



CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS

November 21, 2018

**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) October outlook report and provides AAFC's outlook for the 2018-19 crop year. For most crops in Canada, the crop year started on August 1 and ends on July 31, although for corn and soybeans, the crop year started on September 1 and ends on August 31.

For 2018-19, the estimates for yield and production are obtained from Statistics Canada's September 19, 2018 model-based report which incorporates satellite data, agro-climatic data and historical yield patterns.

In Western Canada, harvest is mostly complete but the quality of the crop for some commodities is well-below last year, especially for the grains. In Alberta and Saskatchewan there are concerns that a small portion of the crop may not be harvested until the spring but favorable weather conditions would facilitate the completion of harvest. In Eastern Canada, harvest is generally complete except for corn. Averaged over all field crops, yields are estimated to be marginally lower than last year. The production of all field crops is estimated at 93.4 million tonnes (Mt), an increase of about 0.2 percent compared to 2017-18. Due to higher production and supply, total exports and total domestic use are forecast to increase slightly.

For grains and oilseeds (G&O), exports are expected to increase as higher exports of wheat, excluding durum, and oilseeds more-than offset lower exports of coarse grains. However, for pulses and special crops (P&SC), exports are expected to decrease slightly as lower exports of peas, chickpeas and canary seed more-than offset the increase in exports of lentils, dry beans, mustard seed and sunflower seed. Total domestic use of field crops is forecast to increase due to the significant increase in the volume of peas going into the feed market. Total carry-out stocks are forecast to decrease to 15 Mt which is close to the 10-year average. Average prices for field crops in Canada are expected to continue to be strongly supported by the weakness of the Canadian dollar. Based on a survey of several thousand producers, Statistics Canada will provide final estimates for yields and production on December 6, 2018. These estimates will form the foundation for AAFC's December outlook report.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded --- thousand hectares ---	Area Harvested	Yield t/ha	Production	Imports	Total Supply thousand tonnes	Exports	Total Domestic Use	Carry-out Stocks
Total Grains And Oilseeds									
2016-2017	26,435	24,618	3.47	85,497	1,621	99,748	42,150	43,314	14,279
2017-2018	27,149	26,337	3.26	85,795	2,422	102,495	45,305	43,170	14,019
2018-2019f	27,792	26,821	3.22	86,471	2,287	102,776	46,758	42,993	13,025
Total Pulse And Special Crops									
2016-2017	4,517	4,377	2.01	8,788	284	9,409	7,137	1,530	742
2017-2018	3,927	3,897	1.90	7,419	212	8,373	5,366	1,344	1,663
2018-2019f	3,628	3,571	1.94	6,942	167	8,772	5,215	1,582	1,975
All Principal Field Crops									
2016-2017	30,952	28,995	3.25	94,285	1,904	109,157	49,286	44,844	15,022
2017-2018	31,076	30,233	3.08	93,214	2,633	110,868	50,671	44,514	15,681
2018-2019f	31,420	30,392	3.07	93,413	2,454	111,548	51,973	44,575	15,000

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

Source: Statistics Canada and Agriculture and Agri-Food Canada

All Wheat

Durum

For 2018-19, Canadian durum production is estimated to increase by 15% from 2017-18 to 5.7 million tonnes (Mt), according to Statistics Canada (STC), as a 19% increase in seeded area is partly offset by lower yields, resulting from below normal precipitation in the durum growing areas. Saskatchewan accounts for 79.5% of the total production, Alberta for 20.3%, and Manitoba for 0.2%.

Total supply is estimated to increase by 6%, as the higher production is partly offset by lower carry-in stocks. Exports are forecast to decrease by 2%. The latest export forecast is 0.3 Mt lower than in AAFC's October report based on slower than expected exports for the first three months of the crop year and expectations that the lower prices will result in higher producer carry-out stocks and significantly lower seeded area for 2019-20. Total domestic use is forecast to increase by 6%. Carry-out stocks are forecast to rise by 28% to 1.9 Mt, 33% higher than the past five year average of 1.42 Mt. The forecast for carry-out stocks is 0.3 Mt higher than in AAFC's October report because of the forecast for lower exports.

World durum production increased by 0.9 Mt from 2017-18 to 37.9 Mt, according to the International Grains Council. The largest increases in production were for Algeria, Canada and the US. This was partly offset by decreases for the EU, Mexico and Syria. Supply rose by only 0.7 Mt to 47 Mt because of lower carry-in stocks. Use is expected to increase by 0.6 Mt to 37.8 Mt because of higher food use and carry-out stocks are forecast to be stable at 9.8 Mt. Durum production in the United States (US) increased to 2.1 Mt from 1.49 Mt.

The average crop year price for durum in Canada is forecast to fall from 2017-18 due to higher world, Canadian and US supply. Prices were stable from the beginning of August but fell in mid-September, when STC increased the Canadian production estimate, to the lowest level since May 2014.

Wheat (excluding durum)

For 2018-19, Canadian wheat production is estimated by STC to increase by 1% from 2017-18 to 25.3 Mt as an 8% increase in seeded area was mostly offset by lower yields, resulting from below normal precipitation in most wheat growing areas.

Canada western hard red spring (CWRS) wheat accounts for 75% of the total wheat production at 18.93 Mt. Production for other classes of wheat: winter wheat (hard red, soft red and soft white): 2.39 Mt, Canada Prairie spring (CPS) 1.76 Mt, Canada Northern Hard Red (CNHR) 1 Mt, Canada western soft white spring (CWSWS) 0.48 Mt, Canada western extra strong (CWES) 0.12 Mt, other Canada western spring 0.23 Mt and Canada eastern spring wheat (mostly CERS) 0.39 Mt.

Saskatchewan and Alberta account for 36.5% of the total wheat production, respectively, Manitoba for 16.8%. Ontario accounts for 8.5%, Quebec for 1.1%, British Columbia for 0.3% and, for the Atlantic Provinces, 0.3%.

Total supply is estimated to decrease marginally because of lower carry-in stocks. Exports are forecast to rise by 3% because of strong demand for wheat in world markets and less competition from Australia, Russia and Ukraine. Wheat exports were strong during the first three months of the crop year. Total domestic use is forecast to increase by 2%. Carry-out stocks are forecast to fall by 15% to 4 Mt, 30% lower than the past five year average of 5.72 Mt.

World production of all wheat (including durum) decreased by 29 Mt to 734 Mt, according to the USDA. The EU and Russia accounted for most of the decrease in production, with smaller decreases for Australia and Ukraine. The largest increase in production was for the US. Supply fell by 11 Mt to 1,013 Mt. Total use is expected to increase by 1 Mt to 746 Mt because of growing use for food. Carry-out stocks are forecast to fall by 13 Mt to 267 Mt. However, China accounts for 144 Mt of the stocks, an increase of 12 Mt from 2017-18. Wheat stocks in China are generally not exported. Excluding China, world all wheat stocks are expected to fall by 24 Mt to 123 Mt.

In the US, all wheat production increased by 4 Mt to 51.3 Mt, according to the USDA. Supply rose by only 1.2 Mt to 85 Mt because of lower carry-in stocks. Domestic use is forecast to rise by 2 Mt and exports are expected to increase by 3.4 Mt. Carry-out stocks are forecast to decrease by 4.1 Mt to 25.8 Mt.

The average crop year prices for various types of wheat in Canada for 2018-19 are forecast to increase from 2017-18, because of the lower world supply and strong export demand. However, protein

premiums are lower than for 2017-18 because the protein content for US hard red winter wheat is higher and the production for US hard red spring wheat increased. Market prices for CWRS wheat fell in September, from the start of the crop year, but recovered in October. Prices of other classes of wheat fell in September and have been stable since then.

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Coarse Grains

Barley

For 2018-19, seeded area in Canada increased by 13% from last year's record low level. Production is estimated to increase to 8.2 million tonnes (Mt) due to the higher harvested area, despite a below-average total yield. With higher production and sharply lower carry-in stocks, total supply is forecast to decrease by 5% to 9.5 Mt. Total domestic use is forecast to increase by 3% due to slightly higher feed and industrial use. Exports are forecast to decrease by 17% due to lower total supplies. Barley carry-out stocks are forecast to decrease by 20% to 1.0 Mt or near record low levels. The Lethbridge cash feed barley price is forecast to increase moderately from 2017-18.

In Western Canada, the barley harvest is mostly complete as good weather allowed the harvest to progress rapidly in Alberta and Saskatchewan. Barley in Manitoba, and the early harvested crop in Alberta and Saskatchewan, is generally of good quality. Due to the late harvest, the availability of competing feed grain is also above average, especially all wheat. Lower supplies of quality feed barley will mean the continued importation of US based corn and distiller's dried grains with solubles (DDGS) as the large commercial feedlots are very quality-conscious for their rations. The feedlots will bypass the poorer quality, low bushel weight feed grains.

Similar to feed barley, the quality of the malting barley is variable. The extensive summer heat increased the protein content of the crop and lowered the weight of the crop, depending on the date of maturity and area. To the first half of November, the Lethbridge spot feed barley prices have been about 24% higher than last year and Prairie malt prices have been 10-15% higher than last year.

The International Grains Council is reporting world barley stocks at 23-year lows as nearly all of the world major producers and exporters have had smaller crops and, in many cases, of less than standard qualities. World prices for feed barley have been very strong compared to FOB corn prices. To-date for this crop year, the average price for feed

barley has been at a US\$75/tonne (t) premium to the world average FOB corn price, the highest in the last 10 years. For 2018-19, with large world corn supplies, the price of feed barley is relatively high and consuming countries will seek alternatives. Lower world supplies of malting barley and especially quality malt is also pushing these prices higher.

Corn

For 2018-19, seeded area increased by 1% from 2017-18 due to steady prices and solid demand. Production is estimated to increase to a record of 14.5 million tonnes (Mt) due to the higher area and the second highest average yield on record. Imports are forecast to decrease by 4% due to the higher domestic supply. Due to high production and carry-in stocks, total supply is forecast to increase to a record of 18.5 Mt. Total domestic use is forecast to increase 3% to a record of 14.4 Mt due to trend increases in ethanol production, industrial use and livestock feeding. Exports are forecast to decrease by 2% due to higher international competition. Carry-out stocks are forecast to decrease by 5% or close to the previous three-year average. The nearby Chatham corn price is forecast to increase due to higher US corn prices and the low value of the Canadian dollar.

In Manitoba, corn yields are average to below average due to the hot and dry weather experienced last summer. In some areas, there was a higher rate of abandonment due to poor stands and/or the need for silage as forage crops also had suffered. In the last half of October the Ontario Agriculture Department (OMAFRA) released their corn ear mould and mycotoxin survey. The survey indicated that 60% of the samples tested low or less-than 2.0 parts-per-million (ppm) for fusarium damage. However 25% of the samples tested 5.0 ppm for fusarium damage and this compares to the previous high of 8% in 2016. Prices for No. 2 low-vomitoxin corn at Chatham will remain strong this crop year but with sharp discounts for corn that is above 2.0 ppm. In the US, the damage to the corn crop was much below the damage experienced in Ontario. This could lead to higher than average corn imports into Eastern Canada as the market searches for sound product.

The US corn harvest is running basically at the previous five-year average. It had a good start but then a pattern of wetter conditions reduced it to average. So far this crop year the US corn futures have been trading about US\$0.20/bu higher than for the same period last year. In addition the world average FOB corn price has been about US\$10/t higher than for the same period last year. For 2018-19 and the previous two crop years the total supply of US corn has been basically unchanged but the total disappearance has been growing at trend levels which has lowered US ending stocks and supported corn prices. On-going trade issues, on a few different fronts, has created price and exchange rate volatility.

Oats

For 2018-19, seeded area decreased by 5% from 2017-18. With abandonment and total average yield very near the previous five-year average, Canadian oat production is forecast to decrease by 9%. Although carry-in stocks increased by 12%, it will not be enough to offset the production decline and total supply is forecast to decrease by 6%. Total domestic use is forecast to decrease by 14% due to lower feed use. Oat grain and product exports are forecast to increase by 4%. Carry-out stocks are forecast to decrease 24% to 0.6 Mt and remain well-below the previous three and five-year averages. The Canadian oat price is forecast to increase due to a higher US oat futures price and a continuing supportive Canadian dollar.

At this point in time, the Prairie oat harvest is complete. Spot oat prices, in relation to the US oat futures, on the Prairies have been running very close to the previous three-year average despite the slow delayed harvest and a lower USDA production projection for the US oat crop. After being stable, for the past one and half years, the US oat futures prices increased in October to their highest level since July 2017. Slower than average harvest progress for Alberta and Saskatchewan and a lower US oat production projection from the USDA created quality and supply uncertainty.

So far this crop year oat export movement to the US for oat grain and products has been running above the previous five-year average. If achieved, oat grain exports would be close to the five-year average. Oat products are moving to the US at a record pace. To date, there has been only token trading activity on the December 2019 US oat futures contracts, despite a lower North American supply.

Rye

For 2018-19, seeded area decreased by 6% from 2017-18 but this is close to both the previous five and 10-year averages. Production is estimated to decrease sharply due to the lower seeded area, a sharp increase in abandonment and a slightly below average yield. Higher than average carry-in stocks will partially offset the decrease in production but total supply is forecast to decrease by 38% to 0.31 Mt. Total domestic use is forecast to decrease by 42% due to sharply lower livestock feeding. Exports are forecast to decrease by 20% due to the lower total supply. Rye carry-out stocks are forecast to decrease by 67% to 0.35 Mt or to their lowest level in seven years and well below the previous five-year average. Canadian rye prices are forecast to increase sharply given a forecast for a smaller North American rye crop and total supply.

For the up-coming 2019-20 crop year, fall rye seeding in Canada is higher as much stronger prices have renewed interest and profits in rye grain. However, field conditions in many regions were less than ideal. Across the Prairies the fall rye planting season started out very dry and producers delayed seeding to wait for germination moisture but then, due to excess moisture in many areas, fields became too wet to seed. In addition, slow harvest conditions west of Manitoba reduced available area during the rye seeding window. Any of the rye that did get into the ground had good moisture and should enter dormancy and the winter season in good shape. Statistics Canada will provide the first estimates for the fall seeded crop areas in December.

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Canola

For 2018-19, production is expected to decrease slightly from last year to 21.0 million tonnes (Mt) based on Statistics Canada's mid-harvest, satellite-based estimate.

After an earlier than normal start to the growing season and a generally hot and dry growing season, the canola harvest was delayed by an extended period of rainfall in September and early October. A return to sunny and drier conditions in late October allowed the harvest of most of the crop although AAFC estimates that 8%, or 1.8 Mt, of the crop remained in the field by early November.

With the provinces wrapping up their seasonal crop reporting activities, it is unknown at this time how much canola will be harvested before winter sets in, how much will be harvested overwinter or early next spring or how much will be lost. The industry reaction to this uncertainty is muted as supplies are expected to remain adequate. As the last provincial crop reports draw to a close, Manitoba reported that it harvested 99% of its crop, Saskatchewan 90% and Alberta managed to get 92% of its crop off.

The supply of canola, including the portion that remains unharvested, is estimated at a record 23.5 Mt based on a sharp rise in carry-in stocks. By comparison, the supply was 22.8 Mt in 2017-18 and the 5 year average was 21.7 Mt.

The total disposition of canola in Canada is forecast to rise slightly despite pressure from burdensome world oilseed and vegetable oil supplies. The movement of canola got off to a slow start due to the delayed harvest. As of October 28, producers delivered 5.04 Mt of canola into the licensed grain handling system versus 5.3 Mt for the same period a year ago.

Canadian exports of canola are forecast to rise by 5%, to 11.5 Mt, based on strong world demand for canola. For the crop year to Nov. 1, Canada exported 2.3 Mt of canola through the licensed terminals, compared to 2.4 Mt this time last year. Additional small volumes of canola were likely exported directly to the US by truck outside of the licensed

grain handling system, based on previous year's practice.

Canadian exports of canola by country of destination remain unchanged from last month. China is forecast to import 4.5 Mt of canola, slightly above the 4.3 Mt imported last year and the 5 year average of 4.1 Mt. This forecast is sensitive to the trade frictions currently occurring between the United States and China. Japan is forecast to import 2.6 Mt, which is a slight increase over 2017-18 and slightly above the 5 year average. Mexico is expected to import 1.5 Mt, similar to past years.

Import volumes by other countries are forecast to remain stable or increase slightly from past years. Based on industry reports, Canada may ship between 0.5 Mt to 1.0 Mt of canola into eastern Australia for processing as drought has reduced canola production there by 1.0 Mt.

Canadian processing of canola is forecast to decrease marginally as the crushers operate at near full capacity. Canadian production of canola oil and meal are forecast at 4.1 Mt and about 5.0 Mt, respectively. Canada is forecast to export 3.1 Mt of canola oil and 4.7 Mt of canola meal to the US and China, respectively, the major customers for those commodities.

Carry-out stocks of canola are estimated at 2.5 Mt, for a stocks-to-use ratio of 12%. Canola prices are forecast to decline marginally, to \$500-540/t, as pressure from lower world soybean and soyoil prices is mostly offset by the low value of Canadian dollar versus US dollar.

The major uncertainties affecting the canola outlook are: (1) possible side effects of the US-Chinese trade dispute, which includes significant tariffs on US soybeans, (2) the quantity and quality of canola that remains unharvested in the field and (3) the Canada/US exchange rate.

Meanwhile, if Canada's canola harvest remains incomplete, supplies could be up to 8% tighter than estimated, resulting in a similar tightening of carry-out stocks and higher domestic prices. In regards to the exchange rate, after several years of stability, change rates could move either way

depending on whether the US-China trade dispute intensifies or if Canada and the US raise interest rates at different speeds going forward.

Flaxseed

For 2018-19, flaxseed production is estimated at 0.51 Mt on a harvested area of 0.35 million hectares (mln ha) and yields of 1.5 t/ha. Total supplies of flaxseed are forecast to fall by nearly 20%, to 0.65 Mt, as a decline in carry-in stocks supplements the drop in production. Exports are forecast at 0.40 Mt while total domestic use falls to 0.12 Mt on a drop in feed, waste and dockage. Carry-out stocks are forecast to fall to 0.13 Mt for a stocks-to-use ratio of 24%. The average flaxseed price is expected to rise slightly to \$455-495/t.

At the world level, Oil World estimates flaxseed (linseed) production at 2.69 Mt which is a slight rise from the 2.59 Mt grown in 2017-18. The world's largest grower of flaxseed is Kazakhstan where production is estimated at 0.70 Mt, followed by Russia with a production of 0.60 Mt. World crushing of flaxseed is steady with last year at 2.3 Mt with the EU and China each expected to crush one-third of the world's crop. Most of the processing of the remaining third is distributed among four other countries.

World trade in flaxseed is estimated at 1.6 Mt, similar to 2017-18, with the EU and China the major importers and Russia, Kazakhstan and Canada the major exporters. Carry-out stocks are forecast to remain stable at slightly under 0.1 Mt.

Soybeans

For 2018-19, soybean production is estimated at 7.5 Mt, a drop of 0.2 Mt from last year, based on a harvested area of 2.54 mln ha and yields of 2.76 t/ha. By region, most of Canada's soybean production is concentrated in eastern Canada with the province of Ontario growing 4.0 Mt and Quebec 1.2 Mt. In western Canada, the province of Manitoba is the second largest soybean producing province, at 1.9 Mt, which is a drop from the 2.2 Mt grown last year, while in Saskatchewan soybean output is estimated at 0.3 Mt.

The total supply of soybeans is estimated at 8.6 Mt, virtually unchanged from last year as higher carry-in stocks, at 0.65 Mt, offset the drop in output. Imports

are forecast at 0.4 Mt, down slightly from last year. For the marketing year to-date, running from September 1 to October 25, the USDA reported export sales of 0.35 Mt to Canada, up from 45,000 t for the same period last year. Accumulated exports of US soybeans into Canada are estimated at 0.19 Mt for the 2 month period compared to 22,000 t for September to October 2017. This pace of sales and shipments is consistent with increased Canadian imports of US soybeans for processing in one of the three crush plants in eastern Canada. Very little, if any, US soybeans appear to be entering Canada for transshipment into export markets in response to Chinese tariffs on US soybeans.

Exports are forecast at a record 5.7 Mt with shipments headed to a diverse group of countries. The discount of the Canadian dollar relative to the US dollar at US\$1.00=C\$1.30 is expected to support Canadian shipments against competition from burdensome world soybean supplies, especially in the US and Brazil.

Domestic processing of Canadian soybeans is forecast at 1.9 Mt, slightly under 2017-18 levels. Carry-out stocks are forecast to fall by 0.2 Mt to 0.45 Mt, for a stocks-to-use ratio of about 6%. Soybean prices are forecast to decrease to \$390-430/t under pressure from the bumper US crop and uncertainty over the stability of US-Chinese trade.

The main major factors to watch are: (1) potential harvest challenges in Canada and the US, such as extended rain fall. (2) the state of trade negotiations between China and the US, (3) size and starting date of South American soybean plantings, Brazilian planted area is expected to increase and an early start to plantings may result in South American soybeans becoming available for export by January 2019 and (4) exchange rate volatility.

Worldwide, soybean markets remain under pressure from burdensome supplies and projected large ending stocks. Some support is being provided by the slow but steady growth in world crush, which is estimated to grow by 3%, to 500 Mt, for 2018-19 by the USDA. One of the critical factors being closely watched is the extent to which China scales back imports in response to its higher tariffs on US soybeans or whether it is willing to pay a price

premium to ensure stable domestic consumption. Similarly, industry analysts are monitoring the USDA's export sales reports to detect any shift in trade flows and whether the US can diversify its markets for soybeans. To-date, the pick up in sales and exports to ex-China countries is not matching the drop off in the sales and export pace to China. This

suggests US ending stocks may end the crop year above USDA projections given the lack of evidence of market diversification to-date.

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Pulse and Special Crops

Dry Peas

For 2018-19, production is estimated to fall by 9% to 3.7 million tonnes (Mt). This is largely due to lower area, especially in Saskatchewan and Alberta where 96% of the peas are grown. Yellow pea production is forecast to fall from last year to 2.9 Mt, while green pea production is expected to rise to 0.6 Mt, respectively. Production of the other remaining dry pea types is also expected to rise sharply to over 185 thousand tonnes (kt). Supply is forecast to fall marginally due to higher carry-in stocks. Exports are forecast to decrease to 2.6 Mt due to the absence of significant demand from India. From August to September 2018, China, US and Bangladesh were Canada's top three markets. Carry-out stocks are forecast to increase due to lower exports. The average price is expected to fall from 2017-18.

During October, the on-farm price of yellow and green peas in Saskatchewan rose \$5/t. Current indications of crop quality suggest there will be an increase in the supply of No.1 and No.2 grade Canadian dry peas when compared to last year. For the crop year to-date, the premium for green dry peas has been \$70/t above the price for yellow dry peas versus \$45/t last year.

Area seeded to dry peas in the US for 2018-19 is forecast by the USDA to fall by 24% from last year to 0.9 million acres. This is largely due to a decrease in area seeded to dry peas in Montana. Yields are expected to be average and US dry pea production is forecast by USDA to fall marginally to just over 0.6 Mt. The main export markets for US dry peas are China and the Philippines.

Lentils

For 2018-19, production is estimated to fall by 13% to 2.2 Mt, due to lower seeded area. Production of red lentils fell sharply from last year to 1.2 Mt, while large green lentil production rose to over 0.7 Mt. Production of the other remaining lentil types is expected to increase to about 0.3 Mt.

Imports, largely from the US, are forecast at 20 kt. However, supply is expected to increase by 7% due to sharply higher carry-in stocks. Exports are

expected to rise to 1.9 Mt. To-date, India, Mexico, Bangladesh and Turkey are the top export markets. Domestic use is expected to be similar to the previous year due to the higher crop quality. Carry-out stocks are forecast to fall by over 15%, but remain burdensome. The overall average price is forecast to fall from 2017-18 despite an above average grade distribution.

During the month of October, the on-farm price in Saskatchewan for large green fell by \$20/t while red lentil prices were unchanged. This was largely due to higher export demand. Compared to last year, a decrease in the production of No.1 or No.2 grade Canadian lentils is expected for 2018-19. To-date, large green lentil prices have maintained a premium of \$110/t over red lentil prices, compared to a premium of \$340/t in 2017-18.

For 2018-19, US area seeded to lentils is forecast by the USDA at nearly 0.8 million acres, down sharply from 2017-18, largely due to lower area seeded in Montana. With near normal yields and lower abandonment, 2018-19 US lentil production is therefore forecast by the USDA at 0.4 Mt, up 18% from the production in 2017-18. The main US export markets for lentils to-date are the EU, Canada and Mexico.

Dry Beans

For 2018-19, production is estimated to increase to 349 kt. This includes 88 kt of white pea bean types and 261 kt of colored bean types. Production in Ontario and Manitoba decreased due to lower yields. In Alberta, colored dry bean production increased due to record area and higher yields. Supply is forecast to rise by 13%, due to higher carry-in stocks.

Exports are forecast to be marginally higher than last year. Based on data for August and September, the EU and the US are the top two markets, with smaller volumes exported to Angola and Mexico. Carry-out stocks are expected to increase significantly due to the higher level of supply. The average Canadian dry bean price is forecast to rise despite slightly larger North American supply. This is largely due to the stronger US dollar.

Area seeded to dry beans in the US is estimated by the USDA to decrease by 15% to 1.3 million acres, mostly due to smaller area seeded in North Dakota. US total dry bean production (excluding chickpeas) is forecast by the USDA at 1.3 Mt, down marginally from 2017-18. The largest decreases are expected for black beans and pinto beans. The main US export markets continue to be Canada, EU and Mexico.

Chickpeas

For 2018-19, production is estimated at 283 kt, a sharp increase from last year due to higher area seeded and yields. The production of both kabuli and desi types is estimated to be higher than the previous year. As a result, the total supply is forecast to increase significantly. Exports are forecast at 110 kt with the US and Pakistan as the top markets. Carry-out stocks are expected to rise largely, due to increased supply and become burdensome. The average price is forecast to decrease sharply, due to expectations for record world production.

The USDA has estimated US chickpea area seeded at a record 0.82 million acres, 32% higher than in 2017-18. Assuming higher yields and lower abandonment, 2018-19 US chickpea production is forecast by AAFC at a record 0.4 Mt, up sharply from the production in 2017-18.

Mustard Seed

For 2018-19, production is estimated to have risen sharply to 175 kt due to higher area seeded and yields. Production of each of the three major types of mustard (yellow, brown and oriental) is expected to increase. However, total supply is forecast to rise by only 9% due to lower carry-in stocks. Exports are expected to be marginally higher than last year at 115 kt and, as of August and September, the US and the EU are the top two markets. Carry-out stocks are forecast to rise and, as a result, the average price is forecast to be lower than in 2017-18.

Canary Seed

For 2018-19, production is estimated to fall by 23% to 111 kt due to lower area and yields. Exports are

expected to be lower than the previous year. Based on data for August and September, Mexico and the EU are the top two export markets, followed by Brazil. Carry-out stocks are expected to remain low. The average price is forecast to be higher than last year.

Sunflower Seed

For 2018-19, production is estimated to be relatively unchanged at 58 kt as higher harvested area is offset by lower yields. However, compared to 2017-18, supply is expected to increase to 115 kt due to higher carry-in stocks. Exports are forecast to rise from the previous year, however, carry-out stocks are forecast to rise as well. The US is expected to remain Canada's main export market for sunflower seed. The price is forecast to be marginally lowered by 2% on average from last year, with a larger percentage of oilseed types grown over confectionery types than in 2017-18.

US sunflower seed production for 2018-19 is forecast by the USDA at just below 0.9 Mt, down 10% from 2017-18, and largely due to lower production in South Dakota. Production of oil type varieties is estimated to have fallen to 0.8 Mt and the production of confectionery type varieties is estimated to have decreased to 0.1 Mt. Total supply in the US supply is expected to decrease by nearly 16% to 1.1 Mt. Domestic use is estimated to decrease and exports are expected to fall as well. As a result, US sunflower seed carry-out stocks are expected to fall sharply and be supportive for North American prices.

The world supply of sunflower seed for 2018-19 is estimated by the USDA at a record 54.5 Mt. This is marginally higher than last year, due to increased production in Ukraine. World domestic use is expected to rise to a record 49.3 Mt and world exports are forecast to fall to 2.3 Mt. World carry-out stocks are expected to increase to 2.9 Mt, similar to the five-year average.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

November 21, 2018

Grain and Crop Year (a)	Area Seeded ----- thousand ha	Area Harvested ----- thousand ha	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
Durum												
2016-2017	2,469	2,333	3.33	7,762	11	8,873	4,534	174	2,133	2,511	1,828	275
2017-2018	2,106	2,088	2.38	4,962	8	6,798	4,387	193	500	934	1,477	265
2018-2019f	2,503	2,450	2.33	5,706	10	7,192	4,300	200	609	992	1,900	220-250
Wheat Except Durum												
2016-2017	7,156	6,643	3.67	24,378	99	28,555	15,621	3,262	3,914	7,905	5,028	235
2017-2018	7,020	6,895	3.63	25,022	75	30,125	17,480	3,119	4,051	7,949	4,696	240
2018-2019f	7,560	7,375	3.43	25,305	80	30,080	18,000	3,180	4,053	8,080	4,000	230-260
All Wheat												
2016-2017	9,625	8,976	3.58	32,140	110	37,428	20,155	3,436	6,047	10,416	6,856	
2017-2018	9,126	8,983	3.34	29,984	82	36,923	21,867	3,312	4,551	8,883	6,173	
2018-2019f	10,063	9,825	3.16	31,010	90	37,273	22,300	3,380	4,663	9,073	5,900	
Barley												
2016-2017	2,702	2,266	3.90	8,839	64	10,346	2,322	85	5,615	5,902	2,122	169
2017-2018	2,334	2,114	3.73	7,891	59	10,072	2,825	49	5,715	5,991	1,256	227
2018-2019f	2,628	2,356	3.49	8,227	65	9,548	2,400	86	5,837	6,148	1,000	240-270
Corn												
2016-2017	1,452	1,414	9.83	13,889	832	16,963	1,286	5,187	7,979	13,181	2,497	171
2017-2018	1,447	1,406	10.02	14,095	1,663	18,256	1,830	5,146	8,847	14,009	2,417	174
2018-2019f	1,468	1,439	10.05	14,461	1,600	18,478	1,800	5,200	9,162	14,378	2,300	165-195
Oats												
2016-2017	1,232	925	3.49	3,231	21	4,219	2,305	125	977	1,210	704	209
2017-2018	1,295	1,052	3.55	3,733	14	4,450	2,352	109	1,102	1,314	784	218
2018-2019f	1,235	987	3.43	3,383	20	4,187	2,500	125	857	1,087	600	225-255
Rye												
2016-2017	186	140	3.12	436	1	488	145	48	118	179	164	115
2017-2018	144	101	3.39	342	1	507	195	57	139	208	104	162
2018-2019f	136	74	2.79	207	2	313	158	54	54	120	35	195-225
Mixed Grains												
2016-2017	177	62	2.83	175	0	175	0	0	175	175	0	
2017-2018	123	54	2.77	149	0	149	0	0	149	149	0	
2018-2019f	144	57	2.79	158	0	158	0	0	158	158	0	
Total Coarse Grains												
2016-2017	5,749	4,805	5.53	26,571	918	32,191	6,058	5,445	14,863	20,646	5,486	
2017-2018	5,342	4,727	5.55	26,211	1,737	33,434	7,202	5,361	15,952	21,671	4,561	
2018-2019f	5,610	4,912	5.38	26,436	1,687	32,684	6,858	5,465	16,067	21,891	3,935	
Canola												
2016-2017	8,411	8,263	2.37	19,599	95	21,785	11,016	9,191	167	9,426	1,342	529
2017-2018	9,313	9,273	2.30	21,328	108	22,778	10,723	9,269	212	9,548	2,506	539
2018-2019f	9,203	9,189	2.29	20,999	100	23,605	11,500	9,200	239	9,490	2,615	500-540
Flaxseed												
2016-2017	381	342	1.73	591	17	887	500	0	128	147	240	458
2017-2018	421	419	1.33	555	7	802	515	0	143	159	128	463
2018-2019f	358	353	1.45	511	10	649	400	0	108	124	125	455-495
Soybeans												
2016-2017	2,269	2,232	2.96	6,597	482	7,459	4,420	1,832	546	2,679	355	454
2017-2018	2,947	2,935	2.63	7,717	487	8,559	4,998	1,969	679	2,909	651	434
2018-2019f	2,558	2,542	2.96	7,515	400	8,566	5,700	1,900	316	2,416	450	390-430
Total Oilseeds												
2016-2017	11,061	10,837	2.47	26,787	594	30,130	15,936	11,024	841	12,252	1,937	
2017-2018	12,681	12,627	2.34	29,600	602	32,139	16,236	11,238	1,034	12,616	3,286	
2018-2019f	12,118	12,084	2.40	29,025	510	32,820	17,600	11,100	663	12,030	3,190	
Total Grains And Oilseeds												
2016-2017	26,435	24,618	3.47	85,497	1,621	99,748	42,150	19,904	21,751	43,314	14,279	
2017-2018	27,149	26,337	3.26	85,795	2,422	102,495	45,305	19,911	21,537	43,170	14,019	
2018-2019f	27,792	26,821	3.22	86,471	2,287	102,776	46,758	19,945	21,392	42,993	13,025	

(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, CBO T 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)

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

Source: Statistics Canada and Agriculture and Agri-Food Canada

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

November 21, 2018

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield t/ha	Production	Imports	Total Supply	Exports	Total Domestic Use (c)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
	----- thousand ha -----				(b)		(b)	----- thousand tonnes -----			
Dry Peas											
2016-2017	1,733	1,677	2.88	4,836	32	5,042	3,944	797	300	6	300
2017-2018	1,656	1,642	2.50	4,112	12	4,424	3,083	691	650	17	265
2018-2019f	1,462	1,428	2.62	3,735	15	4,401	2,600	901	900	26	230-260
Lentils											
2016-2017	2,254	2,221	1.44	3,194	98	3,365	2,455	595	315	10	575
2017-2018	1,783	1,774	1.44	2,559	35	2,909	1,540	492	876	43	475
2018-2019f	1,525	1,509	1.48	2,230	20	3,127	1,900	492	735	31	340-370
Dry Beans											
2016-2017	129	118	2.11	249	91	355	335	19	1	0	885
2017-2018	135	131	2.45	322	86	409	351	23	35	9	760
2018-2019f	144	142	2.46	349	80	464	355	24	85	22	815-845
Chickpeas											
2016-2017	62	44	1.86	82	27	129	108	20	1	1	1,000
2017-2018	68	68	1.49	102	48	151	116	34	1	1	950
2018-2019f	179	177	1.60	283	25	309	110	64	135	78	450-480
Mustard Seed											
2016-2017	206	195	1.21	236	7	248	124	44	80	48	660
2017-2018	156	153	0.80	122	9	211	112	49	50	31	770
2018-2019f	204	200	0.87	175	5	230	115	45	70	44	700-730
Canary Seed											
2016-2017	105	95	1.48	140	0	175	153	2	20	13	485
2017-2018	103	103	1.41	145	0	165	147	3	15	10	465
2018-2019f	86	86	1.29	111	0	126	115	6	5	4	465-495
Sunflower Seed											
2016-2017	28	28	1.84	51	29	95	18	52	25	36	565
2017-2018	26	26	2.26	58	22	105	17	53	35	50	590
2018-2019f	29	28	2.06	58	22	115	20	50	45	64	565-595
Total Pulses and Special Crops (c)											
2016-2017	4,517	4,377	2.01	8,788	284	9,409	7,137	1,530	742	9	
2017-2018	3,927	3,897	1.90	7,419	212	8,373	5,366	1,344	1,663	25	
2018-2019f	3,628	3,571	1.94	6,942	167	8,772	5,215	1,582	1,975	29	

(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

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

Source: Statistics Canada and Agriculture and Agri-Food Canada