Agriculture and Agri-Food Canada / Agriculture et Agroalimentaire Canada

CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS *May 17, 2019*

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) April outlook report for the 2018-19 crop year and provides a preliminary look at the upcoming 2019-20 crop year. For most crops in Canada, the crop year starts on August 1 and ends on July 31, although for corn and soybeans, the crop year starts on September 1 and ends on August 31.

For 2018-19, information has been incorporated from Statistics Canada's May 7 report on Stocks of Principal Field Crops in Canada, which combines data collected from a survey of Canadian farmers conducted from March 1 to 31, as well as administrative data from the Canadian Grain Commission and grain elevators. Partly based on this information, carry-out stocks of field crops are expected to increase only marginally compared to 2017-18 to 15.6 million tonnes (Mt), as higher supply was largely offset by increased demand. Total exports of all field crops are forecast to rise due to a notable surge in exports of pulses and special crops and a marginal increase in exports of grains and oilseeds. In general, world grain prices have been pressured by abundant global supplies of grains but the weak Canadian dollar has provided strong support to prices in Canada.

For 2019-20, information from Statistics Canada's April 27 report on the March Seeding Intentions of Principal Field Crops has been incorporated. Seeding is expected to be generally finished by the end of May in Western Canada and Eastern Canada. Total area seeded to field crops in Canada is expected to be only marginally lower than 2018-19 as the decrease in the area seeded to durum, canola, soybeans and lentils more than offset higher area seeded to wheat ex-durum, coarse grains and peas. For all crops, average or trend yields have been assumed. Total production and supply in Canada are expected to increase. Carry-out stocks are forecast to increase significantly, especially for both wheat and canola which are forecast to increase by more than 40%. World grain prices will continue to be pressured by an abundant supply of grains at the global level but the impact on grain prices in Canada will continue to be partly mitigated by the low value of the Canadian dollar. A survey-based report on actual area seeded by farmers for 2019 will be provided by Statistics Canada on June 26, 2019.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	thousand hectares		*t/ha*	*thousand tonnes*					
Total Grains And Oilseeds									
2017-2018	27,149	26,337	3.26	85,794	2,504	102,577	45,408	43,420	13,750
2018-2019f	27,820	26,861	3.20	86,002	3,770	103,522	45,480	43,967	14,075
2019-2020f	27,808	26,768	3.28	87,888	1,962	103,924	43,690	43,154	17,080
Total Pulse And Special Crops									
2017-2018	3,927	3,897	1.90	7,419	211	8,373	5,365	1,337	1,670
2018-2019f	3,629	3,552	1.88	6,674	199	8,543	5,591	1,465	1,487
2019-2020f	3,567	3,505	1.96	6,872	160	8,519	5,510	1,599	1,410
All Principal Field Crops									
2017-2018	31,076	30,233	3.08	93,213	2,715	110,950	50,773	44,757	15,420
2018-2019f	31,449	30,413	3.05	92,676	3,969	112,065	51,071	45,432	15,562
2019-2020f	31,375	30,273	3.13	94,760	2,122	112,443	49,200	44,753	18,490

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecast by AAFC except for area, yield and production for 2018-2019 which are STC

Durum

For 2018-19, Canadian durum supply increased by 6% from 2017-18 to 7.18 million tonnes (Mt). Exports are forecast to decrease by 3% to 4.2 Mt. Total domestic use is forecast to increase by 10%. Carry-out stocks are forecast to rise by 33% to 1.9 Mt, 34% higher than the past five year average of 1.42 Mt. The forecast for exports was raised by 0.1 Mt and the forecast for carry-out stocks was reduced by 0.1 Mt from the April report.

World durum production increased by 1.7 Mt from 2017-18 to 38.1 Mt, according to the International Grains Council (IGC). Supply rose by 1.1 Mt to 47.5 Mt. Use is expected to increase by 0.7 Mt to 37.7 Mt. Carry-out stocks are forecast to increase by 0.4 Mt to 9.8 Mt. Durum production in the 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.

For 2019-20, the area seeded to durum is expected to decrease by 19% from 2018-19, according to Statistics Canada's survey. Saskatchewan is expected to account for 84% of the seeded area and Alberta for 16%.

Production is forecast to decrease by 10% to 5.15 Mt as the lower area is partly offset by a return to average yields from the below average yields of 2018-19. Supply is expected to decrease by only 2% as the lower production is mostly offset by higher carry-in stocks. Exports are forecast to increase by 11% to 4.65 Mt due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 21% to 1.5 Mt.

World durum production is forecast by IGC to fall by 1.6 Mt from 2018-19 to 36.5 Mt, while supply decreases by 1.2 Mt to 46.3 Mt. Use is expected to increase by 0.1 Mt to 37.8 Mt and carry out stocks are forecast to fall by 1.3 Mt to 8.5 Mt, the lowest since 2014-15. USDA is estimating a 31% drop from 2018-19 for US durum seeded area. This would result in a 0.55 Mt fall in production to 1.55 Mt, assuming average yields.

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

Wheat (excluding durum)

For 2018-19, Canadian wheat supply rose by 2% from 2017-18 to 30.6 Mt. Exports are forecast to rise by 7% to 18.8 Mt. Total domestic use is forecast to fall by 2% due to lower feed use. Carry-out stocks are forecast to fall by 13% to 3.9 Mt, 32% lower than the past five year average of 5.72 Mt and the lowest since 2007-08. The exports forecast was raised by 0.1 Mt and the carry-out stocks forecast reduced by 0.1 Mt from the April report.

World all wheat (including durum) production decreased by 30 Mt to 732 Mt, according to USDA. Supply fell by 11 Mt to 1,013 Mt. Total use is expected to fall by 5 Mt to 738 Mt. Carry-out stocks are forecast to fall by 6 Mt to 275 Mt. Excluding China, world all wheat stocks are expected to fall by 15 Mt to 135 Mt.

In the US, all wheat production increased by 4 Mt to 51.3 Mt, according to USDA. Supply rose by only 1.2 Mt to 85 Mt. Domestic use is forecast to fall by 0.2 Mt and exports are expected to increase by 0.7 Mt. Carry-out stocks are forecast to rise by 0.8 Mt to 30.7 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.

For 2019-20, the area seeded to wheat in Canada is expected to increase by 11% from 2018-19, according to Statistics Canada. Although the winter wheat area seeded last fall decreased by 4%, there was less damage during the winter, resulting in a 2% increase for the winter wheat area remaining in the spring. The spring wheat area is expected to increase by 12%.

Expected seeded area by class of wheat, with 2018-19 area in brackets: winter (hard red, soft red and soft white) 545 thousand hectares (Kha) (565); Canada Western Red Spring (CWRS), premium quality hard wheat, 3,925 Kha (5,963); Canada Northern Hard Red Spring (CNHR) 2,978 Kha (302); Canada Prairie Spring (CPS) 567 Kha (377); soft white spring (CWSWS) 126 Kha (119), other western spring wheat 104 Kha (121), eastern spring wheat, mainly hard red spring (CERS), 146 Kha (124).

Saskatchewan is expected to account for 44% of the wheat area, Alberta 33%, Manitoba 16%, Ontario 5%, Quebec 1%, with the remaining 1% in the Maritimes and BC.

Production is projected to rise by 10% to 28.7 Mt. Supply is forecast to increase by 7%, as lower carry-in stocks partly offset the increase in production. Exports are forecast to rise by 1% to 19 Mt. Although Canada will have more wheat to export, there will be more competition from other exporters because of higher production, which is expected to limit Canadian exports. Carry-out stocks are forecast to increase by 44% to 5.6 Mt.

World all wheat (including durum) production is forecast to increase by 45 Mt to 777 Mt, while the supply increases by 39 Mt to 1,052 Mt, according to USDA. Total use is expected to increase by 21 Mt to 759 Mt. Carry out stocks are forecast to rise by 18 Mt to 293 Mt. Excluding China, world all wheat stocks are expected to increase by 12 Mt to 147 Mt.

US all wheat production is forecast to rise by 0.3 Mt from 2018-19 to 51.6 Mt, as the 4% fall in seeded area is expected to be more than offset by lower abandonment and higher yields, according to USDA. Supply is expected to increase by 1.1 Mt to 86.1 Mt due to higher carry-in stocks. Domestic use is forecast to increase by 1.4 Mt, while exports decrease by 0.7 Mt. Carry out stocks are forecast to increase by 0.3 Mt to 31 Mt.

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

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Coarse Grains

Barley

For 2018-19, Canadian barley supply decreased by 4% from 2017-18 to 9.7 million tonnes (Mt). Exports are forecast to increase by 5% to almost 3.0 Mt. Total domestic use is expected to decrease mainly on less feed use, waste and dockage. Carry-out stocks are forecast to drop by 28% to 0.9 Mt, which is 44% lower than the past five year average.

World barley production for 2018-19 is estimated at the lowest level in six years, according to USDA. Carry-out stocks will be historically low, including a steep decline in major exporters. Due to lower imports by China and Saudi Arabia, world trade is expected to decrease. Amid tight supplies, world prices for feed barley have been very strong, compared to corn prices. Combined with abundant supplies of corn worldwide, the demand for corn has displaced barley in some countries.

As a result of lower supplies and strong demand, the feed barley price at Lethbridge is forecast at $255/t, about 12% higher than last year. The average Prairie malt price is 17-24% higher than last year.

For 2019-20, area seeded to barley is forecast to increase by 10% from 2018-19, due to high barley prices and tight carry-in stocks. Production is forecast to increase by 12% to 9.4 Mt while total supply increases by 7% to 10.3 Mt.

Exports are forecast to decrease by 7% due to recovery of world supplies and a return to normal trade patterns. Total domestic use is expected to rise due to higher feed use in cattle and hog production. With a higher supply, barley carry-out stocks are forecast to increase by about 60% to 1.5 Mt. This is about 5% higher than the previous five-year average.

The Lethbridge cash feed barley price is forecast to decrease by 12% from 2018-19 to $225/t due to increased supplies of feed grains domestically and world wide.

The USDA expects world barley production for 2019-20 to increase to the highest level in most recent 10 years, largely due to higher production from the world major exporters. World trade is projected to increase, owing to lifted import forecasts for Saudi Arabia, China and Morocco. World carry-out stocks are expected to increase but remain low. Large corn inventories will put pressure on barley prices.

Corn

For 2018-19, Canadian corn supply is expected to increase by 3% from 2017-18 to 18.8 Mt, as significantly higher imports more-than offset lower production and carry-in stocks. Imports are expected to increase due to the lower corn supply in Eastern Canada and the tight supply of barley in Western Canada. Exports are expected to increase. Total domestic use is expected to increase. Carry-out stocks are forecast to drop by 9% to 2.2 Mt.

The 2018-19 corn price at Chatham is forecast to average at $180/t which is 4% higher than last year. This is due to higher US corn prices and the weak Canadian dollar.

According to the USDA, US corn production and supply were slightly lower than last year. Carry-out stocks are expected to decrease but remain historically high. The average US farm price is forecast at US$3.50/bu which is equivalent to about C$182/t.

For 2019-20, seeded area for corn is forecast to increase by 5% from 2018-19. Production is expected to rise by 5% to 14.6 Mt. Imports are expected to decrease significantly due to higher domestic production of corn and barley. Total supply is forecast to decrease by 4% to 18.1 Mt. Exports are forecast to decrease on lower deliveries to the EU. Total domestic use is forecast to decrease. Carry-out stocks are forecast to decline, owing to lowered total supply, and will be lower than the previous five-year average.

The Chatham corn price is expected to decrease by 6% to $170/t due to lowered US corn prices for 2019-20 projected by USDA. The weak Canadian dollar will continue to provide support.

US corn area for 2019-20 is projected to increase by 4% to 93 million acres due to lower soybean area, according to the USDA. The production is expected to be close to historical high level. As a result, the average of farm prices of corn in the US is expected to drop to US$3.30/bu which is equivalent to about C$172/t.

The USDA projects world corn production and trade for 2019-20 to rise to the highest level ever, but deliveries to the EU and Canada are forecast to deline. World carry-out stocks are put at a four-year low but remain in the high range. Large corn inventories will press coarse grain prices.

Oats

For 2018-19, Canadian oat supply decreased by 5% from 2017-18 to 4.2 Mt. Exports are forecast to decrease slightly. Total domestic use is expected to increase. Because of lower supply and higher feed use, carry out stocks are forecast to drop by 36% to 0.5 Mt; it is 41% lower than the past five year average and will be the historically low level.

Oat price in Canada is forecast to increase from last year, due to higher US oat futures prices and continuing supports from weak Canadian dollars.

For 2019-20, the area seeded to oats in Canada is forecast to increase by 8% from 2018-19, due to good prices and tight carry-in stocks. Canadian oat production is forecast to increase by 5% to 3.6 Mt but, due to lower carry-in stocks, supply is expected to decrease by 3% to 4.1 Mt.

Exports are expected to remain at the same level as 2018-19. Total domestic use is forecast to decrease by 8%, largely due to lowered use for feed, waste and dockage. Carry-out stocks are forecast to be tight and remain at the same level as 2018-19.

Oat prices for 2019-20 in Canada are expected to decrease from 2018-19 but remain strong, due to expectations for tightening domestic supply balance for 2019-20.

For 2019-20, the area seeded to oats in the US is projected to decreased slightly from 2018-19, according to USDA. The production is expected to increase on higher trend yield. However, owing to sharply lower carry-in stocks which more than offset increased production, the import is forecast to rise significantly.

Rye

For 2018-19, Canadian rye supply decreased by 29% from 2017-18 to 362 thousand tonnes (Kt). Exports are forecast to decrease by 8%. Total domestic use is expected to decrease. Because of tight supply, carry out stocks are forecast to drop by 84% to 20 Kt which is 76% lower than the past five year average and will be a historically low level.

The average price of rye in Canada is forecast to be sharply higher than last year due to smaller North American rye crops. In Saskatchewan, the average price of rye is expected to average $245/t, up almost 51% from last year and the highest level ever recorded.

For 2019-20, seeded area of rye is forecast to increase by 28% from 2018-19. Production is expected to rise to 351 Kt. Total supply is forecast to increase by 3% to 373 Kt on expectations for higher production.

Rye exports are forecast to increase due to a bigger supply. Total domestic use is forecast to decrease due to lower livestock feed use. Carry-out stocks are forecast to increase to 25 Kt, still historically low.

Rye prices for2019-20 in Canada are forecast to decrease from 2018-19 but remain strong, due to expectations for tightening domestic supply balance for 2019-20.

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Canola

For 2018-19, canola supplies are estimated at almost 23.0 million tonnes (Mt), up 1% from last year as higher carry-in stocks and imports moderate the drop in production. Canada's canola crush estimate is unchanged from last month, at 9.25 Mt, based on the current crush pace. Production of canola oil is estimated at 4.0 Mt for the crop year with the output of canola meal expected to reach 5.2 Mt, unchanged from 2017-18.

Canada's export estimate for canola is lowered from last month at 9.3 Mt, versus 10.7 Mt for 2017-18 based on the slowdown in the export pace. Canola exports were 0.9 Mt behind last year in Statistics Canada's March 31st supply and disposition report with the weekly export pace averaging about 0.15 Mt weekly since March 1st.

The carry-out stocks estimate was raised to 3.9 Mt versus 3.5 Mt last month, and 2.5 Mt for the 2017-18 crop year, to reflect stable canola supplies, a steady crush pace and a slow-down in exports between the two crop years. The stocks-to-use ratio is estimated at 20%, up from the 12% reached in 2017-18 and the 10-year average of 13%. Canola prices are forecast at $485/t to $505/t for 2018-19, 8% down from last year.

For 2019-20, farmers intend to seed 8.6 million hectares (Mha) to canola compared to the 9.2 Mha planted last year. Production is forecast at 18.9 Mt, assuming normal yields.

Total supplies of canola are forecast to fall marginally to 22.9 Mt, as sharply higher carry-in stocks more-than offset the drop in production. Exports are forecast to remain constrained, assuming no normalization of agricultural trade relations between China and Canada, and a slight uptick in purchases by price sensitive countries. The export estimate contains a high degree of uncertainty and any change is expected to directly affect the carry-out stock estimate. Domestic crush is forecast steady at 9.25 Mt as the industry continues to operate at near full capacity despite heavy competition from burdensome world vegetable oil and protein meal supplies

Carry-out stocks are forecast at a record 5.3 Mt, for a stocks-to-use ratio of 30%, as Canada works through its canola supplies. Canada last reached a stocks-to-use ratio of 30% for canola in 1988-89. Canola prices are forecast to decrease slightly to $460-500/t, with the discounted Canadian dollar supporting prices.

Flaxseed

For 2018-19, the supply estimate is unchanged from last month at 0.63 Mt. Exports are forecast to fall to 0.40 Mt while total domestic use declines to 0.14 Mt on lower feed, waste and dockage. Carry-out stocks are forecast to decrease to 0.09 Mt. Flaxseed prices are estimated at $490-510/t, up from 2017-18.

For 2019-20, seeded area for flaxseed in Canada is forecast up, to 0.40 Mha, on comparatively good prices versus alternate field crops. Production is forecast to rise to 0.60 Mt, assuming a normal abandonment and harvested area and 5-year average yields. Supply is forecast to increase slightly as higher output more than offsets slightly lower carry-in stocks.

Exports are forecast to rise to 0.50 Mt while total domestic use falls due to lower feed, waste and dockage. Carry-out stocks are forecast unchanged at 0.09 Mt. The flaxseed price forecast is largely unchanged at $470-510/t.

Soybeans

For 2018-19, total supplies are estimated at 8.9 Mt, up from last year on sharply higher carry-in stocks and imports which more than offset the drop in output. The export estimate was lowered from last month to 5.2 Mt, which is still above the 4.9 Mt shipped in 2017-18. Soybean crush is estimated up marginally from last year to 2.0 Mt. Carry-out stocks are projected at 0.67 Mt, up slightly from last year. Soybean prices are forecast to fall to $395-415/t versus $434/t for 2017-18.

Upcoming factors to watch are: (1) Canadian planting conditions (2) US planting pace, (3) the fate of US-China trade talks, (4) Brazilian soybean export pace and (5) exchange rate volatility among selected grain exporting–importing countries.

For 2019-20, the planted area is estimated down by 11% from last year, to 2.29 Mha, on low prices and dry growing conditions across Western Canada. Production is forecast to fall to 6.5 Mt due to the drop in area and lower yields, which are based on 5-year averages.

Total supply is forecast to decrease by 15% to 7.6 Mt, resulting in a 13% drop in exports to 4.5 Mt. Exports are destined for a diverse group of countries. Domestic processing is forecast to decrease slightly to 1.9 Mt, on stable domestic soyoil consumption. Carry-out stocks of soybeans are forecast to tighten to 0.62 Mt from 0.67 Mt in 2018-19. Soybean prices are forecast to fall to $355-395/t under pressure from lower US soybean prices and a stable Canadian dollar-US dollar exchange rate**.**

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Dry Peas

For 2018-19, dry pea supply is slightly lower than the previous year at 4.3million tonnes (Mt). Canada's exports are forecast to rise to 3.1 Mt, up marginally from the 2017-18 level. Lower exports to India and the US have been more than offset by the record export pace to China and increased demand from Bangladesh. Canadian exports to the US for the year-to-date (August-March) are lower than for the same period last year due to the larger US dry pea crop. As a result of lower domestic supply and slightly higher exports, carry-out stocks in Canada are expected to decrease sharply to 0.3 Mt.

The average price is expected to be marginally higher than 2017-18, due to higher green pea and feed prices when compared to last year. This has been partly offset by lower yellow pea prices. Green dry peas prices are expected to maintain a crop year premium of $135/t over yellow dry peas, compared to the $40/t premium in 2017-18. During the month of April, Saskatchewan yellow pea farmgate prices were unchanged and green pea farmgate prices fell $30/t.

For 2019-20, producers intend to increase seeded area in Canada to 1.6 million hectares (Mha), up 12% from 2018-19. This would be the fourth largest Canadian dry pea area on record and is largely due to good returns relative to other crops and the continued recognition of the benefits of dry peas as part of crop rotation plan. By province, Saskatchewan is expected to account for 54% of the dry pea area, Alberta 42%, with the remainder seeded across Canada.

Production is forecast to rise by 12% to 4.0 Mt due to average yields and higher area seeded. Supply is forecast to increase to 4.3 Mt despite lower carry-in stocks. Exports are expected to be lower than 2018-19 at 3.0 Mt and carry-out stocks are forecast to increase. The average price is expected to be similar to 2018-19 due to increased domestic and world supply.

In the US, area seeded to dry peas for 2019-20 is forecast by the USDA to rise marginally to 0.9 million acres (Mac). This is largely due an increase in expected area in Montana and a reduction in area in North Dakota.

Lentils

For 2018-19, Canada's lentil supply is nearly 3.0 Mt and exports are forecast to rise sharply from 2017-18 to 1.8 Mt. The main markets continue to be the Turkey, the United Arab Emirates and India. Carry-out stocks are forecast to fall to below 0.8 Mt.

The average price of lentils in Canada is forecast to fall sharply from levels recorded for the previous year despite an increase in import demand, particularly from Bangladesh and India. Large green lentil prices are forecast to have a $70/t premium over red lentil prices for the entire crop year, compared to a $340/t premium to red lentils in 2017-18. During the month of April, Saskatchewan large green lentil farmgate prices rose $10/t while red lentil farmgate prices were unchanged.

For 2019-20, producers intend to decrease the area seeded to lentils in Canada by 10% to 1.38 Mha, due to the sharp decline in large farmgate prices in April 2018. By province, Saskatchewan is expected to account for 91% of the lentil area, with the remainder seeded in Alberta and Manitoba.

Production is forecast to fall to 2.0 Mt and supply is expected to decrease to 2.8 Mt, mostly due to carry-in stocks. Exports are expected to remain unchanged at 1.8 Mt. Carry-out stocks are forecast to fall to 0.5 Mt. The average price is forecast to increase from 2018-19, with the assumption of an average grade distribution and with higher prices for No.1 red and green lentils grades.

In the US, the area seeded to lentils for 2019-20 is forecast by the USDA at 0.6 Mac, 29% lower than in 2018-19, due to lower area seeded in Montana and North Dakota.

Dry Beans

For 2018-19, dry bean exports are forecast to decrease slightly despite the higher supply situation compared to the previous year. The US and the EU remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Angola. Smaller North American supply is expected to continue to support US and Canadian dry bean prices for 2018-19. To-date (August-April), Canadian white pea bean prices have averaged over 15% higher, black beans are unchanged and pinto bean prices are 5% higher, than 2017-18 levels.

For 2019-20, the area seeded in Canada is forecast to fall by 8% from 2018-19 to 131 Kha despite higher returns from the previous year. By province, Ontario is expected to account for 39% of the dry bean area, Manitoba 32%, Alberta 18%, with the remainder in Saskatchewan, Quebec and the Maritimes.

Production is expected to decrease to about 310 thousand tonnes (Kt), but with higher carry-in stocks, supply is expected to rise. Exports are forecast to rise marginally and stocks are expected to increase. The average Canadian dry bean price is forecast to be unchanged due to expectations for a decrease in North American supply.

In the US, area seeded to dry beans is forecast by the USDA to increase marginally to 1.2 Mac as a rise in area seeded in some of the smaller growing states is partly offset by lower area in Nebraska and North Dakota.

Chickpeas

For 2018-19, the chickpea supply is significantly higher than the previous year. Canadian chickpea exports are expected to decrease sharply to 90 Kt, largely due to lower exports to the US and Turkey, two of Canada’s largest markets. Carry-out stocks are expected to rise significantly as the decrease in export demand has compounded with the increase in supply compared to the previous year. The average price is forecast to be sharply lower, largely due to a large increase in North American and world supply.

For 2019-20, the area seeded is expected to fall significantly from 2018-19 due to sharply lower returns from the previous year compared to other pulse crops. By province, Saskatchewan is expected to account for 82% of the chickpea area, with the remainder seeded in Alberta and British Columbia.

Production is forecast to fall to 230 Kt, assuming a return to average yields similar to the previous year. Supply is forecast to rise sharply compared to 2018-19. Exports are forecast to rise compared to the previous year due to the excess supply. Carry-out stocks are expected to increase and remain burdensome. The average price is forecast to be similar to 2018-19.

US chickpea area for 2019-20 is forecast by the USDA to fall to 0.52 Mac, down 40% from 2018-19. This is largely due to an expected fall in area in Idaho, North Dakota and Washington.

Mustard Seed

For 2018-19, the mustard seed supply is 234 Kt, up marginally from 2017-18. Canadian mustard exports are forecast at 112 Kt, similar to the previous year. The US and the EU remain the main export markets for Canadian mustard seed. Carry-out stocks are forecast to rise sharply. Prices are forecast to fall due to increasing carry-out stocks. Canadian export shipments to the US and the EU have maintained an average pace despite larger domestic supply.

For 2019-20, the area seeded is expected to fall significantly due to lower prices from the previous year. Saskatchewan and Alberta account for 78% and 21% of the area seeded, respectively, with the remainder in Manitoba. Production is forecast to fall by 14% to 150 Kt due to lower expected area and trend yields. However, due to larger carry-in stocks, supply is expected to be relatively unchanged. Exports are expected to rise and carry-out stocks are forecast to be lower than in 2018-19. The average price is forecast to decrease from 2018-19.

Canary Seed

For 2018-19, supply is at 130 Kt, down 21% from the previous year. Exports are expected to be lower than last year. The EU and Mexico are the main markets, followed by the South American region, mostly Brazil. The average price is forecast to rise from 2017-18.

For 2019-20, producers intend to increase the area seeded due to more competitive returns relative to other crops. Production is expected to increase to 125 Kt. Supply is forecast to tighten due to small carry-in stocks. Exports are expected to decrease and carry-out stocks are expected to remain tight. The average price is forecast to be similar to slightly lower than the 2018-19 level.

Sunflower Seed

For 2018-19, supply is similar to the previous year. Sunflower seed exports are forecast to be higher than the previous year at 19 Kt due to higher import demand from the US. The US is the top export market, followed by Japan and Costa Rica which import small volumes. Carry-out stocks are expected to rise.

The average price for sunflower seed in Canada is forecast to rise from 2017-18 due to higher confectionery and oil type sunflower seed prices.

For 2019-20, area seeded is expected to be unchanged due to good returns compared to the previous year.

Production is forecast to be similar at 57 Kt, assuming average yields. Supply is expected to rise marginally to 124 Kt, a small increase compared to 2018-19. Exports are forecast to be similar and carry-out stocks are forecast to increase. The average price is forecast to rise from 2018-19 due to expectations for similar North American sunflower seed supply.

The area seeded to sunflower in the US for 2019-20 is forecast by the USDA to rise to 1.35 Mac, up marginally from 2018-19. Higher area in seeded in North Dakota is expected to be partly offset by lower area in other US states. The area seeded to oil type varieties is expected to increase to 1.2 Mac and the area seeded to confectionery type varieties is forecast to rise to 0.15 Mac.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

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Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g)
	------- *thousand ha* -------		*t/ha*	---------- *thousand tonnes* ----------								*$/t*
Durum												
2017-2018	2,106	2,088	2.38	4,962	8	6,798	4,342	201	587	1,030	1,426	265
2018-2019f	2,503	2,456	2.34	5,745	15	7,185	4,200	205	683	1,085	1,900	225-235
2019-2020f	2,032	1,990	2.59	5,150	15	7,065	4,650	205	496	915	1,500	230-260
Wheat Except Durum												
2017-2018	7,020	6,895	3.63	25,022	75	30,125	17,577	3,638	3,647	8,065	4,483	240
2018-2019f	7,570	7,425	3.50	26,024	70	30,578	18,800	3,500	3,516	7,878	3,900	240-250
2019-2020f	8,390	8,225	3.49	28,700	75	32,675	19,000	3,600	3,647	8,075	5,600	220-250
All Wheat												
2017-2018	9,126	8,983	3.34	29,984	82	36,923	21,919	3,839	4,234	9,095	5,909	
2018-2019f	10,073	9,881	3.22	31,769	85	37,763	23,000	3,705	4,199	8,963	5,800	
2019-2020f	10,422	10,215	3.31	33,850	90	39,740	23,650	3,805	4,143	8,990	7,100	
Barley												
2017-2018	2,334	2,114	3.73	7,891	59	10,072	2,823	62	5,716	6,005	1,244	227
2018-2019f	2,628	2,395	3.50	8,380	40	9,664	2,950	86	5,478	5,814	900	250-260
2019-2020f	2,895	2,605	3.59	9,352	40	10,292	2,750	86	5,781	6,092	1,450	210-240
Corn												
2017-2018	1,447	1,406	10.02	14,096	1,699	18,291	1,936	5,146	8,776	13,938	2,417	174
2018-2019f	1,468	1,431	9.70	13,885	2,500	18,802	2,100	5,200	9,285	14,502	2,200	170-190
2019-2020f	1,536	1,497	9.74	14,582	1,300	18,082	1,750	5,250	9,066	14,332	2,000	155-185
Oats												
2017-2018	1,295	1,052	3.55	3,733	14	4,450	2,365	109	1,094	1,307	778	218
2018-2019f	1,235	1,005	3.42	3,436	10	4,224	2,350	125	1,138	1,374	500	245-255
2019-2020f	1,332	1,055	3.41	3,598	20	4,118	2,350	125	1,037	1,268	500	230-260
Rye												
2017-2018	144	101	3.38	341	1	507	195	58	119	188	124	162
2018-2019f	136	79	2.99	236	2	362	180	27	120	162	20	240-250
2019-2020f	174	122	2.87	351	2	373	190	44	101	158	25	210-240
Mixed Grains												
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	
2019-2020f	134	55	2.82	155	0	155	0	0	155	155	0	
Total Coarse Grains												
2017-2018	5,342	4,727	5.55	26,210	1,773	33,469	7,318	5,375	15,854	21,587	4,564	
2018-2019f	5,610	4,979	5.25	26,132	2,552	33,247	7,580	5,438	16,215	22,047	3,620	
2019-2020f	6,071	5,334	5.26	28,038	1,362	33,019	7,040	5,505	16,139	22,004	3,975	
Canola												
2017-2018	9,313	9,273	2.30	21,328	108	22,778	10,726	9,269	216	9,552	2,499	539
2018-2019f	9,232	9,120	2.23	20,343	125	22,967	9,300	9,250	466	9,767	3,900	485-505
2019-2020f	8,625	8,558	2.21	18,900	100	22,900	8,000	9,250	299	9,600	5,300	460-500
Flaxseed												
2017-2018	421	419	1.33	555	7	802	515	0	145	160	127	463
2018-2019f	347	342	1.44	492	8	627	400	0	126	142	85	490-510
2019-2020f	405	396	1.51	600	10	695	500	0	90	110	85	470-510
Soybeans												
2017-2018	2,947	2,935	2.63	7,717	534	8,606	4,929	1,969	795	3,026	651	434
2018-2019f	2,558	2,540	2.86	7,267	1,000	8,918	5,200	2,000	798	3,048	670	395-415
2019-2020f	2,285	2,265	2.87	6,500	400	7,570	4,500	1,900	350	2,450	620	355-395
Total Oilseeds												
2017-2018	12,681	12,627	2.34	29,600	649	32,186	16,170	11,238	1,156	12,738	3,277	
2018-2019f	12,137	12,001	2.34	28,102	1,133	32,512	14,900	11,250	1,390	12,957	4,655	
2019-2020f	11,315	11,220	2.32	26,000	510	31,165	13,000	11,150	739	12,160	6,005	
Total Grains And Oilseeds												
2017-2018	27,149	26,337	3.26	85,794	2,504	102,577	45,408	20,452	21,243	43,420	13,750	
2018-2019f	27,820	26,861	3.20	86,002	3,770	103,522	45,480	20,393	21,804	43,967	14,075	
2019-2020f	27,808	26,768	3.28	87,888	1,962	103,924	43,690	20,460	21,021	43,154	17,080	

(a) Crop year is August-July, except corn and soybeans, for which the crop year is September-August.
(b) Imports exclude products.
(c) Exports include grain products but exclude oilseed products.
(d) Food and Industrial use for soybeans is based on data from the Canadian Oilseed Processors Association.
(e) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use + Loss in Handling
(g) Crop year average prices: Wheat (No.1 CWRS, 13.5% protein) and Durum (No.1 CWAD, 13% protein), both are average Saskatchewan producer spot prices. Barley (No. 1 feed, cash, I/S Lethbridge), Corn (No.2 CE, cash, I/S Chatham), Oats (US No. 2 Heavy, CBOT nearby futures); Rye (No. 1 CW, cash, I/S Saskatoon); Canola (No. 1 Canada, cash, Track Vancouver); Flaxseed (No. 1 CW, cash, I/S Saskatoon); Soybeans (No. 2 CE, cash, I/S Chatham)
Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecast by AAFC except for area, yield and production for 2018-2019 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

May 17, 2019

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to-Use Ratio	Average Price (d)
	------ thousand ha ------		*t/ha*	*------ thousand tonnes ------*						*%*	*$//t*
Dry Peas											
2017-2018	1,656	1,642	2.50	4,112	12	4,424	3,085	691	648	17	265
2018-2019f	1,463	1,431	2.50	3,581	30	4,259	3,100	859	300	8	255-285
2019-2020f	1,633	1,600	2.50	4,000	15	4,315	3,000	915	400	10	255-285
Lentils											
2017-2018	1,783	1,774	1.44	2,559	35	2,908	1,537	498	873	43	475
2018-2019f	1,525	1,499	1.40	2,092	20	2,985	1,800	410	775	35	370-400
2019-2020f	1,378	1,360	1.47	2,000	20	2,795	1,800	495	500	22	390-420
Dry Beans											
2017-2018	135	131	2.45	322	86	409	351	23	35	9	760
2018-2019f	143	137	2.49	341	87	463	345	28	90	24	800-830
2019-2020f	131	128	2.42	310	80	480	350	25	105	28	800-830
Chickpeas											
2017-2018	68	68	1.49	102	48	151	116	21	13	10	950
2018-2019f	179	176	1.77	311	35	360	90	70	200	125	490-520
2019-2020f	135	133	1.73	230	18	448	100	68	280	167	490-520
Mustard Seed											
2017-2018	156	153	0.80	122	9	211	112	45	53	34	770
2018-2019f	204	197	0.88	174	7	234	112	47	75	47	670-700
2019-2020f	169	165	0.91	150	5	230	120	45	65	39	650-680
Canary Seed											
2017-2018	103	103	1.41	145	0	165	147	6	12	8	465
2018-2019f	86	85	1.39	118	0	130	125	3	2	2	490-520
2019-2020f	93	91	1.37	125	0	127	120	2	5	4	470-500
Sunflower Seed											
2017-2018	26	26	2.26	58	22	105	17	53	35	50	590
2018-2019f	29	27	2.13	57	20	112	19	49	45	66	560-590
2019-2020f	29	28	2.07	57	22	124	20	49	55	80	570-600
Total Pulses and Special Crops (c)											
2017-2018	3,927	3,897	1.90	7,419	211	8,373	5,365	1,337	1,670	25	
2018-2019f	3,629	3,552	1.88	6,674	199	8,543	5,591	1,465	1,487	21	
2019-2020f	3,567	3,505	1.96	6,872	160	8,519	5,510	1,599	1,410	20	

(a) Crop year is August-July. Grains Include pulses (dry peas, lentils, dry beans, chick peas) and special crops (mustard seed, canary seed, sunflower seed).
(b) Imports and exports exclude products.
(c) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use + Loss in Handling
(d) Producer price, FOB plant, average over all types, grades and markets.
Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecast by AAFC except for area, yield and production for 2018-2019 which are STC