

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

December 20, 2018

**Market Analysis Group / Crops and Horticulture Division
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This report is an update of Agriculture and Agri-Food Canada's (AAFC) November outlook report 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 outlook incorporates the results of Statistics Canada's November Farm Survey of crop production which was released on December 6, 2018. The survey, conducted during October 20 to November 13, covered 26,800 Canadian farms. Farmers from every province were asked to report on their estimated seeded and harvested areas, yield and production of grains and oilseeds (G&O) and pulses and special crops (P&SC). These are the final survey based production estimates for 2018 and replace the model-based estimates, which were reported by Statistics Canada in September and by AAFC in the October and November Field Crop reports.

The 2018 harvest season was marked by wet conditions in parts of Western Canada and in some regions of Eastern Canada. However, good weather since mid-October permitted the continuation of harvest in most areas. Average yields were generally better-than expected but, for many crops, crop quality was below normal, especially for corn in Eastern Canada. Averaged over all crops, yields are only marginally lower than the model-based estimates in September and the average for 2017-18. The production of all field crops is estimated at 92.7 million tonnes (Mt), slightly lower than last year, as lower production of P&SC more-than offset the higher production of G&O. In total, for all field crops, carry-out stocks are expected to decrease to 14.6 Mt, which is about a million tonnes lower than last year mostly due to lower inventories of wheat-ex-durum, barley and corn. Compared to the previous crop year, average prices for field crops in Canada for 2018-19 are expected to be supported by the relatively weak value of the Canadian dollar.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded --- thousand hectares ---	Area Harvested	Yield t/ha	Production	Imports	Total Supply thousand tonnes	Exports	Total Domestic Use	Carry-out Stocks
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	85,794	2,422	102,495	45,303	43,172	14,019
2018-2019f	27,820	26,861	3.20	86,002	2,387	102,408	46,208	43,385	12,815
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	211	8,373	5,363	1,347	1,663
2018-2019f	3,629	3,552	1.88	6,674	167	8,504	5,118	1,581	1,805
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	93,213	2,633	110,868	50,666	44,519	15,682
2018-2019f	31,449	30,413	3.05	92,676	2,554	110,912	51,326	44,966	14,620

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 increased by 16% from 2017-18 to 5.745 million tonnes (Mt), according to Statistics Canada (STC), as a 19% increase in seeded area was partly offset by lower yields. The final production estimate was 0.39 Mt higher than the previous estimate. Saskatchewan accounted for 80% of the total production, Alberta for 19.7%, and Manitoba for 0.3%.

Total supply increased by 6%, as the higher production was partly offset by lower carry-in stocks. Exports are forecast to decrease by 4%. The latest export forecast is 0.1 Mt lower than in AAFC's November report based on slower than expected exports for the first four months of the crop year and expectations that the low 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 10% as the low prices will encourage more use of durum for feed. Carry-out stocks are forecast to rise by 35% to 2 Mt, 41% higher than the past five year average of 1.42 Mt. The forecast for carry-out stocks is 0.1 Mt higher than in AAFC's November report because of the decreased exports forecast.

World durum production increased by 1 Mt from 2017-18 to 38 Mt, according to the International Grains Council. The largest increases in production were for Algeria, Canada and the US, with smaller increases for Morocco and Tunisia. This was partly offset by decreases for the EU, Mexico, Australia, Turkey and Syria. Supply rose by only 0.8 Mt to 47.8 Mt because of lower carry-in stocks. Use is expected to increase by 0.2 Mt to 37.5 Mt as higher food use is partly offset by lower feed use. Carry-out stocks are forecast to increase by 0.5 Mt to 10.3 Mt. Durum production in the United States (US) increased to 2.1 Mt from 1.49 Mt.

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

production estimate, to the lowest level since May 2014.

Wheat (excluding durum)

For 2018-19, Canadian wheat production increased by 4% from 2017-18 to 26 Mt, according to STC, as an 8% increase in seeded area was mostly offset by lower yields. The final production estimate was 0.7 Mt higher than the previous estimate.

Canada western hard red spring (CWRS) wheat accounts for 75% of the total wheat production at 19.61 Mt. Production for other classes of wheat: winter wheat (hard red, soft red and soft white): 2.51 Mt, Canada Prairie spring (CPS) 1.59 Mt, Canada Northern Hard Red (CNHR) 1.06 Mt, Canada western soft white spring (CWSWS) 0.47 Mt, Canada western extra strong (CWES) 0.12 Mt, other Canada western spring 0.27 Mt and Canada eastern spring wheat (mostly CERS) 0.39 Mt.

Saskatchewan accounted for 37.8% of the total wheat production, Alberta for 34.1%, Manitoba for 17.9%. Ontario for 8.4%, Quebec for 1.1%, British Columbia for 0.4% and the Atlantic Provinces for 0.3%.

Total supply rose by only 2% because of lower carry-in stocks. Exports are forecast to rise by 6% because of strong demand for wheat in world markets and less competition from Australia, Russia, Ukraine and the EU. Wheat exports were strong during the first four months of the crop year. Total domestic use is forecast to increase by 2%. Carry-out stocks are forecast to fall by 11% to 4.2 Mt, 27% lower than the past five year average of 5.72 Mt. The exports forecast is 0.5 Mt higher and the carry-out stocks forecast is 0.2 Mt higher than in the November report because of the increase in production.

World production of all wheat (including durum) decreased by 30 Mt to 733 Mt, according to the USDA. The EU and Russia accounted for most of the decrease in production, with smaller decreases for Australia, Ukraine, China and Turkey. 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

745 Mt as growing use for food is mostly offset by lower feed consumption. Carry-out stocks are forecast to fall by 12 Mt to 268 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 125 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 2.7 Mt. Carry-out stocks are forecast to fall by 3.4 Mt to 26.5 Mt.

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

For 2019-20, Canadian winter wheat area, seeded in the fall of 2018, fell by 4% to 544,700 hectares (ha). Eastern Canadian area, mostly Ontario, rose by 3% to 434,400 ha, while western Canadian area fell by 23% to 110,300 ha.

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Coarse Grains

Barley

For 2018-19, Canadian barley production increased by 6% from 2017-18 to 8.4 million tonnes (Mt) due to the higher harvested area, despite a lower yield. Production in Western Canada averaged 8.0 Mt, of which 50% was in Alberta, 43% in Saskatchewan, 6% in Manitoba and 1% in BC. Production in Eastern Canada averaged 0.4 Mt of which 41% was in Quebec, 27% in Ontario and 32% in the Maritimes.

Total supply decreased by 4% to 9.7 Mt due to sharply lower carry-in stocks. Total domestic use is forecast to increase on higher feed and industrial use. Exports are forecast to decrease by 13%, due to lower total supply. Carry-out stocks are forecast to decrease by 20% to 1.0 Mt or near record low levels. The Lethbridge cash feed barley price for the crop year is forecast to increase moderately from 2017-18.

Barley in Manitoba, and the early harvested crop in Alberta and Saskatchewan, is generally in good quality. Due to the late harvest, the availability of competing feed grain is expected to be above average, especially all wheat. 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-date for this crop year, the Lethbridge spot feed barley prices have been about 20% higher than last year and Prairie malt prices have been 10-15% higher than last year.

Lower supplies of quality feed barley and higher barley prices 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.

World barley stocks are historically low as nearly all of the world major producers and exporters had smaller crops and, in many cases, quality was also lower than normal. World prices for feed barley have

been very strong compared to 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. Lower world supplies of malting barley, and especially quality malt, is also pushing these prices higher. In 2018-19, because of reduced supply of quality feed barley, relatively high prices of feed barley and the large amount of maize available worldwide, consuming countries will be looking for corn as the alternative to fodder.

The average price of feed barley at Lethbridge for the crop year is expected to be \$255/t, about 12% higher than last year.

Corn

For 2018-19, corn production in Canada decreased by 1% from 2017-18 to 13.9 Mt due to lower average yield. Adverse weather conditions during the growing season in the three corn producing provinces are the main reason resulting into a significant decline in yields and production of corn, especially in Quebec and Manitoba. Production in Eastern Canada averaged 12.5 Mt of which 70% was in Ontario, 29% in Quebec and 1% in the Maritimes. Production in Western Canada averaged 1.4 Mt of which 89% in Manitoba, 9% was in Alberta, 2% in Saskatchewan, and 0.2% in BC. Much of the decline in production is attributed to lower production in Canada's three major corn growing provinces, Ontario, Quebec and Manitoba.

Total supply fell by 2% to 17.9 Mt, as a result of lower production and lower carry-in stocks. Imports are expected to increase due to lower corn supply in Eastern Canada and tight barley supply in Western Canada. Total domestic use is forecast to increase by 4% to a record of 14.5 Mt due to trend increases in ethanol production, industrial use and livestock feeding. Exports are forecast to decrease due to lower domestic supply and higher international competition. Carry-out stocks are forecast to decrease by 17% to 2.0 Mt, which is close to the previous five-year average. The 2018-19 corn price at Chatham is forecast by AAFC to average \$180/t, up 3% from last year, due to higher US corn prices,

lower domestic supply of quality corn crop and the weak value of Canadian dollars.

US corn production was about 14.6 billion bushels (bln bu). Production and supply were similar to last year. However, carry-out stocks are expected to decrease notably to 1.78 bln bu. The average US farm price is forecast by the USDA at US\$3.60/bu which is equivalent to C\$185/t.

Oats

For 2018-19, Canadian oat production decreased by 8% from 2017-18 to 3.4 Mt, due to lower harvested area and lower average yield. Production in Western Canada averaged 3.18 Mt of which 53% was in Saskatchewan, 22% in Manitoba, 22% in Alberta and 2% in BC. Production in Eastern Canada averaged 0.27 Mt of which 63% was in Quebec, 25% in Ontario and 12% in the Maritimes.

Due to lower production, total supply decreased by 5% to 4.2 Mt despite higher carry-in stocks. Total domestic use is forecast to decrease by 17% due to significantly lower feed use. Oat grain and product exports are forecast to increase by 6%. Carry-out stocks are forecast to decrease by 17% to 0.7 Mt and remain largely below the previous three and five-year averages. The Canadian oat price, in relation to the US oat futures price, is forecast to increase due to a higher US oat futures price and continuing support from the low value of the Canadian dollar.

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

Rye

For 2018-19, Canadian rye production decreased sharply from 2017-18 to 236 thousand tonnes (kt), due to significantly lower harvested area and lower yield. Production in Western Canada averaged 148.8 kt of which 47% was in Manitoba, 32% in Saskatchewan, 20% in Alberta and 1% in BC. Production in Eastern Canada averaged 87.5 kt of which 77% was in Ontario, 20% in Quebec and 3% in the Maritimes.

Carry-in stocks declined by 36% from last year but are still largely higher than the previous five-year average. Total supply decreased by 33% to 342 kt, as a result of lower production and declined carry-in stocks. Total domestic use is forecast to decrease by 43% largely due to sharply lower livestock feeding. Exports are forecast to decrease by 19% due to the lower total supply. Carry-out stocks are forecast to be about 38% lower than last year and 20% below the previous five-year average. Canadian rye prices are forecast to increase sharply given a forecast for a smaller North American rye crop supply.

The average price of rye, at Saskatoon, is expected to average \$210/t, almost 30% higher than last year.

For the up-coming 2019-20 crop year, Canadian rye area, which was recently seeded this fall, is reported by Statistics Canada to have increased by 30% from 130 thousand hectares which was seeded in the fall of 2017. This is due to stronger prices, the benefits of hybrid rye and the use of rye as cover crops, which had encouraged farmers to grow more of the rye crop. Field conditions this fall in many regions were too wet. However, rye sown in the field with good moisture should enter winter dormancy in good shape.

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Canola

For 2018-19, production is estimated at 20.3 million tonnes (Mt), the second highest on record, based on Statistics Canada's post harvest survey. This is a decline of almost 0.7 Mt from the mid-harvest satellite-based production estimate and marks the first drop in estimated production between the two surveys in modern times. Every other year the production estimate increased for the post-harvest survey which was conducted in November and released on December 6.

Statistics Canada also revised its seeded area estimate by about 30,000 hectares but lowered its harvested area estimate by 69,000 hectares in a reflection of the difficult harvest experienced across parts of Western Canada last fall. Abandonment is calculated at 112,500 hectares versus 40,000 ha last year and the 5 year average of 68,100 hectares. Yields are estimated at 2.23 tonnes per hectare.

For the crop year in review, an early start to the growing season and harvest was delayed by an extended period of rainfall in September through mid-October. In Alberta much of the canola was harvested in the last two weeks of October. The delayed harvest resulted in an undetermined quantity of canola suffering from quality loss. Based on the Canadian Grain Commission harvest sample survey program, 80% of the canola is grading No.1: 7.5% No.2; 9%, No. 3; and 3.5% Sample: based on a survey of 2,121 samples. The harvest sample survey may be slightly biased as it relies on farmers voluntarily submitting samples for quality assessment and who often don't want to expend the effort to send in an obviously poor quality sample. This may result in a slight upward bias in the quality of the canola in the harvest survey compared to canola crop at large.

Canola supplies are estimated at a record 22.9 Mt, up slightly from 2017-18, as a sharp rise in carry-in stocks more than offsets the drop in output. Imports are estimated steady at 100,000 tonnes. Total disposition of canola is forecast to rise slightly despite a bearish world market for oilseeds and vegetable oils as demand for Canadian canola remains strong. The relatively bullish outlook is

reinforced by the movement through the grain handling system, after a slow start early in the crop year due to a delayed harvest, the velocity of movement accelerated in November. To-date, producer deliveries of canola are 95% of the 2017-18 pace.

The Canadian canola crush is forecast steady with last year, at 9.2 Mt as the industry continues to work at near capacity. The output of canola oil and canola meal are forecast at about 4.1 Mt and 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.

Canadian exports of canola are forecast to rise slightly, to 11.0 Mt, based on strong world demand for canola. 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 remains sensitive to trade frictions between the United States and China. Japan is forecast to import 2.6 Mt of canola, 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.

Carry-out stocks of canola are estimated at 2.4 Mt, for a stocks-to-use ratio of 12%. Canola prices are forecast to decline marginally, to \$490-530/t, as pressure from lower world soybean and soyoil prices is moderated by the low value of Canadian dollar versus US dollar.

The major uncertainties affecting the canola outlook are: (1) the ongoing US-Chinese trade dispute, (2) the strength of Pakistan and United Arab Emirate buying, (3) the Canada/US exchange rate.

Flaxseed

For 2018-19, flaxseed production is estimated at 0.49 Mt on a harvested area of 0.34 million hectares (mln ha) and yields of 1.4 t/ha. Total supplies of flaxseed are forecast to fall by slightly over 20%, to 0.63 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 0.13 Mt on

a drop in feed, waste and dockage. Carry-out stocks are forecast to fall to 0.10 Mt for a stocks-to-use ratio of 19%. The average flaxseed price is expected to rise to \$485-505/t.

Soybeans

For 2018-19, soybean production is estimated at 7.3 Mt, a drop of 0.45 Mt from last year, based on a harvested area of 2.54 mln ha and yields of 2.86 t/ha. By region, most of Canada's soybean production is concentrated in Eastern Canada with the province of Ontario growing 4.2 Mt and Quebec 1.2 Mt. In Western Canada, the province of Manitoba is the second largest soybean producing province, at 1.6 Mt, down sharply from the 2.2 Mt grown last year, while in Saskatchewan soybean output is estimated at 0.2 Mt.

The total supply of soybeans is estimated at 8.3 Mt, down from last year, as higher carry-in stocks of 0.65 Mt moderate the drop in output. Imports are forecast at 0.4 Mt, down slightly from last year. A slight increase in accumulated exports of US soybeans to Canada, 300 thousand tonnes (Kt) to-date versus 82 Kt for the same period last year, indicates that very little US soybeans have been

entering Canada for transshipment into 3rd market countries.

Canadian exports are forecast to increase from 5.0 Mt last year to a record 5.5 Mt to a diverse group of countries as the discount of the Canadian dollar versus the US dollar at US\$1.00=C\$1.30 supports Canadian shipments.

Domestic processing of Canadian soybeans is forecast at 1.9 Mt, slightly under 2017-18 levels. Carry-out stocks are forecast to fall by 0.25 Mt to 0.4 Mt, for a stocks-to-use ratio of about 6%. Soybean prices are forecast to decrease to \$395-435/t under pressure from lower US prices and uncertain US-Chinese trade.

The main major factors to watch are: (1) progress in the ongoing trade negotiations between the US and China, (2) planting dates and expected size of the South American crop, and (3) exchange rate volatility.

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Dry Peas

For 2018-19, production decreased by 13% to 3.6 million tonnes (Mt) due to lower harvested area, particularly in Saskatchewan and Alberta. Yields were similar to the previous year. Yellow and green pea types are expected to account for about 3.0 Mt and 0.4 Mt, respectively, with the remainder spread across other varieties. Supply has decreased by only marginally, to 4.2 Mt, due to higher carry-in stocks. Exports are forecast at 2.6 Mt, largely due to lower imports by India. This is expected to be partly offset by record exports to China. Carry-out stocks are forecast to increase due to lower export forecast. The average price is expected to be similar to 2017-18, with lower yellow pea prices offset by higher green pea prices. There are expectations for an increase in carry-out stocks in 2018-19.

During November, the on-farm price of yellow peas and green peas in Saskatchewan rose by \$15/t and \$30/t, respectively. This was largely due to expectations for a smaller Indian winter pulse crop. For the crop year to-date, green dry pea's prices have been maintaining a premium of \$65/t above yellow dry peas. Last year, green peas were at a \$40/t premium to yellow peas.

In the US, area seeded to dry peas for 2017-18 is estimated by the USDA to have fallen to 0.9 million acres. This is largely due to a decrease in area in Montana. With estimates of below average yields, US dry pea production is estimated by USDA to fall marginally to just over 0.6 Mt. US dry peas are expected to compete, on a smaller scale, in Canadian export markets such as China and the Philippines.

Lentils

For 2018-19, production decreased by 18% to 2.1 Mt due to lower harvested area and yields. Large green lentil production is estimated to have risen from last year to 0.6 Mt and red lentil production fell to about 1.2 Mt. Production of the other remaining lentil types is estimated to have risen to 0.3 Mt.

Supply, however, increased marginally due to large carry-in stocks. Exports are forecast to increase to 1.8 Mt. To-date Mexico, United Arab Emirates and

India are the top export markets. Imports are expected to be lower than the previous year due to the above average grade distribution. Carry-out stocks are expected to fall due to the increase in exports. The overall average price is forecast to fall below the levels achieved in 2017-18 due to weaker world demand, larger domestic carry-out stocks and an above average proportion of grade distribution at the No.1 or 2 grade.

During the month of November, the on-farm price in Saskatchewan for No. 1 grade large green lentils rose by about C\$25/t when compared to last month and the price of No. 1 red lentils increased by over C\$25/t. This was largely due to expectations for a smaller Indian winter pulse crop. The quality of the Canadian lentil crop is considered to be above average. There was a similar proportion in the supply of No.1 or No.2 grade Canadian lentils for 2018-19 when compared to last year. No.1 large green lentil prices are forecast to maintain a premium of \$100/t over No. 1 red lentil prices, versus \$340/t in 2017-18.

In the US, the area seeded to lentils for 2018-19 was forecast by the USDA at less than 0.8 million acres, down nearly 30% from 2017-18 due to lower area seeded in Montana. With estimates of average yields, 2018-19 US lentil production is estimated by the USDA to rise to 0.4 Mt, up 18% from the 2017-18 level.

Dry Beans

For 2018-19, production rose 6% to 341 thousand tonnes (kt), consisting of 88 kt of white pea bean types and 253 kt of colored bean types. Production in Ontario rose, mostly due to higher yields. In Manitoba, production fell due to lower yields for colored bean and white pea bean types. In Alberta, colored bean production rose with an increase in area and marginally lower yields.

Supply is expected to rise by 11% as higher carry-in stocks combine with higher production, but lower imports. Exports are forecast to be marginally higher than the previous year. The US and the EU are forecast to remain the main markets for Canadian dry beans, with smaller volumes exported to Mexico and

Japan. Carry-out stocks are expected to increase sharply. The average Canadian dry bean price is forecast to increase sharply due to the favorable exchange rate enjoyed by Canadian dry bean producers.

In the US, area seeded to dry beans is estimated by the USDA to have decreased by 15% to below 1.3 million acres, largely due to lower area seeded in North Dakota. US total dry bean production (excluding chickpeas) is estimated by the USDA to fall to 1.2 Mt, down only marginally from 2017-18 as a result of record yields. The largest yield increase came from Michigan and Minnesota. US export markets continue to be Canada, EU and Mexico.

Chickpeas

For 2018-19, production more than doubled to 311 kt due to higher harvested area and yields. Crop quality is expected to be average and similar to the previous year. Supply is forecast to more than double as unchanged carry-in stocks are partly offset by lower imports. Exports are forecast to decrease with the US and Pakistan as the main importers. Carry-out stocks are expected to rise sharply. The average price for all grades of chickpeas is forecast to fall sharply, due to higher world and Canadian stocks.

US chickpea area seeded is estimated by the USDA at a record 0.8 million acres, up 32% from 2017-18. Assuming average yields and abandonment, 2018-19 US chickpea production is forecast by AAFC at over 0.4 Mt, up over 35% from the previous year.

Mustard Seed

For 2018-19, production rose sharply to 173 kt, due to higher area and yields. Production of yellow and brown types of mustard increased and oriental types fell. Supply, however, increased by only 8% due to lower carry-in stocks. Exports are expected to be higher than last year at 115 kt. Due to larger supply, carry-out stocks are forecast to increase. The US and the EU are expected to remain the main export markets for Canadian mustard seed. The average price is forecast to fall due to higher Canadian and world carry-out stocks.

Canary Seed

For 2018-19, production fell sharply to 118 kt due to lower area and yields. Exports are expected to be lower than last year. The EU and Mexico are forecast to remain the main export markets, followed by Brazil and the US. The average price is forecast to be higher than the 2017-18 level.

Sunflower Seed

For 2018-19, production was similar to the previous year at 57 kt as higher area was offset by lower yields. However, supply increased due to larger carry-in stocks. Exports are forecast to be similar to last year. Carry-out stocks are forecast to rise due to higher supply. The US is expected to remain Canada's main export market for sunflower seed. The average price is forecast to be lower than 2017-18 due to a larger proportion of the crop being oilseed types.

US sunflower seed production is estimated by the USDA at nearly 0.9 Mt, down 10% from 2017-18 and largely due to lower production in South Dakota. It is estimated by AAFC that production of oil type varieties and confectionery type varieties fell to 0.8 Mt and about 0.1 Mt, respectively. US supply is forecast by the USDA to fall by 16% to 1.1 Mt. US exports and domestic use can be expected to fall, respectively, because of lower supply. US sunflower seed carry-out stocks are expected to fall sharply and provide some support for North American prices.

For 2018-19, the global supply of sunflower seed is estimated by the USDA at a record of nearly 56 Mt. This is higher than the record supply of last year, due to record production in Ukraine, Russia and the EU. World exports are expected to decrease by 8% to 2.3 Mt and domestic use is expected to rise to a record 50 Mt. Despite this, world carry-out stocks are expected to rise sharply to a record high 3.6 Mt.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

December 20, 2018

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested ----- thousand ha -----	Yield t/ha	Production	Imports (b)	Total Supply	Exports (c) ----- thousand tonnes -----	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	2,456	2.34	5,745	10	7,232	4,200	200	649	1,032	2,000	215-245
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	7,570	7,425	3.50	26,024	80	30,800	18,500	3,180	4,073	8,100	4,200	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	10,073	9,881	3.22	31,769	90	38,032	22,700	3,380	4,722	9,132	6,200	
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	2,824	49	5,715	5,992	1,256	227
2018-2019f	2,628	2,395	3.50	8,380	65	9,701	2,450	86	5,940	6,251	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	1,431	9.70	13,885	1,700	18,001	1,500	5,000	9,486	14,501	2,000	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	4,451	2,351	109	1,103	1,315	784	218
2018-2019f	1,235	1,005	3.42	3,436	20	4,241	2,500	125	860	1,091	650	225-255
Rye												
2016-2017	186	140	3.12	436	1	488	145	48	118	179	164	115
2017-2018	144	101	3.38	342	1	507	195	58	138	207	104	162
2018-2019f	136	79	2.99	236	2	342	158	54	53	119	65	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	69	2.82	195	0	195	0	0	195	195	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	26,210	1,738	33,435	7,200	5,362	15,952	21,673	4,562	
2018-2019f	5,610	4,979	5.25	26,131	1,787	32,480	6,608	5,265	16,533	22,157	3,715	
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	22,777	10,723	9,269	212	9,548	2,506	539
2018-2019f	9,232	9,120	2.23	20,343	100	22,948	11,000	9,200	297	9,548	2,400	490-530
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	347	342	1.44	493	10	631	400	0	115	131	100	485-505
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	2,540	2.86	7,267	400	8,318	5,500	1,900	318	2,418	400	395-425
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	32,138	16,236	11,238	1,034	12,616	3,285	
2018-2019f	12,137	12,001	2.34	28,102	510	31,897	16,900	11,100	730	12,097	2,900	
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	85,794	2,422	102,495	45,303	19,912	21,537	43,172	14,019	
2018-2019f	27,820	26,861	3.20	86,002	2,387	102,408	46,208	19,745	21,984	43,385	12,815	

(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)

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

December 20, 2018

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested	Yield t/ha	Production	Imports (b)	Total Supply ----- thousand tonnes -----	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
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	1,463	1,431	2.50	3,581	15	4,246	2,600	901	745	21	240-270
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	2,908	1,537	495	876	43	475
2018-2019f	1,525	1,499	1.40	2,092	20	2,989	1,800	489	700	31	350-380
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	143	137	2.49	341	80	456	360	26	70	18	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	176	1.77	311	25	337	100	67	170	102	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	197	0.88	173	5	228	115	43	70	44	680-710
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	85	1.39	118	0	133	125	3	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	27	2.13	57	22	114	18	51	45	65	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	211	8,373	5,363	1,347	1,663	25	
2018-2019f	3,629	3,552	1.88	6,674	167	8,504	5,118	1,581	1,805	27	

(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