



**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

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**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) May outlook report for the current 2019-20 crop year and the up-coming 2020-21 crop year.

**For 2019-20**, total exports of all field crops are expected to decrease slightly from the previous crop year to about 50 million tonnes (Mt) of which 87 percent is grains and oilseeds (G&O) and 13 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 45, 42 and 13 percent of total supply, respectively. Total carry-out stocks are expected to decrease by 7 percent to 14.1 Mt, which is near the ten-year average. For G&O, carry-out stocks are forecast to decrease slightly to 13.1 million tonnes (Mt) but carry-out stocks for P&SC are forecast to decrease significantly to less than one million tonnes. In general, abundant global supplies of grains have put downward pressure on grain prices, however, the weak Canadian dollar continues to provide strong support for prices in Canada. While grain shipments continue to move very well, with no reported interruptions at inland elevators or port terminals, COVID-19 and trade issues with China are expected to continue to create uncertainty for the Canadian markets.

**For 2020-21**, based on Statistics Canada’s May 7 seeding intentions report, the areas seeded to wheat, corn and oats in 2020 are expected to increase, compared with 2019, but decrease for canola, soybeans, barley, dry peas and lentils. Seeding for 2020-21 crop year was complete in early June across all the provinces at a near normal pace. The total area seeded to field crops in Canada is expected to be marginally lower than it was in 2019-20, however, average yields are forecast to increase compared to 2019-20 which was reduced by excessive moisture conditions in some areas. Total crop production is forecast to increase by 2 percent to 95.7 Mt as the increase in the production of G&O is expected to more-than offset the modest decline in the production of P&SC. Due to higher total supply, increased exports and lower domestic use, carry-out stocks are forecast to increase slightly. In general, abundant global supplies and factors related to COVID-19 are expected to pressure world grain prices. However, prices in Canada will continue to be supported by the low value of the Canadian dollar. AAFC’s report for July will incorporate Statistics Canada’s actual seeded area estimates, which are to be published June 30.

**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 -----					
<b>Total Grains And Oilseeds</b>									
2018-2019	27,820	26,861	3.22	86,584	4,043	105,206	46,881	44,403	13,922
2019-2020f	27,568	26,094	3.30	86,077	2,397	102,396	43,258	46,017	13,120
2020-2021f	27,569	26,231	3.37	88,437	2,082	103,638	45,120	43,978	14,540
<b>Total Pulse And Special Crops</b>									
2018-2019	3,652	3,576	1.88	6,714	293	8,734	6,101	1,331	1,302
2019-2020f	3,897	3,788	1.93	7,317	325	8,944	6,632	1,327	985
2020-2021f	3,780	3,707	1.96	7,265	277	8,527	6,165	1,392	970
<b>All Principal Field Crops</b>									
2018-2019	31,472	30,437	3.07	93,298	4,336	113,940	52,982	45,734	15,224
2019-2020f	31,465	29,882	3.13	93,394	2,722	111,339	49,890	47,344	14,105
2020-2021f	31,349	29,938	3.20	95,702	2,359	112,165	51,285	45,370	15,510

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

f: forecast by AAFC except for area, yield and production for 2019-2020 and area seeded for 2020-2021 which are STC

## All Wheat

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### Durum

**For 2019-20**, Canadian durum production decreased by 13% from 2018-19 to 4.98 million tonnes (Mt). Total supply decreased by 5%, as the lower production was partly offset by higher carry-in stocks. Exports are forecast to increase by 10% to 5 Mt due to stronger demand resulting from a decrease in world production. The exports forecast was raised by 0.1 Mt from the May report based on the increased pace of exports. Carry-out stocks are forecast to fall by 50% from 2018-19 to 0.9 Mt, 37% lower than the past five-year average of 1.43 Mt.

World durum production fell by 3.4 Mt from 2018-19 to 33.6 Mt, while supply decreased by 2.7 Mt to 43.3 Mt, according to the International Grains Council (IGC). Use is expected to fall by 0.7 Mt to 35.6 Mt. Carry out stocks are forecast to fall by 2 Mt to 7.7 Mt. US durum production fell by 0.66 Mt from 2018-19 to 1.46 Mt, according to the United States Department of Agriculture (USDA).

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

**For 2020-21**, the area seeded to durum in Canada is expected to increase by 7% from 2019-20, according to Statistics Canada's (STC) seeding intentions survey. Production is forecast to rise by 11% to 5.5 Mt as the increase in seeded area is compounded by higher trend yields and a return to normal abandonment rate. Supply is projected to fall by 5% as the higher production is more than offset by lower carry-in stocks. Exports are expected to fall by 2% to 4.9 Mt due to the limited supply. Carry-out stocks are forecast to fall by 11% to 0.8 Mt.

World durum production is forecast to increase by 0.5 Mt from 2019-20 to 34.1 Mt, according to IGC. Supply is expected to fall by 1.5 Mt to 41.8 Mt because of lower carry-in stocks. Use is expected to fall by 0.4 Mt to 35.2 Mt because of lower feed use, while carry-out stocks fall by 1.2 Mt to 6.5 Mt, the lowest since 2007-08. US durum production is forecast to rise by 0.09 Mt to 1.55 Mt.

The average Canadian crop year producer price for durum is forecast to be the same as for 2019-20.

### Wheat (excluding durum)

**For 2019-20**, Canadian wheat production rose by 3.5% from 2018-19 to 27.4 Mt. Production by class of wheat, with 2018-19 production in brackets, is estimated at: winter wheat (hard red, soft red and soft white) 1.7 Mt (2.51 Mt); Canada Western Red Spring (CWRS), premium quality hard wheat, 22.17 Mt (20.03 Mt); Canada Prairie Spring (CPS) 1.49 Mt (1.59 Mt), Canada Northern Hard Red Spring (CNHR) 0.74 Mt (1.06 Mt); soft white spring (CWSWS) 0.54 Mt (0.48 Mt), other western spring wheat 0.27 Mt (0.39 Mt), eastern spring wheat, mainly hard red spring (CERS), 0.46 Mt (0.39 Mt).

Total supply fell marginally, as lower carry-in stocks more-than offset the increase in production. Exports are forecast to fall by 8% to 18.2 Mt, due to more competition from other exporters because of higher world production. The exports forecast was raised by 0.2 Mt from the May report based on the increased pace of exports. Carry-out stocks are forecast to increase by 18% to 5 Mt, but only 1% higher than the past five-year average of 4.96 Mt.

World all wheat (including durum) production increased by 34 Mt to 764 Mt, while the supply increased by 29 Mt to 1,044 Mt, according to USDA. Total use is expected to increase by 13 Mt to 748 Mt. World all wheat carry-out stocks are forecast to rise by 16 Mt to 296 Mt or, if stocks in China are not included, stocks would increase by 5 Mt to 145 Mt. Chinese wheat stocks are seldom exported.

US all wheat production rose by 1 Mt from 2018-19 to 52.3 Mt, according to USDA. Supply is 0.4 Mt lower at 84.5 Mt. Domestic use is forecast to increase by 1.5 Mt, while exports rise by 0.8 Mt. Carry out stocks are forecast to decrease by 2.6 Mt to 26.8 Mt.

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

**For 2020-21**, Canadian area seeded to wheat is expected to increase by 1% from 2019-20, with a 17% increase in the winter wheat area and a marginal decrease for spring wheat area, based on the STC seeding intentions survey. Production is projected to rise by 4% to 28.4 Mt. The winter wheat production is projected to increase by 65% to 2.8 Mt due to higher seeded area and a return to normal abandonment rate. Spring wheat production is expected to fall marginally to 25.6 Mt.

Supply is forecast to increase by 5% because of higher production and carry-in stocks. Exports are expected to rise by 5%. Carry-out stocks are forecast to increase by 20% to 6 Mt.

World all wheat production is forecast to rise by 9 Mt from 2019-20 to 773 Mt while supply increases by 25 Mt to 1,069 Mt due to higher carry-in stocks, according to USDA. Total use is expected to rise by 5 Mt to 753 Mt, as higher food use is partly offset by

lower feed use. Carry-out stocks are forecast to rise by 20 Mt to 316 Mt. Excluding China, carry-out stocks are projected to rise by 9 Mt to 154 Mt.

US all wheat production is forecast to fall by 0.2 Mt from 2019-20 to 51.1 Mt, according to USDA. Imports are forecast to increase by 0.9 Mt. Supply of all wheat is projected to fall by 2.8 Mt to 81.7 Mt. Exports are forecast to fall by 0.4 Mt, while domestic use falls by 0.9 Mt. Carry-out stocks are forecast to decrease by 1.6 Mt to 25.2 Mt.

Average Canadian producer prices for wheat for the crop year are forecast to rise from 2019-20 because of the forecast for a weaker Canadian dollar for 2020-21 as compared to 2019-20.

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## Coarse Grains

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### Barley

**For 2019-20**, the total supply of barley increased by 17% from 2018-19 due to higher production despite historically low carry-in stocks. Total domestic use is expected to increase by 20%, largely due to strong feed use. Exports for the first nine months of the crop year fell by 22% and 3% for barley grains and products, respectively. Total exports are expected to decrease based on the export pace. Carry-out stocks are forecast to rise sharply from last year largely due to the significant increase in supply.

Increased barley supplies in Canada and around the world have weighed on barley prices. For the crop-year to-date, barley prices in the Prairie Provinces declined from a year ago but remained strong. For the entire crop year, the feed barley price at Lethbridge feedlots is expected to be 12% lower than last year.

Since 2014-15, China has been the largest export market for Canadian barley, taking more than half of Canadian barley grain exports. For 2019-20 to April, exports to China decreased by 18% particularly due to the declined exports to this country in February and March and nil in April. The US is the second largest market for Canadian barley. Exports to the US increased by 19% and 1% for barley grain and products, respectively. Japan is another important importer for Canadian barley. Exports of barley grain to Japan increased by 17% but decreased by 1% for barley malt.

World barley production and supply in 2019-20 have reached their highest level in the past two decades, according to the United States Department of Agriculture (USDA). Barley production increased in the major exporting countries, including the EU, Russia, Ukraine and Australia. World trade volume is expected to be similar to last year. Total consumption and carry-out stocks are expected to be higher than the previous year

**For 2020-21**, the area seeded to barley in Canada is expected to decrease by 2%. Production is forecast to decrease by 8% from last year, using the five-year (2015-16 to 2019-20) averages for yield and area

harvested. However, with large carry-in stocks, supplies are expected to be marginally higher than in 2019-20, which is anticipated to encourage exports. Domestic use are expected to fall due to lower feed use. Carry-out stocks are expected to rise due to large supplies relative to demand.

The average price of feed barley for 2020-21 is expected to drop from 2019-20 due to increased domestic supplies and expected decline in demand. In addition, large corn supplies around the world will restrict feed grain prices.

World barley production for 2020-21 is expected to fall slightly but total supplies are expected to rise due to higher carry-in stocks. World trade volume is expected to be slightly lower than the previous year as large supplies of relatively cheaper corn are anticipated to replace some feed barley. Total consumption is expected to rise but will be limited by large corn supplies around the world. Carry-out stocks are expected to increase.

### Corn

**For 2019-20**, the total supply of corn in Canada decreased by 11% as a result of lower carry-in stocks, production and imports. More than 95% of Canadian corn imports are from the US. Corn imports are expected to decrease by 42% throughout the crop year, mainly due to lower demand for industrial use and feed consumption, as well as the depreciation of the Canada/US exchange rate.

Total domestic use is expected to decrease due to reduced industrial use and feed use. Corn exports are expected to fall sharply to 350 thousand tonnes (Kt), as exports to the EU have been nil for the first eight months of crop year. As a result, carry-out stocks are anticipated to fall but only slightly.

The average price of corn for 2019-20 is expected to close to the level in last year due to lower US corn price being offset by the depreciated Canadian currency.

In the US, demand for corn for ethanol production has decreased significantly due to sharply lower

consumption for fuel, as well as the major downturn in energy prices. A part of the decrease in industrial use has been offset by higher feed use.

The average on-farm price of corn for 2019-20 in the US is estimated by the USDA at US\$3.60/bu, similar to the preceding year.

World corn production and supplies remained abundant for 2019-20, despite a slight decline from 2018-19, as shown in the world major exporters, including Brazil, Argentina, Russia and Ukraine. World demand for corn is expected to fall particularly due to lower industrial use, in spite of strong demand for feed use. This supply and demand situation is anticipated to pressure corn prices. Import is expected to rise from the world major importing countries while it is anticipated to fall from the EU.

**For 2020-21**, the area seeded to corn in Canada is forecast at 1.544 million hectares, a record high level. Production is forecast to increase by 10% due to higher yields and area harvested. Imports are expected to fall given expectations for historical high production for corn. Corn supply is projected to increase by 5%. Domestic use is projected to fall by 1% due to lower feed use, despite higher industrial use. Given the increase in domestic supply and the continuous increase in world demand, exports are expected to increase sharply. Carry-out stocks are forecast to rise due to higher supply.

The average price of corn in Canada is expected to drop following forecasts for lower corn prices in the US for 2020-21. Canadian currency is expected to depreciate continuously in 2020-21 and therefore support Canadian corn prices.

The USDA projected corn acres in the US for 2020 at 97 million acres, up 8% from 89.7 million acres for 2019 and the highest since 2012. Combined with forecasts for higher area harvested and improved yields, US corn production will increase by 17%, and supplies will increase by 14%. Ending stocks are expected to increase by more than 50%, even with higher total use. The US corn price for 2020-21 is projected at US\$3.20/bu, versus US\$3.60/bu for 2019-20.

At the world level, the USDA forecasts the 2020-21 world corn crop will be the largest ever, and the output in the world major exporters continue to expand. World consumption, including feed use and industrial use, is tentatively seen a fresh peak. Carry-out stocks are set to rise to a three-season high, led by the US. World trade volume is forecast to expand to a record level, owing to ample supplies and lower prices.

### **Oats**

**For 2019-20**, the total supply of oats in Canada increased by 10% due to increased production, despite sharply lower carry-in stocks. Domestic use is expected to increase by 7% largely due to strong demand for food production. Exports, including grain and products, are anticipated to rise by 5% based on the strong export sales from the first nine months of the crop year. Carry-out stocks are expected to increase significantly due to large supply.

For the entire crop year, the CBOT oat futures price is expected to increase by 6% from last year.

Oat supply in the US, the leading importer of Canadian oats, decreased marginally from last year as higher imports more-than offset lower production and carry-in stocks. Total use is forecast to increase by 5% due to strong food consumption and feed use. Carry-out stocks are projected to sharply fall by 24%. The US oat price for 2019-20 is projected to rise by 7% to US\$2.85/bu.

World oat supply decreased due to lower supplies in the major exporting countries, including the EU, Australia and Russia. World consumption is projected to fall. Total carry-out stocks are anticipated to rise.

**For 2020-21**, the area seeded to oats in Canada is forecast to increase by about 6% to the highest level since 2009. Production is forecast to increase only by 1%, as higher area harvested is expected to be partly offset by lower yields; together with higher carry-in stocks, supply is projected to increase by 6%. Domestic use is expected to drop by 6% due to lower food use. Exports are projected to be slightly lower than the previous year due to expectations for bumper supplies in the major exporting countries, as

well as in the US. Carry-out stocks are forecast to rise due to large supply relative to demand.

The average price of oats for 2020-21 is expected to be lower than 2019-20 due to large supplies in Canada, the US and around the world, as well as forecasts for lower corn prices.

The area seeded to oats in the US is expected to increase to about 3 million acres, the highest since 2016. Total supply is forecast to increase due to higher production and imports. Demand for feed continues to rise. Carry-out stocks are forecast to increase by 45%. The US oat price for 2020-21 is projected at US\$2.50/bu, versus US\$2.85/bu for 2019-20.

World oat production and supply for 2020-21 are expected to grow due to higher production and supplies in the main exporting countries. Demand for food and feed use is anticipated to rise respectively. Carry-out stocks are projected to increase by 33% with more than half of the increase coming from the world major exporters.

## **Rye**

**For 2019-20**, the total supply of rye increased by only 6% from 2018-19, as most of the increase in production was offset by a significant drop in carry-in stocks. Domestic use is expected to rise due to higher feed use. Exports are forecast to increase by 8%. Carry-out stocks are expected to be the same as the level for last year.

The price of rye at Saskatchewan for the entire crop year is anticipated to decrease by 11% from 2018-19 to average \$210/t.

The US has taken more than 99% of Canadian rye exports for this crop year to-date. The USDA forecasts lower imports of rye than last year.

**For 2020-21**, the area seeded to winter rye in Canada increased by 32% from 2019-20. Production is forecast to increase to 455 Kt due to higher area harvested. Supply is expected to increase to 507 Kt. Exports, food and industrial use and carry-out stocks are projected to rise due to improved supplies.

The rye price is expected to decrease from 2019-20 due to higher supplies in Canada and around the world.

The USDA forecasts more rye will be shipped into the US in 2020-21. World trade volume is expected to expand. Exports from the EU are projected to decline significantly, while it increases sharply in the Black Sea region. The increase in 2020-21 world rye supply is forecast to exceed the increase in total use causing so that carry-out stocks increase significantly.

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### Canola

**For 2019-20**, canola supplies decreased marginally to 22.6 million tonnes (Mt) as sharply higher carry-in stocks was moderated by a sharp decline in production. Total usage of canola is expected to reach a near record 20.0 Mt based on an expected crush of 9.8 Mt and exports of 9.6 Mt. Canada's canola crush pace is on a record setting pace on support from strong world vegetable oil demand, large domestic stocks and decent crush margins.

The Canadian export pace accelerated in March and April on strong European and United Arab Emirate buying combined with expanded railcar capacity due to reduced shipments of non-agriculture commodities. The COVID-19 pandemic is having a minimal effect on canola consumption, which AAFC assumes will continue for the remainder of the crop year.

Carry-out stocks are expected to fall by 1.2 Mt to 2.6 Mt for 2019-20, the third highest level on record. The stocks-to-use ratio is estimated at 13 percent versus twenty percent for 2018-19 and the modern day record of 23 percent set in 2004-05. Canola prices are estimated at \$465-495/t versus \$497/t last year.

**For 2020-21**, seeded area in Canada is estimated by Statistics Canada to fall by 2% to 8.3 million hectares (Mha), as farmers shift into wheat and coarse grains away from oilseeds. The seeding intentions will be updated on June 29 when STC releases its seeded area estimates based on a large sample post-seeding survey.

AAFC forecasts a harvested area of 8.2 Mt for canola, based on farmer seeding intentions and assuming a normal rate of crop abandonment. Yields are projected at 2.27 tonnes per hectare (t/ha), up marginally from 2019-20, based on 5 year average yields. Despite a slighter later start than normal to field operations due to a cold spring, seeding of canola wrapped up in late May or early June for most regions of western Canada. Moisture conditions are adequate to drier than-normal across most of the oilseed growing region and temperatures were 2 to 3

degrees Celsius cooler than normal for May across much of Canada. Canola production is forecast to rise slightly to 18.7 Mt while total supplies fall to 21.4 Mt as carry-in stocks decline sharply and slightly lower imports are expected.

Exports are forecast to decline marginally to 9.5 Mt, as an expected return to normal European canola production more than offsets a slow and steady growth in world vegetable oil consumption. Domestic crush is forecast to fall to 9.3 Mt, on competition from large world soybean oil and palm oil supplies. Carry-out stocks are forecast to tighten slightly to 2.3 Mt for a stocks-to-use ratio of 12% supporting a modest rise in canola prices to \$480-520/t.

### Flaxseed

**For 2019-20**, supplies are estimated at 0.56 Mt, versus 0.63 Mt for last year, on a decline in production and a drop in carry-in stocks. Exports are forecast to decline to 0.35 Mt on stable world demand, tighter domestic supplies and disciplined farmer selling. Total domestic use is forecast to rise to 0.14 Mt on significantly higher feed, waste and dockage following last fall's challenging harvest. Carry-out stocks are forecast to rise marginally to 0.07 Mt while flaxseed prices rise slightly to \$510-540/t, versus \$496/t in 2018-19.

**For 2020-21**, farmers intend to seed 0.38 Mha to flaxseed, a marginal year-on-year increase as a result of higher prices. Production is forecast to rise by 9% to 0.53 Mt, assuming a normal abandonment and five-year average historical yields. Supplies are forecast to increase by 9% to 0.61 Mt on higher output and carry-in stocks.

Exports are forecast up by 43% from 2019-20, to 0.50 Mt, on steady to stronger world consumption. Total domestic use is forecast to fall sharply to 0.40 Mt, on lower feed, waste and dockage. Carry-out stocks are forecast at 0.70 Mt while prices are expected to range from \$490-530/t for 2020-21.

## **Soybeans**

**For 2019-20**, supplies are estimated at 7.1 Mt, down from last year's 9.2 Mt on sharply lower production and imports. Canadian exports are forecast to decline to 4.3Mt, versus 5.6 Mt last year on tighter domestic supplies and competition from large US and South American supplies. Canadian soybean crush is expected to fall by 13%, to 1.8 Mt. Carry-out stocks are estimated at 0.3 Mt, while soybean prices are forecast to rise slightly to \$400-430/t versus \$406/t for 2018-19.

The factors to watch are: (1) Canadian and US crop conditions, (2) US soybean export sales, (3) South American soybean export pace, and (4) the spillover impact of lower corn prices on soymeal values.

**For 2020-21**, Statistics Canada says farmers intend to plant 2.11 Mha to soybeans, based on producer surveys. This is a 0.2 Mha drop from last year due to a combination of steady prices, a series of difficult harvests and uncertainty over revenues. Production is forecast at 6.1 Mt, vs 6.0 Mt in 2019-20 and 7.4 Mt in 2018-19, assuming five-year average yields. The forecasts for near normal yields are supported by the

normal planting pace, reports of near normal crop developments, with emergence problems reported in a few regions, and forecasts for normal moisture and normal to cooler-than normal temperatures for much of the growing regions.

Total supply is forecast to decrease slightly, to 6.9 Mt, as the sharp drop in carry-in stocks more than offsets the slight rise in production and imports. Exports are forecast at 4.2 Mt and are expected to head to a number of countries. Domestic processing is forecast up slightly at 1.9 Mt as crushers swing back to processing soybeans at a normal pace. Carry-out stocks are forecast at 0.30 Mt unchanged from the 0.30 Mt for 2019-20 and down from the 0.70 Mt carried out in 2018-19. Soybean prices are forecast to from \$385-425/t on support from stronger US prices with gains muted by a projected appreciation of the Canadian dollar against its American counterpart.

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### Dry Peas

**For 2019-20**, Canada's exports are expected to increase from 2018-19 to 3.65 million tonnes (Mt) due to record imports from China and strong demand from Bangladesh and India. For the August to April period, Canadian exports to the US are below last year's level, largely due to a larger US dry pea crop. Carry-out stocks in Canada are expected to fall, despite lower domestic use but increased export demand. The average dry pea price is expected to decline marginally from the price in 2018-19, as higher yellow and green pea prices are more than offset lower feed pea prices.

Over the crop year, the price premium for yellow dry pea prices over green dry peas is expected to average \$130/t, unchanged from the premium observed in 2018-19. During the month of May, the yellow pea farmgate prices were unchanged, however, green pea prices fell \$35/t, on expectations of an increase in green pea production in 2020-21.

**For 2020-21**, Canadian dry pea seeded area is expected to fall marginally from 2018-19 to 1.7 Mha despite higher returns from the previous year and solid export demand. By province, Saskatchewan is expected to account for 53% of the dry pea area, Alberta 41%, with the remainder seeded across Canada.

Production is expected to increase marginally to 4.3 Mt due to higher yields. Supply is forecast to increase only marginally due to similar carry-in stocks. Exports are forecast to be slightly lower, with China and Bangladesh as Canada's top markets. Carry-out stocks are forecast to rise to nearly 0.5 Mt, but similar to the long-term average. The average price is expected to be unchanged to marginally lower from 2019-20 due to expectations for similar domestic but increased world supply.

In the US, area seeded to dry peas is forecast by the USDA to decrease by 12% to 0.97 million acres. This is largely due to an expected fall in North Dakota area. Assuming normal yields and abandonment, US dry pea production is forecast by AAFC to fall nearly 25% to below 0.8 Mt. The US has been successful in exporting small amounts of

green dry peas to Canada, the Philippines, China and Yemen. It is expected the US will maintain its market share in 2020-21.

### Lentils

**For 2019-20**, lentil exports are forecast to increase from 2018-19 to 2.2 Mt. The main markets are India, Turkey and the United Arab Emirates. Total domestic use is forecast to be higher than the previous year at near 0.4 Mt because of the below average quality. Carry-out stocks are forecast to decrease. The average price, for all types and grades, is forecast to rise sharply due to lower carry-out stocks for large green types. For the crop year, large green lentil prices are expected to maintain a premium of C\$110/t over red lentil prices. During May, Saskatchewan large green lentil prices were unchanged and red lentil farm gate prices fell by \$30/t.

**For 2020-21**, area seeded to lentils in Canada is expected to decrease marginally to 1.5 Mha, despite the sharp rise in farmgate lentil prices in the last half of the 2019-20 crop year. Saskatchewan is expected to account for 90% of the lentil area, with the remainder in Alberta and Manitoba. Production is forecast by AAFC to fall to 2.15 Mt. Supply is expected to fall to 2.5 Mt, as a result of lower carry-in stocks and production. Exports are expected to be lower than in 2019-20 at 2.0 Mt. Carry-out stocks are forecast to decrease to below 0.2 Mt. The average price is forecast to rise from 2019-20 with higher prices for the top grades, with the assumption of an average grade distribution.

In the US, the area seeded to lentils for 2019-20 is forecast by the USDA at 0.47 million acres, down from 2019-20 due to lower area seeded in North Dakota. Assuming normal yields and abandonment, US lentil production is forecast by AAFC to be unchanged from 2020-21 at 245 thousand tonnes (Kt). The main US export markets for lentils continue to be the EU, Canada, India and Mexico.

## **Dry Beans**

**For 2019-20**, dry bean exports are expected to be marginally above than the previous year. The US and the EU remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Angola. The smaller North American supply and below average grade distribution is expected to continue to support strong US and Canadian dry bean prices for the remainder of 2019-20.

**For 2020-21**, the area seeded in Canada is forecast to decrease by 18% from 2019-20 mainly because of lower yields and quality, compared to other crops. By province, Ontario is expected to account for 47% of the dry bean area, Manitoba 36%, Alberta 16%, with the remainder seeded in Saskatchewan, Quebec and the Maritimes. Production is expected to fall to 0.29 Mt. Supply is expected to decrease but be buffered by large carry-in stocks. Exports are forecast to fall marginally despite the increased supply. Carry-out stocks are expected to fall. The average Canadian dry bean price is forecast to fall sharply, due to higher expected supply in North America, particularly for the white pea bean and pinto types.

In the US, area seeded to dry beans is forecast by the USDA to rise by 7% to 1.37 million acres due to a rise in area seeded in Nebraska and North Dakota. Assuming normal yields and abandonment, 2020-21 US total dry bean production (excluding chickpeas) is therefore forecast to rise above 1.1 Mt, up 19% from 2019-20.

## **Chickpeas**

**For 2019-20**, Canadian chickpea exports are expected to fall to 125 Kt due to decreased export demand from Pakistan. Carry-out stocks are expected to rise sharply and pressure prices. The average price is forecast to be unchanged when compared to the previous year despite an increase in North American chickpea supply.

**For 2020-21**, the area seeded is expected to decrease sharply from 2019-20 due to difficulties during previous harvest and lower yields. By province, Saskatchewan is expected to account for the majority of the chickpea area, with the remainder in Alberta. Production is forecast to fall significantly to 170 Kt. Supply is forecast to decrease but will be buffered by

higher carry-in stocks softening the lower production. Exports are forecast to be unchanged and carry-out stocks are expected to decrease and remain burdensome. The average price is forecast to fall due to larger world supply, with the expectation of an average grade distribution in 2020-21.

US chickpea area for 2020-21 is forecast by the USDA to decrease to 0.31 million acres, down 32% from the previous year. This is largely due to an expected fall in area in Idaho, North Dakota and Washington. Assuming normal yields and abandonment, 2020-21 US chickpea production is therefore forecast by AAFC at 0.2 Mt, down 30% from 2019-20. The US is expected to continue to hold on to its market share in the EU, Pakistan and Canada.

## **Mustard Seed**

**For 2019-20**, Canadian mustard exports are forecast to fall to 115 Kt. The US and the EU have been the main export markets for Canadian mustard seed. Carry-out stocks are forecast to decrease. Prices are forecast to rise from 2018-19 due to decreased carry-out stocks, particularly for yellow and brown types.

**For 2020-21**, the area seeded is expected to be largely unchanged due to higher prices from the previous year. By province, Saskatchewan is expected to account for 71% of the mustard seeded area, with 29% seeded in Alberta. Production is forecast by AAFC to increase marginally to 140 Kt due to similar expected area and average yields. Supply is expected to fall only marginally, due to higher production offsetting lower carry-in stocks. Exports are expected to be unchanged at 115 Kt and carry-out stocks are forecast to be lower than the previous year. The average price is forecast to be lower than that observed for the previous year.

## **Canary Seed**

**For 2019-20**, exports are expected to be marginally higher than 2018-19. The EU and Mexico have remained the main markets. Carry-out stocks are expected to tighten. The average price is forecast to increase compared to 2018-19.

**For 2020-21**, the area seeded is expected to increase due to higher returns for canary seed relative to other

crops. Production is forecast to rise by 5% but supply is expected to decrease. Exports are expected to decrease from 2019-20 due to lower supply. Carry-out stocks are expected to remain tight. The average price is forecast to be lower than the 2019-20 level.

### **Sunflower Seed**

**For 2019-20**, sunflower seed exports are forecast to increase to 34 Kt due to higher demand from the US. The US and Japan have been Canada's main export markets for sunflower seed. Carry-out stocks are expected to rise. The average Canadian price for sunflower seed is forecast to increase from 2018-19, due to higher oil type sunflower seed prices.

**For 2020-21**, the area seeded is expected to rise to the largest area in 10 years from 2019-20 due to similar potential returns compared to other crops. Production is forecast to be higher at 85 Kt, assuming average yields. However, supply is expected to increase sharply to 209 Kt. Exports are expected to fall and carry-out stocks are forecast to increase. The average price is forecast to fall from 2019-20 due to expectations for higher North American sunflower seed supply and weaker oil and confectionery type prices in the US and Canada.

US sunflower seed area for 2020-21 is forecast by the USDA to rise to 1.56 million acres, up 15% from 2019-20 due to increased area in South Dakota. The area seeded to oil type varieties is expected to rise to nearly 1.4 million acres and the area seeded to confectionery type varieties is forecast to increase to 0.2 million acres. Assuming normal yields and abandonment, 2020-21 US sunflower seed production is forecast by AAFC to rise by over 20% to nearly 1.1 Mt.

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# CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

June 23, 2020

Grain and Crop Year (a)	Area		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
	Seeded ----- thousand ha	Harvested ----- thousand ha										
<b>Durum</b>												
2018-2019	2,503	2,456	2.34	5,745	24	7,245	4,526	204	532	927	1,792	235
2019-2020f	1,980	1,902	2.62	4,977	100	6,869	5,000	210	555	969	900	265-275
2020-2021f	2,116	2,074	2.65	5,500	100	6,500	4,900	210	353	800	800	255-285
<b>Wheat Except Durum</b>												
2018-2019	7,570	7,425	3.56	26,456	95	31,807	19,750	3,294	3,681	7,809	4,247	245
2019-2020f	8,145	7,754	3.53	27,371	170	31,788	18,200	3,360	4,393	8,588	5,000	220-230
2020-2021f	8,233	7,920	3.59	28,400	120	33,520	19,200	3,390	4,093	8,320	6,000	215-245
<b>All Wheat</b>												
2018-2019	10,073	9,881	3.26	32,201	119	39,052	24,276	3,498	4,213	8,736	6,040	
2019-2020f	10,125	9,656	3.35	32,348	270	38,658	23,200	3,570	4,948	9,558	5,900	
2020-2021f	10,349	9,994	3.39	33,900	220	40,020	24,100	3,600	4,446	9,120	6,800	
<b>Barley</b>												
2018-2019	2,628	2,395	3.50	8,380	43	9,667	3,058	104	5,385	5,747	863	260
2019-2020f	2,996	2,728	3.81	10,383	50	11,295	2,700	316	6,326	6,895	1,700	220-240
2020-2021f	2,934	2,606	3.68	9,600	40	11,340	2,800	316	6,083	6,640	1,900	195-225
<b>Corn</b>												
2018-2019	1,468	1,431	9.70	13,885	2,582	18,884	1,617	5,786	9,481	15,284	1,983	194
2019-2020f	1,496	1,451	9.24	13,404	1,500	16,887	350	5,300	9,321	14,637	1,900	185-205
2020-2021f	1,544	1,504	9.77	14,700	1,200	17,800	1,300	5,400	9,084	14,500	2,000	165-195
<b>Oats</b>												
2018-2019	1,235	1,005	3.42	3,436	11	4,225	2,475	182	1,049	1,353	397	254
2019-2020f	1,459	1,160	3.65	4,237	10	4,644	2,600	270	1,044	1,444	600	260-280
2020-2021f	1,551	1,215	3.54	4,300	10	4,910	2,550	190	1,053	1,360	1,000	220-250
<b>Rye</b>												
2018-2019	136	79	2.99	236	2	363	146	19	134	167	49	236
2019-2020f	175	103	3.25	333	2	384	158	15	140	176	50	200-220
2020-2021f	231	145	3.14	455	2	507	170	39	113	167	170	160-190
<b>Mixed Grains</b>												
2018-2019	144	69	2.82	195	0	195	0	0	195	195	0	
2019-2020f	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021f	124	53	2.88	152	0	152	0	0	152	152	0	
<b>Total Coarse Grains</b>												
2018-2019	5,610	4,979	5.25	26,132	2,638	33,333	7,295	6,092	16,243	22,746	3,292	
2019-2020f	6,270	5,509	5.18	28,549	1,562	33,402	5,808	5,901	17,023	23,344	4,250	
2020-2021f	6,384	5,523	5.29	29,207	1,252	34,708	6,820	5,945	16,484	22,818	5,070	
<b>Canola</b>												
2018-2019	9,232	9,120	2.23	20,343	146	22,995	9,202	9,295	605	9,962	3,831	497
2019-2020f	8,481	8,319	2.24	18,649	150	22,630	9,600	9,750	629	10,430	2,600	465-495
2020-2021f	8,342	8,257	2.27	18,725	100	21,425	9,500	9,250	324	9,625	2,300	480-520
<b>Flaxseed</b>												
2018-2019	347	342	1.44	492	9	628	468	0	83	100	60	496
2019-2020f	379	339	1.43	486	15	561	350	0	125	141	70	510-540
2020-2021f	381	355	1.50	530	10	610	500	0	20	40	70	490-530
<b>Soybeans</b>												
2018-2019	2,558	2,540	2.92	7,417	1,131	9,199	5,640	2,058	563	2,859	700	406
2019-2020f	2,313	2,271	2.66	6,045	400	7,145	4,300	1,800	495	2,545	300	400-430
2020-2021f	2,112	2,102	2.89	6,075	500	6,875	4,200	1,900	275	2,375	300	385-425
<b>Total Oilseeds</b>												
2018-2019	12,137	12,001	2.35	28,252	1,286	32,822	15,310	11,354	1,252	12,921	4,591	
2019-2020f	11,172	10,929	2.30	25,180	565	30,336	14,250	11,550	1,249	13,115	2,970	
2020-2021f	10,836	10,714	2.36	25,330	610	28,910	14,200	11,150	619	12,040	2,670	
<b>Total Grains And Oilseeds</b>												
2018-2019	27,820	26,861	3.22	86,584	4,043	105,206	46,881	20,943	21,708	44,403	13,922	
2019-2020f	27,568	26,094	3.30	86,077	2,397	102,396	43,258	21,021	23,220	46,017	13,120	
2020-2021f	27,569	26,231	3.37	88,437	2,082	103,638	45,120	20,695	21,549	43,978	14,540	

(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 2019-2020 and area seeded for 2020-2021 which are STC

# CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

June 23, 2020

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested	Yield t/ha	Production	Imports (b)	Total Supply ----- thousand tonnes -----	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
<b>Dry Peas</b>											
2018-2019	1,463	1,431	2.50	3,581	62	4,291	3,270	708	312	8	270
2019-2020f	1,753	1,711	2.48	4,237	72	4,621	3,650	671	300	7	260-270
2020-2021f	1,732	1,700	2.51	4,275	60	4,635	3,400	760	475	11	250-280
<b>Lentils</b>											
2018-2019	1,525	1,499	1.40	2,092	51	3,016	2,033	352	631	26	390
2019-2020f	1,530	1,489	1.46	2,167	85	2,883	2,200	383	300	12	465-485
2020-2021f	1,501	1,475	1.46	2,150	50	2,500	2,000	350	150	6	500-530
<b>Dry Beans</b>											
2018-2019	143	137	2.49	341	98	464	348	37	80	21	815
2019-2020f	160	150	2.11	317	83	479	350	39	90	23	975-995
2020-2021f	131	126	2.30	290	85	465	345	40	80	21	790-820
<b>Chickpeas</b>											
2018-2019	179	176	1.77	311	51	376	147	129	100	36	480
2019-2020f	159	156	1.61	252	52	404	125	139	140	53	470-490
2020-2021f	103	100	1.70	170	50	360	125	135	100	38	455-485
<b>Mustard Seed</b>											
2018-2019	204	197	0.88	174	8	235	121	42	73	45	690
2019-2020f	161	155	0.87	135	7	214	115	44	55	35	700-720
2020-2021f	160	155	0.90	140	8	203	115	43	45	28	680-710
<b>Canary Seed</b>											
2018-2019	109	109	1.45	158	0	174	156	7	11	7	505
2019-2020f	104	99	1.49	148	0	158	158	0	0	0	620-640
2020-2021f	112	110	1.41	155	0	155	150	5	0	0	540-570
<b>Sunflower Seed</b>											
2018-2019	29	27	2.13	57	24	179	26	56	96	116	585
2019-2020f	31	29	2.18	63	26	185	34	51	100	118	595-615
2020-2021f	42	41	2.07	85	24	209	30	59	120	135	575-605
<b>Total Pulses and Special Crops (c)</b>											
2018-2019	3,652	3,576	1.88	6,714	293	8,734	6,101	1,331	1,302	18	
2019-2020f	3,897	3,788	1.93	7,317	325	8,944	6,632	1,327	985	12	
2020-2021f	3,780	3,707	1.96	7,265	277	8,527	6,165	1,392	970	13	

(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 2019-2020 and area seeded for 2020-2021 which are STC