CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS

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Market Analysis Group / Crops and Horticulture Division
Sector Development and Analysis Directorate / Market and Industry Services Branch

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This report is an update of Agriculture and Agri Food Canada's (AAFC) September outlook report for the 2019-20 (which has ended for all crops) and 2020-21 crop years. For most crops in Canada, the crop year started on August 1st and ends on July 31st , although for corn and soybeans, the crop year started on September 1st and ends on August 31st .

For the **2019-20** crop year, the report provides the final estimates for all crops which incorporates information from Statistics Canada's (STC) October 6, 2020 report on the supply and disposition of soybeans and corn as well as revisions to the estimates for a number of other crops. Compared to the previous year, total crop production increased slightly to 95 million tonnes (Mt), while total supply decreased marginally to 114 Mt as a result of a decrease in imports. Carryout stocks (year-end inventories) for all principal field crops decreased by 11% to 14.3 Mt, due to a 4% increase for domestic use in Canada.

For the **2020-21** crop year, the outlook incorporates yield estimates from STC's September 14, 2020 report, which are based on a model that incorporates coarse resolution satellite data from STC's Crop Condition Assessment Program, data from STC's field crop reporting series, and agro-climatic data. Favorable weather in Western Canada resulted in an early harvest that, in general, is expected to produce good yields and quality. In Eastern Canada, the corn and soybean harvest is not expected to be complete until early November. Total field crop production is estimated at 98 Mt. Total supply is forecast to remain essentially unchanged, as higher production is offset by lower carry in stocks and imports. Total carry-out stocks are forecast to increase to 14.6 Mt, due largely to a 3% decrease in domestic use as exports remain relatively stable. World grain prices will continue to be pressured by an abundant supply of grains at the global level, but the impact on grain prices in Canada will be mitigated by the expected relatively low value of the Canadian dollar. The economic outlook for the world and Canadian grain markets is expected to continue to be impacted by the domestic and international uncertainty caused by COVID-19. The next official estimates of field crop production will be available December 3, 2020, when STC publishes the final estimates of yield and production for 2020-21.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	- thousand hectares -		*t/ha*	*thousand tonnes*					
Total Grains And Oilseeds									
2018-2019	27,820	26,861	3.24	87,125	4,042	105,876	46,869	44,484	14,524
2019-2020f	27,569	26,105	3.35	87,447	2,957	104,933	45,077	46,460	13,397
2020-2021f	27,480	26,211	3.42	89,742	1,712	104,850	46,170	45,170	13,510
Total Pulse And Special Crops									
2018-2019	3,652	3,576	1.91	6,814	294	8,829	6,101	1,175	1,552
2019-2020	3,911	3,804	1.99	7,559	327	9,439	7,418	1,099	922
2020-2021f	3,987	3,875	2.16	8,385	277	9,584	7,355	1,109	1,120
All Principal Field Crops									
2018-2019	31,472	30,438	3.09	93,938	4,336	114,705	52,970	45,660	16,076
2019-2020f	31,480	29,909	3.18	95,006	3,284	114,372	52,495	47,559	14,319
2020-2021f	31,467	30,086	3.26	98,127	1,989	114,434	53,525	46,278	14,630

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: For 2019-20, all are STC estimates but disposition for corn and soybeans is AAFC. For 2020-21, area, yield and production are estimated by STC but disposition is forecast by AAFC.

Durum

For 2019-20, Canadian durum exports increased by 18% from 2018-19 to 5.34 million tonnes (Mt), as reported by Statistics Canada (STC). Carry-out stocks fell by 60% to 0.74 Mt, the lowest since 1985-86.

STC raised the carry-in stocks and production estimates and lowered the exports estimate for 2019-20 from the September report, which resulted in a 0.08 Mt increase for carry-out stocks.

For 2020-21, Canadian durum production is estimated by STC at 6.13 Mt, a 22% increase from 2019-20, as the 16% increase in seeded area was compounded by higher yields and a return to normal abandonment rate. The durum harvest is complete and the average quality in terms of grades is better than last year because of much better weather during harvest.

Total supply is estimated to fall marginally as the higher production is more than offset by lower carry-in stocks. Exports are expected to decrease slightly as they will be limited by the supply. Domestic use is expected to fall because there is less low quality durum available for feed use. Carry-out stocks are forecast to increase slightly to 0.8 Mt, 42% lower than the past five year average of 1.39 Mt. The carry-out stocks forecast is 0.1 Mt higher than in the September report because of higher carry-in stocks.

World durum production is forecast to increase by 0.5 Mt from 2019-20 to 34.1 Mt, according to the International Grains Council (IGC). Supply is expected to fall by 0.4 Mt to 43.1 Mt because of lower carry-in stocks. Use is expected to rise by 0.7 Mt to 35.2 Mt, while carry-out stocks fall by 1.1 Mt to 7.9 Mt, the lowest since 2014-15. US durum production is estimated to rise by 0.4 Mt to 1.87 Mt, according to the United States Department of Agriculture (USDA).

The average Canadian crop year producer price for durum is forecast to be the same price as for 2019-20, with the average price in Saskatchewan for No. 1 CWAD 13% protein at $270 per tonne.

Wheat (excluding durum)

For 2019-20, Canadian wheat exports fell by 3% to 19.13 Mt, based on STC data. Carry-out stocks increased by 13% to 4.76 Mt.

STC raised the carry-in stocks estimate for 2019-20 by 0.11 Mt, raised the production estimate by 0.28 Mt, lowered exports by 0.1 Mt, raised food and industrial use by 0.1 Mt and raised the carry-out stocks estimate by 0.3 Mt from the September report.

For 2020-21, Production is estimated by STC to increase by 1% to 28.01 Mt, as a 3% decrease in seeded area was more than offset by lower abandonment and higher yields. Spring wheat production is estimated to fall by 2% to 25.16 Mt and winter wheat production to rise by 68% to 2.85 Mt. The wheat harvest is generally complete and the average quality in terms of grades is better than last year because of much better weather during harvest.

Estimated production by class of wheat, with 2019-20 production in brackets: winter wheat (hard red, soft red and soft white) 2,849 thousand tonnes (kt) (1,700 kt); Canada Western Red Spring (CWRS), premium quality hard wheat, 21,000 kt (22,425 kt); Canada Prairie Spring (CPS) 1,994 kt (1,501 kt), Canada Northern Hard Red Spring (CNHR) 801 kt (741 kt); soft white spring (CWSWS) 481 kt (549 kt), other western spring wheat 317 kt (270 kt), eastern spring wheat, mainly hard red spring (CERS), 571 kt (464 kt).

Total supply is estimated to increase by 3% because of higher carry-in stocks. Exports are forecast to rise marginally. Canada is expected to have more competition from Australia in world wheat markets because its wheat production is projected to rise to 28.5 Mt from the drought-reduced 15.2 Mt in 2019-20. Offsetting this increase would be the reduction in wheat production in the EU and the US. Domestic use is expected to increase slightly. Carry-out stocks are forecast to increase by 15% to 5.5 Mt, 17% higher than the past five year average of 4.68 Mt. The carry-out stocks forecast is 0.3 Mt higher than in the September report because of higher carry-in stocks.

World all wheat production is forecast to rise by 9 Mt from 2019-20 to 773 Mt, while supply increases

by 24 Mt to 1,072 Mt due to higher carry-in stocks, according to USDA. Total use is expected to rise by 2 Mt to 751 Mt, as higher food use is mostly offset by lower feed use. Carry-out stocks are forecast to rise by 22 Mt to 321 Mt. Excluding China, carry-out stocks are projected to rise by 9 Mt to 157 Mt.

US all wheat production is estimated to fall by 2.9 Mt from 2019-20 to 49.7 Mt, according to USDA. Imports are forecast to increase by 0.5 Mt. Supply is estimated to fall by 3.8 Mt to 81 Mt. Exports are forecast to rise by 0.3 Mt, while domestic use is unchanged. Carry-out stocks are forecast to decrease by 4 Mt to 24 Mt.

Average Canadian producer prices for wheat for the crop year are forecast to be the same as for 2019-20, with the average price in Saskatchewan for No. 1 CWRS 13.5% protein at $225 per tonne.

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Barley

For 2019-20, Canadian barley exports decreased slightly from 2018-19 to 3.0 million tonnes (Mt). Exports of barley malt fell by 8% to 0.7 Mt while exports of barley grain remained stable at 2.3 Mt. The main destination countries were China, Japan, the US and Mexico.

Total domestic use increased by 27% from the prior year to 7.3 Mt on a sharp rise in feed use. Carry-out stocks increased by 11% from the historical low level in 2018-19, to about 1.0 Mt, the second lowest level on record.

In the October 6th supply and demand updates, STC raised barley industrial use for 2018-19 to 301 thousand tonnes (Kt) from 98 Kt. The increased volume was balanced by the deduction in 2018-19 feed use. For 2019-20, the industrial use was raised to 259 Kt from 114 Kt, reflecting a drop of 14% from the revised volume for the previous year. The 2019-20 feed use was trimmed down by nearly 200 Kt from the September estimate. The 2019-20 exports were raised marginally. Carry-in stocks remained unchanged.

For 2020-21, Canadian barley production is estimated by Statistics Canada (STC) to decrease by 1% from 2019-20 to 10.3 Mt, on expectations for a slightly higher area harvested, despite estimates for lower average yields. If materialized, the production would be 17% above the previous five-year average. Combined with higher carry-in stocks, Canadian barley supply is forecast at 11.3 Mt.

Exports are expected to continue to be strong throughout the year. Domestic use is expected to fall, mainly due to lower feed use, despite a recovery in industrial use. Carry-out stocks are expected to rise as a result of higher supplies and lower demand, but still be 17% lower than the previous five-year average.

The average price of feed barley for 2020-21 is expected to drop by 5% from 2019-20 to $220/tonne, due to ample domestic and world supplies.

World barley supply for 2020-21 is anticipated to increase by 1% to 203 Mt due to increased output from Australia, according to the United States Department of Agriculture (USDA). Combined barley supplies from the Black Sea regions and the EU are expected to fall due to a sharp drop in Ukrainian supplies. Argentina is expected to produce less barley in 2020-21. Total demand around the world is forecast to expand on higher feed consumption, as well as industrial use. World carry-out stocks are expected to rise by 5% to a recent four-year high; the majority of the increase is located in the world's major exporters.

Corn

For 2019-20, Canada imported 2.1 Mt of corn, 15% lower than the previous year. Canadian corn exports fell sharply to 677 Kt from the year-earlier level and were the lowest in five years, due to a sharp decline in exports to the EU.

Total domestic use declined by 6% due to a reduction in industrial use and feed consumption. Carry out stocks expanded to a historical high of 2.56 Mt.

For 2020-21, Canadian corn production is estimated to increase by 5% from 2019-20 to14 Mt on expected good yields, despite the forecasted lower area planted. If materialized, production would be 2% above the previous five-year average. Imports are expected to decrease due to good grain production prospects, both in Eastern and Western Canada. Total supply is forecast to be comparable to the level of the previous year.

Domestic use is anticipated to fall due to lower feed use, despite increased industrial use. Exports are expected to rise based on good domestic supplies and an anticipation of continuing strong world demand. Carry-out stocks are forecast to fall from the 2019-20 record level and below the prior five-year average.

The average price of Chatham corn for 2020-21 is expected to hold steady, as the forecast for a slight increase in US corn prices is expected to be offset by the narrowed basis.

The USDA trimmed down the 2020-21 production estimates for major corn exporters, including the US and Ukraine, but corn supplies from the major exporting countries, including South America and the Black Sea region will continue to flood the

international market. World carry-out stocks are expected to hit a six-year low as demand continues to expand.

The 2020-21 corn supplies in the US is estimated to decrease from last year, but still be close to a record level. The USDA lifted its projection for the US 2020-21 corn weighted average price received by farmers to US$3.60/bu from US$3.50/bu in its September update.

Oats

For 2019-20, Canadian oat exports increased by 6% to 2.62 Mt on higher oat grain and oat product exports, with 85% of the exports shipped to the US and nearly a third of the rest to Mexico.

Total domestic use expanded by 18% to 1.60 Mt, due to a sharp increase in demand for feed consumption, as well as higher demand for food processing. Carry-out stocks rose by 7% to 0.43 Mt, which is close to a record low.

In the October 6th supply and demand updates, STC lowered oat food use for 2018-19 to 122 Kt from 182 Kt. The reduced volume was balanced by the increase in 2018-19 feed use. For 2019-20, food use was raised slightly to 143 Kt, reflecting an expansion of 17% from the previous year. Other revisions included slightly lowering production and exports, as well as marginally raising imports and the category of feed waste and dockage. Carry-in stocks remained unchanged.

For 2020-21, Canadian oat production is estimated to increase by 6% to 4.5 Mt on expected higher area and good yields. If materialized, it would be the second largest output on record since 1983. Total supply is forecast to be 6% higher than the previous year.

Exports are projected to remain strong on stable demand from the major importing countries, despite strong competition from other major exporters. Total domestic use is expected to hold steady. Carry-out stocks are forecast to increase significantly from the previous year.

The CBOT oat futures price for 2020-21 is expected to drop by 7% from the previous year, to $255/tonne, due to ample supplies in Canada, the US and around the world.

The USDA lifted the 2020-21 production forecast for the world's main oat producing countries, with a sharp increase of 79% for Argentina. World oat supply for 2020-21 is anticipated to recover from the previous year. Total demand, including feed consumption and food consumption, is expected to increase, but more slowly than the increase in supplies, as a result world ending stocks are expected to increase.

Rye

For 2019-20, Canadian rye exports increased by 13% to 165 Kt with more than 99% of the exports shipped to the US, the world's leading importer of rye. Total domestic use climbed by 7% to 180 Kt on higher feed consumption and industrial demand. Carry-out stocks fell by 18% to 40 Kt, the lowest level since 2011.

For 2020-21, Canadian rye production is estimated to increase by 29% to 431 Kt, due to higher area, offsetting lower yield. Supply is expected to increase by 23% to 473 Kt, the highest in the last three years.

Domestic use, exports and carry-out stocks are projected to rise due to available bumper supplies. Rye prices are expected to fall from 2019-20, due to higher supplies in Canada and around the world.

World rye supplies and carry-out stocks are forecast to increase and most of the increases are located in the major exporting countries. World consumption is anticipated to increase on expanded feed use, as well as food, seed and industrial use.

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Canola

For 2019-20, Statistics Canada reported an 11% rise in Canadian canola exports from 2018-19 to 10.2 million tonnes (Mt), while carry-out stocks declined by 29% to 3.1 Mt, versus the previous five-year average of 2.6 Mt.

Since the September release of the Outlook, Statistics Canada adjusted the production estimates for canola back to the 2017-18 crop year and raised the 2019-20 production estimate by 0.13 Mt. Minor revisions were also made to import, feed, waste and dockage and export estimates for 2019-20. Carry-out stocks were increased to 3.1 Mt versus the 2.7 Mt reported in September.

For 2020-21, Canadian canola production is estimated at 19.4 Mt, on a marginal decline in seeded area and a 1% drop in yields to 2.3 t/ha. Total supplies are estimated down by 7%, to 22.6Mt on lower carry-in stocks and stable imports.

Domestic crush is forecast to decline marginally to 9.8 Mt on constrained supplies, the forecast is supported by the Canadian Grain Commissions report of domestic disappearance which is running 3% behind last year for the crop year to-date. Exports are forecast to increase marginally from last year to 10.2 Mt on support from strong world demand, exports to date are running 30% ahead of this time last year on strong early crop year shipments. The export pace will need to slow down later in the crop year as Canadian supplies of canola tighten, barring an unexpected significant upward revision in the production estimate.

Carry-out stocks are forecast to tighten to 2.3 Mt, for a stocks-use-ratio of 11%, while canola prices are estimated at $540/t on support from the rally in world oilseed, vegetable oil and protein meal prices. Canola prices for 2019-20 were $484/t and the 5 year average was $511/t.

For 2020-21, world consumption of canola-rapeseed is forecast to decline to 70.3 Mt, versus 71.5 Mt in 2019-20 and 2018-19, according to the USDA. The drop in usage is concentrated in China and India where consumption is forecast to fall by 0.25 Mt and 0.20 Mt, respectively, to 18.75 Mt and 7.75 Mt. In Canada total usage is forecast to fall to 20.4 Mt from 21.1 Mt the previous year and the 5 year average of 19.1 Mt, on a tightening of domestic supplies. Japanese consumption of canola-rapeseed is predicted to remain stable at 2.3 Mt, while usage in the European Union falls by 3% to 23.1 Mt following another year of challenging growing conditions and constrained rapeseed supplies. Consumption by other countries is forecast to rise by about 0.1 Mt to 10.7 Mt.

Based on the drop off in world canola-rapeseed production and relatively stable consumption, ending stocks are predicted to tighten sharply to 5.2 Mt, versus 6.7 Mt in 2019-20 and 9.4 Mt in 2018-19. Most of the decline in ending stocks occurs in Canada but European carry-out also tighten by 32% to 0.7 Mt. Chinese ending stocks of canola-rapeseed are projected at a stable 1.1 Mt, marginally under the 1.2 Mt carry-out for the past two years. The tightening of ending stocks at the world level supports a price premium for canola-rapeseed over and above the concurrent price rally occurring in soybeans.

Flaxseed

For 2019-20, Canadian exports of flaxseed declined by 0.1 Mt, to 0.35 Mt, on lackluster world demand for the Canadian crop. Carry-out stocks remained virtually unchanged at 64,000 tonnes but prices increased by 4% from 2018-19 and by 9% from the 5 year average of $476/t.

For 2020-21, Canadian flaxseed production is estimated by STC at 0.55 Mt based on a seeded area of 0.37 Mha and slightly above normal yields of 1.6 Mt. Supplies are forecast to increase by 10% to 0.63 Mt as the higher output offsets the virtually unchanged carry-in stocks and modest decline in imports.

Exports are forecast up by 27% from 2019-20, to 0.45 Mt, on higher available supplies and strong world oilseed demand. Total domestic use is forecast to fall sharply to 0.05 Mt on a drop in feed, waste and dockage. Carry-out stocks are forecast at 0.13 Mt while prices rise by 10% to $570/t for 2020-21.

Soybeans

For 2019-20, Canadian exports are estimated at 3.6 Mt, a sharp drop from the 5.6 Mt exported in 2018-19, due

to stiff competition from large US and South American supplies. Feed, waste and dockage was estimated at a record 0.84 Mt, indicating a possible overestimation of production for the crop year or a possible underestimation of exports and domestic use. Ending stocks are estimated at a record 0.72 Mt, for a stocks-to-use ratio of 8%. Soybean prices are up slightly to about $420/t versus $406/t for 2018-19.

For 2020-21, production is forecast at 6.2 Mt vs 6.1 Mt in 2019-20 and 7.4 Mt in 2018-19. Total supply is forecast to rise to 7.4 Mt, vs 7.2 Mt for 2019-20 on a rise in carry-in stocks, production and imports. Exports are forecast on increase to 4.2 Mt on support from strong world demand. Domestic processing is forecast up slightly at 1.9 Mt, as crushers return to a normal soybean processing pace.

Carry-out stocks are forecast to decrease slightly to 0.68 Mt versus 0.72 Mt for 2019-20 and the 5 year average of 0.56 Mt. Soybean prices are forecast to increase by 12% to $470/t, on support from higher world prices.

The October issue of the USDA Oilseeds: World Markets and Trade highlights the twin impacts of strong Chinese buying and limited Brazil supplies on world soybean prices, with the benchmark nearby contract Chicago Mercantile Exchange exceeding US$10.00/bu (about C$500/t) in mid-September. Prices rallied again following the release of the USDA's Grain Stocks report which showed tighter than expected US stocks. At the time of publication, current prices are up about 27% from mid-Aug levels.

While the dynamics behind the price surge are complex, they in large part reflect a sharp increase in Chinese buying attributed to the recovery of China's pork industry from African Swine Fever, with imports up 15% for the first 8 months of 2020. With Brazilian supplies running tight, China switched to buying from the US with outstanding sales in mid-September nearly equal to the record set in 2019.

Based on the strong Chinese demand and limited Brazilian and US soybean supplies, world soybean prices are expected to remain strong and stay well above the low levels seen in 2019 and earlier in 2020. However, gains are likely to be limited in magnitude as soybean stocks in China are thought to be high which would mitigate any price strength resulting from production shortfalls in South or North America over the upcoming crop year.

The factors to watch are: (1) The strength and duration of the current soybean price rally, (2) Chinese buying pace in the face of higher world soybean prices, (3) potential disruptions in US export and crushing pace, (4) Canadian harvest pace and yields, (5) Brazil and Argentine planting intentions and (6) the state of US-China trade negotiations.

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Dry Peas

For 2019-20, exports were higher than the 2018-19 level at 3.78 million tonnes (Mt) due to record shipments to China. This was partly offset by lower exports to Bangladesh and the US. Domestic use was lower compared to the previous year. The average dry pea price was 2% lower at $265/t, due to higher exports, which led to a decline in carry-out stocks in 2019-20. The average crop year prices for yellow peas was higher than for the previous year, but prices were lower than 2018-19 for green types and feed peas.

For 2020-21, production in Canada is estimated to increase by 3% to nearly 4.4 Mt as lower harvested area, particularly in Alberta, was offset by higher yields. Alberta and Saskatchewan are expected to account for 4.1 Mt of the dry pea production, with the remainder of the production in Manitoba, British Columbia and Eastern Canada. Supply is expected to be marginally higher by 3% over last year at nearly 4.7 Mt. Exports are forecast to be largely unchanged at 3.8 Mt, with China, the US and Bangladesh expected to be Canada's top three markets. Carry-out stocks are forecast to fall marginally with expectations for a small rise in domestic use. The average price is expected to increase by 4% from 2019-20 at $275/t.

During the month of September, Saskatchewan green pea farmgate prices rose $30/t each, while yellow pea farmgate prices increased $20/t each. Green dry peas prices are currently at a $35/t premium to yellow dry peas compared to last year when green pea prices were a $115/t premium to yellow peas.

In the US, area seeded to dry peas for 2020-21 is forecast by the USDA to decrease by 9% from last year to 1.0 million acres. This is largely due to an expected fall in area seeded in North Dakota. With lower yields and higher abandonment, US dry pea production is forecast by the USDA to decrease by 17% to just over 0.8 Mt. The US exported about 345 thousand tonnes (Kt) of dry peas, mostly to Canada, the Philippines and China. The US is expected to try and maintain its market share in 2020-21 despite production lower than the previous year.

Lentils

For 2019-20, lentil exports rose to a record 2.9 Mt, up 41% from the previous year. Of this, 1.9 Mt were red lentil types, with 1.0 Mt consisting of the green lentil types. The leading export markets were India, the United Arab Emirates, Bangladesh and Turkey. Total domestic use was 13.6% higher than the previous year at 0.26 Mt. Carry-out stocks fell by 75% to 0.2 Mt. The average Canadian lentil price was significantly higher than 2018-19 with an increase of 25%, due to increased demand and tighter carry-out stocks. No.1 large green lentil prices maintained a crop year premium of $105/t over No.1 red lentil prices.

For 2020-21, due to higher yields and area, production is estimated to increase by 29% to a near record 3.1 Mt. The production of large green lentils is forecast to increase from last year to 0.7 Mt and the production of red lentils is expected to be higher than last year at 2.1 Mt. Production of the other remaining lentil types is expected to be similar to last year at nearly 0.3 Mt.

Supply, however, is expected to be largely unchanged from last year as smaller carry-in stocks offset the increased production. Exports are expected to be 2% lower than last year at 2.7 Mt, with Turkey, the United Arab Emirates, and India expected to remain the top three export markets. Domestic use is forecast to be 3% lower than last year at 249 kt. Carry-out stocks are forecast to increase by 31% over the previous year to nearly 0.3 Mt. The overall average price is forecast to be 20% higher than 2019-20. Large green lentil prices are forecast to have a similar premium over red lentil prices when compared to last year.

In the US, the area seeded to lentils for 2020-21 is forecast by the USDA at 0.3 million acres, up over 20% from 2019-20 due to higher area seeded in Montana. With higher yields and lower abandonment, 2020-21 US lentil production is therefore forecast by USDA to rise to nearly 0.3 Mt, 22% higher than in 2019-20. US lentil exports are about 0.2 Mt annually with the main markets continuing to be the EU, Canada, India and Mexico.

Dry Beans

For 2019-20, dry bean exports were 4% higher than the previous year at a record 361 kt. The EU and the US were the top two markets for Canadian dry beans, with smaller volumes exported to Angola, Japan and Mexico. Strong demand and lower than expected North American dry bean crop quality provided the majority

of the support for Canadian dry bean prices in 2019-20.

For 2020-21, production is estimated to rise by 15% to nearly 365 kt, consisting of 95 Kt of white pea bean types and 270 Kt of coloured bean types. Production in Manitoba increased while production in Ontario decreased. In Alberta, colored dry bean production increased marginally to 67 kt.

Supply is forecast to increase by 10%, to a record 0.5 Mt despite lower carry-in stocks. Exports are forecast to be 4% lower than last year at 345 Kt. The US and the EU are forecast to remain the main markets for Canadian dry beans, with expectations that Canada will continue to expand its market share in Africa. Carry-out stocks are also expected to rise sharply to 110 kt. The average Canadian dry bean price is forecast to decrease by 15% due to the larger North American supply.

In the US, area seeded to dry beans is forecast by the USDA to rise by 35% to 1.7 million acres, mostly due to a larger area seeded in North Dakota and Michigan. US total dry bean production (excluding chickpeas) is forecast by the USDA at a record 1.6 Mt, up 68% from 2019-20. US export markets are expected to continue to be the EU, Mexico and Canada. US dry bean export quantities are similar to Canada at about 0.3-0.4 Mt annually.

Chickpeas

For 2019-20, Canadian chickpea exports fell by 29% from the previous year to 105 Kt. Lower exports to Pakistan resulted in the decrease in exports. As a result of the larger supply, coupled with a decrease in exports, carry-out stocks rose sharply from the previous year to a record high 250 kt. The average price increased marginally by 2% to $490/t, due to a large decrease in world supply for all chickpea types.

For 2020-21, production is estimated to fall 5% to 239 Kt, as lower area but higher yields. However, supply is forecast to increase by 23% to a record 539 Kt, due to higher carry-in stocks. Exports are forecast to be unchanged, with the EU, the US and Pakistan expected to remain the main markets for Canadian chickpeas. Carry-out stocks are expected to increase by 40% and continue to be burdensome for prices. The average price is forecast to rise 12%, with an expectation for decreased world supply.

US chickpea area seeded is estimated by the USDA at 0.25 million acres, down 44% from 2019-20. With above normal yields and lower abandonment, 2020-21 US chickpea production is forecast by the USDA at 176 kt, 38% lower than 2019-20.

Mustard Seed

For 2019-20, Canadian mustard exports decreased by 9% to 113 Kt, down from the previous year due to lower export demand from the EU. However, due to lower supply, carry-out stocks fell. Prices rose for yellow types, but were unchanged for all other mustard seed types, due to pressure from the decreased domestic supply.

For 2020-21, production is estimated to decrease by nearly 24% to 103 Kt due to lower harvested area but higher yields. The production of brown and oriental types fell while yellow types rose. However, supply is forecast to fall by only 20%, due to high carry-in stocks. Exports are expected to be higher than last year by 2% at 115 Kt. Carry-out stocks are forecast to decrease sharply by 83% to 10 kt. The US and the EU are expected to remain the main export markets for Canadian mustard seed. The average price is forecast to increase by 14%, due to tighter domestic supply.

Canary Seed

For 2019-20, exports were 4% higher than the previous year at 161 Kt. This was due to higher exports to Mexico. The average price was supported by tight Canadian carry-out stocks.

For 2020-21, production is estimated to be reduced by 16 kt to 159 Kt, as lower harvested area is combined with decreased yields. Exports are expected to be limited by lower supply. The EU and Mexico are forecast to remain the main export markets, followed by South America and the US. Carry-out stocks are expected to tighten. The average price is forecast to be only slightly lower than the 2019-20 level due to similar world demand and tight Canadian stocks.

Sunflower Seed

For 2019-20, sunflower seed exports were higher by 4% at 37 Kt due to increased demand from the US. Despite this, carry-out stocks rose slightly. The total average Canadian price for sunflower seed increased marginally from the previous year due to higher oilseed type prices, but unchanged confectionery type prices.

For 2020-21, production is estimated at 95 Kt, up 51% from last year, due to lower harvested area and yields. Supply is expected to increase by 20% to a record 224 Kt due to higher production and carry-in stocks. Although exports are forecast to be lower, carry-out stocks are expected to increase by 34% to 140 kt. The US is expected to remain Canada's main export market for sunflower seed. The average price is forecast to fall by 9% as similar prices for confectionery sunflower seed combine with lower prices for the oilseed types of sunflowers.

Area seeded to sunflower seed in the US is estimated by the USDA at 1.7 million acres, 26% higher than last year due to the increase in area seeded in North and South Dakota. The area seeded to oil type varieties increased to 1.5 million acres and the area seeded to confectionery type varieties rose to 0.2 million acres. For 2020-21, US sunflower seed production is forecast by USDA at 1.3 Mt, 44% higher than last year.

For 2020-21, the global supply of sunflower seed is estimated by the USDA at 56.1 Mt. This is 8% lower than last year due to lower expected production in Ukraine and Russia. World domestic use is expected to fall to 52 Mt and world exports are forecast to decrease by 27% to 2.7 Mt. World carry-out stocks are expected to fall by 36% to 1.4 Mt, well below the five year average. This may provide some support for world sunflower seed prices.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

October 22, 2020

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 tonnes*								*$/t*
Durum												
2018-2019	2,503	2,456	2.36	5,785	23	7,284	4,526	204	531	926	1,832	235
2019-2020f	1,980	1,902	2.64	5,017	96	6,946	5,344	216	429	866	737	270
2020-2021f	2,302	2,241	2.74	6,134	50	6,921	5,300	215	384	821	800	270
Wheat Except Durum												
2018-2019	7,570	7,426	3.58	26,567	95	31,918	19,738	3,294	3,843	7,971	4,209	245
2019-2020f	8,145	7,754	3.57	27,653	179	32,040	19,128	3,363	3,969	8,150	4,763	225
2020-2021f	7,892	7,637	3.67	28,011	100	32,873	19,200	3,370	3,986	8,173	5,500	225
All Wheat												
2018-2019	10,073	9,881	3.27	32,352	119	39,202	24,264	3,498	4,374	8,897	6,041	
2019-2020f	10,126	9,656	3.38	32,670	275	38,986	24,471	3,578	4,397	9,016	5,499	
2020-2021f	10,194	9,878	3.46	34,145	150	39,794	24,500	3,585	4,370	8,994	6,300	
Barley												
2018-2019	2,628	2,395	3.50	8,380	43	9,667	3,057	318	5,171	5,747	863	260
2019-2020f	2,996	2,728	3.81	10,383	63	11,308	3,054	277	6,759	7,298	957	232
2020-2021f	3,060	2,757	3.72	10,255	40	11,251	3,000	318	6,592	7,151	1,100	220
Corn												
2018-2019	1,468	1,431	9.70	13,885	2,582	18,884	1,617	5,786	9,485	15,288	1,979	194
2019-2020f	1,496	1,451	9.24	13,404	2,184	17,568	677	5,303	9,012	14,331	2,560	195
2020-2021f	1,440	1,402	10.01	14,029	1,000	17,589	1,000	5,400	8,873	14,289	2,300	195
Oats												
2018-2019	1,235	1,005	3.42	3,436	11	4,225	2,475	122	1,109	1,353	397	254
2019-2020f	1,459	1,171	3.61	4,227	13	4,637	2,615	143	1,324	1,597	426	274
2020-2021f	1,554	1,245	3.62	4,503	10	4,939	2,650	130	1,341	1,589	700	255
Rye												
2018-2019	136	79	2.99	236	2	363	146	19	133	167	49	236
2019-2020f	175	103	3.25	333	3	385	165	19	140	180	40	210
2020-2021f	237	146	2.95	431	2	473	170	24	204	243	60	175
Mixed Grains												
2018-2019	144	69	2.94	203	0	203	0	0	203	203	0	
2019-2020f	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021f	166	67	3.14	210	0	210	0	0	210	210	0	
Total Coarse Grains												
2018-2019	5,610	4,979	5.25	26,140	2,638	33,342	7,295	6,245	16,103	22,759	3,288	
2019-2020f	6,271	5,520	5.17	28,539	2,264	34,091	6,510	5,743	17,427	23,598	3,982	
2020-2021f	6,457	5,617	5.24	29,427	1,052	34,461	6,820	5,872	17,219	23,481	4,160	
Canola												
2018-2019	9,232	9,120	2.27	20,724	147	23,506	9,202	9,295	512	9,869	4,435	497
2019-2020f	8,481	8,319	2.36	19,607	155	24,197	10,170	10,129	707	10,897	3,131	484
2020-2021f	8,409	8,323	2.33	19,393	100	22,623	10,200	9,800	313	10,173	2,250	540
Flaxseed												
2018-2019	347	342	1.44	492	9	628	468	0	83	100	60	496
2019-2020f	379	339	1.43	486	21	567	350	0	138	154	64	518
2020-2021f	369	344	1.60	552	10	626	450	0	31	51	125	570
Soybeans												
2018-2019	2,558	2,540	2.92	7,417	1,131	9,199	5,640	2,058	563	2,859	700	406
2019-2020f	2,313	2,271	2.71	6,145	242	7,093	3,576	1,742	841	2,796	721	419
2020-2021f	2,052	2,049	3.04	6,225	400	7,346	4,200	1,900	371	2,471	675	470
Total Oilseeds												
2018-2019	12,137	12,001	2.39	28,633	1,286	33,333	15,310	11,354	1,159	12,828	5,195	
2019-2020f	11,172	10,929	2.40	26,239	418	31,857	14,095	11,871	1,685	13,847	3,915	
2020-2021f	10,829	10,716	2.44	26,170	510	30,595	14,850	11,700	714	12,695	3,050	
Total Grains And Oilseeds												
2018-2019	27,820	26,861	3.24	87,125	4,042	105,876	46,869	21,097	21,635	44,484	14,524	
2019-2020f	27,569	26,105	3.35	87,447	2,957	104,933	45,077	21,192	23,510	46,460	13,397	
2020-2021f	27,480	26,211	3.42	89,742	1,712	104,850	46,170	21,157	22,304	45,170	13,510	

(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 and area seeded for 2020-2021 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

October 22, 2020

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 tonnes* ----------						*%*	*$//t*
Dry Peas											
2018-2019	1,463	1,431	2.50	3,581	62	4,291	3,270	708	312	8	270
2019-2020f	1,753	1,711	2.48	4,237	82	4,630	3,781	616	233	5	265
2020-2021f	1,722	1,675	2.60	4,360	60	4,653	3,800	628	225	5	275
Lentils											
2018-2019	1,525	1,499	1.46	2,192	51	3,115	2,033	227	856	38	390
2019-2020f	1,530	1,489	1.60	2,382	90	3,327	2,861	258	209	7	485
2020-2021f	1,713	1,681	1.82	3,065	50	3,324	2,800	249	275	9	585
Dry Beans											
2018-2019	143	137	2.49	341	98	459	348	47	65	16	815
2019-2020f	160	150	2.11	317	75	456	361	45	50	12	985
2020-2021f	173	157	2.32	365	85	500	345	45	110	28	835
Chickpeas											
2018-2019	179	176	1.77	311	51	376	147	89	140	59	480
2019-2020f	159	156	1.61	252	48	439	105	85	250	132	490
2020-2021f	121	115	2.07	239	50	539	105	84	350	185	550
Mustard Seed											
2018-2019	204	197	0.88	174	8	235	121	42	73	45	690
2019-2020f	161	155	0.87	135	7	214	113	41	61	39	700
2020-2021f	104	101	1.02	103	8	171	115	46	10	6	800
Canary Seed											
2018-2019	109	109	1.45	158	0	174	156	7	11	7	505
2019-2020f	118	115	1.52	175	0	186	161	9	15	9	630
2020-2021f	111	107	1.48	159	0	174	155	9	10	6	605
Sunflower Seed											
2018-2019	29	27	2.13	57	24	179	26	56	97	118	585
2019-2020f	31	29	2.18	63	26	186	37	44	104	128	620
2020-2021f	44	40	2.41	95	24	224	35	49	140	168	565
Total Pulses and Special Crops (c)											
2018-2019	3,652	3,576	1.91	6,814	294	8,829	6,101	1,175	1,552	21	
2019-2020f	3,911	3,804	1.99	7,559	327	9,439	7,418	1,099	922	11	
2020-2021f	3,987	3,875	2.16	8,385	277	9,584	7,355	1,109	1,120	13	

(a) Crop year is August-July. Grains Include pulses (dry peas, lentils, dry beans, chick peas) and special crops (mustard seed, c 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 and area seeded for 2020-2021 which are STC