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. Despite the excess snow cover, the late spring and slow snow melt, AAFC is maintain its current forecasts for area seeded in western Canada pending release of the survey-based seeding intentions report by Statistics Canada which will be published on April 24.

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**.**

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*					
Total Grains And Oilseeds									
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	1,045	81,626	35,289	37,242	9,095
2013-2014f	26,915	25,932	2.84	73,710	1,188	83,993	35,490	38,103	10,401
Total Pulse And Special Crops									
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
All Principal Field Crops									
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	1,177	87,911	39,279	38,687	9,945
2013-2014f	29,565	28,497	2.76	78,560	1,311	89,816	39,455	39,146	11,216

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

WHEAT

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 0.8 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. 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 to 2012-13 due to an expected 18% decrease in seeded area.

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 41 Mt to 855 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 17 Mt to 182 Mt, the lowest level since 2008-09. 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 28 Mt to 683 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 10 Mt to 865 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 184 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 significantly worse than a year ago due to drought.

US all wheat area is expected to increase by 1% from 2012-13. Winter wheat seeded area increased by 2%, with a 3% decrease for hard red winter wheat and a 19% increase for soft red winter wheat. Hard red spring wheat area is expected to increase by 3%, while white wheat area increases by 1%. US all wheat production is forecast to decrease by 4.3 Mt to 57.5 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 2.4 Mt to 17.5 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

COARSE GRAINS

BARLEY

For **2012-13**, exports are forecast to increase 12% to 2.3 Mt, due an increase in feed barley exports mitigated by a slight decrease in exports of malt barley and barley products as selection rates were slightly below average. Feed use is forecast to decrease only slightly due to lower cattle numbers and a slower pace of feeding. Carryout stocks are forecast to decrease 33% to a historical low of 0.8 Mt.

The In-store Lethbridge barley price has reached all-time highs and at the beginning of April, it was priced equal to feed wheat in the Lethbridge market. The Lethbridge barley price has been at a premium to prices quoted in Montana for this current crop year and now exceeds most other world feed barley competitors such as Argentina and Australia. Because of the continued high DDGS prices in the US, there is still very little product moving into the feed market to help offset the high barley price. The world malt barley is softening faster than feed barley and this has caused the spread between to the two to re-tighten. The International Grains Council (IGC) forecasts world barley production at about 130 Mt, 3% below last year, and that trade and carry-out stocks will decrease by 13% and 10%, respectively.

For 2013-14, seeded area is forecast to increase from 2012-13 due to competitive barley prices versus other prairie cropping choices. Production is forecast to increase 12% or 9.0 Mt but supply is forecast to increase by only 6% due to low carry-in stocks. Total domestic use is forecast to increase modestly due mainly to a slight increase in livestock feeding which is supported by the forecast for lower feed costs. Exports are forecast to decrease by 9% due to a recovery in world barley production and a relatively good Canadian domestic price. Carryout stocks are forecast to increase significantly from the record low but remain below the previous 10-year average. Domestic feed barley prices are forecast to decrease from 2012-13 due to the recovery in production, total supply and carryout situation.

The USDA March Prospective Plantings confirmed that area seeded to barley in the US would be similar to 2012 when barley area increased by 42% from 2011. The majority of US barley area is contracted for malt barley and it was noted that the malt companies were very active these past few months on trying to "lock-up acres". The IGC updated its 2013-14 world projections for barley. For world barley, the IGC is projecting a 6.1% increase in production. Total use and trade are forecast to remain near the previous three-year averages, which will allow a slight recovery in carryout stocks. World feed and malt barley prices are expected to decrease due to the recovery in world barley and corn production and supplies.

CORN

For 2012-13, exports are forecast to more-than double to 1.0 Mt, most of which will go to the US northeast region due to the small US crop. Corn imports into Canada, mainly from the US, are forecast to decrease by one-third due to the large domestic production.

Total domestic usage is forecast to increase by 6% due to increases in ethanol production and higher feed usage. Carryout stocks are expected to increase to burdensome level of 1.7 Mt. The Chatham in-store elevator price has been supported by strong US corn prices and stronger basis levels.

The USDA's US Grain Stocks report was released on March 28 and corn stocks came in higher than expected by most analysts which pressured corn prices. An offset to the corn price decline was higher cattle and hogs futures prices as those markets looked forward to lower feed costs.

For 2013-14, seeded area is forecast to decrease marginally from the record area of 2012-13. Production is forecast to decrease 4% to 12.5 Mt due to lower area and a return to average yields. Imports are forecast to increase 17% due to the lower domestic supply. Despite higher carry-in stocks, supply is forecast to decrease marginally. Total domestic use is forecast to remain similar to 2012-13. Exports are forecast to decrease due to a recovery in US corn production and, as a result, carryout stocks are forecast to increase. The Chatham in-store elevator price is forecast to decline due to lower US corn prices.

The USDA's 2013 US Prospective Plantings for corn confirmed the second largest US corn planted area since 1936. Currently, the USDA is projecting a 2013 corn yield of 163.5 bu/acre which would add another 1.4 billion bushels to the all-time record, which could triple US corn ending stocks compared to 2012-13. US Corn Belt moisture and soil conditions have improved in the last month and the drought areas continue to shrink, to the point where some planting delays are now expected. US corn prices will be very sensitive to weather conditions as memory of 2012 is fresh in people's minds.

Assuming normal weather, the IGC is forecasting an increase of 9% in world corn production to a new record in 2013. Led by the US, whose production could be up as much as 30%. Record corn production is forecast for some of the world's largest producers Argentina, Brazil and the US, with China and Ukraine expected to be near their 2012 outputs. The larger world production and forecast for lower prices will encourage higher feeding overall but especially for high percentage feeders such as poultry and pork producers. The forecast for higher corn feeding reflects a combination of higher total corn supply and lower use of wheat for livestock feed.

OATS

For 2012-13, exports are forecast to decrease 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 decrease in feed usage and a slight decline in food and industrial use. Carryout stocks are forecast to decrease 34% to 0.53 Mt due to the export pace and feed usage. In March, oat prices had put in crop year highs due to tight northern American supplies and commercial stocks. US oat stocks are down nearly 30% from March 1, 2012. The IGC estimates world oat production at 21 Mt, a decrease of 9% from 2011-12. Total supply and exports are both forecast to be 9% lower than last year. Total use is forecast to decline by only 5% and world carryout stocks are forecast to decrease by 28%.

For 2013-14, seeded area in Canada is forecast to decrease 9% from 2012-13 due to lower returns versus alternative crop options on the prairies. Despite slightly higher forecasted yields, production is forecast to decrease 7% to 2.5 Mt. Due to lower production and lower carry-in stocks, supply is forecast to decrease to a near record low of 3.0 Mt. Exports are forecast to decrease by 8% to 2.0 Mt due to lower supply and relatively flat US milling demand. Carryout stocks are to decrease by 24% to 0.4 Mt, a near-record low.

Area seeded to oats in the US is estimated by the USDA to increase by 5% from 2012, despite the price discount for oats compared to corn over the past two crop years. One offset to this may be the total 190,000 acre increase in Nebraska, South Dakota and Texas. All three states had very poor forage crops in 2012 and 2013 oats may be used as green feed, oat harvested area will have to be watched later in the year. Oat prices are forecast to decrease due to lower US corn prices sharp decline in US corn prices. At this time 2013 US oat planting progress is ahead of last year and the previous five-year average.

RYE

For 2012-13, exports are forecast to increase by 11% to 0.19 Mt from 0.17 Mt, due to higher production and total supply. Total domestic usage is forecast to increase by 31% due to slightly higher food and industrial use but much higher feed use. Carryout

stocks are forecast to increase slightly. The price of rye, in-store Saskatoon, is forecast to decrease from last crop year due to premium pricing for off-farm movement. The ICG forecasted world rye production to increase by 8% to 14.9 Mt but tight opening stocks will limit the increase in total supply to 3%. In 2012-13, there has been an increase is world feed use of rye as high barley and corn prices have caused feeders to look for substitutes. World carryout stocks remain unchanged from last crop year.

For 2013-14, seeded area is forecast to decrease by significantly 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 lower area and a return to average yields. Despite higher carry-in stocks, total supply is forecast to decrease and remain below the 10-year average. Exports are forecast to decrease due to the very tight supply. Total domestic usage is forecast to decrease as lower supply limits feed use. Carryout stocks are forecast to decrease to a near-record low. The continuing very tight supply and carryout 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

OILSEEDS

CANOLA

For **2012-13**, exports are forecast to decrease by 17% from 2011-12 as tight domestic supplies limit Canada's ability to respond to strong world demand. 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 tight supplies. Crush margins are being supported by the nearly 10 cent a pound premium for canola oil over soyoil in the US Midwest. About 2.7 Mt of canola oil and 3.9 Mt of canola meal is expected to be produced during 2012-13. Carry-out stocks are forecast at a record low 0.35 Mt versus the 0.74 Mt carry-out out last year.

For 2013-14, seeded area is forecast to decline marginally due to concerns about crop rotation, 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.

Area seeded to canola in the US is estimated by the USDA to decrease by 6% from 2012-13 to 1.65 million acres. The largest decline is expected to occur in North Dakota, with area falling to 1.23 million acres versus 1.46 million acres last year. Area in Idaho, Montana, Oklahoma, Oregon and Washington is projected to rise.

FLAXSEED (excluding solin)

For **2012-13**, exports are forecast to rise by 15% on stronger Chinese and US buying, offsetting 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 in Canada is forecast to decline by about 12% on lower expected prices and attractive returns for competing crops. 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% on lower world prices for vegetable oil, protein meal and oilseeds.

In the US, area seeded to flaxseed for 2013-14 is estimated by the USDA to decline due to lower area in North Dakota, South Dakota and Montana. Only Minnesota is expected to increase its area planted to flaxseed, to 4,000 acres.

SOYBEANS

For **2012-13**, exports are forecast to rise by 13%, setting a new record of 3.2 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 versus $478/t for 2011-12.

For **2013-14**, the area seeded to soybeans is expected to rise to a record 1.94 Mha in Canada, with a 40% increase in western Canada, mainly Manitoba, and a 10% increase in eastern Canada. The higher area seeded is due to a combination of improved varieties, record yields for 2012-13, lower input costs compared to canola and expected attractive prices. Soybeans are expected to be the 5th largest crop in Canada in 2013. Production is forecast to rise marginally to a record 5.0 Mt as lower yields partly offset the increase in area seeded. 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.

For 2013-14, area seeded to soybeans in the US is estimated by the USDA to increase slightly to 77.1 million acres, the 4th highest on record. Compared to 2012, planted area is down across the Great Plains, except for North Dakota. Nebraska and Minnesota are expecting the largest declines while Illinois and North Dakota expect the largest increases. 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.

The average price of soybeans at Chatham is forecast to fall to $420-470/t due to lower US soybean prices.

Chris Beckman: Oilseed Analyst
204-259-4115
Chris.Beckman@Agr.Gc.Ca

PULSES AND SPECIAL CROPS

DRY PEAS

For **2012-13**, Canada's exports are expected to rise above 2011-12 leads to 2.2 Mt. Increased exports to the EU-27, particularly to Spain and Belgium, are expected to 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 is expected to be 7% higher than 2011-12. Canadian carry-out stocks are expected to fall and remain historically tight

Canadian yellow pea prices were unchanged in March compared to February, due to ongoing 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) maintained a record C$625/t in March and yellow pea prices were unchanged at C$330/t. Feed pea prices have softened from record highs set in January in all three Prairie provinces. Green dry pea prices are expected to maintain a premium of C$180/t or more over yellow dry pea prices through-out the crop year, well above the historical average. The average pea price is expected to increase from the record prices in 2011-12.

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.

In the US, area seeded to dry peas for 2013-14 is forecast by the USDA at 0.9 mln acres, up 30% from 2012-13. This is largely due to an expected increase in area in Montana and North Dakota.

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.

Domestic use of lentils has been 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. Carry-out stocks are forecast to fall but remain burdensome.

Canadian lentil prices have been flat to higher for the month of March, despite 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 versus C$195/t for all 2011-12.

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

For **2013-14**, the area seeded to lentils in Canada 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.

In the US, the area seeded to lentils for 2013-14 is forecast by the USDA at 0.3 mln acres, down 28% from 2012-13 due to lower area seeded in Montana.

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 were flat to lower in the month of March compared to last month 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 in Canada is forecast to fall sharply from 2012-13 to less than 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 but, due to large carry-in stocks. supply is expected to fall by only 6%. 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 due to lower supply in North America

In the US, area seeded to dry beans is forecast by the USDA at 1.3 mln acres, down 16% from 2012-13. This is largely due to an expected decrease in area in North Dakota.

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.

Prospective plantings of US chickpea area for 2013-14 is forecast by the USDA at a record 0.2 mln acres, up 3% from 2012-13. This is largely due to an expected rise in area in Washington.

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 August-January 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% to150 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.

Prospective plantings of US sunflower seed area for 2013-14 is forecast by the USDA at 1.7 mln acres, down 12% from 2012-13. This is largely due to an expected fall in area in North Dakota. Oil type area is expected to fall sharply to 1.4 mln acres and confectionery type area is forecast to rise to 0.3 mln acres.

Bobby Morgan: Pulse and Special Crop Analyst
204-983-8465
Bobby.Morgan@agr.gc.ca

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

April 17, 2013

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 metric tonnes* ----------								*$/t*
Durum												
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	40	6,153	4,150	235	282	703	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*
Wheat Except Durum												
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	40	27,065	14,600	3,550	4,071	8,465	4,000	275-305*
2013-2014f	8,300	8,110	2.93	23,800	40	27,840	14,800	3,590	4,095	8,540	4,500	255-285*
All Wheat												
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	80	33,217	18,750	3,785	4,352	9,167	5,300	
2013-2014f	10,210	9,990	2.84	28,400	70	33,770	18,800	3,830	4,396	9,270	5,700	
Barley												
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	260-290
2013-2014f	3,150	2,850	3.16	9,000	20	9,820	2,100	147	5,813	6,220	1,500	205-230
Corn												
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	175-205
Oats												
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
Rye												
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	145-175
2013-2014f	115	93	2.53	235	0	280	165	45	36	91	25	155-185
Mixed Grains												
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	
Total Coarse Grains												
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	
Canola												
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	6,500	28	6,589	350	640-670
2013-2014f	8,600	8,450	1.83	15,500	125	15,975	8,200	7,000	124	7,175	600	560-600
Flaxseed												
2011-2012	299	291	1.37	399	9	601	391	n/a	n/a	74	137	525
2012-2013f	397	384	1.27	489	10	636	450	n/a	n/a	61	125	545-575
2013-2014f	350	325	1.23	400	5	530	350	n/a	n/a	55	125	500-540
Soybeans												
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	200	5,361	3,200	1,600	136	1,911	250	510-530
2013-2014f	1,940	1,914	2.61	5,000	250	5,500	3,250	1,600	225	2,000	250	420-470
Total Oilseeds												
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	335	20,135	10,850	8,100	164	8,560	725	
2013-2014f	10,890	10,689	1.96	20,900	380	22,005	11,800	8,600	349	9,230	975	
Total Grains and Oilseeds												
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	1,045	81,626	35,289	17,462	18,068	37,242	9,095	
2013-2014f	26,915	25,932	2.84	73,710	1,188	83,993	35,490	18,102	18,285	38,103	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

April 17, 2013

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 metric tonnes ----------***						***%***	***$//t***
Dry Peas											
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
Lentils											
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	410-440
2013-2014f	830	810	1.51	1,220	10	1,680	1,100	230	350	26	450-480
Dry Beans											
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	785-815
2013-2014f	85	84	2.08	175	60	275	230	25	20	8	825-855
Chickpeas											
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
Mustard Seed											
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
Canary Seed											
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	570-600
2013-2014f	120	116	1.08	125	0	130	115	10	5	4	585-615
Sunflower Seed											
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
Total Pulses and Special Crops (c)											
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.