

# The Daily

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Production of most Canadian field crops declined in 2014 from bumper crops in 2013, with most returning to levels seen in the years leading up to 2013. However, soybean production reached its sixth consecutive record high.

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## Releases

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### Production of principal field crops, November 2014

Production of most Canadian field crops declined in 2014 from bumper crops in 2013, with most returning to levels seen in the years leading up to 2013. However, soybean production reached its sixth consecutive record high.

Farmers reported that the timing of rain throughout the fall led to a delayed harvest and lower yields in certain parts of the Prairies and in Eastern Canada.

#### Wheat

Canadian farmers reported total wheat production of 29.3 million tonnes, 22.0% lower than in 2013. Both harvested area (-9.4%) and average yield (-13.9%) decreased compared with 2013.

All three Prairie provinces drove the national wheat production decline as they reported both lower harvested areas and lower yields in 2014.

#### Canola

Nationally, canola production amounted to 15.6 million tonnes, down 13.4% from a record 18.0 million tonnes in 2013. This was the result of a 14.0% drop in average yield, from 40.0 bushels per acre in 2013 to 34.4 bushels per acre in 2014. Despite the decrease, the 2014 canola output still represents the second highest production level on record.

In Saskatchewan, canola production declined 14.5% to 7.6 million tonnes, while average yield was down 14.1% to 32.3 bushels per acre.

In Alberta, a 14.2% decrease in yield led to an 8.5% decrease in production to 5.5 million tonnes, since harvested area rose 6.7% from 2013 to 2014.

Manitoba farmers reported canola production of 2.3 million tonnes, down 19.4% from 2013. This decline was mainly the result of a 15.1% decrease in yield to 34.8 bushels per acre.

#### Soybeans

Canadian farmers reported another record soybean production in 2014, up 12.9% from 2013 to 6.0 million tonnes. Harvested area increased 20.2% to 5.5 million acres, more than offsetting a 6.1% decline in average yield.

Ontario soybean production rose 17.1% from 2013 to 3.8 million tonnes, surpassing the previous record set in 2012, while average yield (-0.9%) was marginally lower compared with 2013.

In Manitoba, soybean production reached a new record of 1.1 million tonnes, up 3.7% from 2013. This was the result of a 20.6% increase in harvested area, as yield decreased 14.1% from 2013 to 32.3 bushels per acre.

In Quebec, production of soybeans rose 6.0% to a record 898 000 tonnes. This gain occurred despite an 11.6% decrease in yield, as harvested area was up 20.0%.

#### Corn for grain

Canadian corn for grain production was down 19.1% to 11.5 million tonnes. This was the result of a 17.1% decline in harvested area, combined with a 2.4% decrease in average yield to 149.2 bushels per acre.

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In Ontario, production of corn for grain fell 15.6% to 7.6 million tonnes. This decline was attributable to a 15.8% decrease in harvested area, as average yield (+0.2%) was virtually unchanged from 2013.

Corn for grain production in Quebec decreased 19.8% to 3.0 million tonnes, as a result of declines in both harvested area (-13.9%) and average yield (-6.9%).

## Barley and oats

At the national level, farmers reported barley production of 7.1 million tonnes, down 30.5% from 2013. This was the result of decreases in both harvested area (-19.5%) and average yield (-13.7%).

Oat production totalled 2.9 million tonnes nationally, a 25.6% decrease from 2013. This was the result of declines in harvested area, down 18.0% to 2.3 million acres, and in yield, which fell 9.2% to 83.6 bushels per acre.

### Note to readers

*The November Farm Survey of field crop production contacted approximately 26,200 Canadian farmers from October 22 to November 13, 2014. Farmers were asked to report their estimated area, yield and production of grains, oilseeds and special crops.*

*Farm surveys collect data from Quebec, Ontario, Manitoba, Saskatchewan and Alberta for all six surveys conducted during the crop year (which extends from March to December). However, data are collected twice a year only (in the June Farm survey on seeded areas and in the November Farm survey on final crop production) for Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick and British Columbia, which together represent between 2% and 4% of national totals.*

*Percentage changes are calculated using unrounded data.*

### Auxiliary data source

*As an additional tool to assess the growing conditions of field crops during the crop year, readers are invited to visit the [Crop Condition Assessment Program](#) web application, which uses remote sensing technology (satellite images). Readers can monitor a vegetation index of crop land, which is updated on a weekly basis.*

**Table 1**  
**November estimates of production of principal field crops<sup>1</sup>**

	2012	2013	November 2014	2012 to 2013	2013 to November 2014
	thousands of tonnes			% change	
Total wheat <sup>2</sup>	27 205	37 530	29 281	38.0	-22.0
Durum wheat	4 627	6 505	5 193	40.6	-20.2
Spring wheat	18 845	27 239	21 222	44.5	-22.1
Winter wheat	3 733	3 786	2 867	1.4	-24.3
Barley	8 012	10 237	7 119	27.8	-30.5
Canary seed	150	131	125	-12.5	-4.7
Canola	13 869	17 966	15 555	29.5	-13.4
Chick peas	161	169	123	5.0	-27.4
Corn for grain	13 060	14 194	11 487	8.7	-19.1
Dry beans	274	206	273	-25.0	32.7
Dry field peas	3 341	3 961	3 445	18.6	-13.0
Fall rye	337	223	195	-33.8	-12.7
Flaxseed	489	724	847	48.1	17.0
Lentils	1 538	2 173	1 837	41.3	-15.5
Mustard seed	119	155	198	30.3	28.2
Oats	2 812	3 906	2 908	38.9	-25.6
Soybeans	5 086	5 359	6 049	5.4	12.9
Sunflower seed	87	52	55	-40.3	6.0

1. The methodology used for production estimates for the Atlantic provinces and British Columbia was modified in 2014. For more information, see note to readers.

2. Represents the sum of winter wheat, spring wheat and durum wheat.

**Note(s):** Figures may not add up to totals as a result of rounding.

**Source(s):** CANSIM table [001-0010](#).

**Available in CANSIM: tables [001-0010](#), [001-0017](#) and [001-0072](#).**

Table 001-0010: Estimated areas, yield, production and average farm price of principal field crops, in metric units.

Table 001-0017: Estimated areas, yield, production, average farm price and total farm value of principal field crops, in imperial units.

Table 001-0072 (new): Estimated areas, yield, production of genetically modified corn and soybeans, Quebec and Ontario, in metric and imperial units.

**Definitions, data sources and methods: survey number [3401](#).**

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).

## Manufacturing at a Glance: Oil and gas field machinery manufacturing

### Oil and gas extraction supports sales growth among machinery manufacturers

The oil and gas extraction industry in Canada saw significant growth during the post-recession period of 2009 to 2013. This growth also generated economic activity for Canadian manufacturers of oil and gas machinery products. This *Manufacturing at a Glance* highlights the recent sales performance of this sector.

Real gross domestic product for the oil and gas extraction industry increased 15.0% from 2009 to 2013, compared with 11.2% for the economy as a whole. Over half of the gains in crude oil extraction reflect an increase in extraction from non-conventional sources, for example in-situ and surface mining bitumen extraction, in particular the Alberta oil sands.

**Table 1**  
**Supply and disposition of crude oil and equivalent**

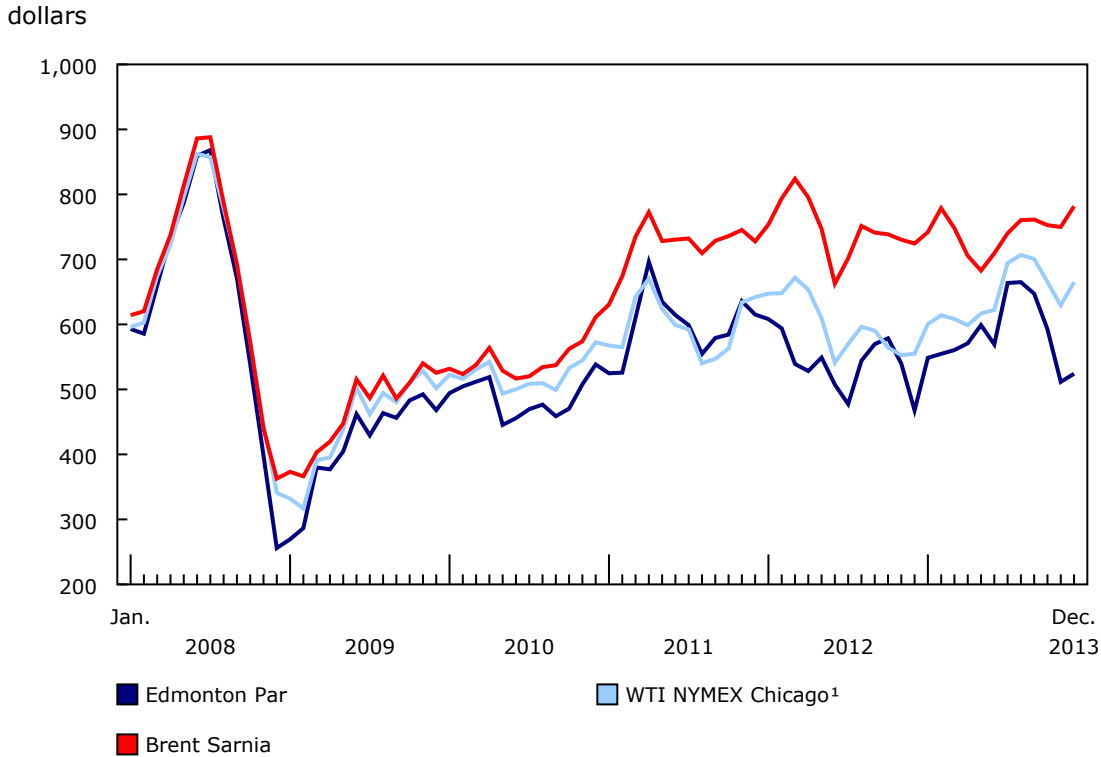
	2008	2009	2010	2011	2012	2013
	millions of cubic metres					
<b>Total crude oil production</b>	<b>148.4</b>	<b>148.0</b>	<b>156.7</b>	<b>166.8</b>	<b>180.7</b>	<b>191.7</b>
Heavy crude oil	27.1	25.2	24.6	24.8	26.3	26.4
Light and medium crude oil	51.4	45.4	46.6	48.3	49.9	53.7
Non-conventional crude oil	69.9	77.3	85.5	93.6	104.5	111.5

**Note(s):** Non-conventional crude oil includes crude bitumen and synthetic crude oil.

**Source(s):** CANSIM table [126-0001](#).

In volume terms, the total amount of crude oil extracted increased 29.5% from 2009 to 2013, while the extraction of non-conventional crude oil rose 44.2% over the same period. At the same time, crude oil prices have been trending upwards after falling from their 2008 record high.

**Chart 1**  
**Crude oil prices, monthly average in Canadian dollars per tonne**



1. West Texas Intermediate (WTI); New York Mercantile Exchange (NYMEX).  
 Source(s): Natural Resources Canada, crude oil prices.

The expansion of the Alberta oil sands has buoyed the demand for machinery products used in oil and gas production, supporting sales growth among manufacturing industries that supply these products. Similarly, the recent expansion of oil production in Texas and North Dakota has led to higher Canadian exports of machinery products in recent years.

**Investment spending in oil and gas bolsters demand for machinery**

Capital expenditures include the costs of setting up infrastructure for oil and gas extraction projects as well as spending on machinery and equipment. Concurrent with the growth in real gross domestic product for oil and gas extraction, capital expenditures grew substantially following the recession. Following a 38.7% decrease in 2009, investment rebounded quickly from the economic downturn, up 57.0% in 2010, and nearly reaching its 2008 value. From 2010 to 2013, the amount invested in oil and gas extraction continued to increase, rising 43.8% to \$69.4 billion.

Although investment in non-conventional and conventional oil and gas extraction have both exceeded pre-recession levels, growth for non-conventional extraction has outpaced conventional. As of 2013, non-conventional extraction represented roughly half of total oil and gas extraction, almost doubling in value from 2010 to 2013 to \$32.7 billion.

**Table 2**  
**Capital expenditures, annual**

	2008	2009	2010	2011	2012	2013
	billions of dollars					
<b>Oil and gas extraction</b>	<b>50.2</b>	<b>30.7</b>	<b>48.3</b>	<b>57.8</b>	<b>65.3</b>	<b>69.4</b>
Conventional oil and gas extraction	29.5	20.2	31.1	35.3	38.2	36.7
Non-conventional oil extraction	20.7	10.6	17.2	22.6	27.2	32.7

Source(s): CANSIM table [029-0007](#).

Many manufacturers supply machinery and equipment used in both the conventional and non-conventional oil and gas extraction industry, including controlling devices, transportation equipment and other engine and power transmission equipment. Pumps and compressors used in bitumen recovery are also used in non-conventional extraction.

However, the bulk of demand for both non-conventional and conventional oil extraction stems from mining and oil and gas field machinery. The establishments in this industry produce a wide range of products, including derricks, drilling rigs and parts, as well as oil sands extraction machinery. Growth in non-conventional extraction has led to widespread gains among the numerous companies that supply oil sands projects.

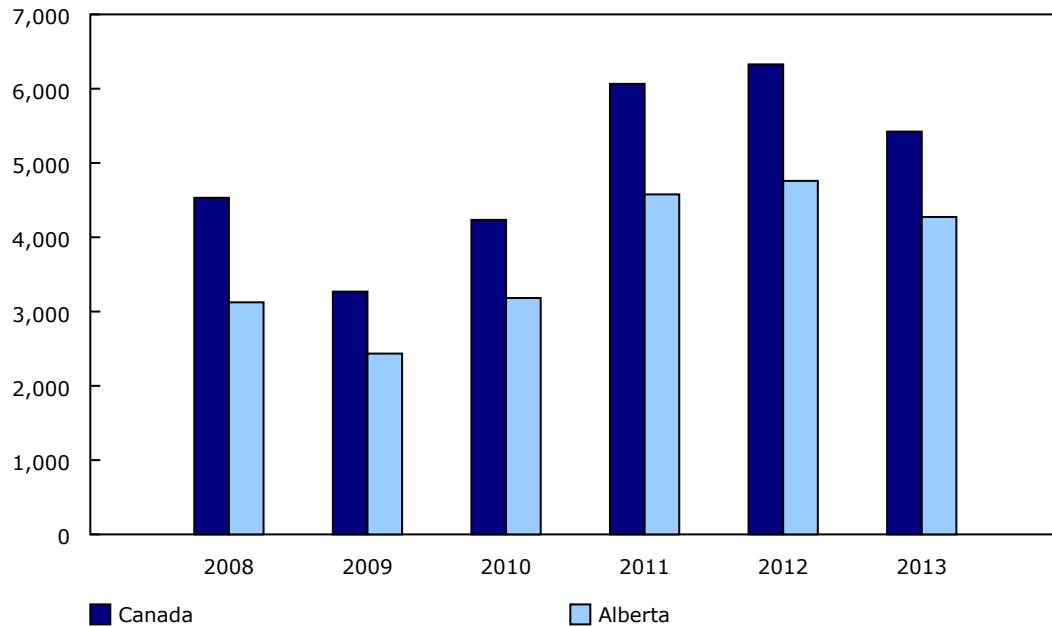
### Oil and gas field machinery manufacturing leads growth

Sales of mining and oil and gas field machinery increased almost every year from 2003 to 2013, more than doubling in value. While other manufacturing industries have struggled post-recession, sales for mining and oil and gas field machinery rose every year from 2010 to 2012. Sales for the industry fell 27.9% in 2009 to \$3.3 billion, but rebounded quickly. Sales rose 29.6% in 2010 and 43.3% in 2011. The increase in 2011 represented one of the highest percentage increases for the manufacturing sector that year. Annual sales in 2011 were 33.9% above their pre-recession peak, while durable goods sales stayed below 2008 levels. Sales for the industry continued to increase in 2012, up 4.3% to a record high of \$6.3 billion.

Sales of mining and oil and gas field machinery declined 14.3% in 2013, as the industry experienced a downturn. Sales continued to decrease in the first three quarters of 2014, declining 1.1% on a year-to-date basis. Similarly, unfilled orders have been trending downwards in 2014, after advancing every year from 2009 to 2013. They reached a peak of \$1.1 billion in March 2013. Sales and unfilled orders for the industry can fluctuate and depend heavily on the implementation of oil and gas projects.

## Chart 2 Sales of mining and oil and gas field machinery

millions of dollars



Source(s): CANSIM tables [304-0014](#) and [304-0015](#).

The manufacturing of mining and oil and gas field machinery is concentrated in Alberta, with Edmonton-based manufacturers accounting for over half of the sales in the province's industry in 2012. While mining and oil and gas field machinery manufacturers in Ontario and Quebec reported higher sales during the post-recession period, sales of oil and gas field machinery manufacturers in Alberta rose 75.6% from 2009 to 2013, accounting for the bulk of the national growth. In 2013, Alberta manufacturers accounted for over three-quarters of the industry's total sales. In contrast with the national trend, sales of mining and oil and gas field machinery in Alberta increased 4.7% on a year-to-date basis in the first three quarters of 2014.

### Oil and gas projects in Texas and North Dakota increase demand for Canadian products

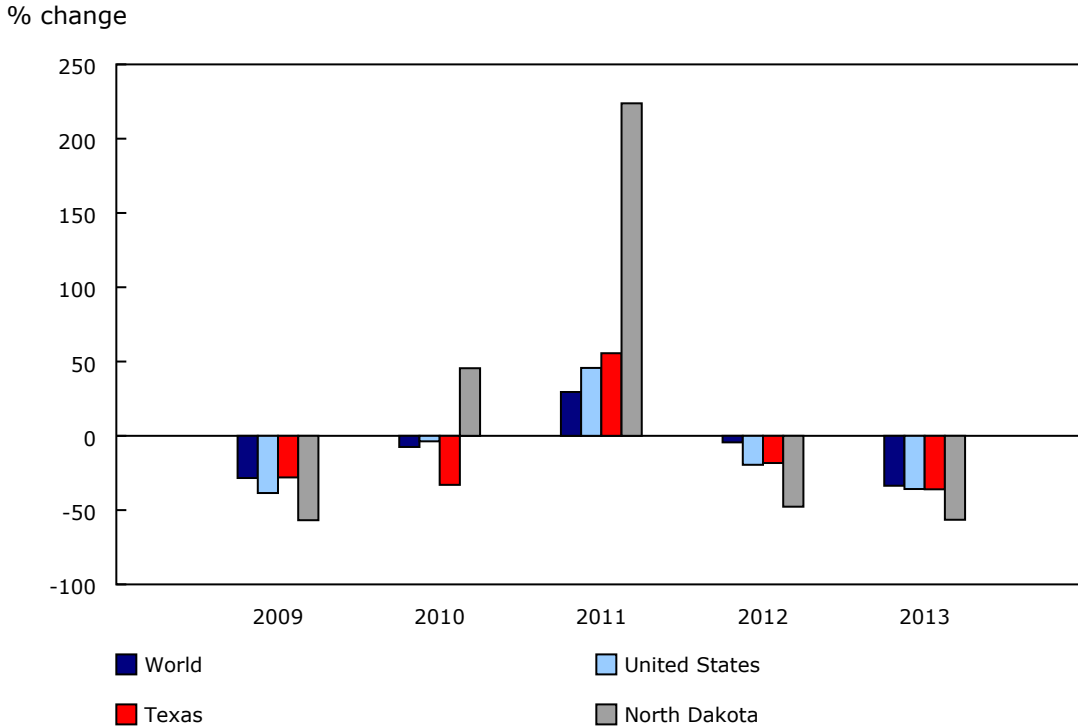
International demand has also bolstered sales for Canadian manufacturers of oil and gas field machinery. Although oil and gas projects in other countries (such as Russia and Australia) have contributed to higher demand for Canadian products in recent years, the United States continues to be Canada's most important trading partner in this sector. In particular, new oil and gas projects in Texas and North Dakota have contributed to increased demand for Canadian products.

A significant segment of exports for mining and oil and gas field machinery manufacturers are accounted for by boring or sinking machinery (self-propelled and not self-propelled), along with the associated parts for this equipment. Total domestic exports for these commodities fell 28.4% in 2009 and have yet to recover to pre-recession values.

However, exports were stronger in 2011 and 2012, reflecting higher sales for mining and oil and gas field machinery during those years. About two-thirds of the growth in 2011 reflected higher exports to the United States, mainly to Texas and, especially, North Dakota. Higher sales in North Dakota reflected increased crude oil extraction via horizontal drilling and hydraulic fracturing in the shale Bakken formation. But, 2013 saw total exports drop 33.6%, in line with the trend observed for mining and oil and gas field machinery.



**Chart 3**  
**Annual change in domestic exports of boring and sinking machinery and related parts**



Source(s): Canadian International Merchandise Trade Database ([65F0013X](#)).

The oil and gas field machinery industry remains very much project-driven and will fluctuate in the future depending on the implementation of new exploration and extraction operations in North America and abroad. This *Manufacturing at a Glance* highlights the dependence of the industry on extraction projects. This relationship will likely continue to shape the industry's development. The sales decrease observed in 2013 may indicate a turning point for the industry, particularly given recent declines in crude oil prices.

**Definitions, data sources and methods: survey numbers [1301](#), [2101](#), [2198](#), [2201](#) and [2803](#).**

The article "Oil and gas field machinery manufacturing" will also appear soon in *Analysis in Brief* ([11-621-M](#)).

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)).

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## Fiscal Arrangements Certificates: Federal Equalization Program, 2015/2016

Fiscal Arrangements Certificates prepared for the administration of the *Federal-Provincial Fiscal Arrangements Act and Regulations* for 2015/2016 are now available.

The Fiscal Arrangements Certificates are available free of charge, in electronic format, upon request.

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## New products and studies

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