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Canada: Outlook for Principal Field Crops

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) June 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, total exports of all field crops are expected to increase slightly from the previous crop year to 52.2 million tonnes (Mt) of which nearly 90 percent is grains and oilseeds (G&O) and 10 percent is pulses and special crops (P&SC). From a disposition point of view, exports, domestic use and carry-out stocks are expected to represent about 46, 41, and 13 percent of total supply, respectively. For G&O, carry-out stocks are forecast to decrease marginally to 13.4 Mt, as significantly lower carry-out stocks of wheat and coarse grains are more than offset by the major increase in carry-out stocks of oilseeds. For P&SC carry-out stocks are forecast to decrease due to lower carry-out stocks of peas and lentils. In general, abundant world supplies of grains have pressured world prices but the weak Canadian dollar provides strong support to prices in Canada. In addition, Canada/China trade issues are expected to continue to create uncertainty for the Canadian markets.

For 2019-20, the estimates for areas seeded are based on Statistics Canada's June 26 release of the Seeded Area Survey, indicating a slight decline in the total area seeded to field crops in Canada compared to 2018-19. The areas seeded to grains are expected to increase but this will be more-than offset by the decrease in the area seeded to oilseeds. Pulse and Special Crop area increases slightly. AAFC's forecasts for areas harvested are based on historical trends. For all crops, average or trend yields have been assumed since it is still early in the growing season and temperature and moisture conditions will remain variable before harvest. AAFC is forecasting a one percent increase in total production, but supplies are forecast to decrease by 1 percent, due to the significant decrease in imports. Carry-out stocks are forecast to increase by about 5% due to the increase in carry-out stocks of coarse grains and dry peas. 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 mitigated by the low value of the Canadian dollar.
(f: forecast by AAFC except for area, yield and production for 2018-2019 and area seeded for 2019-2020 which are STC)

Canada: Principal Field Crops Supply and Disposition

Crop Years: 2017-2018 to 2019-2020 (forecast)
Units (Thousand Tonnes, unless otherwise specified)

Section	Crop Year	Seeded Area (thousand ha)	Harvested Area (thousand ha)	Yield (t/ha)	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
Grains and Oilseeds	2017-2018	27,151	26,336	3.26	85,794	2,504	102,577	45,373	43,454	13,750
	2018-2019f	27,815	26,842	3.20	85,942	3,770	103,462	46,345	43,762	13,355
	2019-2020f	27,591	26,366	3.27	86,198	2,252	101,805	45,340	42,560	13,905
Pulse and Special Crops	2017-2018	3,927	3,897	1.90	7,419	211	8,372	5,365	1,337	1,670
	2018-2019f	3,620	3,542	1.88	6,657	242	8,569	5,864	1,488	1,217
	2019-2020f	3,840	3,755	1.97	7,380	160	8,757	5,620	1,717	1,420
Total Principal Field Crops	**2017-2018**	**31,078**	**30,233**	**3.08**	**93,213**	**2,715**	**110,950**	**50,738**	**44,791**	**15,420**
	2018-2019f	**31,435**	**30,385**	**3.05**	**92,599**	**4,012**	**112,031**	**52,209**	**45,250**	**14,572**
	2019-2020f	**31,431**	**30,121**	**3.11**	**93,578**	**2,412**	**110,562**	**50,960**	**44,277**	**15,325**

ha: Hectares
t/ha: Tonnes per hectare

f: forecasts by AAFC
Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
Calculations compiled by AAFC, Crops and Horticulture Division/Market Analysis Group

Wheat

Durum

For 2018-19, Canadian durum supply increased by 6% from 2017-18 to 7.18 million tonnes (Mt). Exports are forecast to increase by 4% to 4.5 Mt. Carry-out stocks are forecast to rise by 12% to 1.6 Mt, 13% 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 June 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 0.9 Mt to 47.3 Mt. Use is expected to increase by 0.4 Mt to 37.6 Mt. Carry-out stocks are forecast to increase by 0.5 Mt to 9.7 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 decreased by 21% from 2018-19, according to Statistics Canada's survey. Saskatchewan accounts for 84% of the seeded area and Alberta for 16%. The seeded area was 3% lower than in the seeding intentions survey.

Production is forecast to decrease by 13% to 5 Mt, as the lower area is partly offset by near average yields compared to the well below average yields of 2018-19. Supply is expected to decrease by 8%, as the lower production is partly offset by higher carry-in stocks. The production forecast is 0.15 Mt lower than in the June report because of the reduction in seeded area. Exports are forecast to increase by 4% to 4.7 Mt due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 31% to 1.1 Mt, 0.2 Mt lower than in the June report.

World durum production is forecast by IGC to fall by 1.4 Mt from 2018-19 to 36.7 Mt, while supply decreases by 0.9 Mt to 46.4 Mt. Use is expected to increase by 0.5 Mt to 38.1 Mt. Carry out stocks are forecast to fall by 1.4 Mt to 8.3 Mt, the lowest since 2014-15. The United States Department of Agriculture (USDA) is forecasting US durum production at 1.58 Mt.

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 9% to 19.2 Mt. Carry-out stocks are forecast to fall by 20% to 3.6 Mt, 37% lower than the past five year average of 5.72 Mt and the lowest since 2007-08. The exports forecast was raised by 0.2 Mt and the carry-out stocks forecast reduced by 0.1 Mt from the June report.

World all wheat (including durum) production decreased by 31 Mt to 731 Mt, according to USDA. Supply fell by 12 Mt to 1,012 Mt. Total use is expected to fall by 6 Mt to 737 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 14 Mt to 135 Mt.

In the US, all wheat production increased by 4 Mt to 51.3 Mt, according to USDA. Supply rose by 1.1 Mt to 84.9 Mt. Domestic use rose by 1 Mt and exports increased by 0.8 Mt. Carry-out stocks fell by 0.7 Mt to 29.2 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 increased by 7.5% from 2018-19, according to Statistics Canada. The seeded area was 3% lower than in the seeding intentions survey. The winter wheat area seeded last fall decreased by 4%, but there was more damage during the winter, resulting in a 25% decrease for the winter

wheat area remaining in the spring. The spring wheat area increased by 8.5%.

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, 6,679 Kha (5,963); Canada Prairie Spring (CPS) 366 Kha (377), Canada Northern Hard Red Spring (CNHR) 210 Kha (302); soft white spring (CWSWS) 134 Kha (119), other western spring wheat 78 Kha (121), eastern spring wheat, mainly hard red spring (CERS), 129 Kha (124).

Saskatchewan accounts 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 4% to 27 Mt. The production forecast is 1.7 Mt lower than in the June report because of the reduction in seeded area for spring wheat and higher abandonment for winter wheat. Supply is forecast to increase only marginally, as lower carry-in stocks mostly offset the increase in production. Exports are forecast to decrease by 2% to 18.9 Mt, as more competition is expected from other exporters because of higher production. Carry-out stocks are forecast to increase by 11% to 4 Mt, but 1.4 Mt lower than in the June report.

World all wheat (including durum) production is forecast to increase by 40 Mt to 771 Mt, while the supply increases by 33 Mt to 1,047 Mt, according to USDA. Total use is expected to increase by 23 Mt to 760 Mt. Carry out stocks are forecast to rise by 11 Mt to 286 Mt. Excluding China, world all wheat stocks are expected to increase by 5 Mt to 140 Mt.

US all wheat production is forecast to rise by 1 Mt from 2018-19 to 52.3 Mt, according to USDA. Supply is expected to increase by 0.4 Mt to 85.3 Mt. Domestic use is forecast to increase by 2 Mt, while exports increase by 0.4 Mt. Carry out stocks are forecast to decrease by 2 Mt to 27.2 Mt.

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

Coarse Grains

Barley

For 2018-19, Canadian barley exports are estimated to increase from last year and reach an all-time high since 2008, thanks to the steady pace of barley grain and malt exports. Total domestic use is expected to decrease, primarily due to reduced feed use. Carry-out stocks are expected to fall to the lowest level ever. The average feed barley price in Lethbridge feedlots is expected to reach a record high of $280/t, mainly due to limited supply and relatively strong demand. Concerns about 2019 production prospects for new barley and hay crop, as well as problems about pasture development, also supported feed barley prices. The average Prairie malt barley price is 17-24% higher than last year.

Global barley production for 2018-2019 is estimated at its lowest level in six years, mainly due to a significant decline in production of the world's major exporting countries, according to USDA. World trade is expected to decline only slightly despite limited supply. Carry-out stocks are expected to be close to the lowest level in history, including a sharp decline in major exporters. As a result, world feed barley prices have been very high. Therefore, corn has been used as an alternative crop for feed barley in some countries because of its relatively low prices and abundant supply around the world.

For 2019-20, the area seeded to barley in Canada is forecast to increase by 14% from 2018-19 to almost 3.0 million hectares (Mha), due to strong barley price and its historically low carry-in stocks; in addition, current issues with Canadian canola trade may also have contributed to the increase in barley acreage. The provinces of Alberta and Saskatchewan accounted for most of the increase. Using average yield and average abandonment rate for harvested area, production is expected to increase and largely offset the decline in carry-in stocks; therefore, a large barley supply is expected for this year. Exports for 2019-20 are forecast to be unchanged due to production

recoveries in the world major exporters and a return to normal trade patterns, despite a rise in domestic supply. Total domestic use is expected to rise due to higher feed use. Carry-out stocks are forecast to increase significantly, mainly owing to higher supply.

The average price of feed barley in Lethbridge feedlots for 2019-20 is projected to decrease slightly from 2018-19 due to higher supply expected for 2019-20. Supportive factors include rising US corn prices expected for 2019-20 and concerns about production prospects for new barley and hay crops, as well as worries about pasture development across the Prairie Provinces. 2019 barley planting progress was well above normal due to dry weather, but sufficient and steady rainfall is required to improve soil moisture, promote crop growth, and maintain average yield.

World barley production for 2019-20 is projected to rise to its highest level in ten years, largely due to improved output from the world's major exporters, according to USDA. World trade is projected to rise on higher supply. Deliveries to Saudi Arabia, China and Morocco are expected to increase. World carry-out stocks are expected to increase to the highest level in the recent three years but remain low.

Corn

For 2018-19, corn imports are expected to increase significantly from 2017-18 due to low supply of good quality corn crop in Eastern Canada and tight barley supply in Western Canada. Exports are expected to increase to a record level due to higher deliveries to the EU. An increase in total domestic use, combined with strong export demand, is expected to drag down carry-out stocks from last year, despite increased supply. The average price of corn in Chatham elevators is estimated to increase from last year due to higher US corn prices and the weak Canadian dollar. Ongoing concerns about 2019 US corn production prospects due to delayed planting and poor crop development have supported corn prices.

US corn carry-out stocks for 2018-19 are expected to increase to historically high level, according to USDA. The average US farm price is forecast to increase to US$3.60/bu which is equivalent to C$187/t.

World corn production for 2018-19 will be the second-largest in history, mainly due to higher production estimates for South America, according to USDA. World carry-out stocks will fall but remain high. World trade will reach a record high due to rising import estimates for the EU, China, Mexico, Saudi Arabia, and Vietnam.

For 2019-20, the seeded area for corn in Canada is forecast to increase slightly from 2018-19. The provinces of Ontario and Manitoba contributed to most of the increase. Production is expected to rise slightly. Imports are expected to decrease significantly due to higher domestic production of corn and barley. As a result, supply is forecast to decrease. Exports are forecast to decrease on lowered deliveries to the EU. Total domestic use is forecast to decrease slightly on lowered feed use. Carry-out stocks are forecast to decline on reduced supply.

The average price of corn at Chatham elevators for 2019-20 is forecast to increase by 3% to $195/t from 2018-19 on support from USDA's higher 2019-20 US corn price projections. The weak Canadian dollar will continue to underpin corn prices in Canada.

US corn area for 2019-20 is projected to increase by 3% from 2018-19, according to USDA's latest Acreage report. However, weak 2019 US corn crop condition ratings are expected to eventually result into lower yields. The average farmgate price of corn in the US is projected by USDA to increase from 2018-19 to US$3.70/bu which is equivalent to about C$193/t. This is supportive for grain prices.

The 2019 spring in the US was extremely wet and cold, which has severely delayed sowing and crop emergence. The rainy weather extending into summer is leading to poor crop conditions. Concerns are persisting over US corn production prospects.

World corn production for 2019-20 is forecast to decline, mainly due to decreased production projections for the US, China, Argentina and Ukraine, more than offsetting increased production projections for the EU, India, Russia

and South Africa, according to USDA. Total use is projected to be the highest ever on strong feed use and trending higher industrial use. Carry-out stocks are projected to be the lowest in the recent five years. World trade activity is expected to be the most active ever, with higher export forecasts for the US, Argentina and Russia.

Oats

For 2018-19, Canadian oat exports are estimated to increase slightly. Carry-out stocks are expected to be near record lows as a result of reduced domestic supply and strong demand for feed and exports. Oat price in Canada is estimated to increase from last year, mainly because of the tightening of supply and strong demand for this year.

For 2019-20, the area seeded to oats in Canada is forecast to increase by 18% from 2018-19 to 1.46 Mha, due to attractive prices and significantly lower carry-in stocks. The Prairie Provinces, especially Saskatchewan, accounted for most of the increase. Total supply is expected to increase, mainly due to higher production forecast. Exports are projected to increase slightly, as larger shipments to the US is expected to be partly offset by smaller exports overseas - assuming larger oat output from the competing oat exporting countries. Carry-out stocks are forecast to build up from 2018-19. Canadian oat price for 2019-20 is projected to increase from 2018-19 on strong row crop prices and concerns about 2019 output prospects in North America. The drought on the Prairies has helped oat seeding, but sufficient and steady rainfall is required to improve soil moisture, promote crop growth, and maintain average yield.

US oat area for 2019-20 is projected to decrease slightly from 2018-19, according to USDA. The production is forecast to increase on higher trend yield. However, US oat development continues to lag, which could result in lower yields. Imports are projected to rise significantly. Production in the world major oat exporting countries is forecast to increase.

Rye

For 2018-19, Canadian rye exports are estimated to decrease from a year ago, based on the current export pace. Total domestic use is expected to decrease on reduced industrial use. Carry-out stocks are estimated to drop to the lowest level in three years, mainly due to decreased supply. Rye prices in Canada are estimated to increase significantly from last year, mainly because of the tightening of supply for this year. The average price of rye in Saskatchewan elevators for 2018-2019 is expected to increase significantly from last year to $235/t, the highest level ever recorded.

For 2019-20, the area seeded to rye in Canada is forecast to increase significantly from 2018-19. Production and supply are forecast to increase, respectively. Rye exports are forecast to decrease due to lowered estimates of rye delivered to the US and offshore markets, as rye production in the world's major exporters is forecast to increase and world trade is expected to decline. Total domestic use is forecast to increase, mainly due to higher industrial use. Carry-out stocks are forecast to rise. The average price of rye in Saskatchewan elevators for 2019-20 is forecast to decrease from 2018-19 but remain high.

Oilseeds

Canola

For 2018-19, Canada's canola crush is estimated at 9.25 million tonnes (Mt) with production of canola oil and canola meal estimated at 4.0 Mt and 5.2 Mt, respectively. Canada's export estimate for canola is unchanged at 9.3 Mt, versus 10.7 Mt for 2017-18, based partly on the pace of movement through licensed grain handling facilities to date. Despite ongoing trade issues, a small volume of canola, 0.11 Mt, was exported to China in May 2019, bringing the crop year to-May pace to 3.1 Mt vs 3.6 Mt last year.

Carry-out is estimated at 3.9 Mt up from 2.5 Mt for 2017-18. The stocks-to-use ratio is estimated at 20%, versus 12% in 2017-18 and the 10-year average of 13%. Canola prices were raised by $5/t from the June release and are forecast at $490/t to $510/t for 2018-19.

For 2019-20, farmers seeded almost 8.5 million hectares (Mha) to canola compared to the 9.2 Mha planted last year. Production is forecast at 18.6 Mt, assuming a normal rate of crop abandonment and normal yields. Moisture conditions improved across the Prairies in late June following a series of rain storms across Southern Saskatchewan. However, soil moisture remains deficient across large parts of Manitoba and Southern Alberta. Yields will be more dependent than usual on rains during the months of July and early to mid-August. AAFC is still assuming trend yields with any revisions to yield estimates likely to be downwards.

Total supplies of canola are forecast to fall slightly to 22.6 Mt, as the drop in output is mostly offset by the sharp rise in carry-in stocks. Domestic processing of canola is forecast to hold steady at about 9.3 Mt with the industry expected to continue operating at full capacity. Canola exports are forecast at 9.0 Mt, requiring a weekly export pace of 0.17 Mt. For June 2019, Canada exported an average of 0.18 Mt of canola weekly.

The export forecast continues to contain a high degree of uncertainty and hinges on the outcome of the Canada-China trade discussions currently underway. Carry-out stocks for the upcoming crop year are forecast to rise marginally, to 3.98 Mt for a stocks to use ratio of 21% vs the record 30% reached in 1988-89. Canola prices are forecast to decrease slightly to $460-500/t, with underlying support provided by the discounted value of the Canadian dollar.

Flaxseed

For 2018-19, exports are forecast to fall to 0.40 Mt while total domestic use declines to 0.14 Mt on lower feed, waste and dockage in comparison to last year. 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 to increase to 0.38 Mha, on comparatively good prices versus alternate field crops. Production is forecast to rise to 0.56 Mt, assuming a normal abandonment and harvested area and 5-year average yields. Supply is forecast to increase slightly as higher output exceeds the slight drop in 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 to decline by 12% to 0.08 Mt. Flaxseed prices are forecast at $480-520/t.

Soybeans

For 2018-19, exports are estimated at 5.2 Mt, versus the 4.9 Mt shipped in 2017-18. Soybean crush is expected to increase 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 decline to $395-415/t versus $434/t for 2017-18.

For 2019-20, the planted area is estimated down by 10% from last year, to 2.3 Mha under pressure from low prices and dry growing conditions across Western Canada. Production is forecast to fall to 6.7 Mt due to the decline in area and lower yields. Excessive moisture conditions hampered planting in Eastern Canada with the largest impact felt on heavy clay soils which received excessive rainfall. The effect on production is unknown at the time of publication and no adjustments to abandonment or yields are being made to the July release of the Supply and Disposition report. Further revisions to the August release of the *Outlook* are anticipated.

Total supply is forecast to decrease by 13% to 7.7 Mt, resulting in a 10% drop in exports to 4.7 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 and a shortfall in domestic soymeal supplies filled by imports of US product. Carry-out stocks of soybeans are forecast to tighten to 0.58 Mt from 0.67 Mt in 2018-19. Soybean prices are forecast to rise to $390-420/t while a stable Canadian/United States currency exchange rate is forecast.

For 2019-20, US planted area for soybeans is expected to drop to 80 million acres, versus 89.2 million acres for 2018-19. Production is forecast to fall to3.92 billion bushels (bln bu), versus the 4.54 bln bu grown in 2018-19, assuming normal abandonment and using USDA's June yield estimate of 49.5 bln bu. Assuming a slight year-on-year uptick in exports to 1.95 bln bu, and a relatively stable domestic use of 2.1 bln bu, US soybean ending stocks

are estimated at 0.82 bln bu versus the 1.07 bln bu expected to be carried out in 2018-19.

Factors to watch are: (1) US crop ratings, (2) prevent planted and unplanted soybean area estimates for the US and Eastern Canada respectively, (3) yield prospects for the US, Eastern Canada and Western Canada, (4) developments in US-China trade talks and (5) the pace of Chinese imports and Brazilian exports.

Pulses and Special Crops

Dry Peas

For 2018-19, Canada's exports are expected to be marginally higher than the 2017-18 level at 3.2 million tonnes (Mt). This has been largely due to increased demand from Bangladesh and continued strong demand from China. However, this has been partly offset by reduced exports to the US and India. Carry-out stocks in Canada are expected to fall significantly due to the increased export pace and higher domestic use. The average dry pea price is expected to rise marginally from 2017-18. Lower yellow pea prices have been more than offset by higher green and feed pea prices.

The prices of green dry peas are expected to maintain a $135/t crop year premium to yellow dry peas compared to a $40/t premium in 2017-18. During the month of June, Saskatchewan yellow and green pea farmgate prices were unchanged. This was largely due to the dry conditions across the Prairies that have supported dry pea prices.

For 2019-20, dry pea seeded area in Canada increased to a record 1.75 million hectares (Mha), up 20% from 2018-19 due to good returns relative to other crops and continued recognition of the benefits of dry peas as part of crop rotation plan. Saskatchewan accounts for 54% of the dry pea area, Alberta for 42%, with the remainder seeded in Manitoba, British Columbia and Eastern Canada. Production is forecast to rise by 20% to 4.3 Mt due to expectations of similar yields combined with a confirmed higher area. However, supply is forecast to rise by only 5% to 4.5 Mt due to lower carry-in stocks combined with an increase in production. Exports are forecast to be lower at 3.1 Mt, with China, Bangladesh and the US continuing to be Canada's top markets. Carry-out stocks are forecast to rise and be above the five and ten year averages. The average price is expected to be unchanged from 2018-19, due primarily to expectations for an unchanged world supply.

In the US, area seeded to dry peas for 2019-20 is forecast by the USDA to rise from 2018-19 to over 1.0 million acres. This is largely due to an expected rise in area in Montana and North Dakota. Assuming normal yields and abandonment, US dry pea production is forecast by AAFC to rise by 14% to over 0.8 Mt. The US has been successful in exporting small amounts of dry peas to common Canadian export markets in Yemen and the Philippines and it is expected the US will continue to expand its market share in 2019-20.

Lentils

For 2018-19, lentil exports are forecast to rise sharply to 1.9 Mt. Of this total, 1.2 Mt are red lentil types with the remaining 0.7 Mt consisting of the green lentil types. The main markets are India, the United Arab Emirates, Bangladesh and Turkey. Total domestic use is forecast to be lower at 0.4 Mt. Carry-out stocks are forecast to fall to below 0.7 Mt. The average price for all types and grades is forecast to be sharply lower than the previous year for all lentil types.

Large green lentil prices are expected to maintain a small premium ($70/t) over red lentil prices. During the month of June, Saskatchewan large green lentil farm gate prices rose $25/t and red lentil farm gate prices have risen $5/t. This is largely due to below average lentil crop development conditions in Saskatchewan and Alberta.

For 2019-20, Canadian lentil seeded area was largely unchanged at over 1.5 Mha, due to good forecasted returns compared to other crops. By province, Saskatchewan accounts for 90% of the lentil area, with the remainder seeded in Alberta, Manitoba and British Columbia. Production is forecast to increase to 2.2 Mt, with supply slightly lower due to lower carry-in stocks. Exports are forecast to be lower at 1.8 Mt. Carry-out stocks are forecast to fall to 0.5 Mt. The average price for all grades and types is forecast to rise from 2018-19 with higher prices from green

types. There is an expectation that import demand in the Indian subcontinent will continue to be similar to higher in 2019-20.

In the US, the area seeded to lentils for 2019-20 is forecast by the USDA at 0.54 million acres, down 31% from 2018-19 due to lower area seeded in Montana and North Dakota. Assuming normal yields and abandonment, 2019-20 US lentil production is forecast by AAFC at 280 thousand tonnes (Kt), down sharply from the previous year. The main US export markets for lentils are expected to continue to be Canada, the EU, India and Mexico.

Dry Beans

For 2018-19, dry bean exports are expected to be similar to 2017-18 despite larger Canadian supply. 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 and the weaker Canadian dollar has supported Canadian dry bean prices for the majority of 2018-19 crop year, particularly Canadian small red, pink, kidney, Great Northern, pinto and white pea bean prices.

For 2019-20, the area seeded in Canada was largely unchanged from 2018-19 at 142 thousand hectares (Kha). By province, Ontario accounted for 36% of the dry bean area, Manitoba 47%, Alberta 13%, with the remainder seeded in Saskatchewan, Quebec and the Maritimes. Production is forecast to fall to 0.33 Mt, but supply is expected to rise, due to higher carry-in stocks. Exports are forecast to be unchanged. Carry-out stocks are expected to rise. The average Canadian dry bean price is forecast to be unchanged due to similar expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to rise by 7% to 1.3 million acres due to a rise in area seeded in Minnesota and some of the smaller growing states. This is expected to partly offset lower area seeded in Nebraska and North Dakota. Assuming normal yields and abandonment, 2019-20 US total dry bean production (excluding chickpeas) is forecast by AAFC at 1.1 Mt, unchanged from 2018-19.

Chickpeas

For 2018-19, Canadian chickpea exports are expected to rise sharply to 145 Kt. This is due to increased import demand from Pakistan. Carry-out stocks are expected to rise sharply. The average price has been pressured by an increase in world chickpea supply.

For 2019-20, the area seeded fell by 13% from 2018-19 due to the lower farmgate prices received in the previous year. Saskatchewan is expected to account for 86% of the chickpea area, with the remainder in Alberta. Production is forecast by AAFC at 260 Kt, due to lower seeded area and expected yields. Supply, however, is forecast to rise from 2018-19. Exports are forecast to fall and carry-out stocks are forecast to continue to rise. The average price is forecast to fall marginally, due to a larger world supply, with the expectation of an average grade distribution.

US chickpea area for 2019-20 is forecast by the USDA to fall to 0.56 million acres, down 35% from 2018-19. This is largely due to an expected fall in area in Idaho, North Dakota and Washington. Assuming normal yields and abandonment, US chickpea production is forecast by AAFC at 355 Kt, a 39% decrease from the previous year. The US is expected to continue to export to the EU, Canada and Pakistan.

Mustard Seed

For 2018-19, Canadian mustard exports are forecast at 120 Kt, higher than the previous year. The US and the EU have been the main export markets for Canadian mustard seed. Carry-out stocks are forecast to rise. Prices are forecast to fall in 2018-19 due to higher carry-out stocks, particularly for yellow and brown types.

For 2019-20, the area seeded fell 21% to 161 Kha, due to lower mustard seed prices from the previous year. By province, Saskatchewan accounts for 73% of the mustard seed area, with the majority of the remainder seeded in Alberta and Manitoba. Due to the fall in area and expectations for average yields, production is forecast to decrease by 20% to 140 Kt. Supply is expected to fall only 10%, however, due to higher carry-in stocks. Exports

are expected to be unchanged at 120 Kt and carry-out stocks are forecast to fall. The average price is forecast to be similar to 2018-19.

Canary Seed

For 2018-19, the EU and Mexico have been the main markets, followed by the combined imports by countries in South America. Carry-out stocks are expected to be tight. The average price is forecast to increase from prices in the previous year.

For 2019-20, the area seeded fell by 12%, to 76 Kha, despite solid returns relative to other crops and lower carry-in stocks. Production is expected to decrease by 11% to 105 Kt. Supply is forecast to decrease as well. Exports are expected to be limited by supply and decline, while carry-out stocks are expected to remain tight. The average price is forecast to be similar to slightly lower than 2018-19.

Sunflower Seed

For 2018-19, exports of sunflower seed are forecast to rise to 24 Kt due to increased demand from the US. Despite this, carry-out stocks are expected to rise. The US and Japan have been Canada's main export markets for sunflower seed. The average Canadian price for sunflower seed is forecast to fall marginally from 2017-18, despite higher confectionery type and oil type sunflower seed prices. This was due to a higher percentage of the lower priced oilseed types crops grown in 2018-19, compared to the previous year.

For 2019-20, the area seeded was lower at 23 Kha, due to competitive returns compared to other crops. Production is forecast to fall to 48 Kt and supply is expected to be similar at 110 Kt, compared to 2018-19. Exports are expected to decrease and carry-out stocks are forecast to be unchanged. The average price is forecast to be similar to or rise marginally from 2018-19, due to expectations for lower North American sunflower seed supply. Similar oil type prices are anticipated along with higher confectionery prices in the US and Canada.

US sunflower seed area for 2019-20 is forecast by the USDA to rise to 1.38 million acres, up 6% from 2018-19, largely due to higher area in North Dakota. The area seeded to oil type varieties is expected to increase to 1.2 million acres and the area seeded to confectionery type varieties is forecast to rise to over 0.15 million acres. Assuming normal yields and abandonment, 2019-20 total US sunflower seed production is forecast by AAFC to decrease marginally to just below 1.0 Mt.

Canada: Grains and Oilseeds Supply and Disposition

Crop Years: 2017-2018 to 2019-2020 (forecast)

Units (Thousand Tonnes, unless otherwise specified)

Commodity	Crop Year [a]	Seeded Area (thousand ha)	Harvested Area (thousand ha)	Yield (t/ha)	Production	Imports [b]	Total Supply	Exports [c]	Food and Industrial Use[d]	Feed, Waste, and Dockage	Total Domestic Use[e]	Carry-out Stocks	Average Price[g] ($/t)
Durum	2017-2018	2,106	2,088	2.38	4,962	8	6,798	4,342	201	587	1,029	1,426	265
	2018-2019f	2,499	2,452	2.34	5,731	15	7,172	4,500	205	675	1,072	1,600	230-235
	2019-2020f	1,980	1,941	2.58	5,000	15	6,615	4,700	205	394	815	1,100	235-265
Wheat (excluding durum)	2017-2018	7,020	6,895	3.63	25,022	74	30,124	17,577	3,638	3,647	8,065	4,483	240
	2018-2019f	7,570	7,425	3.50	26,024	70	30,577	19,200	3,500	3,437	7,777	3,600	240-250
	2019-2020f	8,172	7,843	3.44	27,001	75	30,676	18,900	3,500	3,430	7,776	4,000	225-255
All Wheat	**2017-2018**	**9,126**	**8,983**	**3.34**	**29,984**	**82**	**36,922**	**21,919**	**3,839**	**4,233**	**9,094**	**5,909**	
	2018-2019f	**10,069**	**9,877**	**3.22**	**31,755**	**85**	**37,749**	**23,700**	**3,705**	**4,112**	**8,849**	**5,200**	
	2019-2020f	**10,152**	**9,784**	**3.27**	**32,001**	**90**	**37,291**	**23,600**	**3,705**	**3,824**	**8,591**	**5,100**	
Barley	2017-2018	2,334	2,114	3.73	7,891	59	10,072	2,822	62	5,716	6,006	1,244	227
	2018-2019f	2,628	2,395	3.50	8,380	40	9,664	3,000	86	5,419	5,764	900	255-265
	2019-2020f	2,996	2,698	3.58	9,654	40	10,594	3,000	111	5,741	6,094	1,500	240-270
Corn	2017-2018	1,447	1,406	10.02	14,096	1,699	18,291	1,845	5,146	8,867	14,029	2,417	174
	2018-2019f	1,468	1,431	9.71	13,885	2,500	18,802	2,200	5,300	9,185	14,502	2,100	180-200
	2019-2020f	1,495	1,461	9.77	14,264	1,600	17,964	1,900	5,200	8,848	14,064	2,000	180-210
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	2,400	115	1,136	1,374	450	250-260
	2019-2020f	1,459	1,160	3.39	3,938	10	4,398	2,500	115	1,063	1,298	600	250-280
Rye	2017-2018	144	101	3.39	341	1	507	194	57	119	188	124	162
	2018-2019f	136	79	2.99	236	2	362	145	27	125	167	50	230-240
	2019-2020f	174	121	2.90	352	2	403	140	49	120	183	80	215-245
Mixed Grains	2017-2018	123	54	2.77	149	0	149	0	0	149	149	0	-
	2018-2019f	144	56	2.68	150	0	150	0	0	150	150	0	-
	2019-2020f	145	59	2.82	168	0	168	0	0	168	168	0	-
Total Coarse Grains	**2017-2018**	**5,342**	**4,726**	**5.55**	**26,210**	**1,772**	**33,469**	**7,226**	**5,374**	**15,946**	**21,680**	**4,563**	
	2018-2019f	**5,610**	**4,965**	**5.25**	**26,087**	**2,552**	**33,202**	**7,745**	**5,528**	**16,015**	**21,957**	**3,500**	
	2019-2020f	**6,270**	**5,499**	**5.16**	**28,376**	**1,652**	**33,527**	**7,540**	**5,475**	**15,940**	**21,807**	**4,180**	
Canola	2017-2018	9,313	9,273	2.30	21,328	108	22,778	10,783	9,269	160	9,496	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	490-510
	2019-2020f	8,478	8,413	2.21	18,578	100	22,578	9,000	9,250	302	9,603	3,975	460-500
Flaxseed	2017-2018	423	419	1.33	555	7	802	516	0	145	160	127	463
	2018-2019f	346	341	1.44	491	8	626	400	0	125	141	85	490-510
	2019-2020f	378	373	1.50	561	10	656	500	0	61	81	75	480-520
Soybeans	2017-2018	2,947	2,935	2.63	7,717	534	8,606	4,929	1,969	794	3,025	652	434
	2018-2019f	2,558	2,540	2.86	7,267	1,000	8,919	5,200	2,000	799	3,049	670	395-415
	2019-2020f	2,312	2,296	2.91	6,683	400	7,753	4,700	1,900	378	2,478	575	390-430
Total Oilseeds	**2017-2018**	**12,683**	**12,627**	**2.34**	**29,600**	**649**	**32,186**	**16,227**	**11,238**	**1,099**	**12,681**	**3,278**	
	2018-2019f	**12,136**	**12,000**	**2.34**	**28,100**	**1,133**	**32,511**	**14,900**	**11,250**	**1,389**	**12,956**	**4,655**	
	2019-2020f	**11,168**	**11,082**	**2.33**	**25,822**	**510**	**30,987**	**14,200**	**11,150**	**741**	**12,162**	**4,625**	
Total Grains and Oilseeds	**2017-2018**	**27,151**	**26,336**	**3.26**	**85,794**	**2,504**	**102,577**	**45,373**	**20,452**	**21,278**	**43,454**	**13,750**	
	2018-2019f	**27,815**	**26,842**	**3.20**	**85,942**	**3,770**	**103,462**	**46,345**	**20,483**	**21,516**	**43,762**	**13,355**	
	2019-2020f	**27,591**	**26,366**	**3.27**	**86,198**	**2,252**	**101,805**	**45,340**	**20,330**	**20,505**	**42,560**	**13,905**	

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
Calculations compiled by AAFC, Crops and Horticulture Division/Market Analysis Group

July 19, 2019

Canada: Grains and Oilseeds Supply and Disposition

Crop Years: 2017-2018 to 2019-2020 (forecast)

Units (Thousand Tonnes, unless otherwise specified)

[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, while excluding oilseed products.
[d] Food and Industrial Use for soybeans is based on data from the Canadian Oilseed Processors Association. Total number excludes food and industrial use for flaxseed due to data confidentiality.
[e] Total Domestic Use = Food and Industrial Use + Feed Waste and 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 and are not comparable to CWB pool returns for previous years: 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).
ha: Hectares
t/ha: Tonnes per hectare

f: forecasts by AAFC

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
Calculations compiled by AAFC, Crops and Horticulture Division/Market Analysis Group

July 19, 2019

Canada: Pulses and Special Crops Supply and Disposition

Crop Years: 2017-2018 to 2019-2020 (forecast)

Units (Thousand Tonnes, unless otherwise specified)

Commodity	Crop Year [a]	Seeded Area (thousand ha)	Harvested Area (thousand ha)	Yield (t/ha)	Production	Imports [b]	Total Supply	Exports [b]	Total Domestic Use[c]	Carry-out Stocks	Stocks-to-Use Ratio %	Average Price[d] ($/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	55	4,284	3,200	884	200	5	260-280
	2019-2020f	1,753	1,715	2.51	4,300	15	4,515	3,100	915	500	12	255-285
Lentils	2017-2018	1,783	1,774	1.44	2,558	35	2,908	1,537	498	873	43	475
	2018-2019f	1,525	1,499	1.40	2,092	25	2,990	1,900	415	675	29	375-395
	2019-2020f	1,530	1,500	1.47	2,200	20	2,895	1,800	595	500	21	430-460
Dry Beans	2017-2018	135	131	2.45	322	86	409	351	23	35	9	760
	2018-2019f	143	137	2.48	341	90	466	350	31	85	22	805-825
	2019-2020f	142	138	2.37	327	80	492	350	32	110	29	800-830
Chickpeas	2017-2018	68	68	1.49	102	48	151	116	22	13	10	950
	2018-2019f	179	176	1.77	311	45	370	145	75	150	68	480-500
	2019-2020f	155	150	1.73	260	18	428	130	78	220	106	465-495
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	120	49	65	38	675-695
	2019-2020f	161	156	0.90	140	5	210	120	45	45	27	665-695
Canary Seed	2017-2018	103	103	1.41	145	0	165	147	6	12	8	465
	2018-2019f	77	76	1.39	106	0	118	125	-9	2	2	495-515
	2019-2020f	76	74	1.42	105	0	107	100	2	5	5	480-510
Sunflower Seed	2017-2018	26	26	2.26	58	22	105	17	52	35	51	590
	2018-2019f	28	25	2.08	52	20	108	24	44	40	59	575-595
	2019-2020f	23	22	2.19	48	22	110	20	50	40	57	575-605
Total Pulses and Special Crops	**2017-2018**	**3,927**	**3,897**	**1.90**	**7,419**	**211**	**8,372**	**5,365**	**1,337**	**1,670**	**25**	
	2018-2019f	**3,620**	**3,542**	**1.88**	**6,657**	**242**	**8,569**	**5,864**	**1,488**	**1,217**	**17**	
	2019-2020f	**3,840**	**3,755**	**1.97**	**7,380**	**160**	**8,757**	**5,620**	**1,717**	**1,420**	**19**	

[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] Exclude products.
[c] Total Domestic Use = Food and Industrial Use + Feed Waste and Dockage + Seed Use + Loss in Handling. Total domestic use is calculated residually.
[d] Producer price, Free-on-board (FOB) plant, average over all types, grades and markets.
ha: Hectares
t/ha: Tonnes per hectare

f: forecasts by AAFC

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
Calculations compiled by AAFC, Crops and Horticulture Division/Market Analysis Group