

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS***September 20, 2019***Market Analysis Group / Crops and Horticulture Division
Sector Development and Analysis Directorate / Market and Industry Services Branch****Executive Director: Nathalie Durand****Deputy Director: Fred Oleson**

This report is an update of Agriculture and Agri-Food Canada's (AAFC) August outlook report for the 2018-19 crop year which has ended for all crops, and provides the outlook for the 2019-20 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 the 2018-19 crop year, the report provides the final estimates for all crops, using information from Statistics Canada's (STC) September 6, 2019 report on stocks of grain and oilseeds as of July 31, except for corn and soybeans. Canadian carry-out stocks (year-end inventories) for all principal field crops decreased by about one percent from last year to 15.9 million tonnes (Mt) and will supplement supply for the 2019-20 crop year.

For the 2019-20 crop year, the outlook incorporates yield estimates from STC's September 12, 2019 report which are based on a model that incorporates coarse resolution satellite data from STC's Crop Condition Assessment Program, data from STC's field crop reporting series, and agroclimatic data. The model-based estimates of production are about four percent higher than STC's August 28, 2019 production estimates which were based on a survey of producers. The area seeded and harvested data for all crops is from the August 28 report.

Total field crop production is now estimated at 95.6 Mt, of which 92% are grains and oilseeds (G&O) and 8% are pulses and special crops (P&SC). The yield estimates for 2019-20 do not account for the cool wet weather in September in Western Canada which has delayed harvest and reduced the quality of the crop. In Eastern Canada, the corn and soybean harvest is not expected to be complete until early November. As a result, the production estimates may be revised in subsequent reports. However, due to higher supply and decreased exports, total carry-out stocks are expected to rise to 17.3 Mt which is 15% higher than the previous five-year average. World grain prices will continue to be pressured by abundant supplies 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.

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	26,336	3.27	86,187	2,504	103,045	45,458	43,268	14,320
2018-2019f	27,820	26,861	3.22	86,434	4,029	104,783	47,171	43,152	14,460
2019-2020f	27,561	26,343	3.32	87,504	2,382	104,345	45,890	42,865	15,590
Total Pulse And Special Crops									
2017-2018	3,927	3,897	1.90	7,419	211	8,407	5,369	1,311	1,727
2018-2019f	3,652	3,576	1.88	6,714	280	8,721	6,084	1,230	1,407
2019-2020f	3,849	3,756	2.15	8,079	167	9,653	6,030	1,923	1,700
All Principal Field Crops									
2017-2018	31,076	30,233	3.10	93,606	2,715	111,453	50,827	44,579	16,047
2018-2019f	31,472	30,437	3.06	93,148	4,309	113,504	53,256	44,382	15,867
2019-2020f	31,411	30,099	3.18	95,583	2,549	113,998	51,920	44,788	17,290

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)

f: forecast by AAFC except for area, yield and production, as well as demand for August-July crops in 2018-19, which are from STC

All Wheat

Durum

For 2018-19, Canadian durum exports increased by 4% from 2017-18 to 4.52 million tonnes (Mt), as reported by Statistics Canada (STC). Carry-out stocks rose by 14% to 1.62 Mt, 14% higher than the past five year average of 1.42 M.

For 2019-20, production is estimated to decrease by 13% from 2018-19 to 5 Mt, as the 21% lower seeded area is partly offset by higher average yields. Saskatchewan accounts for 85.5% of the production, Alberta for 14% and Manitoba for 0.5%.

Supply is estimated to decrease by 8%, as the lower production is partly offset by higher carry-in stocks. 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 32% from 2018-19 to 1.1 Mt.

World durum production is forecast by the International Grains Council to fall by 1.3 Mt from 2018-19 to 36.8 Mt, while supply decreases by 0.7 Mt to 47.1 Mt. Use is expected to rise by 0.2 Mt to 37.7 Mt. Carry out stocks are forecast to fall by 0.9 Mt to 9.4 Mt. The United States Department of Agriculture (USDA) is forecasting US durum production at 1.56 Mt, down 0.54 Mt from 2018-19.

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 2017-18, STC raised the Canadian wheat production estimate by 0.39 Mt and the carry-out stocks estimate by 0.57 Mt.

For 2018-19, STC raised the Canadian wheat production estimate by 0.43 Mt and the total supply estimate by 1.03 Mt.

Canadian wheat exports rose by 12% from 2017-18 to 19.75 Mt and carry-out stocks fell by 10% to

4.56 Mt, 20% lower than the past five year average of 5.72 Mt, as reported by STC.

For 2019-20, Canadian wheat production is estimated to rise by 4% from 2018-19 to 27.5 Mt, as the 7.5% higher seeded area is partly offset by higher abandonment for winter wheat and lower average yields. Saskatchewan accounts for 39.5% of the wheat production, Alberta 35.5%, Manitoba 18%, Ontario 5.5%, Quebec 1%, with the remaining 0.5% in the Maritimes and British Columbia.

Estimated production by class of wheat, with 2018-19 production in brackets: winter (hard red, soft red and soft white) 1.74 Mt (2.51 Mt); Canada Western Red Spring (CWRS), premium quality hard wheat, 22.23 Mt (20.03 Mt); Canada Prairie Spring (CPS) 1.56 Mt (1.59 Mt), Canada Northern Hard Red Spring (CNHR) 0.77 Mt (1.06 Mt); soft white spring (CWSWS) 0.52 Mt (0.47 Mt), other western spring wheat 0.24 Mt (0.27 Mt), eastern spring wheat, mainly hard red spring (CERS), 0.41 Mt (0.39 Mt).

Supply is estimated to increase by only 1.7%, as lower carry-in stocks partly offset the increase in production. Exports are forecast to fall by 3% to 19.2 Mt, as more competition is expected from other exporters because of higher production. Carry-out stocks are forecast to increase by 10% to 5 Mt.

World all wheat (including durum) production is forecast to increase by 35 Mt to 766 Mt, while the supply increases by 30 Mt to 1,043 Mt, according to USDA. Total use is expected to increase by 21 Mt to 756 Mt. Carry out stocks are forecast to rise by 9 Mt to 287 Mt. Excluding China, world all wheat stocks are expected to increase by 3 Mt to 141 Mt.

US all wheat production is estimated to rise by 2.6 Mt from 2018-19 to 53.9 Mt, according to USDA. Supply is expected to increase by 1.9 Mt to 86.7 Mt. Domestic use is forecast to increase by 2.4 Mt, while exports increase by 1 Mt. Carry out stocks are forecast to decrease by 1.6 Mt to 27.6 Mt.

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

Stan Skrypetz: Wheat Analyst
stan.skrypetz@canada.ca

Coarse Grains

Barley

For 2018-19, domestic feed use of barley in Canada decreased by nearly half a million tonnes (Mt) from 2017-18 to the second lowest level on record.

Exports increased by 12% to 3.16 Mt which is the highest level of the last decade. Carry-out stocks declined to the historically low level of almost 0.9 Mt. The average price of feed barley in Lethbridge feedlots was a near record of \$260/t, due to the tight supply and strong demand.

For 2019-20, barley production in Canada is estimated to increase by 19% to almost 10 Mt, as barley output in most barley producing provinces, except Quebec, increased. About 60%, or 0.97 Mt, of the increase in production comes from Alberta, the leading barley producing province in Canada, and 39%, or 0.62, Mt from Saskatchewan. The supply of barley in Canada is expected to increase significantly from 2018-19 due to sharply increased production which more than offsets historically low carry-in stocks.

Barley domestic use for 2019-20 is expected to increase from 2018-19 reflecting higher feed use. Exports are forecast to fall due to improved supplies in competing countries and lower shipments to China. Carry-out stocks are anticipated to increase sharply.

The average price of feed barley in Lethbridge feedlots has continued to decline since Mid-June, in anticipation of abundant feed grain supplies for 2019-20. As a result, the feed barley price for 2019-20 is anticipated to decrease from 2018-19.

World barley production for 2019-20 is projected to rise to its highest level since 2008-09, largely due to higher output in the major world exporting countries according to the United States Department of Agriculture (USDA). Barley production in the EU, Australia, Russia and Ukraine is expected to increase. World trade is projected to rise due to higher supply and rising demand. Increased imports to Saudi Arabia, China and Morocco will more than offset decreased deliveries to other countries. World

carry-out stocks are expected to increase to the highest level in the recent three years.

Corn

For 2018-19, corn imports are expected to increase by more than 50% from the level in 2017-18 as the Prairie provinces have significantly increased corn imports due to the shortage of feed grains in 2018-19. Exports are expected to increase only slightly as STC's data shows a sharp slowdown in exports in July, although exports were much higher in the previous months before July. Total domestic use is expected to increase due to higher feed and industrial use. Carry-out stocks is estimated to decrease. The average price of corn in Chatham elevators for 2018-19 increased by 12% to \$194/t, supported by higher US corn prices and the weak Canadian dollar.

For 2019-20, Canadian corn supply is forecast to decrease from 2018-19 largely due to sharply declined imports, as well as lower carry-in stocks. Corn production is estimated by STC to increase by 2% to 14.1 Mt due to increased harvested area more than offsetting lower yields. Combined corn production in the largest two corn producing provinces, Ontario and Quebec, increased slightly to 12.5 Mt as higher production in Ontario more-than offset lower production in Quebec. In Manitoba, the third biggest corn producing province, corn production increased by 22% to 1.5 Mt. Imports are expected to decrease significantly as the Prairie provinces are not anticipated to import the same large amount of corn from the US as in 2018-19.

Corn domestic use for 2019-20 is expected to decrease from 2018-19 largely owing to lower feed use. Exports are anticipated to decrease on lower deliveries to the EU. Carry-out stocks are forecast to decline on smaller supply.

The average price of corn in Chatham elevators for 2019-20 to date increased by \$30/t from a year ago to \$216/t. But for the crop year, the average corn price is anticipated to remain the same as last year.

US corn production for 2019-20 is projected to decrease by 4.3% from 2018-19 due to a decline in yields, according to the USDA. The average farmgate price of corn in the US is projected at US\$3.60/bu, unchanged from 2018-19. Corn production in other major world exporters remains abundant in Argentina and Brazil and is expected to increase in Russia and Ukraine, which should weigh on corn prices.

Oats

For 2018-19, total Canadian oat exports increased by 6% to 2.5 Mt although exports of oat products were stable compared to previous years but exports of oat grains increased by 8% as higher exports to the other countries including Mexico, United Arab Emirates, South Africa, Peru, Sri Lanka and Japan more-than offset the slightly lower exports to the US. Total domestic use was steady. Carry-out stocks fell 47% to 0.41 Mt, an almost record level, as a result of lower domestic supply and strong exports. The average price of oats increased in the Prairie provinces due to the 17% increase for the oat futures price at the Chicago Board of Trade (CBOT).

For 2019-20, the supply of oats in Canada is expected to increase, compared to 2018-19, as higher production more than offsets the decrease in carry-in stocks. Oat production increased in the three Prairie provinces, Ontario and Quebec. The Prairie Provinces, particularly Saskatchewan, accounted for most of this increase.

Assuming a similar pace as in 2018-19 for domestic use and exports, carry-out stocks of oats for 2019-20 are forecast to increase but will remain tight. This has strongly supported oat prices across the Prairie provinces.

Oat prices in the Prairie provinces for 2019-20 to date were \$10-\$50/t higher than those for the same

period in 2018-19, and was \$22/t higher for CBOT oat futures. However, average oat prices for 2019-20 are anticipated to fall compared to 2018-19.

US oat production for 2019-20 is forecast to increase by 7% over 2018-19 due to higher yields, according to the USDA. US oat imports are projected to increase by 15%. Oat production in the EU and Australia is forecast to increase.

Rye

For 2018-19, Canadian rye exports decreased by 25% from a year ago, as exports to the US, the largest Canadian rye export market, declined by 25% and dropped 31% for other countries. Total domestic use fell owing to lower industrial use and feed use. Carry-out stocks fell to 74 thousand tonnes (Kt), the lowest level in three years. The average price of rye in Saskatchewan elevators increased sharply from last year to \$236/t, the highest level on record.

For 2019-20, rye production in Canada is estimated to increase by 20% to 281 Kt from 2018-19. The supply of rye is expected to decrease slightly from 2018-19 as the decrease in carry-in stocks more-than offsets the increase in production. The quantities of rye distributed on the export market, domestic market and carry-out stocks for 2019-20 are expected to be similar to those of 2018-19.

Rye prices in Saskatchewan and Manitoba elevators have declined but remain high for 2019-20 to date. The average price of rye for 2019-20 is anticipated to decrease slightly from 2018-19.

Mei Yu: Coarse Grains

mei.yu@canada.ca

Canola

For 2018-19, total domestic use of canola was record high on support from a record canola crush of 9.3 Mt, which produced a near record 4.0 million tonnes (Mt) of canola oil and a record 5.2 Mt of canola meal, and higher feed, waste and dockage resulting from crop damage due to the delayed harvest across the northern prairies in the fall of 2018.

Canadian canola exports are estimated at 9.39 Mt, versus 10.8 Mt for the previous crop year, due to the sharp decline in Chinese imports since January 2019. Carry-out stocks are estimated at 3.9 Mt, with 1.3 Mt in commercial position and 2.6 Mt located on farms as of July 31, 2019. The simple crop year average market price for canola was \$497/t compared to \$539/t last year and the five year average of \$512/t.

For 2019-20, canola production is estimated at 19.4 Mt, 5% below last year but slightly above the five year average, as the 8% shift in crop area out of canola was partly offset by an expected 0.07 t/ha increase in yields. Yields are tentatively estimated at 2.3 t/ha despite the abnormal growing conditions which affected different parts of the growing region during the crop year.

Statistic Canada's mid-harvest production estimates are derived from a model using Satellite generated imagery. For the current crop year, 53% of the canola is expected to be grown in Saskatchewan, 29% in Alberta and 17% in Manitoba.

Total supplies of canola are forecast at a record 23.3 Mt, a rise of 0.35 Mt from last year's previous record, as the rise in carry-in stocks and stable imports more than offsets the drop in output. Domestic processing of canola is forecast steady at about 9.3 Mt with the industry expected to continue operating at near full capacity.

Canola exports are forecast at 9.2 Mt, versus the five year average of 10.1 Mt under competition from burdensome oilseed supplies and reduced demand worldwide. Adverse growing conditions in Europe and Australia will offer support to Canadian exports

which remain constrained by the decline in Chinese buying.

Carry-out stocks are forecast to rise marginally, to 4.5 Mt with about 3.5 Mt remaining on farm. The stocks to use ratio is estimated at 24%, up from 20% in 2018-19 but close to the 22% experienced in 2009-10. However, canola prices are forecast to fall only slightly to \$440-480/t, as pressure from lower world vegetable oil and protein meals prices is partly offset by the discounted Canadian dollar which continues to provide support.

At the world level, changes in production and on-going trade tensions are expected to support an expansion and shift in trade patterns for canola. World imports of canola are projected to hit 15.5 Mt for 2019-20, vs 14.6 Mt for 2018-19 and the 5 year average of 15.0 Mt, says the USDA. European Union imports are forecast to rise to 5.0 Mt, up from 4.3 Mt in 2018-19, to offset the shortfall in production caused by the abnormally hot and dry growing conditions. Chinese imports of canola are estimated at 3.6 Mt, down from 3.8 Mt in 2018-19 and the recent record of 4.7 Mt set in 2017-18. Japanese, Mexican, United Arab Emirate and Pakistani imports of canola-rapeseed are forecast to increase slightly but decline moderately for Canada and Belarus.

Flaxseed

For 2018-19, Canadian flaxseed exports are estimated at 497 thousand tonnes (Kt), while total domestic use fell to 79 Kt on lower feed, waste and dockage compared to last year. Carry-out stocks are estimated at 52 Kt, with 29 Kt on farm and 23 Kt in commercial positions. Flaxseed prices are estimated at \$496/t versus \$463/t for 2017-18.

For 2019-20, flaxseed production is estimated at 577 Kt up from 492 Kt in 2018-19 and up slightly from 2017-18. The rise in output is mostly due to the 9% rise in seeded area, to 0.38 Mha, about 84% of the flaxseed area is located in Saskatchewan with Alberta and Manitoba accounting for 12% and 9% of the remaining area, respectively. Above normal yields are assumed. Supplies are forecast to rise

slightly to 639 Kt as the increase in output more than exceeds the drop in carry-in stocks.

Exports are forecast remain stable at 0.50 Mt while total domestic use is unchanged despite lower feed, waste and dockage. Carry-out stocks are forecast to rise to 60 Kt. Flaxseed prices are forecast at \$440-480/t.

For 2019-20, world production of flaxseed-linseed is predicted to rise to 3.0 Mt, up from 2.7 Mt in 2017-18, according to Oil World. The expansion is mostly due to the 0.1 Mt rise in Kazakhstan production, to 0.77 Mt, a 0.13 Mt jump in Russian flaxseed output, to 0.65 Mt and an increase of 64 Kt and 67 Kt, respectively in Canada and the United States. Production of flaxseed is forecast to decrease modestly in China and other countries while remaining relatively stable in the EU-28 and India.

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 estimated at 0.67 Mt, up slightly from last year. Soybean prices declined to \$406/t versus \$434/t for 2017-18.

For 2019-20, production is estimated at 6.49 Mt, down from the 7.27 Mt grown in 2018-19 and the record 7.72 Mt grown in 2017-18 mostly due to the 10% decline in planted area and slightly lower yields. By province, Ontario is the largest grower of soybeans, at an estimated 60% of total production, followed by Manitoba at 21%, Quebec at 16% and Saskatchewan accounting for 2% of Canadian output.

Total supply is forecast to decrease by 16% to 7.6 Mt, which is expected to pressure exports by 10%, 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 soy meal supplies filled by imports of US product. Carry-out stocks of soybeans are forecast to tighten to 0.45 Mt. Soybean prices are forecast to fall to \$380-420/t while a stable Canadian/United States currency exchange rate is forecast.

For 2019-20, the USDA reduced its oilseed production outlook by 1.3 Mt from August, to 110.2 Mt as lower cottonseed and soybean production was partly offset by higher output of peanuts. The soybean production estimate was reduced by 47 million bushels to 3.6 billion bushels which is sharply lower than the 4.5 billion bushels grown in 2018-19. US ending stocks are estimated at 640 million bushels, down from the August estimate of 755 million bushels and sharply lower than the 1.0 billion bushels expected to be carried out for 2018-19. US soybean prices are projected at an average of US\$8.50/bu for 2019-20 and 2018-19 compared to US\$9.33/bu for 2017-18.

Factors to watch are: (1) the fall harvest weather, (2) the Canada and US harvest pace and yields, (3) the buying pace from importing countries, and (4) the export sales pace in the US and Canada.

Chris Beckman: Oilseeds Analyst
Chris.beckman@agr.gc.ca

Pulse and Special Crops

Dry Peas

For 2018-19, exports were higher than the 2017-18 level at 3.25 million tonnes (Mt) due to record shipments to Bangladesh. This was partly offset by lower exports to China and the US. Domestic use was lower compared to the previous year. The average dry pea price was \$270/t due to higher exports which led to decline in carry-out stocks in 2018-19. The average crop year prices for yellow peas was lower than for the previous year but prices were higher than 2017-18 for green types and feed peas.

For 2019-20, Canadian dry pea production in Canada is estimated by STC to rise by 30% from 2018-19, to 4.7 Mt, the second highest on record, due to a rise in harvested area and above average yields. Saskatchewan and Alberta are expected to account for 51% and 44% of the dry pea production, respectively, 3% in Manitoba and the remainder in British Columbia and Eastern Canada. However, total supply is forecast to rise by only 18% due to the lower carry-in stocks. Exports are forecast to increase to 3.4 Mt, with China, the US and Bangladesh continuing to be Canada's top markets. Carry-out stocks are also forecast to rise. The average price is expected to be slightly lower than 2018-19 due to larger world supply and increased carry-out stocks in Canada.

In the US, area seeded to dry peas for 2019-20 is forecast by the USDA to rise by 26% from 2018-19, to 1.1 million acres. This is largely due to an expected rise in area in Montana. With lower abandonment and higher yields, US dry pea production is forecast by the USDA to rise sharply to over 1.0 Mt. The major US export markets for dry peas, mostly green pea types, were Canada, Philippines and India.

Lentils

For 2018-19, lentil exports rose to over 2.0 Mt, up 32% from the previous year. Of this, 1.3 Mt were red lentil types with 0.7 consisting of the green lentil types. The leading export markets were India, the United Arab Emirates, Bangladesh and Turkey. Total domestic use was lower than the previous year at

0.3 Mt. Carry-out stocks decreased to below 0.7 Mt. The average Canadian lentil price was significantly lower than 2017-18, despite increased demand. No.1 large green lentil prices maintained a record crop year premium of \$80/t over No.1 red lentil prices.

For 2019-20, lentil production is estimated to rise by 20% to 2.5 Mt due to higher yields. Seeded area was relatively unchanged, but above average yields are expected, with the majority of the increase in red lentil types. By province, Saskatchewan is expected to account for 91% of the lentil production and 9% in Alberta. Despite the rise in production, total supply is forecast to rise slightly due to lower carry-in stocks. Exports are forecast to be lower at 1.9 Mt. Carry-out stocks are expected to rise marginally to 0.7 Mt. The average price for all grades is forecast to be similar to 2018-19 despite higher carry-out stocks and expectations for an increased world supply.

In the US, the area seeded to lentils for 2019-20 is forecast by the USDA at below 0.5 million acres, down 38% from 2018-19 due to lower area seeded in Montana and North Dakota. Despite higher yields and lower abandonment, US lentil production is forecast by USDA at below 0.3 Mt, down sharply from last year. The main US export markets for lentils are expected to continue to be Canada, India and the EU, particularly Spain.

Dry Beans

For 2018-19, dry bean exports were slightly lower than 2017-18. The EU and the US were the top two markets for Canadian dry beans, with smaller volumes exported to Angola, Japan and Mexico. A favorable exchange rate provided the majority of the support for Canadian dry bean prices in 2018-19.

For 2019-20, Canadian production is forecast to rise to 0.36 Mt, due to an increase in seeded area, mostly in Manitoba. By province, Manitoba is expected to account for 43% of the dry bean production, Ontario 33%, Alberta 20%, with the remainder in Quebec and the Maritimes. Total supply is expected to increase, due to higher production and carry-in stocks. Exports are forecast to be relatively

unchanged. As a result, carry-out stocks are expected to increase. The average Canadian dry bean price is forecast to fall due to higher expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to increase by 9% to over 1.3 million acres, largely due to higher area seeded in Minnesota and Michigan. Total US dry bean production for 2019-20 is forecast by the USDA at 1.1 Mt, marginally lower than from 2018-19. The increase in black bean types is expected to be offset by a decline in white pea bean types.

Chickpeas

For 2018-19, Canadian chickpea exports rose from the previous year to nearly 147 thousand tonnes (Kt). Record exports to Pakistan were behind the rise in exports. As a result of the larger supply, and despite an increase in exports, carry-out stocks rose sharply from the previous year. The average price decreased sharply, due to a large increase in world supply for all chickpea types.

For 2019-20, production is forecast to fall sharply to 263 Kt, due to decreased area and yields. By province, Saskatchewan is expected to account for 87% of the chickpea production with 13% in Alberta. Total supply is forecast to rise due to burdensome carry-in stocks. Exports are forecast to be higher than 2018-19 and carry-out stocks are expected to rise marginally. The average price is forecast to fall due to expectations for large world chickpea supply.

US chickpea area for 2019-20 is forecast by the USDA to fall sharply to 0.45 million acres. Despite higher yields and lower abandonment, 2019-20 US chickpea production is forecast by USDA at 0.33 Mt, down significantly from the previous year. The main export markets are India, the EU and Canada.

Mustard Seed

For 2018-19, Canadian mustard exports increased to 121 Kt, up from the previous year due to higher export demand from the US. However, due to higher supply, carry-out stocks rose. Prices fell sharply for all mustard seed types, due to pressure from the increased domestic supply.

For 2019-20, production is estimated at 141 Kt, lower than last year due to a sharp fall in seeded area but higher expected yields. Supply is expected to be lower at 0.22 Mt, as higher carry-in stocks moderate the decrease in output. Exports are expected to be similar at 120 Kt, with the US and the EU as the main markets for Canadian mustard seed. Carry-out stocks are forecast to fall. The average price is forecast to remain similar to 2018-19 with a range of \$675-705/t.

Canary Seed

For 2018-19, exports were higher than the previous year at 156 Kt. This was due to higher exports to Mexico, the EU and Brazilian demand. The average price increased due to tighter Canadian carry-out stocks.

For 2019-20, production is estimated at 80 Kt, down sharply from last year, due to lower seeded area and high abandonment. Supply is forecast to decrease sharply. Exports are forecast to be limited by supply, with the EU and Mexico as the main markets, followed by Brazil and the US. The average price is forecast to rise from 2018-19.

Sunflower Seed

For 2018-19, sunflower seed exports were higher at 27 Kt due to increased demand from the US. Despite this, carry-out stocks rose slightly. The total average Canadian price for sunflower seed decreased marginally from the previous year despite higher oilseed and confectionery type prices. This occurred as a result of an increase in the percentage of oilseed type production and a decrease in the percentage of confectionery type production in Canada.

For 2019-20, production is estimated at 47 Kt, lower than last year, as the decrease in seeded area was partly offset by higher yields. Exports are forecast to fall to 20 Kt. The US remains Canada's main export market for sunflower seed. As a result of a small decrease in supply, carry-out stocks are forecast to remain similar at 100 Kt. Sunflower seed prices are forecast to rise, to \$585-615/t due to higher prices for oil types.

For 2019-20, area seeded to sunflower seed in the US is forecast by the USDA at 1.38 million acres, up 6% from 2018-19 due to higher area seeded in North

Dakota. The area seeded is expected to rise to 1.2 and 0.16 million acres, respectively for oil type varieties and confectionery type varieties. Assuming normal yields and abandonment, 2019-20 US sunflower seed production is forecast by AAFC to rise marginally but remain below 1.0 Mt.

For 2019-20, the global supply of sunflower seed is estimated by the USDA to increase marginally to a

record 58 Mt. This is due to higher production in Ukraine and the EU. World exports are expected to rise by 3% and domestic use is expected to increase to a record 52 Mt. As a result, world carry-out stocks are expected to fall below 3.0 Mt, down 6% from the previous year.

Bobby Morgan: Pulse and Special Crop Analyst
Bobby.Morgan@agr.gc.ca

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

September 20, 2019

Grain and Crop Year (a)	Area Seeded ----- thousand ha	Area Harvested ----- thousand ha	Yield t/ha	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g) \$/t
Durum												
2017-2018	2,106	2,088	2.38	4,962	8	6,798	4,342	201	587	1,030	1,426	265
2018-2019p	2,503	2,456	2.34	5,745	25	7,195	4,523	206	655	1,053	1,619	235
2019-2020f	1,980	1,929	2.59	4,998	25	6,642	4,700	205	429	842	1,100	235-265
Wheat Except Durum												
2017-2018	7,020	6,895	3.69	25,415	75	30,593	17,570	3,212	3,977	7,969	5,053	240
2018-2019p	7,570	7,425	3.56	26,456	97	31,607	19,754	3,293	3,161	7,289	4,565	245
2019-2020f	8,141	7,847	3.50	27,494	95	32,154	19,200	3,300	3,809	7,954	5,000	215-245
All Wheat												
2017-2018	9,126	8,983	3.38	30,377	82	37,391	21,913	3,413	4,564	8,999	6,479	
2018-2019p	10,073	9,881	3.26	32,201	122	38,802	24,277	3,499	3,816	8,341	6,184	
2019-2020f	10,121	9,776	3.32	32,492	120	38,796	23,900	3,505	4,238	8,796	6,100	
Barley												
2017-2018	2,334	2,114	3.73	7,891	59	10,072	2,823	62	5,716	6,005	1,244	227
2018-2019p	2,628	2,395	3.50	8,380	45	9,669	3,162	99	5,258	5,615	893	260
2019-2020f	2,996	2,701	3.70	9,987	40	10,920	3,000	111	5,868	6,220	1,700	210-240
Corn												
2017-2018	1,447	1,406	10.02	14,095	1,699	18,291	1,936	5,146	8,776	13,938	2,417	174
2018-2019p	1,468	1,431	9.71	13,884	2,600	18,901	2,000	5,300	9,285	14,601	2,300	194
2019-2020f	1,495	1,463	9.64	14,110	1,700	18,110	1,900	5,200	8,794	14,010	2,200	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
2018-2019p	1,235	1,005	3.42	3,436	10	4,225	2,501	115	1,072	1,310	414	254
2019-2020f	1,459	1,158	3.47	4,016	10	4,440	2,550	115	1,149	1,390	500	225-255
Rye												
2017-2018	144	101	3.39	342	1	507	195	58	119	188	124	162
2018-2019p	136	79	2.99	236	2	363	146	19	109	143	74	236
2019-2020f	175	97	2.88	281	2	356	140	19	104	136	80	210-240
Mixed Grains												
2017-2018	123	54	2.77	149	0	149	0	0	149	149	0	
2018-2019p	144	69	2.83	195	0	195	0	0	195	195	0	
2019-2020f	145	66	3.03	199	0	199	0	0	199	199	0	
Total Coarse Grains												
2017-2018	5,342	4,726	5.55	26,210	1,773	33,469	7,318	5,375	15,853	21,587	4,564	
2018-2019p	5,610	4,979	5.25	26,132	2,658	33,353	7,809	5,533	15,920	21,863	3,681	
2019-2020f	6,270	5,485	5.21	28,592	1,752	34,024	7,590	5,445	16,112	21,954	4,480	
Canola												
2017-2018	9,313	9,273	2.30	21,328	108	22,778	10,783	9,269	160	9,496	2,499	539
2018-2019p	9,232	9,120	2.23	20,343	141	22,983	9,388	9,295	364	9,721	3,874	497
2019-2020f	8,479	8,413	2.30	19,358	100	23,331	9,200	9,250	330	9,631	4,500	440-480
Flaxseed												
2017-2018	421	419	1.33	555	7	802	516	0	145	160	127	463
2018-2019p	347	342	1.44	492	8	628	497	0	62	79	52	496
2019-2020f	379	373	1.55	577	10	639	500	0	59	79	60	440-480
Soybeans												
2017-2018	2,947	2,935	2.63	7,717	534	8,606	4,929	1,969	795	3,026	651	434
2018-2019p	2,558	2,540	2.86	7,267	1,100	9,018	5,200	2,000	898	3,148	670	406
2019-2020f	2,313	2,296	2.82	6,485	400	7,555	4,700	1,900	305	2,405	450	380-420
Total Oilseeds												
2017-2018	12,681	12,627	2.34	29,600	649	32,186	16,227	11,238	1,100	12,682	3,277	
2018-2019p	12,137	12,001	2.34	28,102	1,249	32,628	15,085	11,295	1,324	12,948	4,595	
2019-2020f	11,171	11,082	2.38	26,420	510	31,525	14,400	11,150	694	12,115	5,010	
Total Grains And Oilseeds												
2017-2018	27,149	26,336	3.27	86,187	2,504	103,045	45,458	20,026	21,517	43,268	14,320	
2018-2019p	27,820	26,861	3.22	86,434	4,029	104,783	47,171	20,327	21,060	43,152	14,460	
2019-2020f	27,561	26,343	3.32	87,504	2,382	104,345	45,890	20,100	21,044	42,865	15,590	

(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, as well as demand for August-July crops in 2018-19, which are from STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

September 20, 2019

Grain and Crop Year (a)	Area	Area	Yield t/ha	Production	Imports (b)	Total Supply	Exports (b)	Total	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
	Seeded	Harvested						Domestic Use (c)			
----- thousand ha -----											
Dry Peas											
2017-2018	1,656	1,642	2.50	4,112	12	4,424	3,085	691	648	17	265
2018-2019p	1,463	1,431	2.50	3,581	65	4,294	3,250	656	388	10	270
2019-2020f	1,753	1,722	2.71	4,673	15	5,076	3,400	1,076	600	13	245-275
Lentils											
2017-2018	1,783	1,774	1.44	2,559	35	2,908	1,538	497	873	43	475
2018-2019p	1,525	1,499	1.40	2,092	35	3,000	2,032	314	654	28	390
2019-2020f	1,530	1,501	1.68	2,520	20	3,194	1,900	594	700	28	375-405
Dry Beans											
2017-2018	135	132	2.45	322	86	409	354	30	25	7	760
2018-2019p	143	137	2.49	341	97	463	351	33	80	21	815
2019-2020f	147	142	2.51	356	85	521	350	36	135	35	770-800
Chickpeas											
2017-2018	68	68	1.49	102	48	151	116	21	13	10	950
2018-2019p	179	176	1.77	311	52	377	147	129	100	36	480
2019-2020f	159	155	1.70	263	18	381	150	126	105	38	425-455
Mustard Seed											
2017-2018	156	153	0.80	122	9	211	112	45	53	34	770
2018-2019p	204	197	0.88	174	8	235	121	42	73	45	690
2019-2020f	161	157	0.90	141	7	221	120	41	60	37	675-705
Canary Seed											
2017-2018	103	103	1.41	145	0	165	147	2	16	11	465
2018-2019p	109	109	1.45	158	0	174	156	7	11	7	505
2019-2020f	77	58	1.39	80	0	91	90	1	0	0	510-540
Sunflower Seed											
2017-2018	26	26	2.26	58	22	139	17	25	98	234	590
2018-2019p	29	27	2.13	57	24	178	27	50	102	132	585
2019-2020f	23	22	2.14	47	22	170	20	50	100	143	585-615
Total Pulses and Special Crops (c)											
2017-2018	3,927	3,897	1.90	7,419	211	8,407	5,369	1,311	1,727	26	
2018-2019p	3,652	3,576	1.88	6,714	280	8,721	6,084	1,230	1,407	19	
2019-2020f	3,849	3,756	2.15	8,079	167	9,653	6,030	1,923	1,700	21	

(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, as well as demand for August-July crops in 2018-19, which are from STC