

## CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS

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### Market Analysis Group/Grains and Oilseeds Division

#### Sector Development and Analysis Directorate/Market and Industry Services Branch

Director: Steve Lavergne

Deputy Director: Fred Oleson

This report provides an update of AAFC's February outlook for the current 2012-13 crop year and the outlook for the 2013-14 crop year which starts on August 1, 2013.

For **2012-13**, despite a significant increase in total crop production, supply decreased marginally due to low carry-in stocks from the previous crop year. As a result of increased exports and strong domestic use, carry-out stocks are expected to decrease to a near-record low. Prices have been strongly supported during the year by lower production in the US and the Black Sea region which resulted from very dry growing conditions.

For **2013-14**, grain prices in Canada are forecast to decrease by 10 to 20 percent due to lower international prices. World prices are expected to be pressured by higher production as the US and other grain producing countries recover from low production in 2012 related to dry growing conditions. Oilseed prices are also forecast to decrease, albeit to a lesser extent due to strong international demand relative to world supply. In western Canada, higher area seeded to wheat and soybeans is expected to more than offset lower area seeded to canola and lentils, while the area seeded to coarse grain remains relatively flat. Similarly in eastern Canada, higher area seeded to wheat and soybeans is expected to more-than offset lower area for coarse grains and pulse crops. The USDA's 2013 US Prospective Plantings report will be released on March 28 and will be closely watched by the entire grain and oilseed market. This is a major factor to watch for corn, soybeans and wheat.

For Grains and Oilseeds (G&O) in Canada, production is forecast to increase by 5% to 73.7 million tonnes (Mt), on *higher* area seeded/harvested and higher average yields. Exports and domestic use are also forecast to increase due to higher supply. Carry-out stocks are expected to increase but remain historically low.

For Pulses and Special Crops (P&SC) in Canada, production is forecast to decrease to 4.85 Mt, due to *lower* area seeded/harvested, and despite higher average yields. Due to the lower supply, exports and carry-out stocks are forecast to be marginally lower than 2012-13. On average, prices are expected to increase for lentils, dry beans, mustard and canary seed, but to decrease for dry peas, chickpeas and sunflower seed.

### 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 metric tonnes -----			
<b>Total Grains And Oilseeds</b>									
2011-2012	23,821	22,916	2.94	67,482	1,337	82,401	34,279	37,737	10,384
2012-2013f	26,270	25,450	2.76	70,196	945	81,526	35,189	37,242	9,095
2013-2014f	26,915	25,932	2.84	73,710	1,198	84,003	35,490	38,113	10,401
<b>Total Pulse And Special Crops</b>									
2011-2012	2,411	2,345	1.94	4,552	121	6,159	3,779	1,299	1,081
2012-2013f	2,838	2,798	1.81	5,072	132	6,285	3,990	1,445	850
2013-2014f	2,650	2,565	1.89	4,850	123	5,823	3,965	1,043	815
<b>All Principal Field Crops</b>									
2011-2012	26,232	25,261	2.85	72,033	1,457	88,560	38,058	39,036	11,465
2012-2013f	29,108	28,248	2.66	75,268	1,077	87,811	39,179	38,687	9,945
2013-2014f	29,565	28,497	2.76	78,560	1,321	89,826	39,455	39,156	11,216

Source: Statistics Canada, f. forecast by Agriculture and Agri-Food Canada

## WHEAT

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### DURUM

For **2012-13**, exports are forecast to increase by 16% from 2011-12 to 4.15 Mt because of lower production in the EU, Morocco and several other countries, which is expected to increase demand for Canadian durum. Carry-out stocks are forecast to decrease by 14% to 1.3 Mt, which is 25% lower than the past five-year average and the lowest since 2007-08.

World durum production decreased by 1.6 Mt to 35.1 Mt, while supply decreased by 1.4 Mt to 42.7 Mt. Use is expected to decrease by 0.9 Mt and carry-out stocks are forecast to decrease by 0.5 Mt to 7.1 Mt, the lowest level since 2008-09. Average world durum prices are expected to be similar to 2011-12 as support from the lower world supply is offset by lower world use and by the higher US supply.

For **2013-14**, seeded area is forecast to increase only marginally from 2012-13 as support for a larger area from good prices and low carry-in stocks is expected to be mostly offset by a shortage of price indicators for 2013-14. Production is expected to fall marginally to 4.6 Mt as the increase in area is more than offset by lower yields. Supply is expected to decrease by 4% as lower carry-in stocks compound the decrease in production. Exports are forecast to decrease by 4% because of an expected increase in world production and the reduced Canadian supply. Carry-out stocks are forecast to fall to a low 1.2 Mt. Average Canadian durum prices are forecast to decrease from 2012-13 due to higher world supply.

World durum production is forecast to increase by 0.9 Mt to 36 Mt, mostly because of a recovery in production for Morocco and Kazakhstan. Supply is forecast to increase by 0.4 Mt to 43.1 Mt. Use is expected to increase by 0.2 Mt and carry-out stocks are forecast to increase by 0.2 Mt to 7.3 Mt. US durum production is expected to decrease from 2012-13.

### WHEAT (excluding durum)

For **2012-13**, exports are forecast to increase by 5% from 2011-12 to 14.6 Mt due to growing demand for wheat in the food market and lower production in some other exporting countries, especially Australia, Argentina, Kazakhstan, Russia and Ukraine. Domestic use is forecast to decrease slightly due to lower feed use.

Carry-out stocks are forecast to decrease by 9% to 4 Mt, 14% lower than the past five-year average and the lowest since 2007-08.

World all wheat (including durum) production decreased by 42 Mt to 655 Mt and supply fell by 43 Mt to 852 Mt. Total use is forecast to decrease as higher food and industrial use is more than offset by lower feed use. Carry-out stocks are forecast to fall by 18 Mt to 178 Mt, the lowest level since 2008-09. The average world wheat prices are expected to increase from 2011-12 because of the lower world supply.

For **2013-14**, seeded area is forecast to increase by 7% from 2012-13 because of good prices, low carry-in stocks and a shift out of canola and lentils. The winter wheat seeded area increased by only 1% as a sharp increase for Ontario was mostly offset by a sharp decrease for Saskatchewan where dry soil conditions discouraged winter wheat seeding. Spring wheat area is forecast to increase by 8%. Production is forecast to increase by 5% to 23.8 Mt as the higher seed area is partly offset by lower yields. Supply is expected to increase by 3% as the increase in production is partly offset by lower carry-in stocks. Domestic use is expected to increase slightly. Exports are forecast to increase slightly as growing demand in the world food market is partly offset by more competition in export markets due to increased world supply. Carry-out stocks are forecast to increase by 12% to 4.5 Mt, which is lower than the past five-year average. Average Canadian wheat prices are forecast to decrease from 2012-13 due to higher world supply.

World all wheat (including durum) production is forecast to increase by 27 Mt to 682 Mt due mostly to a higher seeded area and a recovery in production for Russia, Ukraine and Kazakhstan. The supply is forecast to rise by 8 Mt to 860 Mt, as the increase in production is partly offset by lower carry-in stocks. Total use is forecast to increase in the food and industrial markets, but remain stable in the feed market due to an expected recovery in coarse grain production. Carry-out stocks are forecast to rise by 2 Mt to 180 Mt. The overall condition of the world winter wheat crop in the northern hemisphere is mostly good. The major exception is the US hard red winter crop which is worse than a year ago due to

drought, although there has been improvement in the soil moisture condition in recent weeks.

US winter wheat seeded area increased by 1% from 2012-13 and the spring wheat area is expected to be similar to 2012-13 for hard red spring wheat and lower for durum. However, all wheat production is forecast to decrease by 4.6 Mt to 57.15 Mt because of the poorer condition of the hard red winter wheat crop. Domestic feed use is expected to decrease because of a recovery in corn production. Exports are forecast to

decrease because of the recovery in world wheat production. Carry-out stocks are forecast to decrease by 1.5 Mt to 18 Mt. The average farm price is forecast to decrease from US\$7.80/bu to US\$7.00/bu because of the higher world supply and spillover pressure from the corn market where prices are forecast to fall by one third.

**Stan Skrypetz: Wheat Analyst**  
204-259-4116  
[Stan.Skrypetz@Agr.Gc.Ca](mailto:Stan.Skrypetz@Agr.Gc.Ca)

## COARSE GRAINS

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### BARLEY

For **2012-13**, exports are forecast to increase 12% to 2.3 Mt, as higher exports of feed barley more than offset lower exports of malting barley and barley malt, as selection rates were slightly below average. Feed use is forecast to decrease only slightly. Carryout stocks are forecast to decrease by 33% to a low of 0.8 Mt. The In-store Lethbridge barley price is forecast to increase by about 20% in response to the record low total supply, higher US corn prices, and lower imports of corn and dry distillers grain from the US. Trade in the ICE barley futures contract remains inactive with zero open. The Lethbridge price is approaching the FOB export feed values of Australia and France which could limit further feed barley exports in the second half of the crop year. The premium for malting barley relative to feed barley is historically low due to high feed grain prices which have been strongly supported by the 2012 drought in the US corn belt. The International Grains Council (IGC) forecasted world 2012-13 barley production, trade and carry-out stocks to decrease by 3%, 16% and 8% respectively.

**For 2013-14**, seeded area is forecast to increase by 5% from 2012-13 and production is forecast to rise by 12% to 9.0 Mt. However, due to record low carry-in stocks, supply is forecast to increase by a modest 6%. Total domestic use is forecast to increase due mainly to a slight increase in livestock feeding. Feed barley exports are forecast to decrease due to a recovery in world barley production. Carryout stocks are forecast to increase significantly from the record low but remain below the previous 10-year average. The Lethbridge feed barley price is forecast to decrease

from 2012-13 due to higher output in Canada and lower US feed grain prices. Barley production the US is expected to increase as the very dry fall seeding conditions limited seeding of Hard Red Winter Wheat in the US. For world barley, the IGC is projecting a 1.3% increase in seeded area but area seeded to barley in Ukraine is expected to increase by 21%. Northern hemisphere winter barley crops are currently in good shape due to ample snow cover. World feed and malt barley prices are expected to decrease due to the recovery in world barley and corn production.

### CORN

**For 2012-13**, exports are forecast to almost double from last year. Most of these exports will go to the US northeast region due to the small US crop. US corn exports have been below average to date due to lower domestic supplies and very strong competition from Ukraine, Brazil and Argentina. Corn imports into Canada, mainly from the US are forecast to decrease by 33% due to the large domestic supply. Total domestic usage is forecast to increase due to higher use for ethanol production and livestock. Despite higher use, carryout stocks are expected to increase significantly to 1.7 Mt. So far this crop year, the Chatham in-store elevator price was been at record levels. The USDA will release its report on US Grain Stocks for corn on March 28. The market is anticipating that the US ending stocks of corn will increase as ethanol production and exports have been slower than expected. The increase in ending stocks has the potential to lower old crop corn prices.

**For 2013-14**, seeded area is forecast to decrease from the record area of 2012-13 due to the lower prices and higher winter wheat area in eastern Canada, especially Ontario. Production is forecast to decrease by 4% to 12.5 Mt due to the slightly lower area and a return to average yields. Imports are forecast to increase by 17% due to the lower domestic supply. Supply is forecast to decrease only marginally as higher carry-in stocks partly offset the decrease in production. Total domestic use is forecast to increase marginally. Carryout stocks are forecast to increase slightly due to a significant decrease in corn exports due to a recovery in US corn production. The Chatham in-store elevator price is forecast to decline due to lower US corn prices as US corn production recovers from the drought in 2012. For 2013-14, assuming good growing conditions, the USDA is forecasting that the US will achieve the second highest yields for corn on record. If the projected yield is met a record 14.53 billion bushels would be produced, a 35% increase from 2012, assuming that abandonment will be similar to 2011-12. The US on-farm price of corn is forecast by the USDA at US\$4.80/bu vs. US\$7.20/bu for 2012-13. US weather conditions, US corn yields and production will be one of the major factors to watch for 2013.

### **OATS**

**For 2012-13**, exports are forecast to decrease by 2% to 2.2 Mt from 2.25 Mt, due to lower total supplies. Total domestic usage is forecast to decrease by 11% due mainly to a reduction in feed usage and a slight decline in food and industrial use. Old crop oat prices are approaching crop year highs due to tight supply in the northern US and commercial stocks. Carryout stocks are forecast to decrease 34% to 0.53 Mt because the decrease in production will exceed the combined drop in export and domestic use. The prospect for smaller Canadian and US crops in 2013 is also adding support. The IGC has forecast world oat production and supply to decrease by about 8% and carryout stocks to decrease by 18% while trade is forecast to remain unchanged

**For 2013-14**, seeded area is forecast to decrease by 9% from 2012-13 due to low expected returns relative to alternative crops on the prairies. Despite slightly higher forecasted yields, production is forecast to decrease 7% to 2.5 Mt. The lower production and lower carry-in stocks will result in a 13% decrease in

total supply to a near record low of 3.0 Mt. Due to lower supply, exports are forecast to decrease by 8% to 2.0 Mt and carryout stocks are expected to decrease by 24% to a near record low of 0.4 Mt. Producers in the southern US states are just about to begin planting the 2013 crop. US oats share much of the same area in the northern states as barley; the loss of hard red winter wheat area might have encouraged more oats in these regions. Even with the very tight carryout stocks, prices are forecast to decrease due to significantly lower corn prices related to higher US corn production and higher world coarse grain production.

### **RYE**

**For 2012-13**, exports are forecast to increase by about 10% due to higher supply. The US remains the world's largest rye importer with Canada as its largest supplier. The total domestic use forecast is to increase by about 30% due to slightly higher food and industrial use but much higher feed use. Carryout stocks are forecast to increase to 45,000 tonnes. The trend remains for the in-store Saskatoon price to decrease from last crop year due to premium pricing for off-farm movement. The IGC forecasted world rye production to increase by 7% to 14.8 Mt but low opening stocks limited the increase in total supply. World carryout stocks are expected to be similar to last crop year.

**For 2013-14**, seeded area is forecast to decrease by 20% from 2012-13 due to very dry fall seeding conditions, which limited the potential for good germination. Production is forecast to decrease by 30% due to the lower area and a return to average yields. Total supply is forecast to decrease by 22%, well-below the 10-year average, as lower production more-than offsets the higher carry-in stocks. Exports are forecast to decrease by 13% due to low supply. Total domestic usage is forecast to decrease as the smaller total supply will limit feed use. Carryout stocks are forecast to decrease to 2011-12 levels near record lows. The continuing very tight supply and carry-out situation will allow prices to increase slightly from 2012-13 even as the rest of the coarse grain price complex declines.

**John Pauch: Coarse Grains Analyst**  
**204-259-4150**  
[John.Pauch@agr.gc.ca](mailto:John.Pauch@agr.gc.ca)

## OILSEEDS

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### CANOLA

For **2012-13**, exports are forecast to decrease by 17% from 2011-12 in the face of strong world demand on tight supplies. The major buyers of Canadian canola are: China, Japan, Mexico and the United Arab Emirates. Domestic crushing of canola is forecast to decline to 6.5 Mt from 7.0 Mt for 2011-12, on sharply lower crush margins. This is expected to result in the production of about 2.7 Mt of canola oil and 3.9 Mt of canola meal. Carry-out stocks are forecast at a record low 0.35 Mt versus the 0.74 Mt carry-out out last year.

World carry-out stocks are forecast to fall by slightly over half to 2.8 Mt, on reduced production and a slight drop in crush. World trade is forecast to fall by 18%, mostly on lower Canadian shipments, to almost 11.0 Mt.

**For 2013-14**, seeded area is forecast to decline by 1% on crop rotation concerns, perceived high input costs and attractive returns for alternative crops. However, production is forecast to increase by 16% due to higher yields. Supply is forecast to increase by 13% as the rise in production more than offsets the drop in carry-in stocks. Exports are forecast to rise by 14% on strong world demand and increased supply. Domestic crush is forecast to rise by 8% on strong demand for canola oil and canola meal. Carry-out stocks are forecast to rise by about 70%, with a stocks-to-use ratio of 3.9% versus 2.5% for 2012-13. Average Canadian canola prices are forecast to fall slightly under pressure from increased world supplies of palm oil, soyoil and soymeal.

### FLAXSEED (excluding solin)

For **2012-13**, exports are forecast to rise by 15% on stronger Chinese and US buying, which will offset weak shipments to the EU. Total domestic use is forecast to fall by about 20% due to reduced processing capacity. Carry-out stocks are forecast to fall slightly, but still remain comfortable with a stocks-to-use ratio of 24%.

For 2012-13, world production of flaxseed increased slightly, due to higher production in Canada, the US and India, which offset small declines in Kazakhstan and Russia. World processing of flaxseed is forecast to rise slightly to 1.95 Mt, from 1.90 Mt in 2011-12 on increased crushing in China. World exports are

forecast to drop slightly to 1.09 Mt, on lower Russian and Kazakhstan shipments which more than offsets the slight rise Canadian exports. The European Union, China and the US are the world's largest importers of flaxseed.

**For 2013-14**, seeded area is forecast to decline by about 12% on stable expected yields, lower expected prices and attractive returns for competing crops. Seeded area is expected to start shifting westwards in response to the growing demand from Asian markets. Production is forecast to fall by 20% due lower area and lower yields. Supply is forecast to decrease due to slightly lower carry-in stocks, steady imports and the drop in output. Exports are forecast to decline by 22% on stable to weaker world consumption and increased competition from Kazakhstan. Total domestic use is forecast to remain steady. Carry-out stocks are forecast to remain stable. The average price of flaxseed is forecast to decrease by about 10% to \$420-\$470/t on lower world prices for vegetable oil, protein meal and oilseeds.

### SOYBEANS

For **2012-13**, exports are forecast to rise by 13% to a record 3.1 Mt, on strong world demand and drought-reduced US supplies. Domestic crush is forecast to rise by 13% from last year on stable Canadian demand for soyoil. Carry-out stocks are forecast to rise despite tight US supplies. Prices, track Chatham, are forecast to average \$520/t vs. \$478/t for 2011-12.

World soybean production is forecast at a record 270 Mt for 2012-13, an increase of 13% from last year, on the expected record large crop in Brazil and Argentina. A shortfall in US soybean output pressured world supplies during the first half of the 2012-13 crop year, but the situation eased with the start of harvest in Brazil. However, unexpected trucking delays in Brazil and higher than normal rainfall in Argentina is slowing the pace of exports. Consequently, some buying interest has switched back to the US, supporting higher North American prices. Industry analysts are monitoring the storm tracks across the key US growing regions to gauge snowfall and spring moisture conditions. To-date, moisture conditions have improved but remain drier than normal.

For **2013-14**, the area seeded to soybeans in Canada is forecast to increase by 15% to a record 1.94 mln ha on a combination of improved varieties; record yields for 2012-13, lower input costs compared to canola and expected attractive prices. Soybean area is expected to expand its westward march, with Saskatchewan becoming the new planting frontier. Soybeans are expected to be the 5<sup>th</sup> largest crop in Canada in 2013. Production is forecast to rise marginally to a record 5.0 Mt as lower yields partly offset the rise in area. Supply is forecast to increase slightly due to higher production and an 8% rise in carry-in stocks. Exports are forecast to rise lightly due to higher supply and strong world demand. Total domestic use is forecast to rise on a steady crush pace and slightly higher feed,

waste and dockage. Carry-out stocks are forecast to be the same as 2012-13.

The average price of soybeans at Chatham is forecast to fall to \$420-470/t, under pressure from lower US prices which are expected to decline significantly. Assuming normal weather and growing conditions for 2013-14, the USDA has forecast US soybean production to increase to 3.4 bln bu from 3.0 bln bu for 2012-13 and the average US farm price for soybeans to decrease to US\$10.50/bu vs. \$14.30/bu for 2012-13.

**Chris Beckman: Oilseed Analyst**  
204-259-4115  
[Chris.Beckman@Agr.Gc.Ca](mailto:Chris.Beckman@Agr.Gc.Ca)

## **PULSES AND SPECIAL CROPS**

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### **DRY PEAS**

For **2012-13**, Canada's exports are expected to be higher than 2011-12 at 2.2 Mt, as increased exports to the EU-27, particularly to Spain and Belgium, are partially offset by lower exports India and China. Exports to the US are forecast to decrease due to the rise in US dry pea production. For the period of August to January of 2012-13, the leading Canadian dry pea export markets were India, China, EU-27 and Bangladesh.

The domestic use of dry peas is occurring at a record pace. As a result, total domestic use at 0.7 Mt, up 7% from 2011-12.

Canadian yellow pea prices have been marginally higher in February, due to improved import demand from India and China. Green pea prices rose on reports of quality issues with the Argentine green pea crop due to excess rain and tight North American supply. The price of No.1 green peas (on-farm Saskatchewan) reached a record C\$625/t in February, while yellow pea prices were higher at C\$330/t. Feed pea prices have softened from record highs set in January in all three Prairie provinces.

The average price is expected to increase from the record prices in 2011-12. Green dry pea prices are expected to maintain a premium of C\$170/t or more

over yellow dry pea prices through-out the crop year, well above the historical average.

Canadian carry-out stocks are expected to fall and remain historically tight.

US dry pea production is forecast by the USDA at 0.6 Mt, more than double the output in 2011-12. This is largely due to a sharp increase in area and yields.

For **2013-14**, seeded area is forecast to increase marginally from 2012-13 to 1.35 Mha because of higher returns relative to other crops and continued recognition of the benefits of dry peas as part of crop rotation plan. Production is expected to rise by 6% to 3.0 Mt. However, supply is forecast to increase by only 3% due to lower carry-in stocks. Exports are forecast to increase to 2.3 Mt. Carry-out stocks are also forecast to increase by 50%. The average price is expected to decrease from 2012-13 due to the larger supply and carry-out stocks in Canada.

### **LENTILS**

For **2012-13**, lentil exports are forecast to rise marginally from 2011-12 to 1.2 Mt. The main markets are expected to be the Indian subcontinent, the Middle East, South America and the EU-27. For the period of August to January, Canadian lentil exports were moving at a record pace but lower shipments in the months of November, December and January have

slowed the pace to-date. This is largely due to decreased exports to Turkey, Egypt and the UAE. This has been partly offset by increased exports to India and Bangladesh.

Carry-out stocks are forecast to fall but remain burdensome.

According to the Statistics Canada report on stocks of principal crops at December 31, 2012, inferred domestic use of lentils is occurring at a record pace. As a result, AAFC has forecast total domestic use at a record 0.5 Mt. This is largely due to continued disappearance of lower quality lentils, most of which were harvested in 2010, into the domestic livestock feed market.

Canadian lentil prices have been flat to lower for the month of February, due to the large Canadian supply of both red and green lentil types.

The average Canadian lentil price is forecast to fall from 2011-12 due to the burdensome supply and carry-out stocks. The average price premium to-date (Aug-Feb) for large green over red lentils is about C\$55/t vs. C\$195/t for all 2011-12.

For 2012-13, US lentil production, mostly green types, is estimated by the USDA at 0.24 Mt, 12% above 2011-12.

For **2013-14**, the area seeded is expected to decrease significantly, for the fourth consecutive year, to 0.83 Mha, due to lower returns in 2012-13, particularly for large green lentil types, compared to other crops. As a result, production is forecast to fall sharply. However, the decrease in supply will be dampened by burdensome carry-in stocks which will partly offset the lower production. Exports are expected to fall to 1.1 Mt. Carry-out stocks are forecast to fall, but remain high due to the large supply and lower expected domestic use. The average price is forecast to recover slightly from 2012-13 as Canada continues to reduce the burdensome lentil carry-out stocks.

### **DRY BEANS**

For **2012-13**, dry bean exports are forecast to increase due to the increased supply. The US and the EU-27 are forecast to remain the main markets for Canadian dry beans, with smaller volumes exported to Japan, Mexico and countries in Africa. For the period of August to January 2012-13, Canadian dry bean exports are off to a good start, particularly to the US

and the EU-27, notably Italy, Netherlands, Portugal and Spain.

Canadian dry bean values fell in the month of February due to pressure from the large North American supply.

US dry bean harvested area is estimated by the USDA to have risen sharply to 0.60 Mha, due to record prices in 2011-12, particularly in North Dakota. Total US dry bean production is estimated by the USDA at 1.3 Mt (excluding chickpeas), over 60% higher than last year. US dry bean production increased significantly for pinto beans, followed by production of the white pea bean and black bean types. This is expected to continue to pressure US and Canadian dry bean prices for 2012-13.

For **2013-14**, the area seeded is forecast to fall sharply from 2012-13 to below 0.1 Mha because of lower potential returns compared to other crops, particularly soybeans and corn. Production is expected to decrease by 38% to 0.18 Mt. However, supply is only expected to fall by 16% due to large carry-in stocks. Exports are forecast to fall due to the decreased supply and carry-out stocks are also expected to shrink. The average Canadian dry bean price is forecast to rise because of the expected decrease in US and Canadian supply.

### **CHICKPEAS**

For **2012-13**, Canadian chickpea exports are expected to increase sharply to 60 kt. The EU-27, the US, the Middle East and the Indian subcontinent are forecast to remain the main markets for Canadian chickpeas. For the period of August to January of 2012-13, Canadian chickpea exports were higher than the August-January period of 2011-12, due to increased exports to Pakistan, Turkey and Algeria. This was partially offset by lower exports to India. As a result of the increase in supply, carry-out stocks are also expected to increase.

US chickpea production is estimated by the USDA at a record 151 kt, up 51% from 2011-12. The average price is forecast to fall sharply, due to higher Canadian and world supply.

For **2013-14**, the area seeded is forecast to fall from 2012-13 because of higher carry-in stocks and continuing decline in prices from the record set in 2011-12. As a result, production is expected to fall to 120 kt. Supply is forecast to rise from last year,

however, due to the higher carry-in stocks. Exports are forecast to rise and carry-out stocks are expected to fall. The average price is forecast to fall, due to higher world supply.

### **MUSTARD SEED**

For **2012-13**, Canadian mustard exports are forecast at 115 kt, unchanged from last year.

In the US, mustard production is forecast by AAFC to rise sharply to 14 kt. Despite this increase, the US and the EU-27 are expected to remain the main export markets for Canadian mustard seed.

For the period of August-January of 2012-13, Canadian mustard exports were similar to Aug-Jan of 2011-12, as higher exports to the US have been offset by lower exports to Japan and Thailand. Carry-out stocks are forecast to fall for the third consecutive year which has supported prices to-date in 2012-13.

For **2013-14**, the area seeded is expected to increase marginally due to higher expected prices. Production is forecast to rise by 9% to 130 kt due higher expected yields. Supply is expected to fall by 8%, however, due to lower carry-in stocks. Exports are expected to be unchanged at 115 kt and carry-out stocks are forecast to tighten for the fourth consecutive year. The average price is forecast to be higher than 2012-13.

### **CANARY SEED**

For **2012-13**, exports are expected to be lower than last year due to reduced demand. The EU-27 and Mexico are forecast to remain the main markets, followed by the US. For the period of August to January 2012-13, Canadian canary seed exports were lower than August-January of 2011-12. Lower exports to the EU-27, the Middle East and Africa have been offset by increased exports to Mexico and Brazil.

Carry-out stocks are expected to fall for the fourth consecutive year. The average price is forecast to rise, due to tight carry-out stocks.

For **2013-14**, the area seeded is forecast to remain relatively unchanged due to good returns relative to other crops and lower carry-in stocks. Production and

average yields are forecast to be the same as 2012-13. Supply, however, is forecast to fall by 5% due to low carry-in stocks. Exports are expected to fall slightly due to the lower supply, and carry-out stocks are expected to remain tight. The average price is forecast to rise marginally from the 2012-13 level.

### **SUNFLOWER SEED**

For **2012-13**, sunflower seed exports are forecast to fall to 30 kt despite higher supply and, as a result, carry-out stocks are expected to rise. For the period of August-January 2012-13, Canadian sunflower seed exports were lower than August-January of 2011-12, due to lower exports to the Middle East and South America. The US is expected to remain Canada's main export market for sunflower seed.

For the US, sunflower seed production is estimated by the USDA to have risen by 37% to 1.3 Mt. About 86% of the US sunflower seed crop is estimated to be oilseed types, marginally higher than last year. World sunflower seed supply is estimated by the USDA at 39 Mt, 11% lower than last year. This is largely due to poor yields in Russia, Ukraine and the EU-27. As a result, world exports and domestic use are expected to fall by 27% and 8%, respectively. World carry-out stocks are expected to tighten to the lowest level since 1997-98.

The average Canadian price for sunflower seed is forecast to fall from 2011-12, due to forecasts for larger sunflower seed supplies in North America.

For **2013-14**, the area seeded is expected to rise from 2012-13 due to record yields the previous year and expectations for good returns. Production is forecast to fall to 80 kt, assuming average yields, and supply is expected to rise by 18% to 150 kt, compared to 2011-12. Exports and carry-out stocks are also forecast to rise. The average price is forecast to decrease from 2012-13 due to increased supply in the US and Canada.

**Bobby Morgan: Pulse and Special Crop Analyst**

**204-983-8465**

[Bobby.Morgan@agr.gc.ca](mailto:Bobby.Morgan@agr.gc.ca)



# CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

March 19, 2013

Grain and Crop Year (a)	Area	Area	Yield	Production	Imports (b)	Total Supply	Exports (c)	Food &	Feed,	Total	Carry-out Stocks	Average Price (g) \$/t
	Seeded	Harvested						Industrial Use (d)	Waste & Dockage	Domestic Use (e)		
	thousand ha	thousand ha	t/ha					thousand metric tonnes				
<b>Durum</b>												
2011-2012	1,623	1,590	2.62	4,172	17	5,755	3,584	227	276	686	1,486	345
2012-2013f	1,894	1,878	2.46	4,627	35	6,148	4,150	235	277	698	1,300	275-305*
2013-2014f	1,910	1,880	2.45	4,600	30	5,930	4,000	240	301	730	1,200	255-285*
<b>Wheat Except Durum</b>												
2011-2012	7,112	6,962	3.03	21,116	61	26,971	13,916	3,539	4,286	8,609	4,446	290
2012-2013f	7,756	7,620	2.96	22,579	50	27,075	14,600	3,550	4,081	8,475	4,000	275-305*
2013-2014f	8,300	8,110	2.93	23,800	50	27,850	14,800	3,590	4,105	8,550	4,500	255-285*
<b>All Wheat</b>												
2011-2012	8,736	8,553	2.96	25,288	78	32,726	17,499	3,766	4,561	9,295	5,932	
2012-2013f	9,650	9,497	2.86	27,205	85	33,222	18,750	3,785	4,357	9,172	5,300	
2013-2014f	10,210	9,990	2.84	28,400	80	33,780	18,800	3,830	4,406	9,280	5,700	
<b>Barley</b>												
2011-2012	2,666	2,402	3.29	7,892	14	9,407	2,059	145	5,751	6,153	1,195	225
2012-2013f	2,997	2,751	2.91	8,012	15	9,223	2,300	143	5,720	6,123	800	255-285
2013-2014f	3,150	2,850	3.16	9,000	20	9,820	2,100	147	5,813	6,220	1,500	210-240
<b>Corn</b>												
2011-2012	1,292	1,272	8.93	11,359	894	13,516	474	5,220	6,442	11,677	1,365	250
2012-2013f	1,434	1,418	9.21	13,060	600	15,026	1,000	5,300	7,011	12,326	1,700	250-280
2013-2014f	1,400	1,375	9.09	12,500	700	14,900	600	5,400	7,085	12,500	1,800	185-215
<b>Oats</b>												
2011-2012	1,313	1,084	2.91	3,158	12	3,902	2,248	90	672	860	795	227
2012-2013f	1,155	956	2.81	2,684	15	3,493	2,200	85	583	768	525	240-270
2013-2014f	1,050	875	2.86	2,500	18	3,043	2,025	80	432	618	400	185-215
<b>Rye</b>												
2011-2012	122	96	2.52	241	0	292	170	46	41	98	25	183
2012-2013f	144	123	2.73	337	0	362	189	49	69	128	45	150-180
2013-2014f	115	93	2.53	235	0	280	165	45	36	91	25	155-185
<b>Mixed Grains</b>												
2011-2012	150	79	3.04	240	0	240	0	0	240	240	0	
2012-2013f	101	58	2.93	170	0	170	0	0	170	170	0	
2013-2014f	100	60	2.92	175	0	175	0	0	174	174	0	
<b>Total Coarse Grains</b>												
2011-2012	5,543	4,932	4.64	22,889	920	27,357	4,950	5,501	13,145	19,028	3,380	
2012-2013f	5,830	5,306	4.57	24,263	630	28,273	5,689	5,577	13,552	19,515	3,070	
2013-2014f	5,815	5,253	4.65	24,410	738	28,218	4,890	5,672	13,540	19,603	3,725	
<b>Canola</b>												
2011-2012	7,685	7,589	1.92	14,608	97	16,891	8,699	6,999	424	7,487	704	601
2012-2013f	8,713	8,585	1.55	13,310	125	14,139	7,200	6,589	28	6,589	350	630-670
2013-2014f	8,600	8,450	1.83	15,500	125	15,975	8,200	7,000	124	7,175	600	560-600
<b>Flaxseed</b>												
2011-2012	299	291	1.37	399	9	601	391	n/a	n/a	74	137	525
2012-2013f	397	384	1.27	489	5	631	450	n/a	n/a	56	125	530-570
2013-2014f	350	325	1.23	400	5	530	350	n/a	n/a	55	125	500-540
<b>Soybeans</b>												
2011-2012	1,559	1,551	2.77	4,298	232	4,826	2,741	1,410	270	1,854	231	478
2012-2013f	1,680	1,678	2.94	4,930	100	5,261	3,100	1,600	136	1,911	250	500-540
2013-2014f	1,940	1,914	2.61	5,000	250	5,500	3,250	1,600	225	2,000	250	420-470
<b>Total Oilseeds</b>												
2011-2012	9,543	9,432	2.05	19,305	338	22,318	11,831	8,410	694	9,415	1,072	
2012-2013f	10,790	10,647	1.76	18,728	230	20,030	10,750	8,100	164	8,555	725	
2013-2014f	10,890	10,689	1.96	20,900	380	22,005	11,800	8,600	349	9,230	975	
<b>Total Grains and Oilseeds</b>												
2011-2012	23,821	22,916	2.94	67,482	1,337	82,401	34,279	17,676	18,400	37,737	10,384	
2012-2013f	26,270	25,450	2.76	70,196	945	81,526	35,189	17,462	18,073	37,242	9,095	
2013-2014f	26,915	25,932	2.84	73,710	1,198	84,003	35,490	18,102	18,295	38,113	10,400	

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

(b) Imports exclude products.

(c) Exports include grain products, while excluding oilseed products.

(d) Food and Industrial Use for soybeans is based on data from the Canadian Oilseed Processors Association. Total number excludes flaxseed food and industrial use due to data confidentiality.

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

(g) Specification of crops for crop year average prices: Wheat (No.1 CWRS, 12.5% protein, CWB final price, I/S St. Lawrence/Vancouver), Durum (No.1 CWAD, 12.5% protein, CWB final price, I/S St. Lawrence/Vancouver), 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).

\* Forecast for No.1 CWRS 13.5% protein and No.1 CWAD 13% protein averages Saskatchewan producer spot prices, not comparable with previous years.

f: forecast, by Agriculture and Agri-Food Canada

Source: Statistics Canada

# CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

March 19, 2013

Grain and Crop Year (a)	Area	Area	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
	Seeded	Harvested						Domestic Use (c)			
	----- thousand ha	----- thousand ha	t/ha	----- thousand metric tonnes	----- thousand metric tonnes	----- thousand metric tonnes	----- thousand metric tonnes	----- thousand metric tonnes	----- thousand metric tonnes	----- thousand metric tonnes	----- thousand metric tonnes
<b>Dry Peas</b>											
2010-2011	1,467	1,389	2.17	3,018	33	3,961	3,012	414	535	16	250
2011-2012	986	974	2.57	2,502	12	3,049	2,096	678	275	10	310
2012-2013f	1,316	1,311	2.16	2,830	20	3,125	2,200	725	200	7	315-345
2013-2014f	1,350	1,300	2.31	3,000	20	3,220	2,300	620	300	10	280-310
<b>Lentils</b>											
2010-2011	1,394	1,321	1.45	1,920	29	1,988	1,105	165	718	57	440
2011-2012	1,035	994	1.53	1,523	11	2,253	1,148	422	683	44	470
2012-2013f	1,018	994	1.48	1,473	10	2,166	1,200	516	450	26	395-425
2013-2014f	830	810	1.51	1,220	10	1,680	1,100	230	350	26	450-480
<b>Dry Beans</b>											
2010-2011	134	126	2.01	254	64	323	238	56	29	10	655
2011-2012	84	78	2.07	162	55	247	224	18	5	2	1,000
2012-2013f	125	125	2.26	281	60	346	265	41	40	13	780-810
2013-2014f	85	84	2.08	175	60	275	230	25	20	8	875-905
<b>Chickpeas</b>											
2010-2011	83	77	1.67	128	9	158	86	50	22	16	655
2011-2012	48	47	1.83	86	9	116	37	69	11	10	830
2012-2013f	81	79	2.00	158	8	177	60	57	60	52	635-665
2013-2014f	70	67	1.79	120	8	188	65	68	55	41	615-645
<b>Mustard Seed</b>											
2010-2011	190	182	1.00	182	1	265	124	25	116	78	570
2011-2012	133	129	1.01	130	1	247	115	48	83	51	685
2012-2013f	136	135	0.88	119	0	202	115	37	50	33	765-795
2013-2014f	140	135	0.96	130	0	180	115	35	30	20	790-820
<b>Canary Seed</b>											
2010-2011	160	154	1.00	154	0	223	179	14	30	16	560
2011-2012	111	109	1.18	129	0	159	126	15	17	12	580
2012-2013f	121	115	1.08	125	0	142	120	17	5	4	580-610
2013-2014f	120	116	1.08	125	0	130	115	10	5	4	585-615
<b>Sunflower Seed</b>											
2010-2011	55	51	1.32	68	33	142	46	61	36	34	630
2011-2012	14	14	1.43	20	33	89	33	49	7	9	710
2012-2013f	41	40	2.19	87	34	128	30	53	45	54	610-640
2013-2014f	55	53	1.51	80	25	150	40	55	55	58	605-635
<b>Total Pulses and Special Crops (c)</b>											
2010-2011	3,482	3,300	1.73	5,723	168	7,059	4,788	784	1,487		
2011-2012	2,411	2,345	1.94	4,552	121	6,159	3,779	1,299	1,081		
2012-2013f	2,838	2,798	1.81	5,072	132	6,285	3,990	1,445	850		
2013-2014f	2,650	2,565	1.89	4,850	123	5,823	3,965	1,043	815		

(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. Total domestic use is calculated residually.

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

f: forecast, by Agriculture and Agri-Food Canada

Source: Statistics Canada and industry consultations.