%, mainly due to good prices and tight carry-in stocks. This will be the highest level since 2009. Production is forecast to increase by 5%, as higher area harvested, more-than offsets lower yields. Supply is projected to increase

by 8%, owing to higher carry-in stocks and production. Domestic use is expected to increase due to higher supplies. Exports are anticipated to remain unchanged due to expectations for bumper supplies in the major exporting countries, as well as in the US. Carry-out stocks are forecast to rise due to increased supply.

The average price of oats for 2020-21 is expected to be lower than 2019-20 due to higher supply in Canada, the US and around the world, as well as forecast for lower corn prices in the US.

The area seeded to oats in the US is expected to increase to about 3 million acres, the highest since 2016. Oat production in Australia, one of the world major exporters of oats, is forecast to increase by 31%, according to Australian agricultural government.

The IGC forecasts that world oat supply in 2020-21 will continue to grow due to higher carry-in stocks and higher production. Total use will increase by 4%. Carry-out stocks are projected to increase by 30% with more than half of the increase from the world major exporters.

Rye

For 2019-20, the total supply of rye increased by only 6% from 2018-19, as most of the increase in production was offset by a significant drop in carry-in stocks. Domestic use is expected to reduce slightly as the drop in feed use will only be partially offset by a rise in seed use. Exports are forecast to increase by 9% due to improved supply and expectations for solid export pace for the remaining months of the crop year. Carry-out stocks are expected to rise due to increased supply.

The average prices of rye for the crop-year to-date at Saskatchewan and Manitoba elevators are 12% and 21% lower than a year ago, respectively, but remain strong. For the entire crop year, rye price is anticipated to decrease by 11% from 2018-19 to an average of \$210/t.

The US is the main importer of Canadian rye, taking more than 99% of Canadian rye exports for this crop year to-date. Rye supply in the US for 2019-20 increased by 23%, while consumption is projected to increase by 9%. The Canadian dollar depreciated by 6% from a year ago against the US dollar, which is expected to encourage the US to import more Canadian rye.

For 2020-21, the area seeded to winter rye in Canada increased by 32% from 2019-20, as a result of relatively good prices and strong exports. Production is forecast to increase by almost 30% to 429 Kt, using the previous five-year average yield and harvest rate. Supply is expected to increase by about 29% to 495 Kt. Exports, domestic use and carry-out stocks are forecast to rise due to improved supplies.

Rye price is expected to decrease from 2019-20 due to higher supply in Canada and around the world.

At the world level, the IGC forecasts world rye supply in 2020-21 will grow by 5% due to an increase in carry-in stocks with a slight decrease in production, which, combined with an edging up in total use, will result in carry-out stocks to increase significantly.

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Canola

For 2019-20, canola supplies decreased marginally to 22.6 million tonnes (Mt) as high carry-in stocks were offset by low production. As spring across western Canada approaches some canola remains unharvested following last year's late and wet fall. Anecdotal reports suggest some deterioration of crop quality and yields is occurring due to rodent damage and alternate freezing and melting. As a result of the outbreak of COVID-19, the Canadian Grain Commission has suspended its research into the effects of the late harvest on unharvested canola as the organization focuses on essential functions.

Domestic processing of canola is forecast at a record 9.8 Mt, versus the 9.3 Mt processed in 2018-19. The crush pace to-date, as reported by Statistics Canada, is running ahead of last year's pace. At this point in time it's assumed that canola seed and canola product consumption will remain unaffected by the COVID-19 pandemic.

Canola exports are forecast to fall to 9.1 Mt, versus the 9.14 Mt shipped in 2018-19. The export pace sped up in March as mid-winter blockades were removed and a sharp drop in crude oil shipments expanded railway capacity for grain. Shipments into the European Union are up sharply from last year on support from steady demand and tighter EU-28 supplies following last summer's drought. Exports into the Asian region are two-thirds of last year's pace as a sharp decline in shipments to China is partly offset by increased shipments into alternate price sensitive countries. A tentative resolution between China and Canada regarding a variety of canola-related issues, including dockage, is expected to support the current shipping pace between the two countries. Shipments into the western hemisphere are running 26% behind last year.

Carry-out stocks are forecast to fall to 3.2 Mt, versus 3.8 Mt for 2018-19. Canola prices are estimated to range between \$465-495/t down from \$497/t last year.

For 2020-21, seeded area in Canada is forecast to decrease by 2% to 8.3 million hectares (Mha), as

farmers shift into alternative crops away from oilseeds. Harvested area is forecast at 8.2 Mha while yields are projected at 2.25 tonnes per hectare (t/ha), up marginally from the 2.24 t/ha achieved in 2019-20. Production is forecast to fall slightly to 18.5 Mt versus the 18.6 Mt grown last year. Total supply is forecast to fall to 21.8 Mt on lower carry-in stocks and lower output.

Exports are forecast up by 4% to 9.5 Mt on support from a slow and steady growth in world consumption of vegetable oils and high oil content oilseeds. Domestic crush is forecast to fall slightly to 9.3 Mt, due to competition from large world soybean oil and palm oil supplies. Carry-out stocks are forecast to tighten slightly to 2.7 Mt for a stocks-to-use ratio of 14% supporting a modest rise in canola prices to \$480-520/t.

Flaxseed

For 2019-20, supplies are estimated at 0.56 Mt, versus 0.63 Mt for last year, because of lower production and decreased carry-in stocks. Exports are forecast to decline to 0.40 Mt on stable world demand, tighter domestic supplies and disciplined farmer selling. Total domestic use is forecast to fall to 0.09 Mt on lower feed, waste and dockage. Carry-out stocks are forecast to rise marginally to 0.07 Mt while flaxseed prices rise slightly to \$495-525/t, versus \$496/t in 2018-19.

For 2020-21, seeded area for flaxseed in Canada is forecast at 0.45 Mha, up slightly from last year, on support from higher prices. Production is forecast to rise by 34% to 0.65 Mt, assuming a steady abandonment in the harvested area and using five-year average historical yields. Supplies are expected to increase by 30% to 0.73 Mt as a result of higher output and carry-in stocks.

Exports are forecast up by 25% from 2019-20, to 0.50 Mt, on steady to stronger world consumption. Total domestic use is also forecast to rise to 0.11 Mt, on higher feed, waste and dockage. Carry-out stocks are forecast at 0.12 Mt while prices are expected to be in the range of \$490-530/t for 2020-21.

Soybeans

For 2019-20, supplies are estimated at 7.1 Mt, down from last year's 9.2 Mt on sharply lower production and imports. As of March 26, the US shipped a total of 37,300 tonnes of soybeans into Canada since September 1st, compared to 618,200 t for the same period last year. Canadian exports are forecast to decline to 4.3Mt, versus 5.6 Mt last year, on tighter domestic supplies. Canadian soybean crush is expected to fall by 13%, to 1.8 Mt, as some processors switch to crushing canola. Carry-out stocks are estimated at 0.3 Mt, while soybean prices are forecast modestly higher at \$405-435/t versus \$406/t for 2018-19.

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

For 2020-21, planted area in Canada is forecast to fall marginally to 2.23 Mha due to steady prices and concerns over growing conditions. Production is forecast at 6.6 Mt, vs 6.0 Mt in 2019-20 and 7.4 Mt in 2018-19, assuming five-year average yields.

Total supply is forecast to increase slightly, to 7.4 Mt, as higher production and imports more-than offset the drop in carry-in stocks. Exports are forecast at 4.7 Mt to a number of countries. Domestic processing is forecast up slightly at 1.9 Mt as crushers return to a normal processing pace. Carry-out stocks are forecast at 0.28 Mt versus 0.30 Mt estimated for 2019-20 and the 0.70 Mt carried out in 2018-19.

Soybean prices are forecast to increase slightly to \$410-450/t on support from stronger US prices.

On March 31, the USDA released the 2020-21 prospective plantings report based on a survey of 80,000 farmers. The report indicated that area seeded to soybeans in the US will be the third largest on record at 83.5 million acres, an increase of 7.4 million acres from last year. This is slightly below the USDA's estimates of 85 million acres released at the Agriculture Outlook Forum last February.

If realized, soybean area is expected to be up or steady in 22 of the 29 states surveyed. Based on the planted area survey, soybean production is expected to rise by 16%, assuming trend yields and normal crop area abandonment. Supplies are expected to rise by 2% as a sharp drop in opening stocks moderates the rise in output.

For the upcoming crop year, US soybean crush is expected to remain steady at 2.11 billion bushels while exports rise to 2.02 billion bushels vs 1.83 billion bushels last year. Ending stocks are expected by AAFC to end the crop year at 0.30 billion bushels, a drop of 30% from the 0.43 billion bushels of ending stocks estimated for 2019-20. Based on the tighter ending stocks, US soybean prices are forecast to rise by US\$0.15 a bushel to US\$8.85 a bushel for 2020-21.

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Dry Peas

For 2019-20, exports are forecast to increase to 3.6 million tonnes (Mt). China, Bangladesh and India are the three main markets for Canadian dry peas. Carry-out stocks are forecast to increase, despite a stronger export demand, due to increased supply. The average price is expected to fall from 2018-19, mostly due to lower prices for green and feed peas.

Monthly exports of dry peas have been higher than the five-year average since October, mostly due to increased exports to China. Production of the winter pulse crop in India is forecast by the Government of India at over 15 Mt, up nearly 10% from the previous year. If this level of production is realized, it would be the second largest winter crop on record. Despite this, Canadian dry pea export demand to India is expected to remain firm throughout the remainder of the crop year.

During the month of March, the on-farm price of yellow peas in Saskatchewan rose \$10/t while the green pea price fell \$10/t. Green pea prices have had a \$130/t premium over yellow pea prices in the month of March. For the entire crop year, green dry pea prices are expected to maintain a \$130/t premium over yellow peas, similar to 2018-19.

For 2020-21, seeded area is expected to be unchanged from the previous year at 1.75 Mha, due to solid returns relative to other crops and above average export demand. However, due to higher expected yields, production is forecast to increase to 4.3 Mt with total supply rising marginally to 4.7 Mt. Exports are expected to be lower at 3.3 Mt, and carry-out stocks are expected to increase. The average price is expected to remain unchanged from 2019-20 due to steady world supply.

The USDA March Prospective Planting report showed that US area seeded to dry peas for 2020-21 is forecast at nearly 0.97 million acres, 12% lower than 2019-20. This is largely due to an expected decrease in North Dakota area.

Lentils

For 2019-20, Canadian lentil exports (August to February) total about 1.3 Mt, higher than this time in 2018-19. Crop year exports are forecast at 2.1 Mt with Turkey, United Arab Emirates and India currently the top export markets. Carry-out stocks are forecast to fall due to increased export demand. The overall average price is forecast to rise due to lower carry-out stocks.

During the month of March, the on-farm price of large green lentils in Saskatchewan was unchanged while red lentil prices rose by \$55/t. The average price for large green lentils is forecast to maintain a \$110/t premium over red lentil prices, compared to a \$85/t premium to red lentils in 2018-19.

For 2020-21, area seeded in Canada is expected to be unchanged at 1.53 Mha, due to higher expected returns relative to other crops. With higher yields, production is forecast to rise marginally to 2.2 Mt but supply is expected to decrease to 2.6 Mt due to a fall in carry-in stocks. Exports are forecast to be lower at 2.0 Mt. Carry-out stocks are expected to decrease which will be supportive for prices. The average price for all grades is forecast to rise from 2019-20.

The USDA March Prospective Planting report showed that US area seeded to lentils is expected to decrease marginally from last year to 0.47 million acres. Area seeded is expected to fall in North Dakota but rise in Montana.

Dry Beans

For 2019-20, despite an increase in domestic supply, exports are expected to fall to 345 thousand tonnes (Kt). The US and the EU remain the top two markets for Canadian dry beans, with smaller volumes exported to Angola, Mexico and Japan. Carry-out stocks are expected to rise. The average Canadian dry bean price is forecast to increase due to the quality issues from the late harvest. As a result, there is a smaller than expected canning quality supply in North America. To-date (August-March), white pea bean prices are 10% higher, pinto bean prices are 20% higher, while black bean prices are 5% lower than in 2018-19.

For 2020-21, the area seeded is forecast to fall from 2019-20 to 150 thousand hectares (Kha) because of lower potential returns compared to other crops. Production is expected to rise marginally to 330 Kt due to a return to trend yields. Supply is expected to rise due to higher carry-in stocks. Exports are forecast to be slightly higher with steady demand from the US and the EU. Carry-out stocks are expected to increase sharply. The average price of dry beans is forecast to fall compared to the previous year.

The USDA March Prospective Planting report indicated that the intended US area seeded to dry beans (excluding chickpeas) is forecast to increase to nearly 1.4 million acres, largely due to higher seeded area in North Dakota.

Chickpeas

For 2019-20, a fall in demand from Pakistan has resulted in a decrease in the forecast for Canadian exports. Pakistan, the US and the EU are the main markets for Canadian chickpeas. As a result, carry-out stocks are expected to rise sharply. The average price is forecast to remain unchanged compared to the previous year despite lower export demand and excess North American stocks.

For 2020-21, the area seeded is forecast to fall sharply from 2019-20 because of higher carry-in stocks and the potential for lower returns relative to other crops. As a result, production is expected to decrease to 200 Kt. Supply is forecast to decrease from last year despite the burdensome carry-in stocks. Exports are forecast to rise and carry-out stocks are expected to be similar to the previous year. The average price is forecast to be similar, due to expectations for an increase in world supply.

The area seeded to chickpeas is estimated by the USDA to fall to 0.3 million acres, down over 30% from 2019-20. This is largely due to a sharp decline in area seeded in Montana, Washington and Idaho.

Mustard Seed

For 2019-20, exports are expected to be lower than last year at 115 Kt. However, carry-out stocks are forecast to fall sharply due to the smaller supply. The US and the EU are the main export markets for Canadian mustard seed. The average price is forecast to rise from 2018-19 due to the fall of supplies and the expected decrease in carry-out stocks.

For 2020-21, the area seeded is expected to be higher than the previous year due to good returns compared to other crops. Production is forecast to increase to 145 Kt due to higher yields. Supply is expected to be similar to the previous year, as the increase in production combines with lower carry-in stocks. Exports are expected to rise to 120 Kt and carry-out stocks are forecast to continue to fall. The average price is forecast to fall from 2019-20 despite the lower supply and falling carry-out stocks.

Canary Seed

For 2019-20, exports are expected to be higher than last year. Supply is expected to be down from 2018-19 causing carry-out stocks to fall sharply. The average price is forecast to rise sharply from the 2018-19 level.

For 2020-21, the area seeded is forecast to rise due to solid returns relative to other crops. However, production is expected to decrease due to lower yields than 2019-20. Supply is forecast to decrease marginally to 145 Kt. Exports are expected to fall with the decrease in supply, and carry-out stocks are expected to remain tight. The average price is forecast to be lower than the 2019-20 level.

Sunflower Seed

For 2019-20, exports are forecast to be higher than 2018-19 and carry-out stocks are forecast to be marginally lower than the previous year. The US remains Canada's main export market for sunflower seed. The average price is forecast to increase from 2018-19, due to higher prices for oilseed types. Confectionery sunflower seed prices have been supported by lower North American supply and oil type sunflower seed prices have been higher due to increased US soybean prices.

For 2020-21, area seeded is expected to be similar to 2019-20 due to good returns. Production is forecast

to fall to 60 Kt, assuming a return to average yields. Supply is expected to increase to 194 Kt and, but exports are expected to fall. Carry-out stocks are also expected to rise due to higher supply. The average price is forecast to decrease from 2019-20, due to lower confectionary type prices in the US and Canada, but similar oil type prices.

The prospective planting of sunflower seed in the US for 2020-21 is forecast by the USDA at 1.56 million

acres, up 15% from 2019-20. This is largely due to an expected sharp rise in area seeded in South Dakota. The area seeded to the oil type varieties of sunflower seed is expected to rise to 1.35 million acres while the area allocated to confectionary type varieties is forecast to increase sharply to 0.2 million acres.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

April 22, 2020

Grain and Crop Year (a)	Area Seeded ----- thousand ha	Area Harvested ----- thousand ha	Yield ----- t/ha	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g) \$/t
Durum												
2018-2019	2,503	2,456	2.34	5,745	24	7,245	4,526	204	532	927	1,792	235
2019-2020f	1,980	1,902	2.62	4,977	90	6,859	4,800	210	730	1,159	900	255-275
2020-2021f	2,280	2,235	2.64	5,900	40	6,840	4,900	210	611	1,040	900	240-270
Wheat Except Durum												
2018-2019	7,570	7,425	3.56	26,456	95	31,807	19,762	3,294	3,669	7,797	4,247	245
2019-2020f	8,145	7,754	3.53	27,371	120	31,738	18,000	3,350	4,553	8,738	5,000	215-235
2020-2021f	8,150	7,920	3.54	28,000	100	33,100	19,000	3,380	3,883	8,100	6,000	220-250
All Wheat												
2018-2019	10,073	9,881	3.26	32,201	119	39,052	24,288	3,498	4,201	8,724	6,040	
2019-2020f	10,125	9,656	3.35	32,348	210	38,598	22,800	3,560	5,283	9,898	5,900	
2020-2021f	10,430	10,155	3.34	33,900	140	39,940	23,900	3,590	4,494	9,140	6,900	
Barley												
2018-2019	2,628	2,395	3.50	8,380	43	9,667	3,068	104	5,375	5,737	863	260
2019-2020f	2,996	2,728	3.81	10,383	40	11,285	3,000	116	6,219	6,585	1,700	210-240
2020-2021f	2,900	2,580	3.69	9,520	40	11,260	3,000	116	6,213	6,560	1,700	200-230
Corn												
2018-2019	1,468	1,431	9.70	13,885	2,739	19,040	1,617	5,786	9,638	15,440	1,983	194
2019-2020f	1,496	1,451	9.24	13,404	1,300	16,687	800	5,100	8,971	14,087	1,800	185-215
2020-2021f	1,460	1,420	9.75	13,850	1,800	17,450	1,200	5,300	9,034	14,350	1,900	180-210
Oats												
2018-2019	1,235	1,005	3.42	3,436	10	4,225	2,475	186	1,046	1,353	397	254
2019-2020f	1,459	1,160	3.58	4,157	10	4,564	2,600	190	1,091	1,414	550	245-275
2020-2021f	1,590	1,250	3.50	4,380	10	4,940	2,600	190	1,139	1,440	900	200-230
Rye												
2018-2019	136	79	2.99	236	2	363	146	19	134	167	49	236
2019-2020f	175	103	3.25	333	2	384	160	19	119	159	65	195-225
2020-2021f	231	147	2.92	429	2	495	190	39	166	220	85	170-200
Mixed Grains												
2018-2019	144	69	2.82	195	0	195	0	0	195	195	0	
2019-2020f	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021f	140	60	2.83	170	0	170	0	0	170	170	0	
Total Coarse Grains												
2018-2019	5,610	4,979	5.25	26,132	2,794	33,490	7,305	6,095	16,387	22,892	3,292	
2019-2020f	6,270	5,509	5.17	28,469	1,352	33,112	6,560	5,425	16,592	22,437	4,115	
2020-2021f	6,321	5,457	5.19	28,349	1,852	34,316	6,990	5,645	16,723	22,741	4,585	
Canola												
2018-2019	9,232	9,120	2.23	20,343	146	22,995	9,141	9,295	666	10,023	3,831	497
2019-2020f	8,481	8,319	2.24	18,649	100	22,580	9,100	9,750	479	10,280	3,200	465-495
2020-2021f	8,300	8,215	2.25	18,500	100	21,800	9,500	9,250	299	9,600	2,700	480-520
Flaxseed												
2018-2019	347	342	1.44	492	9	628	466	0	85	102	60	496
2019-2020f	379	339	1.43	486	10	556	400	0	71	91	65	495-525
2020-2021f	450	421	1.54	650	10	725	500	0	90	110	115	490-530
Soybeans												
2018-2019	2,558	2,540	2.92	7,417	1,131	9,199	5,640	2,058	563	2,859	700	406
2019-2020f	2,313	2,271	2.66	6,045	400	7,145	4,300	1,800	495	2,545	300	405-435
2020-2021f	2,230	2,221	2.95	6,550	500	7,350	4,700	1,900	275	2,375	275	410-450
Total Oilseeds												
2018-2019	12,137	12,001	2.35	28,252	1,286	32,821	15,247	11,354	1,314	12,984	4,591	
2019-2020f	11,172	10,929	2.30	25,180	510	30,281	13,800	11,550	1,045	12,916	3,565	
2020-2021f	10,980	10,857	2.37	25,700	610	29,875	14,700	11,150	664	12,085	3,090	
Total Grains And Oilseeds												
2018-2019	27,820	26,861	3.22	86,584	4,199	105,363	46,840	20,946	21,902	44,601	13,922	
2019-2020f	27,568	26,094	3.30	85,997	2,072	101,991	43,160	20,535	22,920	45,251	13,580	
2020-2021f	27,731	26,469	3.32	87,949	2,602	104,131	45,590	20,385	21,881	43,966	14,575	

(a) Crop year is August-July, except corn and soybeans, for which the crop year is September-August.

(b) Imports exclude products.

(c) Exports include grain products but exclude oilseed products.

(d) Food and Industrial use for soybeans is based on data from the Canadian Oilseed Processors Association.

(e) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use + Loss in Handling

(g) Crop year average prices: Wheat (No.1 CWRS, 13.5% protein) and Durum (No.1 CWAD, 13% protein), both are average Saskatchewan producer spot prices. Barley (No. 1 feed, cash, I/S Lethbridge), Corn (No.2 CE, cash, I/S Chatham), Oats (US No. 2 Heavy, CBOT nearby futures); Rye (No. 1 CW, cash, I/S Saskatoon); Canola (No. 1 Canada, cash, Track Vancouver); Flaxseed (No. 1 CW, cash, I/S Saskatoon); Soybeans (No. 2 CE, cash, I/S Chatham)

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

f: forecast by AAFC except for area, yield and production for 2019-2020 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

April 22, 2020

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield t/ha	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
	----- thousand ha -----							----- thousand tonnes -----			
Dry Peas											
2018-2019	1,463	1,431	2.50	3,581	62	4,291	3,268	711	312	8	270
2019-2020f	1,753	1,711	2.48	4,237	70	4,619	3,600	694	325	8	245-275
2020-2021f	1,755	1,720	2.50	4,300	60	4,685	3,300	860	525	13	245-275
Lentils											
2018-2019	1,525	1,499	1.40	2,092	51	3,016	2,032	353	631	26	390
2019-2020f	1,530	1,489	1.46	2,167	80	2,878	2,100	428	350	14	410-440
2020-2021f	1,530	1,500	1.47	2,200	50	2,600	2,000	325	275	12	440-470
Dry Beans											
2018-2019	143	137	2.49	341	98	464	348	37	80	21	815
2019-2020f	160	150	2.11	317	85	481	345	41	95	25	900-930
2020-2021f	150	145	2.28	330	85	510	350	40	120	31	790-820
Chickpeas											
2018-2019	179	176	1.77	311	51	376	147	129	100	36	480
2019-2020f	159	156	1.61	252	53	405	127	143	135	50	465-495
2020-2021f	120	117	1.71	200	50	385	135	135	115	43	455-485
Mustard Seed											
2018-2019	204	197	0.88	174	8	235	121	42	73	45	690
2019-2020f	161	155	0.87	135	9	216	115	41	60	38	700-730
2020-2021f	165	160	0.91	145	9	214	120	44	50	30	680-710
Canary Seed											
2018-2019	109	109	1.45	158	0	174	156	7	11	7	505
2019-2020f	99	94	1.56	148	0	158	158	0	0	0	620-650
2020-2021f	105	102	1.42	145	0	145	145	0	0	0	560-590
Sunflower Seed											
2018-2019	29	27	2.13	57	24	179	26	49	104	138	585
2019-2020f	31	29	2.18	63	25	191	30	51	110	135	590-620
2020-2021f	31	30	2.00	60	24	194	26	48	120	162	575-605
Total Pulses and Special Crops (c)											
2018-2019	3,652	3,576	1.88	6,714	293	8,734	6,097	1,327	1,310	18	
2019-2020f	3,892	3,783	1.93	7,317	322	8,949	6,475	1,399	1,075	14	
2020-2021f	3,856	3,774	1.96	7,380	278	8,733	6,076	1,452	1,205	16	

(a) Crop year is August-July. Grains include pulses (dry peas, lentils, dry beans, chick peas) and special crops (mustard seed, canary seed, sunflower seed).

(b) Imports and exports exclude products.

(c) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use + Loss in Handling

(d) Producer price, FOB plant, average over all types, grades and markets.

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

f: forecast by AAFC except for area, yield and production for 2019-2020 which are STC