

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

January 23, 2020

**Market Analysis Group / Crops and Horticulture Division  
Sector Development and Analysis Directorate / Market and Industry Services Branch****Executive Director: Nathalie Durand****Deputy Director: Fred Oleson**

This report is an update of Agriculture and Agri-Food Canada's (AAFC) December outlook report for the 2019-20 crop year and provides AAFC's preliminary look at the upcoming 2020-21 crop year. For most crops in Canada, the crop year starts on August 1 and ends on July 31, although for corn and soybeans, the crop year starts on September 1 and ends on August 31.

**For 2019-20**, the outlook incorporates the results of Statistics Canada's Farm Survey of crop production which was released on December 6, 2019. At the time of harvest, higher than average precipitation across Canada, including excessive early snow in the Prairies, slowed harvest for many farmers and resulted in unharvested crops remaining in the fields over the winter. Averaged over all crops, yields are slightly higher than the average for 2018-19 but the general quality of the crop is notably lower due to wet conditions during harvest. The production of all field crops is estimated at 93.3 million tonnes (Mt), unchanged from last year, as higher production of pulses and special crops (P&SC) offset the decrease in production of grains and oilseeds (G&O). Total carry-out stocks are expected to be similar to last year as significantly lower inventories of durum, corn, oilseeds and lentils are offset by higher inventories of wheat (excluding durum), barley, oats and peas. As was the case with the previous crop year, average prices for field crops in Canada are expected to be supported by the low value of the Canadian dollar.

**For 2020-21**, the area seeded to field crops in Canada is forecast to increase marginally from 2019-20 as the area seeded to wheat and coarse grains is expected to increase slightly while the area seeded to oilseeds and P&SC decreases marginally. In general, average yields are forecast to increase compared to 2019-20 because excessive moisture conditions in some areas reduced yields last year. The production of G&O and P&SC is forecast to increase modestly so that total field crop production is expected to increase by 2% to 95.3 Mt. In general, abundant supplies of grain at the world level are expected to pressure world grain prices but 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	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	--- thousand hectares ---		t/ha	----- thousand tonnes -----					
<b>Total Grains And Oilseeds</b>									
2018-2019	27,820	26,861	3.22	86,584	4,261	105,165	46,841	44,191	14,133
2019-2020f	27,568	26,094	3.30	85,997	2,682	102,811	44,620	44,101	14,090
2020-2021f	27,751	26,479	3.32	87,949	2,277	104,316	46,290	43,321	14,705
<b>Total Pulse And Special Crops</b>									
2018-2019	3,652	3,576	1.88	6,714	294	8,734	6,077	1,342	1,316
2019-2020f	3,892	3,783	1.93	7,294	327	8,937	6,256	1,441	1,240
2020-2021f	3,856	3,774	1.95	7,375	278	8,893	6,081	1,457	1,355
<b>All Principal Field Crops</b>									
2018-2019	31,472	30,437	3.07	93,298	4,554	113,899	52,918	45,533	15,448
2019-2020f	31,460	29,877	3.12	93,291	3,009	111,748	50,876	45,542	15,330
2020-2021f	31,607	30,253	3.15	95,324	2,555	113,209	52,371	44,778	16,060

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

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

## All Wheat

---

### Durum

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

Total supply decreased by 7%, as the lower production was partly offset by higher carry-in stocks. Exports are forecast to increase by 6% to 4.8 Mt due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 49% from 2018-19 to 0.85 Mt, 39% lower than the past five year average of 1.4 Mt.

The average quality of the durum harvested before winter in terms of grades is lower than for 2018-19, which was exceptionally good quality crop, but near the past five year average. According to Canadian Grain Commission's sample survey analysis to November 27, 2019, 50% of the durum was graded No. 1 and 2 and another 40% graded No. 3 and 4. The protein content averaged 13.7%, lower than for 2018-19, but better than the past five year average.

World durum production fell by 3 Mt from 2018-19 to 35.1 Mt, while supply decreased by 2.3 Mt to 45.5 Mt, according to the International Grains Council. Use is expected to rise by 0.4 Mt to 37.8 Mt. Carry out stocks are forecast to fall by 2.8 Mt to 7.6 Mt, the lowest since 2012-13. US durum production fell by 0.64 Mt from 2018-19 to 1.48 Mt, according to the United States Department of Agriculture (USDA).

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

**For 2020-21**, the area seeded to durum in Canada is forecast to increase by 15% from 2019-20 because of relatively good prices and low carry-out stocks for 2019-20. Production is forecast to rise by 18% to 5.9 Mt as the increase in seeded area is compounded by higher trend yields. Supply is projected to rise by only 1% as the higher production is mostly offset by

lower carry-in stocks. Exports are expected to be stable. The feed, waste and dockage portion of domestic use is expected to fall, assuming a normal harvest and the resulting lower supply of low quality durum. Carry-out stocks are forecast to rise by 18% to 1 Mt.

World durum production is forecast to increase by 2.4 Mt from 2019-20 to 37.5 Mt due to higher seeded area and assuming a return to normal yields. Supply is expected to fall by 0.4 Mt to 45.1 Mt because of lower carry-in stocks. Use is expected to be stable as higher food use is offset by lower feed use, while carry-out stocks fall by 0.3 Mt to 7.3 Mt.

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

### Wheat (excluding durum)

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

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

The average quality for CWRS wheat harvested before winter in terms of grades is similar to 2018-19, but better than the past five year average. According to Canadian Grain Commission's sample survey analysis to November 27, 2019, 74% of the CWRS wheat graded No. 1 and 2 and another 16% graded No. 3. The protein content averaged 13.3%,

lower than for 2018-19 and the past five year average.

Total supply increased only slightly, as lower carry-in stocks partly offset the increase in production. Exports are forecast to fall by 6% to 18.6 Mt, due to more competition from other exporters because of higher world production. Carry-out stocks are forecast to increase by 18% to 5 Mt, but only 2% higher than the past five year average of 4.92 Mt. The export forecast was reduced by 0.2 Mt from the December report based on the pace of exports for the first five months of the crop year.

World all wheat (including durum) production increased by 33 Mt to 764 Mt, while the supply increased by 28 Mt to 1,042 Mt, according to USDA. Total use is expected to increase by 18 Mt to 754 Mt. World all wheat carry-out stocks are forecast to rise by 10 Mt to 288 Mt or, if stocks in China are not included, stocks would increase by 3 Mt to 141 Mt. Chinese wheat stocks are seldom exported.

US all wheat production rose by 1 Mt from 2018-19 to 52.3 Mt, according to USDA. Supply is 0.4 Mt lower at 84.5 Mt. Domestic use is forecast to increase by 1.7 Mt, while exports increase by 1 Mt. Carry out stocks are forecast to decrease by 3.1 Mt to 26.3 Mt.

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

**For 2020-21**, Canadian area seeded to wheat is forecast to be nearly the same as for 2019-20 as a 17% increase in the winter wheat area is expected to be offset by a 1% decrease for the spring wheat area. Production is projected to rise by 2% to 28 Mt. The

winter wheat production is projected to increase by 60% to 2.7 Mt due to higher seeded area and assuming a return to normal abandonment rate. Spring wheat production is expected to fall by 1% to 25.3 Mt.

Supply is forecast to increase by 4% because of higher carry-in stocks. Exports are expected to rise by 5% due to lower world production. Carry-out stocks are forecast to increase by 10% to 5.5 Mt.

World all wheat production is forecast to fall by 14 Mt from 2019-20 to 750 Mt, assuming normal yields, while the supply falls by 3 Mt due to higher carry-in stocks. Total use is expected to rise by 6 Mt to 760 Mt. Carry-out stocks are forecast to fall by 8 Mt to 280 Mt. Excluding China, carry-out stocks are projected to decrease by 8 Mt to 133 Mt.

US all wheat production is forecast to fall by 2.8 Mt from 2019-20 to 49.5 Mt. On January 10, the USDA reported that the area seeded to winter wheat, the major wheat type in the US, for 2020 is estimated at 30.8 million acres, 1% lower than 2019 and down 5% from 2018. This is the second lowest US acreage on record. Seeding was mostly complete by mid-November. Supply of all wheat is projected to fall by 5 Mt to 79.5 Mt. Exports and domestic use are expected to fall. Carry-out stocks are forecast to decrease by 1.3 Mt to 25 Mt.

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

**Stan Skrypetz: Wheat Analyst**  
[stan.skrypetz@canada.ca](mailto:stan.skrypetz@canada.ca)

## Coarse Grains

---

### Barley

**For 2019-20**, barley production in Canada increased to 10.4 million tonnes (Mt), largely due to higher harvested area and higher yields.

The total supply of barley increased by 17% from 2018-19 as higher production more-than offset the decrease in carry-in stocks which are historically low. The domestic use of barley is expected to increase significantly from 2018-19, largely due to higher feed use. Exports are expected to increase slightly while carry-out stocks increase sharply.

The average price of feed barley is expected to be lower than 2018-19 due to the increased supply in Canada, the US and around the world.

The supply of barley in the US increased due to higher production and projection for higher imports, according to the United States Department of Agriculture (USDA). Carry-out stocks are forecast to rise due to an increase in supply exceeding the growth in total use.

World barley production and supply increased to the highest level since 1994-95. Barley production increased in the major exporting countries, including the EU, Russia and Ukraine. World trade is projected to rise due to higher supply and forecasts for increased imports from Saudi Arabia, China and Morocco. Total use is anticipated to grow. Carry-out stocks are expected to increase by 18% from 2018-19.

**For 2020-21**, the area seeded to barley in Canada is forecast to decrease by 3% due to the sharp increase in carry-in stocks and lower prices. However, barley prices in 2019-20 have been relatively good compared to prices over the past few years, which will limit the decline in area seeded. Production is forecast to decrease by 8% using previous 5-year (2015-16 to 2019-20) average for area harvested and yields for 2020-21. Supply is forecast to increase marginally. Domestic use is anticipated to remain largely unchanged. Exports are expected to be stable. As a result, carry-out stocks are forecast to rise.

The average price of feed barley for 2020-21 is expected to be lower than 2019-20 due to increased supplies in Canada and lower feed grain prices in the US.

The USDA projects that area seeded to barley in the US for 2020-21 will fall by 4%, which, combined with forecasts for lower area harvested and yield, will result in a drop of 3% in US barley production. However, supply is projected to rise by 4% owing to increased carry-in stocks and higher imports. Total use is expected to increase by 6% with carry-out stocks remaining unchanged. The average US barley price is projected to fall by 8%.

According to the International Grains Council (IGC), world barley supply, world use and carry-out stocks in 2020-21 will continue to increase.

### Corn

**For 2019-20**, corn production in Canada decreased by 3% from 2018-19 to 13.4 Mt due to lower average yields, despite an increase in harvested area.

Total supply of corn decreased by 9% as a result of lower carry-in stocks, production and imports. Corn imports for 2019-20 into Western Canada are expected to fall sharply because of the significant increase in barley production in Western Canada where barley is the major feed grain. However, in Eastern Canada, where corn is the major feed grain, corn imports are expected to increase due to lower corn production. For the first quarter of 2019-20, corn imports to Western Canada posted a drop of 60%, compared to the same period in 2018-19, while it increased by 32% for Eastern Canada. Domestic use is expected to decrease from 2018-19 due to reduced food and industrial use, as well as declined feed use. Exports are expected to decrease due to lower supply and the reduced export pace to-date. Carry-out stocks are forecast to fall mostly due to smaller supplies.

The average price of corn for 2019-20 is expected to be higher than last year due to the expected increase in the US corn price and a significant decline in domestic corn supply.

US corn production for 2019-20 decreased by 5% from 2018-19 largely due to a decline in yields. The average farmgate price for corn in the US is forecast to increase to US\$3.85/bu from US\$3.61/bu last year. Corn production in other major world exporters, including Brazil, Argentina, Russia and Ukraine, remains abundant, which will put pressure on corn prices.

**For 2020-21**, the area seeded to corn in Canada is forecast to decrease by only 2% from 2019-20 as corn prices remain relatively strong. Production is forecast to increase by 3%, largely due to higher yields, and imports are expected to decrease accordingly. Supply is projected to be slightly lower than in 2019-20 as lower carry-in stocks and imports more-than offset the increase in production. Domestic use is projected to fall due to lower feed use while exports remain stable. Carry-out stocks are forecast to rise.

The average price of corn in Canada is expected to be lower than 2019-20 due to lower corn prices in the US which are expected to decrease from about US\$4 in 2019-20 to US\$3.50 per bushel at Chicago in 2020-21.

The USDA projects that US corn acreage for 2020-21 will rise by 5%, which, combined with forecasts for higher area harvested and improved yield, will increase US corn production by 13% in 2020-21. Supply is projected to grow by 10% due to lower imports completely offset by higher production. As a result of higher supply, the use in all categories, including exports, is expected to expand, which is anticipated to result in a 5% increase in total use. Carry-out stocks are projected to increase by 43%. The US corn price is projected to fall by 11%.

Area seeded to corn at the world level is forecast to increase by the IGC and world production is expected to set a new record. Total use of corn around the world is expected to continue its upward trend in 2020-21 and is projected to grow to a record level, driven by China and Brazil. World carry-out stocks are anticipated to decline in 2020-21, including in China and the major exporting countries. In the EU, the total supply of corn is expected to fall

due to lower carry-in stocks, in spite of higher production and imports. Total use of corn in the EU is projected to rise. As a result of lower supplies and higher consumption, carry-out stocks of corn in the EU are expected to decrease.

### **Oats**

**For 2019-20**, oat production in Canada increased to 4.2 Mt largely due to higher harvested area and record yields. The total supply of oats increased by 8% from 2018-19, as the increase in production exceeded the decrease in carry-in stocks. Domestic use is expected to remain flat. Exports of oats, grain and products, are anticipated to rise due to increased supply and a solid export pace to-date. Carry-out stocks are expected to increase significantly due to higher supply.

The average provincial price of oats in the Prairie Provinces is currently strong. The 2019-20 cumulative average prices to-date in AB, SK and Manitoba (MB) are 4 to 13% higher than those for the same period in 2018-19 and 7% higher than the average oat futures price on the Chicago Board of Trade (CBOT). Throughout the crop year, oat prices are forecast to increase slightly from last year due to strong demand for quality oats.

US oat production for 2019-20 dropped by 5% from 2018-19, and US imports are projected to rise by 9%. Oat production in the EU and Australia increased.

**For 2020-21**, the area seeded to oats in Canada is forecast to increase by 9% mainly due to good prices and strong demand. This will be the highest level since 2009. Production is forecast to increase by 5% due to higher area harvested more-than offsetting lower yield. Supply is projected to increase by 10% owing to higher carry-in stocks and production. Domestic use is expected to increase due to higher feed use. Exports are anticipated to be stable. Carry-out stocks are forecast to rise.

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

The USDA projects that the acreage of oats in the US for 2020-21 will grow by 3%, which, combined with

forecasts of increased harvested area and improved yield, will expand oat production in the US by 24% in 2020-21. However, supply is projected to rise by 6% owing to forecast for lower carry-in stocks and unchanged imports. Total use is expected to increase by 4% and carry-out stocks are projected to increase by 16%. US oat price for 2020-21 is projected to fall by 15%.

The IGC forecasts that world oat supply in 2020-21 will continue to grow due to higher carry-in stocks and production. Total use will increase by 1% and carry-out stocks are projected to increase by 12%.

### **Rye**

**For 2019-20**, rye production in Canada increased to 333 thousand tonnes (Kt) due to higher harvested area and improved yields.

The total supply increased by 13% due to higher production which more-than offset the significant decline in carry-in stocks. Domestic use is expected to grow due to an increase both in industrial use and feed use. Exports are anticipated to rise due to improved supply and solid exporting pace. Carry-out stocks are expected to decrease due to stronger demand outpacing increased supply.

Current rye prices in SK and MB elevators are down from a year ago but remain strong. For 2019-20, the rye price is anticipated to decrease by 11% from 2018-19 to an average of \$210/t.

The US is the main importer of Canadian rye. US rye production increased by 56 Kt. However, with a projected drop in imports, total supply increased only slightly by 7 Kt. Total consumption is projected to increase by 46 Kt, which should result in tight ending stocks of rye in the US.

**For 2020-21**, the area seeded to winter rye in Canada increased by 32% from 2019-20, as a result of relatively good prices and strong demand for domestic use and exports. Production is forecast to increase by almost 30% to 429 Kt, using previous 5-year average yield. Supply is projected to increase by 20% to 490 Kt. Exports, domestic use and carry-out stocks are forecast to rise due to higher supplies.

The average price of rye for 2020-21 is expected to be lower than that for 2019-20 due to higher supply in Canada, the US and around the world.

The IGC forecasts that world rye supply in 2020-21 will continue to grow due to higher carry-in stocks, as production is projected to be unchanged. The use will increase by 3% and carry-out stocks are projected to increase by 21%.

**Mei Yu: Coarse Grains Analyst**  
[mei.yu@canada.ca](mailto:mei.yu@canada.ca)

### Canola

**For 2019-20**, canola supplies are forecast down from last year, to 22.8 million tonnes (Mt), as high carry-in stocks mostly offset the drop in production. Domestic processing of canola is forecast at a record 9.8 Mt, versus the 9.1 Mt processed in 2018-19. This outlook is supported by the current crush pace which is running ahead of last year as reported by Statistics Canada.

Canola exports are forecast to fall slightly to 9.1 Mt, versus the 9.14 Mt shipped out of Canada in 2018-19. Exports through licensed facilities as of January 5, 2019 were 3.7 Mt versus 4.3 Mt a year ago, a drop of 15%. Carry-out stocks are forecast to fall to 3.5 Mt, versus 4.1 Mt for 2018-19. Canola prices are estimated to range between \$465-495/t down from \$497/t last year.

World canola-rapeseed production is estimated at 67.7 Mt by the USDA compared to 72.4 Mt in 2018-19 and the 75.0 Mt in 2017-18. Canada is the world's largest grower of canola at 18.6 Mt followed by the European Union at 17.0 Mt. China is the world's third largest canola-rapeseed producer, growing 13.1 Mt, followed by India at 7.7 Mt. Production in other countries is estimated at 10.9 Mt up slightly from 10.7 Mt last year.

World exports of canola-rapeseed is estimated at 15.0 Mt up slightly from the 14.6 Mt shipped around the world in 2018-19 but down from the 16.2 Mt exported in 2017-18. Canada accounts for slightly under two-thirds of the world's exports of canola. Exports from other countries are estimated at 5.4 Mt while shipments from the EU-28 are estimated at 50,000 t for 2019-20.

**For 2020-21**, seeded area in Canada is forecast to decrease by 2% to 8.3 million hectares (Mha), as farmers seed slightly more wheat and coarse grains at the expense of oilseeds and pulses and special crops. Harvested area is forecast at 8.2 Mha while yields are projected at 2.25 tonnes per hectare (t/ha), up marginally from the 2.24 t/ha achieved in 2019-20. Production is forecast to fall slightly to 18.5 Mt versus the 18.6 Mt grown last year. Total supply is

forecast to fall to 22.1 Mt on the combination of lower carry-in stocks and lower output.

Exports are forecast up by 4% to 9.5 Mt on support from the slow and steady growth in world consumption of vegetable oils and high oil content oilseeds. Domestic crush is forecast to fall slightly to 9.3 Mt, due to competition from large world soybean oil and palm oil supplies. Carry-out stocks are forecast to tighten slightly to 3.0 Mt for a stocks-to-use ratio of 16% while canola prices are expected to rise slightly to \$480-520/t.

### Flaxseed

**For 2019-20**, supplies are estimated at 0.56 Mt versus 0.63 Mt for last year, due to lower production and decreased carry-in stocks. Exports are forecast down slightly to 0.45 Mt on steady world demand and disciplined farmer selling. Total domestic use is forecast to fall to 0.08 Mt on lower feed, waste and dockage. Carry-out stocks are forecast to decrease to 0.03 Mt while flaxseed prices rise slightly to \$485-515/t, versus \$496/t in 2018-19.

Oil World estimated world linseed-flaxseed production at 3.0 Mt for 2019-20-, up from the 2.7 Mt grown in 2018-19 and the 2.6 Mt grown in 2017-18. Kazakhstan and Russia are the world's largest linseed growers with production of about 0.8 Mt and 0.7 Mt, respectively. Canada was in the third spot with an output of 0.5 Mt followed by China at 0.4 Mt. The remaining 0.5 Mt of linseed-flaxseed production was grown by a wide range of countries.

**For 2020-21**, seeded area for flaxseed in Canada is forecast to rise to 0.45 Mha, on support from higher prices. Production is forecast to rise by 34% to 0.65 Mt, assuming a steady abandonment in the harvested area and using the 5-year average historical yields. Supply is forecast to increase by 24% to 0.69 Mt as the rise in output more than offsets the slight drop in carry-in stocks.

Exports are forecast to increase by 11% from 2019-20, to 0.50 Mt on steady to stronger world consumption. Total domestic use is forecast to rise to

0.11 Mt, on higher feed, waste and dockage. Carry-out stocks are forecast to increase to 0.80 Mt. Flaxseed prices are forecast up slightly, to \$490-530/t for 2020-21.

### **Soybeans**

**For 2019-20**, supplies are estimated at 7.1 Mt, down from last year's 9.2 Mt on sharply lower production. Imports are estimated sharply lower for 2019-20, at 0.4 Mt. As of Jan 2, accumulated Sept 1-Jan 2, US exports of soybeans to Canada were 28,600 t compared to 494,100 t for the same period last year. Canadian exports are forecasts to decline to 4.4 Mt, vs 5.6 Mt last year, because of the tighter domestic supplies. Canadian soybean crush is expected to fall by 13%, to 1.8 Mt, as some processors switch to crushing canola while carry-out stocks fall to 0.4 Mt, vs 0.7 Mt last year. Soybean prices are forecast modestly higher at \$405-435/t versus \$406/t for 2018-19.

World production of soybeans is estimated at 338 Mt by the USDA, down from the 358 Mt grown in 2018-19 and the 342 Mt produced in 2017-18. At the start of 2020, world attention is focusing on weather conditions and crops prospects in South America. Crop conditions appear near normal at this time with the USDA forecasting record soybean production for Brazil and slightly lower output for Argentina. The US soybean situation has tightened up following last summer's challenging growing conditions, ending

stocks are estimated at 12.9 Mt versus 24.7 Mt for 2018-19.

The factors to watch for the rest of the crop year are: (1) state of US-China trade negotiations, (2) South American growing conditions, (3) US export pace and (4) US planting intentions for 2020-21.

**For 2020-21**, planted area in Canada is forecast to fall marginally to 2.25 Mha, due to low prices and concerns over growing conditions. Assuming 5-year average yields, production is forecast at 6.6 Mt, versus 6.0 Mt in 2019-20 and 7.4 Mt grown in 2018-19.

Total supply is forecast to increase to 7.5 Mt as the estimated drop in carry-in stocks is offset by higher production and a slight increase in imports. Exports are forecast at 4.7 Mt with shipments headed to a diverse group of countries. Domestic processing is forecast up slightly at 1.9 Mt as crushers swing back into processing more soybeans. Carry-out stocks are forecast at 0.38 Mt versus 0.40 Mt estimated for 2019-20 and the 0.70 Mt carried out in 2018-19.

Soybean prices are forecast up slightly to \$410-450/t on support from stronger US prices and a stable Canadian-US dollar exchange rate.

**Chris Beckman: Oilseeds Analyst**  
[chris.beckman@canada.ca](mailto:chris.beckman@canada.ca)



### Dry peas

**For 2019-20**, Canadian dry pea exports for the August to November period were 1.4 million tonnes (Mt), higher than for the same period last year. China imported the largest portion to-date at 1.0 Mt. The leading export market, after China, is Bangladesh and India. Total Canadian dry pea exports for the crop year are forecast to rise to 3.4 Mt due to higher export demand from China.

Canadian dry pea supply is estimated to rise by 8% as higher production is partly offset by lower carry-in stocks. With the higher supply, carry-out stocks are expected to rise but continue to be supportive for prices throughout 2019-20. The average price is expected to be slightly lower than 2018-19, mostly due to lower prices for yellow and feed peas with similar prices for green peas. Green pea prices are expected to maintain a premium of \$110/t over yellow peas for the crop year, compared to the \$130/t premium green peas had to yellow peas last year.

US dry pea production is estimated by the USDA at 1.0 Mt, up sharply from 2018-19. This was largely due to higher seeded area and higher yields. As a result, Canadian dry pea exports to the US are forecast to fall to 0.2 Mt in 2019-20.

**For 2020-21**, seeded area is forecast to be relatively unchanged from 2019-20 at 1.75 Mha, because of good returns relative to other crops. Dry peas continue to be recognised as a beneficial part of a crop rotation plan. Production is expected to rise marginally to 4.3 Mt, with an expectation of trend yields. Supply is forecast to rise marginally to 4.8 Mt due to similar carry-in stocks. With the tariff in India expected to remain, exports to other countries are expected to be marginally lower than 2019-20 and carry-out stocks are expected to rise. The average price is expected to be unchanged from 2019-20, due to similar pea prices and ample world supply.

### Lentils

**For 2019-20**, Canadian lentil exports for the August to November period totalled 0.7 Mt, 15% more than the amount exported during the same period in 2018. India imported the largest portion to-date at just under 0.2 Mt. The leading export market, after India, is Turkey, followed by Bangladesh and United Arab Emirates. Total Canadian lentil exports for 2019-20 are forecast to rise to 2.1 Mt, despite lentil import duties imposed by India. The supply of lentils in Canada is estimated to be marginally lower than last year as lower carry-in stocks was partly offset by the higher production. With the marginally lower supply and an increase in exports, this is expected to lead to sharply lower carry-out stocks for the end of the 2019-20 crop year.

The overall average price range is forecast to rise marginally from last year to \$400 to 430/t. Stronger prices for all lentil types have been offset by a below average grade distribution. As a result, there have been higher discounts for the lower grades for all green lentil types. Prices for No.1 large green lentils are expected to maintain a premium of \$130/t above the price of No.1 red lentils over the crop year, compared to a \$85/t premium in 2018-19.

US lentil production, mostly green types, is estimated at 244 kt, down 36% from the previous year. As a result, Canadian lentil exports to the US are forecast at 60 Kt for 2019-20.

**For 2020-21**, area seeded in Canada is expected to be unchanged at 1.53 Mha, due to strong prices for the No.1 grades the previous year. Production is forecast to rise marginally to 2.2 Mt. With lower carry-in stocks, supply is expected to fall to 2.7 Mt, the lowest since 2012-13. Exports are forecast to fall from 2019-20 to 2.0 Mt with a lower exportable supply. Carry-out stocks are expected to fall. With the assumption of an average grade distribution and grade discounts, the overall lentil price is forecast to rise from 2019-20.

## **Dry beans**

**For 2019-20**, exports are forecast to be marginally lower than last year. The EU and the US are forecast to remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Mexico. With the higher supply, carry-out stocks are expected to rise sharply from the previous year. The average Canadian dry bean price is forecast to rise, due to lower production and quality issues in North America.

US total dry bean production (excluding chickpeas) is estimated by the USDA at 0.94 Mt, down 17% from 2018-19. US dry bean production was largely down for most bean types with the exception of light red kidney type production, which increased marginally. This and a similar exchange rate from the previous year is expected to continue to support Canadian dry bean prices for 2019-20.

**For 2020-21**, the area seeded is forecast to be lower than 2019-20, but remain historically high, because of favorable potential returns compared to other crops, particularly soybeans and corn. Production is expected to increase to 0.33 Mt due to lower expected abandonment and higher expected yields. Supply is expected to rise to a record 0.5 Mt due to the higher carry-in stocks. Exports are forecast to be marginally higher than 2019-20. Carry-out stocks are expected to rise. The average Canadian dry bean price is forecast to fall sharply due to an expected increase in North American supply.

## **Chickpeas**

**For 2019-20**, exports are forecast to be lower than 2018-19 due to reduced demand from Pakistan. The US and Pakistan have been the main markets for Canadian chickpeas to-date. Carry-out stocks are expected to rise to record levels. The average price is forecast to fall, due to lower world demand and higher carry-out stocks.

US chickpea production is estimated by USDA to fall below 0.3 Mt, down over 50% from 2018-19, largely due to lower area.

**For 2020-21**, the area seeded is forecast to fall from 2019-20 because of expectations for lower returns relative to other pulse crops. As a result, production is expected to decrease sharply to 200 kt. Supply is

expected to decrease only marginally from last year as the lower production is partly offset by large carry-in stocks. Exports are forecast to be higher than the previous year and carry-out stocks are expected to fall but remain burdensome. The average price is forecast to be higher than 2019-20 due to expectations for a decrease in world supply and therefore an increase in world demand.

## **Mustard seed**

**For 2019-20**, exports are expected to be similar to 2018-19 at 120 Kt but carry-out stocks are forecast to fall due to lower supply. The US and the EU are expected to remain the main export markets for Canadian mustard seed. As a result of the decrease in stocks, the average price is forecast to rise from the levels observed in 2018-19.

**For 2020-21**, the area seeded is expected to rise due to improved returns from the previous year. Production is forecast to rise to 145 Kt due to higher area. Supply is expected to fall due to the lower carry-in stocks. Exports are expected to be unchanged at 120 Kt and carry-out stocks are forecast to decrease. The average price is forecast to fall when compared to 2019-20.

## **Canary seed**

**For 2019-20**, exports are expected to be lower than the previous year. The EU and Mexico are forecast to remain the main export markets, followed by South America. Carry-out stocks are expected to tighten. The average price is forecast to increase from the 2018-19 level.

**For 2020-21**, the area seeded is forecast to be higher than the previous year due to good potential returns compared to other crops. Production is expected to rise due to higher area and yields; supply is also forecast to increase. Exports are expected to be higher than in 2019-20 and carry-out stocks are expected to remain tight. The average price is forecast to be lower than the previous year.

## **Sunflower seed**

**For 2019-20**, exports are forecast to be similar to the previous year but carry-out stocks are expected to rise marginally. To-date, the US has remained Canada's main export market for sunflower seed. The average price is forecast to rise from 2018-19

due to higher prices for oilseed types grown in Canada this year.

For the US, sunflower seed production is estimated by the USDA to have fallen by 8% to below 0.9 Mt. 0.8 Mt of the US sunflower seed crop is estimated to be oilseed types, lower than the previous year. US confectionery type production fell this year to 89 kt.

For 2019-20, the global supply of sunflower seed is estimated by the USDA at a record of 59 Mt. This is slightly higher than the record supply of last year. World exports are expected to decrease marginally to 2.8 Mt and domestic use is expected to rise to a record 53 Mt. Despite this, world carry out stocks are expected to rise to 3.1 Mt.

**For 2020-21**, the area seeded is projected to be relatively unchanged from 2019-20 due to expectations for good returns. Production is forecast to fall to 60 kt, assuming trend yields. Supply is also expected to decrease. Exports are expected to remain unchanged and carry-out stocks are forecast to remain similar to the previous year. The average price is forecast to be lower than 2019-20 with lower oil type prices, but similar confectionary type prices in Canada.

**Bobby Morgan: Pulse and Special Crop Analyst**  
[Bobby.Morgan@agr.gc.ca](mailto:Bobby.Morgan@agr.gc.ca)

# CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

January 23, 2020

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>												
2018-2019	2,503	2,456	2.34	5,745	24	7,194	4,526	206	596	993	1,676	235
2019-2020f	1,980	1,902	2.62	4,977	25	6,678	4,800	210	599	1,028	850	245-275
2020-2021f	2,280	2,235	2.64	5,900	20	6,770	4,800	205	546	970	1,000	235-265
<b>Wheat Except Durum</b>												
2018-2019	7,570	7,425	3.56	26,456	95	31,605	19,764	3,309	3,457	7,601	4,240	245
2019-2020f	8,145	7,754	3.53	27,371	95	31,706	18,600	3,310	3,961	8,106	5,000	210-240
2020-2021f	8,150	7,920	3.54	28,000	95	33,095	19,500	3,400	3,857	8,095	5,500	220-250
<b>All Wheat</b>												
2018-2019	10,073	9,881	3.26	32,201	119	38,799	24,289	3,515	4,053	8,593	5,916	
2019-2020f	10,125	9,656	3.35	32,348	120	38,384	23,400	3,520	4,560	9,134	5,850	
2020-2021f	10,430	10,155	3.34	33,900	115	39,865	24,300	3,605	4,403	9,065	6,500	
<b>Barley</b>												
2018-2019	2,628	2,395	3.50	8,380	43	9,667	3,068	104	5,345	5,707	893	260
2019-2020f	2,996	2,728	3.81	10,383	40	11,315	3,100	116	6,049	6,415	1,800	210-240
2020-2021f	2,900	2,580	3.69	9,520	40	11,360	3,100	116	6,063	6,410	1,850	200-230
<b>Corn</b>												
2018-2019	1,468	1,431	9.70	13,885	2,800	19,102	1,617	5,786	9,699	15,502	1,983	194
2019-2020f	1,496	1,451	9.24	13,404	2,000	17,387	1,400	5,300	8,871	14,187	1,800	190-220
2020-2021f	1,460	1,420	9.75	13,850	1,500	17,150	1,400	5,300	8,534	13,850	1,900	170-200
<b>Oats</b>												
2018-2019	1,235	1,005	3.42	3,436	10	4,225	2,475	186	1,031	1,338	412	254
2019-2020f	1,459	1,160	3.58	4,157	10	4,580	2,600	185	1,012	1,330	650	240-270
2020-2021f	1,590	1,250	3.50	4,380	10	5,040	2,600	185	1,244	1,540	900	205-235
<b>Rye</b>												
2018-2019	136	79	2.99	236	2	363	146	19	108	142	74	236
2019-2020f	175	103	3.25	333	2	409	170	24	115	159	80	195-225
2020-2021f	231	147	2.92	429	2	510	190	54	151	220	100	170-200
<b>Mixed Grains</b>												
2018-2019	144	69	2.82	195	0	195	0	0	195	195	0	
2019-2020f	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021f	140	60	2.83	170	0	170	0	0	170	170	0	
<b>Total Coarse Grains</b>												
2018-2019	5,610	4,979	5.25	26,132	2,855	33,551	7,305	6,095	16,378	22,883	3,362	
2019-2020f	6,270	5,509	5.17	28,469	2,052	33,883	7,270	5,626	16,239	22,283	4,330	
2020-2021f	6,321	5,457	5.19	28,349	1,552	34,231	7,290	5,656	16,163	22,191	4,750	
<b>Canola</b>												
2018-2019	9,232	9,120	2.23	20,343	146	22,988	9,141	9,295	397	9,754	4,094	497
2019-2020f	8,481	8,319	2.24	18,649	100	22,842	9,100	9,750	441	10,242	3,500	465-495
2020-2021f	8,300	8,215	2.25	18,500	100	22,100	9,500	9,250	299	9,600	3,000	480-520
<b>Flaxseed</b>												
2018-2019	347	342	1.44	492	9	628	466	0	85	102	61	496
2019-2020f	379	339	1.43	486	10	557	450	0	57	77	30	485-515
2020-2021f	450	421	1.54	650	10	690	500	0	90	110	80	490-530
<b>Soybeans</b>												
2018-2019	2,558	2,540	2.92	7,417	1,131	9,199	5,640	2,058	563	2,859	700	406
2019-2020f	2,313	2,271	2.66	6,045	400	7,145	4,400	1,800	295	2,345	400	405-435
2020-2021f	2,250	2,231	2.94	6,550	500	7,450	4,700	1,900	275	2,375	375	410-450
<b>Total Oilseeds</b>												
2018-2019	12,137	12,001	2.35	28,252	1,286	32,815	15,246	11,354	1,045	12,715	4,854	
2019-2020f	11,172	10,929	2.30	25,180	510	30,544	13,950	11,550	793	12,664	3,930	
2020-2021f	11,000	10,867	2.36	25,700	610	30,240	14,700	11,150	664	12,085	3,455	
<b>Total Grains And Oilseeds</b>												
2018-2019	27,820	26,861	3.22	86,584	4,261	105,165	46,841	20,963	21,475	44,191	14,133	
2019-2020f	27,568	26,094	3.30	85,997	2,682	102,811	44,620	20,696	21,592	44,081	14,110	
2020-2021f	27,751	26,479	3.32	87,949	2,277	104,336	46,290	20,411	21,230	43,341	14,705	

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

(b) Imports exclude products.

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

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

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

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

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

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

# CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

January 23, 2020

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield t/ha	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
	----- thousand ha -----							----- thousand tonnes -----			
<b>Dry Peas</b>											
2018-2019	1,463	1,431	2.50	3,581	62	4,291	3,247	718	326	8	270
2019-2020f	1,753	1,711	2.48	4,237	70	4,633	3,400	833	400	9	245-275
2020-2021f	1,755	1,720	2.50	4,300	60	4,760	3,300	860	600	14	245-275
<b>Lentils</b>											
2018-2019	1,525	1,499	1.40	2,092	51	3,016	2,032	350	634	27	390
2019-2020f	1,530	1,489	1.46	2,167	80	2,881	2,100	331	450	19	400-430
2020-2021f	1,530	1,500	1.47	2,200	50	2,700	2,000	325	375	16	440-470
<b>Dry Beans</b>											
2018-2019	143	137	2.49	341	98	464	348	37	80	21	815
2019-2020f	160	150	2.11	317	90	486	345	41	100	26	855-885
2020-2021f	150	145	2.28	330	85	515	350	40	125	32	770-800
<b>Chickpeas</b>											
2018-2019	179	176	1.77	311	51	376	147	129	100	36	480
2019-2020f	159	156	1.61	252	53	405	135	130	140	53	445-475
2020-2021f	120	117	1.71	200	50	390	145	130	115	42	455-485
<b>Mustard Seed</b>											
2018-2019	204	197	0.88	174	9	236	121	42	73	45	690
2019-2020f	161	155	0.87	135	9	216	120	41	55	34	700-730
2020-2021f	165	160	0.91	145	9	209	120	44	45	27	680-710
<b>Canary Seed</b>											
2018-2019	109	109	1.45	158	0	174	156	7	11	7	505
2019-2020f	99	94	1.32	125	0	135	130	5	0	0	620-650
2020-2021f	105	102	1.37	140	0	140	140	0	0	0	560-590
<b>Sunflower Seed</b>											
2018-2019	29	27	2.13	57	24	179	26	59	93	109	585
2019-2020f	31	29	2.18	63	25	181	26	60	95	111	580-610
2020-2021f	31	30	2.00	60	24	179	26	58	95	113	575-605
<b>Total Pulses and Special Crops (c)</b>											
2018-2019	3,652	3,576	1.88	6,714	294	8,734	6,077	1,342	1,316	18	
2019-2020f	3,892	3,783	1.93	7,294	327	8,937	6,256	1,441	1,240	16	
2020-2021f	3,856	3,774	1.95	7,375	278	8,893	6,081	1,457	1,355	18	

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

(b) Imports and exports exclude products.

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

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

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

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