

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) February outlook report for the 2018-19 crop year and provides AAFC's preliminary look at the upcoming 2019-20 crop year.

**For 2018-19**, total exports are expected to be slightly more-than 46% of total supply and reach about 51.2 million tonnes (Mt), of which about 90% are grains and oilseeds (G&O) and 10% are pulses and special crops (P&SC). Compared to 2017-18, exports of G&O are expected to be 1% higher due to higher exports of wheat, oats and soybeans. On the other hand, exports of P&SC are forecast to be marginally lower due to lower exports of dry peas. Total domestic use is forecast at about 44.7 Mt, slightly less-than 40% of total supply, of which 97% are G&O and 3% are P&SC. Carry-out stocks are forecast to reach 15.3 Mt, about 14% of total supply, which is similar to last year but above the 10-year average. In general, world grain prices are expected to continue to be pressured downward by abundant supplies of grain at the global level.

**For 2019-20**, expected prices, input costs, delivery opportunities and moisture conditions are expected to play a crucial role in determining actual seeding decisions in the spring. However, based on current market conditions and historical trends, the area seeded to field crops in Canada is currently forecast by AAFC to increase by 1% compared to the 2018-19 crop year, mostly due to lower area allocated to summerfallow. The area seeded to G&O is expected to increase by only 2% while the area seeded to P&SC is forecast to decrease by 6%. Averaged over all crops, yields are forecast to increase compared to 2018-19 because average yields were reduced last year by excessive moisture conditions in some areas. The production of G&O is forecast to increase by 4% to 89.0 Mt while the output of P&SC is expected to decrease by 2% to 6.5 Mt. Total field crop production is expected to increase by 3% to 95.6 Mt. Despite higher exports and domestic use, carry-out stocks are expected to increase by 8% due to higher supply. Grain prices in Canada will continue to be supported by the low value of the Canadian dollar.

**Canada: Principal Field Crops Supply and Disposition**

	Area Seeded --- thousand hectares ---	Area Harvested	Yield t/ha	Production	Imports	Total Supply ----- thousand tonnes -----	Exports	Total Domestic Use	Carry-out Stocks
<b>Total Grains And Oilseeds</b>									
2017-2018	27,149	26,337	3.26	85,794	2,504	102,577	45,226	43,611	13,740
2018-2019f	27,820	26,861	3.20	86,003	2,922	102,665	45,680	43,304	13,680
2019-2020f	28,345	27,209	3.27	89,031	1,962	104,672	46,320	43,217	15,135
<b>Total Pulse And Special Crops</b>									
2017-2018	3,927	3,897	1.90	7,419	211	8,373	5,363	1,339	1,670
2018-2019f	3,629	3,552	1.88	6,674	177	8,521	5,491	1,418	1,612
2019-2020f	3,400	3,350	1.95	6,540	160	8,312	5,410	1,542	1,360
<b>All Principal Field Crops</b>									
2017-2018	31,076	30,233	3.08	93,213	2,716	110,950	50,589	44,950	15,411
2018-2019f	31,449	30,413	3.05	92,677	3,099	111,186	51,171	44,723	15,292
2019-2020f	31,745	30,559	3.13	95,571	2,122	112,984	51,730	44,759	16,495

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

f: forecast by AAFC except for area, yield and production for 2018-2019 which are STC

## All Wheat

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### Durum

**For 2018-19**, Canadian durum production increased by 16% from 2017-18 to 5.745 million tonnes (Mt), according to Statistics Canada (STC).

The average grade quality of the Canadian durum crop is lower than the 2017-18 crop, with 85% grading No. 1 and 2, compared to 91%, but better than the past ten year average of 57%, based on survey data from the Canadian Grain Commission (CGC). The protein content averages 14.1%, versus 13.6% for 2017-18 and 12.9% for the past ten year average.

Total supply increased by 6%, as the higher production was partly offset by lower carry-in stocks. Exports are forecast to decrease by 7% mainly because of weaker demand from north-western Africa which had good domestic production.

Total domestic use is forecast to increase by 10% as the low prices will encourage more use of durum for feed. Carry-out stocks are forecast to rise by 40% to 2 Mt, 41% higher than the past five year average of 1.42 Mt.

World durum production increased by 1.8 Mt from 2017-18 to 38.2 Mt, according to the International Grains Council. Supply rose by 1.2 Mt to 47.6 Mt because of lower carry-in stocks. Use is expected to increase by 0.6 Mt to 37.5 Mt due to higher food use. Carry-out stocks are forecast to increase by 0.7 Mt to 10.2 Mt. Durum production in the US increased to 2.1 Mt from 1.49 Mt.

The average crop year producer price for durum in Canada is forecast to fall from 2017-18 due to higher world, Canadian and US supply. Prices were stable from the beginning of August but fell in mid-September, when STC increased the Canadian production estimate. There has been some price improvement starting in December.

**For 2019-20**, the area seeded to durum is forecast to decrease by 20% from 2018-19 due to the lowest prices since 2013-14 and lower prices than for most classes of wheat, which will encourage a shift to wheat seeding. However, the decrease is lower than the 25% forecast in the February report because of

some price increases for durum and better price and exports prospects for 2019-20. Production is forecast to decrease by 11% to 5.1 Mt as the lower area is partly offset by a return to trend yields from the below trend yields of 2018-19. Supply is expected to decrease by only 1% as the lower production is mostly offset by higher carry-in stocks. Exports are forecast to increase by 12% due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 20% to 1.6 Mt. The production forecast is 0.2 Mt higher than in the February report because of the increase in seeded area, and the exports and carry-out stocks forecasts are each 0.1 Mt higher.

World durum production is forecast to fall by 1.4 Mt from 2018-19 to 36.8 Mt due to lower seeded area resulting from low prices, while supply decreases by 0.6 Mt to 47 Mt because of higher carry-in stocks. Use is expected to increase by 0.2 Mt to 37.7 Mt and carry out stocks are forecast to fall by 0.9 Mt to 9.3 Mt. US durum production is forecast to fall by 0.25 Mt to 1.85 Mt due to lower seeded area.

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

### Wheat (excluding durum)

**For 2018-19**, Canadian wheat production increased by 4% from 2017-18 to 26 Mt, according to STC. Canada western hard red spring (CWRS) wheat accounts for 75% of the total wheat production at 19.61 Mt. Production for other classes of wheat: winter wheat (hard red, soft red and soft white): 2.51 Mt, Canada Prairie Spring (CPS) 1.59 Mt, Canada Northern Hard Red (CNHR) 1.06 Mt, Canada Western Soft White Spring (CWSWS) 0.47 Mt, Canada Western Extra Strong (CWES) 0.12 Mt, other Canada western spring wheat 0.27 Mt and Canada eastern spring wheat (mostly CERS) 0.39 Mt.

The average grade quality of the CWRS crop is lower than for 2017-18, with 74% grading No. 1 and 2, compared to 92%, but better than the past ten year average of 71%, based on survey data from CGC. The

protein content averages 13.6%, versus 13% for 2017-18 and 13.5% for the past ten year average.

Total supply rose by only 2% because of lower carry-in stocks. Exports are forecast to rise by 7% because of strong demand for wheat in world markets and less competition from Australia, Russia, Ukraine and the EU. Total domestic use is forecast to fall by 4% due mostly to lower feed use. Carry-out stocks are forecast to fall by 11% to 4 Mt, 30% lower than the past five year average of 5.72 Mt and the lowest since 2012-13.

World production of all wheat (including durum) decreased by 30 Mt to 733 Mt, according to the USDA. Supply fell by 11 Mt to 1,013 Mt. Total use is expected to fall by 2 Mt to 747 Mt as growing use for food is partly offset by lower feed consumption. Carry-out stocks are forecast to fall by 9 Mt to 271 Mt. However, China accounts for 140 Mt of the stocks, an increase of 9 Mt from 2017-18. Wheat stocks in China are generally not exported. Excluding China, world all wheat stocks are expected to fall by 18 Mt to 131 Mt.

In the US, all wheat production increased by 4 Mt to 51.3 Mt, according to the USDA. Supply rose by only 1.3 Mt to 85.1 Mt because of lower carry-in stocks. Domestic use is forecast to rise by 0.9 Mt and exports are expected to increase by 1.8 Mt. Carry-out stocks are forecast to fall by 1.2 Mt to 28.7 Mt.

The average crop year producer prices for wheat in Canada for 2018-19 are forecast to increase from 2017-18, because of the lower world supply and strong export demand. Producer prices for CWRS wheat fell in September from the start of the crop year, but recovered in October. Prices of other classes of wheat also fell in September, but, in general, recovered in October or November. The recovery in prices was partly due to the weaker Canadian dollar. Prices declined in March in line with the lower futures prices.

**For 2019-20**, the area seeded to wheat in Canada is forecast to increase by 9% from 2017-18 as a 4%

decrease for winter wheat is more than offset by a 10% increase for spring wheat. The spring wheat area is forecast to increase because of relatively good prices for wheat and a shift out of durum, winter wheat and canola in Western Canada. Production is projected to rise by 8% to 28 Mt. Supply is forecast to increase by 5% due to lower carry-in stocks. Exports are forecast to fall by 1% due to higher world production. Carry-out stocks are forecast to increase by 35% to 5.4 Mt, 0.1 Mt lower than in the February report because of a 0.1 Mt decrease in the production forecast resulting from a slight decline in the seeded area forecast.

World all wheat (including durum) production is forecast to increase by 18 Mt to 751 Mt due to a higher seeded area, according to the International Grains Council. Supply is projected to increase by 11 Mt to 1,022 Mt due to lower carry-in stocks. Total use is expected to increase by 11 Mt to 753 Mt mostly because of growing use for food. Carry out stocks are forecast to fall by 2 Mt to 269 Mt. Excluding China, world all wheat stocks are expected to fall by 5 Mt to 126 Mt.

US all wheat seeded area is forecast to fall by 2% from 2018-19, according to USDA, as the winter wheat seeded area decline of 4% is expected to be partly offset by a 5% increase for the spring wheat area. USDA is forecasting lower abandonment, resulting in a slight increase for the harvested area, and a slight increase for average yields. All wheat production in the US is expected to rise by 0.5 Mt to 51.8 Mt, while supply falls by 0.8 Mt to 84.3 Mt due to lower carry-in stocks. Domestic use is forecast to increase by 0.6 Mt, while exports rise by 0.2 Mt. Carry out stocks are forecast to decrease by 1.8 Mt to 26.9 Mt.

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

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## Coarse Grains

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### Barley

**For 2018-19**, total domestic use is forecast to increase on higher feed and industrial use. Exports are forecast to remain strong, although slightly lower than last year, due to strong international demand. Carry-out stocks are forecast to decrease by 28% to 0.9 million tonnes (Mt) that will be a record low level. The average price of feed barley at Lethbridge for the crop year is expected to be \$255/t, about 12% higher than last year.

Similar to feed barley, the quality of the malting barley crop is variable. The extensive summer heat increased the protein content of the crop and lowered the weight of the crop, depending on the date of maturity and area.

The Lethbridge spot feed barley prices to-date have been about 18% higher than last year and Prairie malt prices have been 15-25% higher than last year.

World barley stocks are historically low as nearly all of the world major producers and exporters had smaller crops and, in many cases, quality was also lower than normal. World prices for feed barley have been very strong compared to corn prices. Lower world supplies of malting barley, and especially quality malt, is also pushing these prices higher. In 2018-19, because of reduced supply of quality feed barley, relatively high prices of feed barley and the large amount of maize available worldwide, consuming countries will be looking for corn as the alternative to fodder.

**For 2019-20**, compared to 2018-19, area seeded is forecast to increase by 14% due to high barley prices and low carry-in stocks. Production is forecast to increase by 16% to 9.7 Mt due to higher seeded area and yield. Despite the historically low carry-in stocks, total supply is forecast to increase by 10% to 10.6 Mt. Total domestic use is forecast to increase by 6% due to higher feed use in cattle and hog production. Exports are forecast to increase slightly due to higher domestic supplies and a return to normal trade patterns. With a higher supply, barley carry-out stocks are forecast to increase by almost 61% to 1.5 Mt which is about 5% higher than the

previous five-year average. The Lethbridge cash feed barley price is forecast to decrease by 12% from 2018-19 to \$225/t due to increased world supply.

The area seeded to barley in the US is forecast by the USDA to increase and total barley production in North America is expected to increase due to higher production, both in Canada and the US. However, due to the sharply lower carry-in stocks, total supply is forecast to increase only slightly. This implies that carry-out stocks will remain low and that prices will remain relatively strong, although lower than last year.

World barley production and supply are expected to increase slightly for 2019-20 as some of the world's major producers, such as the EU and Australia, are expected to increase their barley production. Large corn carry-over stocks will provide pressure on coarse grain prices.

### Corn

**For 2018-19**, imports are expected to increase significantly due to lower corn supply in Eastern Canada and tight barley supply in Western Canada. Total domestic use is forecast to increase to a record of 14.5 Mt due to higher feed, waste and dockage, partly related to the high vomitoxin quality of the crop and trend increases in ethanol production and industrial use. Exports are forecast to decrease slightly due to higher international competition. Carry-out stocks are forecast to decrease by 17% to 2.0 Mt, which is close to the previous five-year average. The 2018-19 corn price at Chatham is forecast to average \$180/t, up 3% from last year, due to higher US corn prices, lower domestic supplies of quality corn and the weak Canadian dollar.

US corn production and supply were slightly lower than last year. Due to strong demand, carry-out stocks are expected to decrease by almost 14% but remain historically high at about 1.8 billion bushels (bln bu). The average US farm price is forecast by the USDA at US\$3.55/bu which is equivalent to about C\$184/t.

**For 2019-20**, seeded area is forecast to increase due to continued good overall demand, especially for high quality corn. Production is expected to rise by 6% to 14.7 Mt on the higher area and higher average yields. Imports are expected to decrease due to higher production of corn and barley. Due to the significant decline in carry-in stocks and imports, total supply is forecast to decrease slightly. Total domestic use is forecast to decrease marginally, as the lower feed, waste and dockage is expected to more than offset higher food and industrial use. Exports are forecast to decrease marginally due to slightly lower supply. Carry-out stocks are forecast to be the same as last year at 2.0 Mt which is below the previous five-year average. The nearby Chatham corn price is forecast to increase slightly to \$180/t due to higher US corn prices and the weak Canadian dollar.

The USDA expects US corn area to increase in 2019-20 due to lower soybean area. The latter is attributable to the on-going China/US trade issues. Production is expected to increase slightly to 14.9 billion bushels. However, carry-in stocks of corn in the US, for 2019-20, are about 20% lower than last year. This implies that the supply of corn in the US should be similar to last year. This would naturally support corn prices. Higher corn production in other major exporting countries, such as Brazil and Argentina, could play an offsetting role to the US situation. The overall smaller world corn crop will strengthen corn prices but a major price recovery is not expected unless a major producer(s) is impacted by a severe drought. However, US corn prices are expected to increase slightly so that the US farm price averages US\$3.65/bu which is equivalent to about \$190/t in Canada.

### **Oats**

**For 2018-19**, total domestic use is forecast to decrease by 13% due to lower feed use. Oat grain and product exports are forecast to increase by 6%. Carry-out stocks are forecast to decrease by 23% to 0.6 Mt and remain the lowest level in the recent six years. The Canadian oat price, in relation to the US oat futures price, is forecast to increase due to a higher US oat futures price and continuing support from the low value of the Canadian dollar.

To-date for this crop year, Canadian oat exports to the US for oat grains and products have been above the previous five-year average. If achieved, oat grain exports to the US would be close to the five-year average. Oat products are moving to the US at a record pace.

**For 2019-20**, seeded area is forecast to increase by 13% from 2018-19 due to good US oat futures price levels. Based on the 5-year average for abandonment and yield, Canadian oat production is forecast to increase by 10% to 3.8 Mt but, due to lower carry-in stocks, supply is expected to increase by 4% to 4.4 Mt. Total domestic use is forecast to increase marginally due to slightly higher feed, waste and dockage as food and industrial use remains flat. Exports of oat grain and products are forecast to be slightly lower than in 2018-19, due to ample world supply expected for coarse grain for 2019-20. Carry-out stocks are forecast to increase by 33% from 2018-19, to 0.8 Mt, remaining 15% above the previous three-year averages and 7% above the previous five-year average. The Canadian oat price is forecast to be unchanged from 2018-19.

The area seeded to oats and the production of oats in US are expected to increase but, due to the sharply lower beginning stocks, total supply is projected to only increase slightly. As a result, carry-out stocks of oats in the US will remain tight, which will continue to support US oat prices. The situation for Canada remains positive and prices are expected to be similar to last crop year at \$245/t.

Canadian exports of oat grain and products to the US are expected to decrease from the 2018-19 level which was the highest since the 2008-09 crop year. A bullish factor, which provides underlying support, is the forecast for the slightly higher average nearby US corn futures price.

### **Rye**

**For 2018-19**, total domestic use is forecast to decrease by 37%, largely due to lower livestock feeding and industrial use. Exports are forecast to decrease by 8% due to lower total supply. Carry-out stocks are forecast to be about 71% lower than last year and close to the historically low level.

The average price of rye in Canada is forecast to be sharply higher than last year given the smaller North American rye crop supply. The average price of rye, in Saskatchewan, is expected to average \$230/t, almost 42% higher than last year.

**For 2019-20**, seeded area is forecast to increase by 25% to 170 thousand hectares from 2018-19. Production is expected to rise by 17% due to the higher seeded area and higher average yields. Total supply is forecast to decrease by 10% to 307 thousand tonnes (kt), as expected decline in carry-in stocks will more than offset the increase in production. Total domestic use is forecast to decrease due to lower livestock feed use. Exports are forecast to decrease due to a smaller supply. Rye carry-out stocks are forecast to decrease to 25 kt. Rye prices in Canada are forecast to decrease slightly from

2018-19 due to higher rye production and lower barley prices. Demand remains strong for rye grain from the domestic and international beer and spirits industries. The Canadian rye price is highly responsive to the annual total for North American rye grain production and a stable supply situation will provide price support.

The US is the world's largest rye importer and imports will depend on US production and carry-in stocks. In the US, there are some regions that continue to have dry soil moisture conditions and poor growth in forage and pasture.

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### Canola

**For 2018-19**, canola supplies are estimated at 22.9 million tonnes (Mt), up 1% from last year as higher carry-in stocks moderate the decline in production. Canada's canola crush estimate was raised from last month, to 9.25 Mt, on support from the current crush pace.

Canada's export estimate for canola was reduced by 1.0 Mt, from AAFC's February report, to 9.8 Mt due to lower import demand from Asia.

The carry-out stocks forecast was raised by 1.0 Mt from last month's report to 3.5 Mt to reflect the slowdown in exports and steady crush pace. Canola prices are forecast at \$480/t to \$520/t for 2018-19, down from last year.

**For 2019-20**, seeded area in Canada is forecast to decrease to 9.0 million hectares (Mha) due to the decline in prices from burdensome world oilseed supplies and the uncertainty over Chinese buying. Because of the drop in area and marginally lower yields, production in 2019-20 is forecast to fall to 19.8 Mt versus 20.3 Mt in 2018-19 and 21.3 Mt in 2017-18.

Total supplies of canola are forecast to rise slightly to a record 23.4 Mt as the sharp rise in carry-in stocks more than offsets the drop in production. Exports are forecast to rebound to 10.5 Mt assuming a slight increase in buying from price sensitive countries and a partial normalization of Canada-China trade. Domestic crush is forecast steady at 9.25 Mt as the industry continues to operate at near full capacity despite competition from burdensome world vegetable oil and protein meal supplies

Carry-out stocks are forecast at 3.3 Mt, for a stocks-to-use ratio of 17% as Canada works through its canola supplies. Canola prices are forecast down slightly to \$460-500/t, with the discounted Canadian dollar providing underlying support to prices.

### Flaxseed

**For 2018-19**, the supply estimate is unchanged from last month at 0.63 Mt due to lower output and tighter carry-in stocks. Exports are forecast to fall to 0.40 Mt while total domestic use declines to 0.13 Mt on lower feed, waste and dockage. Carry-out stocks are forecast to decrease to 0.10 Mt. Flaxseed prices are estimated at \$475-505/t, up from 2017-18.

**For 2019-20**, seeded area for flaxseed in Canada is forecast to increase to 0.40 Mha, on competitive returns compared to alternate field crops. Production is forecast to rise to 0.62 Mt, assuming a steady abandonment and harvested area and 5-year trend yields. Supply is forecast to increase slightly as the rise in output more than offsets the slight drop in carry-in stocks.

Exports are forecast to rise to 0.60 Mt while total domestic use falls sharply due to lower feed, waste and dockage. Carry-out stocks are forecast to tighten to 0.09 Mt. The flaxseed price forecast is unchanged, from the February forecast at \$470-510/t.

### Soybeans

**For 2018-19**, total supplies are estimated at 8.6 Mt, down slightly from last year as lower production is partly offset by higher carry-in stocks and increased imports. Exports are forecast at a record 5.5 Mt, up from 4.9 Mt in 2017-18, on support from a wide basis and a discounted Canadian dollar. Domestic processing of soybeans is forecast to rise marginally from last year to 2.00 Mt. Carry-out stocks are projected at 0.55 Mt, down from last year. Soybean prices are forecast to fall to \$395-425/t versus \$434/t for 2017-18.

For the remainder of the crop year, the main factors to watch are: (1) Brazilian new crop soybean shipping pace, (2) China's buying pace, (3) the state of China-US and China-Canada trade negotiations, (4) US planting intentions and (5) exchange rate volatility among the American, Canadian and Brazilian currencies.

**For 2019-20**, the area seeded is forecast to decrease by 3% from last year, to 2.48 Mha, mostly due to dry

growing conditions in Western Canada. Production is forecast to fall to 7.0 Mt due to lower area and lower average yields, which are based on 5-year averages.

Total supply is forecast to decrease by about 7% to 8.0 Mt, resulting in a 9% drop in exports to 5.0 Mt. Exports are destined for a diverse group of countries. Domestic processing is forecast to decrease slightly to 1.9 Mt, on projected stable domestic soyoil consumption. Carry-out stocks of soybeans are

forecast to tighten to 0.48 Mt from 0.55 Mt in 2018-19.

Soybean prices are forecast to rally slightly to \$400-440/t on support from stronger US prices and a stable Canadian dollar-US dollar exchange rate.

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## Pulse and Special Crops

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### Dry Peas

**For 2018-19**, exports are forecast to rise marginally to 3.1 million tonnes (Mt), with China, Bangladesh and the US ranking as Canada's top three markets. Canadian dry pea exports to India are expected to fall sharply to 120 thousand tonnes (kt). Through August to December of this crop year, Canadian dry pea exports total 1.4 Mt, slightly higher than the same period in 2017-18. Carry-out stocks are expected to fall sharply due to firm export demand, despite lower supply. The average price is expected to rise from 2017-18, as higher green and feed pea prices offset similar yellow pea prices.

During the month of February, the on-farm price of yellow peas in Saskatchewan fell by \$10/t, while the price of green peas rose by \$35/t. Monthly dry pea exports have continued at a strong pace. Yellow pea supplies continue to be ample. Indications are that there will be another large winter pulse crop in India. Even if a higher-than-average pulse crop in India is realized, Canadian dry pea export demand is expected to remain firm through the remainder of the crop year. Support factors include the continued weakness of the Canadian dollar against the US dollar and strong demand from China. Green dry peas prices are expected to maintain a \$130/t premium over yellow peas, compared to the \$40/t premium in 2017-18.

US dry pea production is estimated by the USDA at over 0.7 Mt, up 12% from 2017-18. This is largely due to improved yields in North Dakota and Montana. As a result, Canadian exports to the US are forecast to be lower than the previous year. For 2018-19 to-date (August to December), Canadian dry pea exports to the US totaled 87 Kt.

**For 2019-20**, seeded area is forecast to rise marginally from 2018-19 to 1.5 Mha because of good returns relative to other crops and strong export demand. Production is forecast to rise marginally to 3.7 Mt due to higher area seeded and trend yields. However, supply is expected to fall marginally due to lower carry-in stocks. Exports are expected to be lower than the current crop year but carry-out stocks

are expected to fall. The average price in 2019-20 is expected to be unchanged from the previous year.

### Lentils

**For 2018-19**, exports are forecast to rise to 1.7 Mt. India, EU and United Arab Emirates are currently the top three export markets. Through August to December of this crop year, Canadian lentil exports total over 0.7 Mt, up 17% from this same period in 2017-18.

Carry-out stocks are forecast to decrease marginally but remain at high levels. The overall average price is forecast to fall sharply due to large carry-out stocks.

During the month of February, the on-farm price of large green lentils fell by \$25/t and the price of red lentils fell by C\$5/t in Saskatchewan. This was due to expectations of another large pulse winter crop in India. Large green lentil prices are forecast to maintain a \$65/t premium over red lentil prices, compared to a \$340/t premium in 2017-18.

For 2018-19, US lentil production, dominated by the green types, is estimated by the USDA at 0.38 Mt, up 13% from 2017-18. Despite this, Canadian lentil exports to the US to-date (August to December) are higher than last year at this time at 32 Kt.

**For 2019-20**, area seeded in Canada is expected to fall to 1.35 Mha, due to lower returns relative to other crops. A higher yield is forecast but production is still expected to fall to 2.0 Mt. Supply is expected to fall to 2.8 Mt with slightly smaller carry-in stocks. Exports are forecast to be higher at 1.8 Mt as markets adjust to the lack of import demand from India. Carry-out stocks are expected to fall. The average price is forecast to increase from 2018-19 with the assumption of an average grade distribution and discounts for lower grades.

### Dry Beans

**For 2018-19**, exports are expected to be lower than for the 2017-18 crop year despite an increase in supply. The EU and the US are forecast to continue to be the main markets for Canadian dry beans, with

smaller volumes exported to Japan, Angola and Mexico. However, Canadian carry-out stocks are expected to increase. The average Canadian dry bean price is forecast to rise, due to expectations for lower carry-out stocks in North America. To-date (August-February), Canadian white pea bean prices are 15% higher, pinto bean prices are 10% higher and black bean prices are 5% higher than realised in 2017-18.

US total dry bean production (excluding chickpeas) is estimated by the USDA at 1.1 Mt, a decrease of 14% from 2017-18. US dry bean production fell for bean types, white pea, pinto and great northern, while production of all other types increased. This is expected to continue to support US and Canadian dry bean prices for 2018-19.

**For 2019-20**, the area seeded is forecast to rise marginally from 2018-19 to 145 thousand hectares because of higher returns compared to other crops. Production is expected to increase to 345 Kt due to lower expected yields and abandonment. Supply is expected to rise with higher production combining with large carry-in stocks. Exports are forecast to be slightly higher with steady demand from the EU and the US. Carry-out stocks are forecast to rise sharply. The average Canadian dry bean price is forecast to fall due to expectations for increased supply in North America.

### **Chickpeas**

**For 2018-19**, exports are expected to fall significantly from 2017-18, due to decreased import demand from Turkey and the US. As a result, carry-out stocks are expected to rise sharply. The average price is expected to be obviously lower than last year, due to large world supplies of chickpeas, including in North America.

US chickpea production is estimated by USDA at a record 578 Kt, a 85% increase from 2017-18.

**For 2019-20**, the area seeded is expected to fall notably from 2018-19 because of higher carry-in stocks and the potential for lower returns. As a result, production is expected to fall to 130 Kt. Supply is forecast to fall only marginally from 2018-19 due to the burdensome carry-in stocks. Exports are forecast to be higher and carry-out stocks are expected to fall

marginally. The average price is forecast to be unchanged to slightly higher, due to expectations for lower, but still large world chickpea supplies.

### **Mustard Seed**

**For 2018-19**, exports are forecast to be flat at 112 Kt, and carry-out stocks are forecast to rise. The US and the EU are the main export markets to date for Canadian mustard seed. The average price is forecast to fall sharply from the previous year due to the higher supply and expectations for higher Canadian carry-out stocks.

**For 2019-20**, the area seeded is forecast to be similar to the previous year due to expectations of similar returns based on new crop contracts. Production is forecast to rise to 180 Kt with marginally higher area and yields when compared to the previous year. Supply is expected to rise by 12% due to higher carry-in stocks. Exports are expected to be higher, but despite this, carry-out stocks are forecast to rise. The average price is forecast to be slightly lower than 2018-19.

### **Canary Seed**

**For 2018-19**, exports are expected to be lower than 2017-18 despite steady demand from the EU and Mexico, the top two export markets. Carry-out stocks are expected to tighten. The average price is forecast to rise from 2017-18.

**For 2019-20**, the area seeded is forecast to rise due to competitive returns relative to other crops. Production is expected to increase, assuming lower yields than 2018-19. Supply is forecast to fall to 127 Kt. Exports are expected to be lower than 2018-19, and carry-out stocks are expected to remain tight. The average price is expected to be lower than the 2018-19 level.

### **Sunflower Seed**

**For 2018-19**, exports are forecast to be marginally higher than last year due to increased US demand. Carry-out stocks are forecast to rise, despite increased exports. The US remains Canada's main export market for sunflower seed. The average price is forecast to fall from 2017-18 despite higher confectionery and oilseed sunflower seed prices. The reason being there was a higher proportion of

oilseed sunflower seed types grown this year, compared to confectionery types.

For the US, sunflower seed production is estimated by the USDA to have decreased marginally to below 1.0 Mt. With a smaller US confectionery crop for the second consecutive year, this has supported Canadian confectionery sunflower seed prices.

The world supply of sunflower seed is estimated by the USDA at a record 57 Mt. This is 7% higher than last year, due to higher production in Ukraine and Russia. World exports are expected to fall by 4%, with domestic use expected to rise marginally to a record 50 Mt. Global carry-out stocks are expected to

rise to a record 3.9 Mt, and has been somewhat negative for world sunflower oilseed prices.

**For 2019-20**, area seeded is anticipated to be marginally higher from 2018-19 due to expectations of good returns. Production is forecast to rise to 60 Kt and supply is expected to rise to 127 Kt. Although exports are expected to increase, carry-out stocks are forecast to increase further. The average price is forecast to rise from 2018-19 as stronger prices for confectionery sunflowers in Canada and the US combines with similar prices for oil types.

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# CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

March 21, 2019

Grain and Crop Year (a)	Area Seeded ----- thousand ha	Area Harvested	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
<b>Durum</b>												
2017-2018	2,106	2,088	2.38	4,962	8	6,798	4,387	200	543	984	1,426	265
2018-2019f	2,503	2,456	2.34	5,745	10	7,181	4,100	200	687	1,081	2,000	215-245
2019-2020f	2,000	1,960	2.60	5,100	10	7,110	4,600	200	496	910	1,600	235-265
<b>Wheat Except Durum</b>												
2017-2018	7,020	6,895	3.63	25,022	75	30,125	17,438	3,644	3,769	8,193	4,493	240
2018-2019f	7,570	7,425	3.50	26,024	80	30,598	18,700	3,600	3,451	7,898	4,000	235-265
2019-2020f	8,230	8,010	3.50	28,000	80	32,080	18,500	3,650	3,703	8,180	5,400	230-260
<b>All Wheat</b>												
2017-2018	9,126	8,983	3.34	29,984	82	36,923	21,826	3,844	4,312	9,178	5,919	
2018-2019f	10,073	9,881	3.22	31,769	90	37,779	22,800	3,800	4,138	8,979	6,000	
2019-2020f	10,230	9,970	3.32	33,100	90	39,190	23,100	3,850	4,199	9,090	7,000	
<b>Barley</b>												
2017-2018	2,334	2,114	3.73	7,891	59	10,072	2,823	62	5,716	6,005	1,244	227
2018-2019f	2,628	2,395	3.50	8,380	50	9,674	2,700	86	5,738	6,074	900	240-270
2019-2020f	3,000	2,699	3.59	9,697	40	10,637	2,750	86	6,126	6,437	1,450	210-240
<b>Corn</b>												
2017-2018	1,447	1,406	10.02	14,096	1,699	18,291	1,845	5,146	8,867	14,029	2,417	174
2018-2019f	1,468	1,431	9.70	13,885	2,000	18,302	1,800	5,000	9,486	14,502	2,000	160-190
2019-2020f	1,560	1,505	9.75	14,674	1,300	17,974	1,750	5,250	8,958	14,224	2,000	165-195
<b>Oats</b>												
2017-2018	1,295	1,052	3.55	3,733	14	4,450	2,365	109	1,094	1,307	778	218
2018-2019f	1,235	1,005	3.42	3,436	20	4,234	2,500	125	904	1,134	600	230-260
2019-2020f	1,400	1,108	3.40	3,771	20	4,391	2,450	125	910	1,141	800	230-260
<b>Rye</b>												
2017-2018	144	101	3.38	341	1	507	195	58	139	208	104	162
2018-2019f	136	79	2.99	236	2	342	180	44	74	132	30	215-245
2019-2020f	170	96	2.87	276	2	307	170	44	55	112	25	210-240
<b>Mixed Grains</b>												
2017-2018	123	54	2.77	149	0	149	0	0	149	149	0	
2018-2019f	144	69	2.82	195	0	195	0	0	195	195	0	
2019-2020f	110	51	2.91	148	0	148	0	0	148	148	0	
<b>Total Coarse Grains</b>												
2017-2018	5,342	4,727	5.55	26,210	1,773	33,469	7,227	5,375	15,965	21,698	4,544	
2018-2019f	5,610	4,979	5.25	26,132	2,072	32,747	7,180	5,255	16,396	22,037	3,530	
2019-2020f	6,240	5,459	5.23	28,566	1,362	33,457	7,120	5,505	16,197	22,062	4,275	
<b>Canola</b>												
2017-2018	9,313	9,273	2.30	21,328	108	22,778	10,726	9,269	216	9,552	2,499	539
2018-2019f	9,232	9,120	2.23	20,343	100	22,942	9,800	9,250	341	9,642	3,500	480-520
2019-2020f	9,000	8,931	2.21	19,750	100	23,350	10,500	9,250	249	9,550	3,300	460-500
<b>Flaxseed</b>												
2017-2018	421	419	1.33	555	7	802	515	0	145	160	127	463
2018-2019f	347	342	1.44	493	10	630	400	0	114	130	100	475-505
2019-2020f	400	395	1.56	615	10	725	600	0	20	40	85	470-510
<b>Soybeans</b>												
2017-2018	2,947	2,935	2.63	7,717	534	8,606	4,932	1,969	792	3,023	651	434
2018-2019f	2,558	2,540	2.86	7,267	650	8,568	5,500	2,000	318	2,518	550	395-425
2019-2020f	2,475	2,454	2.85	7,000	400	7,950	5,000	1,900	375	2,475	475	400-440
<b>Total Oilseeds</b>												
2017-2018	12,681	12,627	2.34	29,600	650	32,186	16,173	11,238	1,153	12,735	3,277	
2018-2019f	12,137	12,001	2.34	28,102	760	32,139	15,700	11,250	772	12,289	4,150	
2019-2020f	11,875	11,779	2.32	27,365	510	32,025	16,100	11,150	644	12,065	3,860	
<b>Total Grains And Oilseeds</b>												
2017-2018	27,149	26,337	3.26	85,794	2,504	102,577	45,226	20,457	21,430	43,611	13,740	
2018-2019f	27,820	26,861	3.20	86,003	2,922	102,665	45,680	20,305	21,305	43,304	13,680	
2019-2020f	28,345	27,209	3.27	89,031	1,962	104,672	46,320	20,505	21,040	43,217	15,135	

(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 2018-2019 which are STC

# CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

March 21, 2019

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 -----			
<b>Dry Peas</b>											
2017-2018	1,656	1,642	2.50	4,112	12	4,424	3,083	693	648	17	265
2018-2019f	1,463	1,431	2.50	3,581	20	4,249	3,100	749	400	10	255-285
2019-2020f	1,500	1,475	2.51	3,700	15	4,115	2,900	865	350	9	255-285
<b>Lentils</b>											
2017-2018	1,783	1,774	1.44	2,559	35	2,908	1,537	498	873	43	475
2018-2019f	1,525	1,499	1.40	2,092	15	2,980	1,700	480	800	37	380-410
2019-2020f	1,350	1,335	1.50	2,000	20	2,820	1,800	485	535	23	390-420
<b>Dry Beans</b>											
2017-2018	135	131	2.45	322	86	409	351	23	35	9	760
2018-2019f	143	137	2.49	341	85	461	345	26	90	24	800-830
2019-2020f	145	143	2.41	345	80	515	350	25	140	37	790-820
<b>Chickpeas</b>											
2017-2018	68	68	1.49	102	48	151	116	21	13	10	950
2018-2019f	179	176	1.77	311	30	355	90	65	200	129	520-550
2019-2020f	75	74	1.76	130	18	348	100	68	180	107	520-550
<b>Mustard Seed</b>											
2017-2018	156	153	0.80	122	9	211	112	45	53	34	770
2018-2019f	204	197	0.88	174	5	232	112	45	75	48	670-700
2019-2020f	205	200	0.90	180	5	260	120	45	95	58	650-680
<b>Canary Seed</b>											
2017-2018	103	103	1.41	145	0	165	147	6	12	8	465
2018-2019f	86	85	1.39	118	0	130	125	3	2	2	490-520
2019-2020f	95	94	1.33	125	0	127	120	2	5	4	470-500
<b>Sunflower Seed</b>											
2017-2018	26	26	2.26	58	22	105	17	53	35	50	590
2018-2019f	29	27	2.13	57	22	114	19	50	45	65	560-590
2019-2020f	30	29	2.07	60	22	127	20	52	55	76	570-600
<b>Total Pulses and Special Crops (c)</b>											
2017-2018	3,927	3,897	1.90	7,419	211	8,373	5,363	1,339	1,670	25	
2018-2019f	3,629	3,552	1.88	6,674	177	8,521	5,491	1,418	1,612	23	
2019-2020f	3,400	3,350	1.95	6,540	160	8,312	5,410	1,542	1,360	20	

(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 2018-2019 which are STC