

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

July 17, 2020

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) June outlook report for the current 2019-20 crop year and the up-coming 2020-21 crop year.

For the 2019-20 crop year, which closes for most crops at the end of July, total carry-out stocks (inventories) are forecast at 13.8 million tonnes (Mt), about 10 percent lower than last year. This is largely due to the decrease in total supply and the increase in the total domestic use, specifically for the grains and oilseeds (G&O). Total exports of all field crops are expected to decrease by about 7 percent compared to last year as lower exports of wheat, corn and oilseeds more than outweigh higher exports of peas and lentils. In general, world grain prices are expected to continue to be pressured downward by abundant supplies of grains at the global level. The economic outlook for world and Canadian grain markets is expected to continue to be strongly tempered by the domestic and international uncertainty caused by COVID-19.

For 2020-21, based on Statistics Canada's June 29 preliminary estimates of principal field crop areas, the areas seeded to durum, barley, oats and lentils in 2020 are expected to increase, compared with 2019, but decrease for wheat ex-durum, canola, soybeans and dry peas. Seeding was complete in early June across all the provinces and growing conditions to-date have been near normal. 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 so that total crop production increases by 2 percent to 95.2 Mt. Total exports are forecast to increase largely due to higher exports of wheat ex-durum and corn. Total domestic use is expected to decrease significantly due to lower domestic use of all wheat and oilseeds. Total carry-out stocks are forecast to increase to 15 Mt, which is only slightly above the 10-year average. 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.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded - <i>thousand hectares</i> -	Area Harvested	Yield - <i>t/ha</i> -	Production	Imports	Total Supply - <i>thousand tonnes</i> -	Exports	Total Domestic Use	Carry-out Stocks
Total Grains And Oilseeds									
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	2,597	102,596	43,658	45,907	13,030
2020-2021f	27,449	26,154	3.35	87,602	2,482	103,114	44,820	44,260	14,034
Total Pulse And Special Crops									
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	311	8,930	6,877	1,313	740
2020-2021f	3,953	3,878	1.95	7,574	277	8,591	6,265	1,326	1,000
All Principal Field Crops									
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	2,908	111,525	50,535	47,220	13,770
2020-2021f	31,402	30,032	3.17	95,176	2,759	111,705	51,085	45,586	15,034

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

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. 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 2.6 Mt to 43.4 Mt, according to the International Grains Council (IGC). Use fell by 0.4 Mt to 35.7 Mt. Carry out stocks decreased by 2.2 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 increased by 16% from 2019-20, according to Statistics Canada's (STC) seeded area survey. The seeded area was 9% higher than in STCs seeding intentions survey. Production is forecast to rise by 20% to 6 Mt as the increase in seeded area is compounded by higher trend yields and a return to normal abandonment rate. Supply is projected to rise by 2% as the higher production is mostly offset by lower carry-in stocks. Exports are expected to rise by 2% to 5.1 Mt due to the higher supply and strong world demand. Carry-out stocks are forecast to rise by 11% to 1 Mt.

World durum production is forecast to increase by 0.4 Mt from 2019-20 to 34 Mt, according to IGC. Supply is expected to fall by 1.7 Mt to 41.7 Mt because of lower carry-in stocks. Use is expected to fall by 0.5 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 by USDA to rise by 0.06 Mt to 1.52 Mt.

The average Canadian crop year producer price for durum is forecast to decrease from 2019-20 due to the higher Canadian production.

Wheat (excluding durum)

For 2019-20, Canadian wheat production rose by 3.5% from 2018-19 to 27.4 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. 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 765 Mt, while the supply rose by 30 Mt to 1,045 Mt, according to USDA. Total use increased by 13 Mt to 748 Mt. World all wheat carry-out stocks rose by 17 Mt to 297 Mt or, if stocks in China are not included, stocks increased by 6 Mt to 146 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 was 0.4 Mt lower at 84.5 Mt. Domestic use fell by 0.2 Mt, while exports rose by 0.8 Mt. Carry out stocks decreased by 1 Mt to 28.4 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 decreased by 3% from 2019-20, as a 17% increase in the winter wheat area was more than offset by a 5% decrease for spring wheat area, based on the STC seeded area survey. The spring wheat seeded area was 5% lower than in STCs seeding intentions survey.

Seeded area by class of wheat, with 2019-20 area in brackets: winter wheat (hard red, soft red and soft white) 636 thousand hectares (kha) (545 kha); Canada Western Red Spring (CWRS), premium quality hard wheat, 6,185 kha (6,679 kha); Canada

Prairie Spring (CPS) 463 kha (366 kha), Canada Northern Hard Red Spring (CNHR) 229 kha (210 kha); soft white spring (CWSWS) 119 kha (135 kha), other western spring wheat 95 kha (80 kha), eastern spring wheat, mainly hard red spring (CERS), 165 kha (129 kha).

Production is projected to rise by 1% to 27.6 Mt. The winter wheat production is projected to increase by 59% to 2.7 Mt due to higher seeded area and a return to a normal abandonment rate. Spring wheat production is expected to fall by 3% to 24.9 Mt. Supply is forecast to increase by 3% because of higher production and carry-in stocks. Exports are expected to rise by 4%. Carry-out stocks are forecast to increase by 8% to 5.4 Mt.

World all wheat production is forecast to rise by 5 Mt from 2019-20 to 769 Mt, while supply increases by 22 Mt to 1,066 Mt due to higher carry-in stocks, according to USDA. Total use is expected to rise by 4 Mt to 752 Mt, as higher food

use is partly offset by lower feed use. Carry-out stocks are forecast to rise by 18 Mt to 315 Mt. Excluding China, carry-out stocks are projected to rise by 7 Mt to 153 Mt.

US all wheat production is forecast to fall by 2.7 Mt from 2019-20 to 49.6 Mt, according to USDA. Imports are forecast to increase by 0.9 Mt. Supply of all wheat is projected to fall by 2.6 Mt to 81.9 Mt. Exports are forecast to fall by 0.4 Mt, while domestic use increases by 0.5 Mt. Carry-out stocks are forecast to decrease by 2.7 Mt to 25.7 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

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 ten months of the crop year fell by 15% and 6% for barley grains and malt, respectively. Total exports are expected to decrease by 8% based on the current export pace. Carry-out stocks are forecast to rise sharply from last year's historic low.

Increased barley supplies in Canada and around the world have weighed on barley prices. The average feed barley price at Lethbridge feedlots is expected to be 12% lower than last year.

For 2020-21, the area seeded to barley in Canada is marginally higher than the previous crop year and the highest since 2009-10, according to Statistics Canada's (STC) seeded area survey. A total of 3.04 million hectares (Mha) were seeded to barley versus the intended area of 2.94 Mha reported in May acreage report. Most of the increase is in Alberta and Saskatchewan. Barley area in Alberta is the highest since 2013. In Saskatchewan, barley area fell from last year but is still close to the record level since 2010. Manitoba barley area rose from last year and is on par with the five year average.

Using the five-year (2015-16 to 2019-20) averages for yield and area harvested, production is projected to decrease from last year but remain high. Combined with high carry-in stocks, supply is forecast to increase to a record level over the past decade. This is anticipated to encourage exports. Domestic use is expected to fall due to lower feed use. Carry-out stocks are expected to rise due to large supplies.

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

According to the United States Department of Agriculture (USDA), world barley production for

2020-21 is expected to fall slightly but, due to higher carry-in stocks, total supply is expected to approach a record level, with more than 80% of the increase coming from the world major exporters. World feed use is expected to be virtually unchanged from the previous year, albeit larger supplies, as relatively cheaper corn is anticipated to replace some of the feed barley. The demand for food, seed, and industrial use is forecast to increase marginally. Carry-out stocks are expected to rise, with approximately 30% of the increase coming from the world major exporters.

Corn

For 2019-20, the total supply of corn in Canada decreased by 10% as a result of lower carry-in stocks, production and imports. Imports for the first nine months of the crop year are 22% lower than the same period in 2018-19. More than 95% of the imports are from the US. Corn imports in May increased significantly, mostly to Manitoba. This is likely due to lower priced US corn stimulating imports.

Corn exports are sharply lower than last year, based on the export pace over the first nine months of the crop year. Exports in May have seen a big jump; the majority of the increase is shipped to the EU countries. Total domestic use is expected to decrease due to reduced industrial use and feed use. Carry-out stocks are anticipated to rise marginally, owing to lower demand.

The average price of corn at Chatham for 2019-20 is expected to be similar to last year, as the marginally lower US corn price is largely offset by the depreciated Canadian currency.

For 2020-21, Canadian corn seeded area was estimated by STC at 1.44 Mha, down 4% from a year earlier and on par with the five-year average. Actual seeded area is below intentions in the primary production provinces, including Ontario, Quebec and Manitoba. Ontario corn area fell from last year but is above the five-year average and still in the high range. Quebec corn area slipped to the lowest level over the past two decades. In Manitoba, corn area

dropped from last year and is slightly below the five-year average.

Using the five-year (2015-16 to 2019-20) averages for yield and area harvested, production is projected to increase from last year. Imports are expected to decrease due to expectations for larger carry-in stocks and higher production. The supply of corn is projected to increase on expectations for good production, which could be the third largest crop on record. Domestic use is projected to increase slightly, due to expectations for expanded industrial use. Given the increase in domestic supply and the steady increase in world demand, exports are expected to increase. Carry-out stocks are forecast to drop due to expanded use and exports.

The average price of corn in Canada is expected to fall in-line with lower corn prices in the US. The low value of the Canadian dollar will continue to support Canadian corn prices.

The USDA projected the US corn acres for 2020-21 at 92 million acres, down 5% from intentions but up from the level in prior year and the five-year average. Combined with forecasts for higher area harvested and improved yields, US corn production is pegged at 10% higher, and supplies at 9% higher than 2019-20. The main categories of demand are forecast to recover. Ending stocks are expected to increase by 10%. The US corn price for 2020-21 is projected at US\$3.35/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, mainly due to the expanded output in the world major exporters. World consumption, including feed use and industrial use, is tentatively seen a fresh peak. Carry-out stocks are set to rise marginally as the increase in stocks for the world major exporters, led by the US, is anticipated to be largely offset by the decline in stocks in the major importers, led by China. 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. It is the highest

level since 2008-09. The estimate for domestic use is 7% higher than last year due to sharply increase in demand for food production. Exports, including grain and products, are anticipated to rise by 5% based on the strong export sales for the first ten months of the crop year, with approximately 85% of the exports shipped to the US. Carry-out stocks are expected to increase significantly but remain tight. The oat futures price at Chicago Board of Trade (CBOT) is expected to increase by 6% from last year, due to the support of tight ending stocks in North America for the crop year.

For 2020-21, Canadian oat seeded area for 2020-21 was pegged by STC at 1.55 Mha, the highest since 2008-09. It is on par with intentions but higher than the 1.46 Mha seeded last year. Oat area in Alberta dropped from last year but it is still in the high range since 2011. Oat area in Saskatchewan and Manitoba increased from last year and are the highest since 2008.

Production is forecast to increase by only 3%, as higher area harvested is partly offset by lower yields. Due to higher production and higher carry-in stocks, supply is projected to increase by 7%, a new record since 2008-09. Domestic use is expected to drop by 5% due to a reduced outlook for food uptake. Exports are projected to remain strong despite expectations for higher supplies in the major exporting countries, as well as in the US. Carry-out stocks are forecast to rise to a seven-year high.

The CBOT oat futures price for 2020-21 is expected to be lower than 2019-20 due to ample supplies in Canada, the US and around the world.

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, including the demand for food and feed, is marginally lower than last year according to the current domestic disappearance pace. Exports are forecast to increase by 8% with more than 99% of the exports shipped to the US, the world leading importer of rye. Carry-out stocks are expected to rebound from last year's low. The price of rye at Saskatchewan for the crop year is forecast

to average \$210/t, down 11% from last year's historic high.

For 2020-21, the area seeded to winter rye in Canada increased by 32% from 2019-20. Production is forecast to increase to 445 thousand tonnes (Kt), the highest in three decades. Supply is expected to increase to 506 Kt, a record level since 2006. Domestic use, exports and carry-out stocks are projected to rise on bumper supplies. The rye price is expected to decrease from 2019-20 due to higher supplies in Canada and around the world.

The USDA forecasts less rye will be shipped into the US in 2020-21, due to lower demand for feed. The world trade volume is expected to expand. Exports from the EU are projected to decline significantly, but increase sharply in the Black Sea region. The increase in 2020-21 world rye supply is forecast to exceed the increase in total use, which will result in a significant increase in carry-out stocks.

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Canola

For 2019-20, total usage of canola is expected to reach a near record 20.1 Mt based on an expected crush of 9.9 Mt and exports of 9.6 Mt. Canada's canola crush pace is on a record setting pace while exports accelerated in the spring and early summer on strong demand and expanded railcar capacity, with the COVID-19 having minimal impact on canola consumption.

Carry-out stocks are expected to fall by 1.3 Mt to 2.5 Mt for 2019-20, the sixth highest level on record. The stocks-to-use ratio is estimated at 12 percent versus twenty percent for 2018-19 and the modern day record of 23 percent set in 2004-05. Canola prices are estimated at \$475-495/t versus \$497/t last year.

For 2020-21, seeded area in Canada is estimated by Statistics Canada to have fallen marginally to 8.4 million hectares (Mha), as farmers shift into wheat and coarse grains away from oilseeds. By province, Saskatchewan accounts for 55 percent of the canola seeded in Canada, followed by Alberta and Manitoba with 28 percent and 16 percent, respectively, of the total canola area in Canada. Minor areas are seeded to canola in British Columbia, Ontario and Quebec.

The revisions to the seeded area estimates for canola versus those based on the seeding intentions survey are unusually small for the 2020-21 crop year.

Normally, farmers plant more canola than indicated from Statistics Canada's seeding intentions survey, with the exceptions of 2007 when farmers scaled back due to drought, and in 2019 when trade issues with China flared up. Over the past 15 years, farmers planted on average an extra 0.26 Mha to canola than indicated in the seeding intentions survey; for 2020-21 the increase is 67,000 ha.

AAFC forecasts a harvested area of 8.3 mln ha for canola, 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 slightly 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 significantly warmer than normal for June across western Canada. Canola production is forecast to rise slightly to 18.9 Mt while total supplies fall to 21.5 Mt on a sharp decline in carry-in stocks and expected slightly lower imports.

Exports are forecast to decline marginally to 9.5 Mt, partly as a function of tighter domestic supplies but also due to strong domestic crush and an expected weakening of demand, assuming European rapeseed production returns to normal following last year's drought. Domestic crush is forecast to fall to 9.6 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, exports are forecast at 0.35 Mt on stable world demand and tighter domestic supplies while total domestic use rises to 0.14 Mt on significantly higher feed, waste and dockage following last fall's challenging harvest. Carry-out stocks are forecast up marginally to 0.07 Mt while flaxseed prices rise to \$510-530/t, versus \$496/t in 2018-19.

For 2020-21, farmers seeded 0.37 Mha to flaxseed, down slightly from last year despite higher prices. About 84% of Canada's flaxseed was seeded in Saskatchewan, with Alberta and Manitoba accounting for the rest of the crop area. Production is forecast to rise by 5% to 0.51 Mt, assuming a normal abandonment and five-year average historical yields. Supplies are forecast to increase by 6% to 0.59 Mt on higher output and carry-in stocks.

Exports are forecast up by 29% from 2019-20, to 0.45 Mt, on steady to stronger world consumption. Total domestic use is forecast to fall sharply to 0.04 Mt, on lower feed, waste and dockage. Carry-out stocks are forecast at 0.10 Mt while prices range from \$490-530/t for 2020-21.

Soybeans

For 2019-20, 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 estimated down by 13%, to 1.8 Mt. Carry-out stocks are estimated at 0.3 Mt, while soybean prices are forecast to rise slightly to \$410-430/t versus \$406/t for 2018-19.

The factors to watch are: (1) Canadian weather forecasts, (2) North American crop conditions, (3) US soybean export sales, (4) state of US-China trade negotiations.

For 2020-21, Statistics Canada estimates Canadian soybean area to have declined by 0.2 Mha, to 2.1 Mha, based on producer surveys. 56% of Canada's soybean area is in the province of Ontario, followed by Manitoba, Quebec and Saskatchewan, which account for 23%, 17% and 2.5% of domestic soybean area respectively.

Under the assumptions of normal abandonment and normal yields, production is forecast at 5.9 Mt, vs 6.0 Mt in 2019-20 and 7.4 Mt in 2018-19. Total supply is forecast to decrease to 6.7 Mt, as the sharp drop in carry-in stocks compounds the decline in production and imports. Exports are forecast at 4.1 Mt and will head to a variety of countries. Domestic processing is forecast up slightly at 1.9 Mt as crushers swing back to a normal processing pace for soybeans.

Carry-out stocks are forecast to decrease slightly too 0.27 Mt versus 0.30 Mt for 2019-20 and 0.70 Mt in 2018-19. Soybean prices are forecast to decline to \$385-425/t under pressure from lower US prices, with losses muted by the devalued Canadian dollar versus its American counterpart.

For 2020-21, US soybean planted area is estimated up 10 percent from last year at 83.8 million acres. Compared with last year, planted area is unchanged or up in 24 of the 29 estimating states. Based on USDA's planted area and yield estimates, US soybean production is estimated at 4.1 billion bushels (Bbu) for the upcoming crop year versus 3.6 Bbu for 2019-20 and 4.4 Bbu for 2018-19. The USDA estimates total soybean supplies of 4.8 Bbu based on

revised beginning stocks and production estimates, supporting a 24% rise in exports, a 0.2% rise in domestic crush and ending stocks of 425 Mbu. The USDA estimates a farm-gate price for soybeans of US\$8.50/bu, down slightly from US\$8.55/bu for 2019-2020.

Over the past 40 years, the Canadian cropping sector has been transformed as the industry diversified into growing more broad-leafed crops such as canola and soybeans, away from narrow-leafed, grass-based cereals such as wheat and barley. This expansion into broadleaved crops was driven by growing world demand for protein and vegetable oils combined with the introduction of crops such as canola into western Canada and the expansion of soybean area in eastern Canada.

Some of the major factors supporting this shift included the repeal of the CROW Rate transportation subsidy under the Western Canadian Transportation Act 25 years ago, which increased rail freight rates for grains. This shift was reinforced in the last 1990s and early 2000s by the release of hardier and higher-yielding canola and soybeans cultivators combined with the expansion of pea and lentil area across western Canada.

For 2020-21, this shift in Canadian cropping area appears to have come to an equilibrium with broad and narrow leafed crops accounting for approximately the same amount of harvested area in Canada.

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Pulse and Special Crops

Dry Peas

For 2019-20, Canada's exports are expected to be higher than the 2018-19 level at 3.7 million tonnes (Mt). This has been largely due to record demand from China and strong demand from Bangladesh and India. Carry-out stocks in Canada are expected to fall due to the increased export pace despite lower domestic use. The average dry pea price is expected to be similar to 2018-19. Higher yellow and green pea prices have been offset by lower feed pea prices.

The prices of green dry peas are expected to maintain a \$130/t crop year premium to yellow dry peas, unchanged from 2018-19. During the month of June, Saskatchewan yellow pea farmgate prices fell \$25/t while green pea prices fell \$20/t. This was largely due to the average conditions across the Prairies and expectations for another large dry pea crop.

For 2020-21, dry pea seeded area in Canada decreased to 1.7 million hectares (Mha), down marginally from 2019-20 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 55% of the dry pea area, Alberta for 39%, with the remainder seeded across Canada. Production is forecast to rise marginally to 4.25 Mt due to expectations of higher yields. However, supply is forecast to fall marginally to 4.6 Mt due to lower carry-in stocks combined with an increase in production. Exports are forecast to be lower at 3.4 Mt, with China, Bangladesh and the US continuing to be Canada's top markets. Carry-out stocks are forecast to rise and be higher than the five and ten year averages. The average price is expected to be unchanged from 2019-20, due primarily to expectations for increased world supply.

In the US, area seeded to dry peas for 2020-21 is forecast by the USDA to fall from 2019-20 to 0.95 million acres. This is largely due to an expected fall in area in North Dakota and Montana. Assuming normal yields and abandonment, US dry pea production is forecast by AAFC to fall by nearly 25% to below 0.8 Mt. The US has been successful in exporting small amounts of dry peas to common Canadian export markets in Yemen, China and the

Philippines, and it is expected the US will maintain its market share in 2020-21.

Lentils

For 2019-20, lentil exports are forecast to rise to 2.4 Mt. Of this total, 1.5 Mt are red lentil types with the remaining 0.9 Mt consisting of the green lentil types. The main markets are India, the United Arab Emirates and Turkey. Total domestic use is forecast to be higher at 0.4 Mt. Carry-out stocks are forecast to fall sharply to 0.1 Mt. The average price for all types and grades is forecast to be higher than the previous year with sharply higher prices for large green and red types.

Large green lentil prices are expected to maintain a small premium (\$110/t) over red lentil prices. During the month of June, Saskatchewan large green lentil farm gate prices fell \$10/t and red lentil farm gate prices have risen \$40/t. This is largely due to strong export demand for lentils and tightening carry-out stocks.

For 2020-21, Canadian lentil seeded area rose by 12% to 1.7 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 and Manitoba. Production is forecast to increase to 2.48 Mt, with supply lower due to smaller carry-in stocks. Exports are forecast to be lower at 2.1 Mt. Carry-out stocks are forecast to rise to nearly 0.2 Mt. The average price for all grades and types is forecast to rise from 2019-20, with higher prices from large green and red types. There is an expectation that import demand in the Indian subcontinent will continue to be similar to higher in 2020-21.

In the US, the area seeded to lentils for 2020-21 is forecast by the USDA at 0.49 million acres, up marginally from 2019-20 due to higher area seeded in Montana. Assuming normal yields and abandonment, 2020-21 US lentil production is forecast by AAFC at 255 thousand tonnes (Kt), up marginally 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 2019-20, dry bean exports are expected to be higher than 2018-19 with the 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, a below average grade distribution and the weaker Canadian dollar has supported Canadian dry bean prices for the majority of 2019-20 crop year, particularly Canadian kidney, Great Northern, pinto and white pea bean prices.

For 2020-21, the area seeded in Canada decreased marginally from 2019-20 at 156 thousand hectares (Kha). By province, Ontario accounted for 37% of the dry bean area, Manitoba 43%, Alberta 14%, with the remainder seeded in Saskatchewan, Quebec and the Maritimes. Production is forecast to rise to nearly 0.35 Mt, and supply is expected to increase, due to the large production. Exports are forecast to be lower. Carry-out stocks are expected to rise. The average Canadian dry bean price is forecast to fall due to larger expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to rise by 23% to 1.59 million acres due to a rise in area seeded in North Dakota. Assuming normal yields and abandonment, 2020-21 US total dry bean production (excluding chickpeas) is therefore forecast by AAFC to rise to 1.3 Mt, up 40% from 2019-20.

Chickpeas

For 2019-20, Canadian chickpea exports are expected to decrease sharply to 105 Kt. This is due to a fall in import demand from Pakistan. Carry-out stocks are expected to rise sharply. The average price has been pressured by an increase in North American chickpea supply but remain similar to 2018-19.

For 2020-21, the area seeded fell by 24% from 2019-20 due to the lower farmgate prices received in the previous year. Saskatchewan is expected to account for the majority of the chickpea area, with the remainder in Alberta. Production is forecast by AAFC at 200 Kt, down 21% from the previous year, due to lower seeded area despite higher expected yields. Supply is forecast to rise from 2019-20. Exports are forecast to rise and carry-out stocks are forecast to fall. 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 2020-21 is forecast by the USDA to fall to 0.3 million acres, down 33% from 2019-20. 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 200 Kt, a 30% decrease from the previous year. The US is expected to continue to export to the EU, Canada and Pakistan.

Mustard Seed

For 2019-20, Canadian mustard exports are forecast at 115 Kt, lower 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 fall. Prices are forecast to rise in 2019-20 due to lower carry-out stocks, particularly for yellow types.

For 2020-21, the area seeded fell sharply to 104 Kha, despite mustard seed returns similar to the previous year. By province, Saskatchewan accounts for 67% of the mustard seed area, with 31% seeded in Alberta and the remainder seeded in Manitoba. Due to the lower area and despite expectations for higher average yields, production is forecast to decrease sharply to 90 Kt. Supply is expected to fall but not as sharply as production, however, due to large carry-in stocks. Exports are expected to be unchanged at 115 Kt and carry-out stocks are forecast to fall. The average price is forecast to be lower than in 2019-20.

Canary Seed

For 2019-20, 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 2020-21, the area seeded rose by 5%, to 109 Kha, due to solid returns relative to other crops and lower carry-in stocks. Production is expected to increase by 5% to 155 Kt. Supply is forecast to decrease. 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 lower than 2019-20.

Sunflower Seed

For 2019-20, exports of sunflower seed are forecast to rise to 34 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 rise marginally from 2018-19, due to higher confectionery type and oil type sunflower seed prices.

For 2020-21, the area seeded was lower at 28 Kha, due to competitive returns compared to other crops. Production is forecast to fall to 59 Kt and supply is expected to be marginally lower at 183 Kt, compared to 2019-20. Exports are expected to decrease and carry-out stocks are forecast to be unchanged. The average price is forecast to be lower than 2019-20, due to expectations for higher North American sunflower seed supply. Lower oil type prices are anticipated along with decreased confectionery prices in the US and Canada.

US sunflower seed area for 2020-21 is forecast by the USDA to rise to 1.54 million acres, up 14% from 2019-20, largely due to higher area in North and South Dakota. The area seeded to oil type varieties is expected to increase to nearly 1.4 million acres and the area seeded to confectionery type varieties is forecast to rise to nearly 0.2 million acres. Assuming normal yields and abandonment, 2020-21 total US sunflower seed production is forecast by AAFC to increase by 20% to nearly 1.1 Mt.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

July 17, 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										
Durum												
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	538	969	900	265-275
2020-2021f	2,302	2,256	2.66	6,000	100	7,000	5,100	210	468	900	1,000	250-280
Wheat Except Durum												
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	4,433	8,588	5,000	220-230
2020-2021f	7,891	7,643	3.61	27,600	120	32,720	19,000	3,390	4,100	8,320	5,400	215-245
All Wheat												
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	4,971	9,558	5,900	
2020-2021f	10,193	9,899	3.39	33,600	220	39,720	24,100	3,600	4,568	9,220	6,400	
Barley												
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	2,800	316	6,317	6,895	1,600	220-240
2020-2021f	3,036	2,697	3.68	9,933	40	11,573	2,900	316	6,217	6,773	1,900	195-225
Corn												
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	1,700	17,087	650	5,300	9,122	14,437	2,000	185-205
2020-2021f	1,441	1,403	9.80	13,750	1,600	17,350	1,000	5,400	9,034	14,450	1,900	170-200
Oats												
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	1,554	1,229	3.55	4,360	10	4,970	2,600	190	1,063	1,370	1,000	220-250
Rye												
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	130	166	60	200-220
2020-2021f	231	141	3.14	445	2	506	170	39	162	216	120	160-190
Mixed Grains												
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	166	68	2.73	187	0	187	0	0	187	187	0	
Total Coarse Grains												
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	1,762	33,602	6,208	5,901	16,805	23,134	4,260	
2020-2021f	6,427	5,539	5.18	28,675	1,652	34,586	6,670	5,945	16,662	22,996	4,920	
Canola												
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	9,850	629	10,530	2,500	475-495
2020-2021f	8,409	8,323	2.27	18,875	100	21,475	9,500	9,250	325	9,626	2,350	480-520
Flaxseed												
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	510-530
2020-2021f	369	344	1.49	512	10	592	450	0	22	42	100	490-530
Soybeans												
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	410-430
2020-2021f	2,052	2,049	2.90	5,940	500	6,740	4,100	1,900	275	2,375	265	385-425
Total Oilseeds												
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	11,650	1,249	13,215	2,870	
2020-2021f	10,829	10,716	2.36	25,327	610	28,807	14,050	11,150	622	12,043	2,714	
Total Grains And Oilseeds												
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	2,597	102,596	43,658	21,121	23,025	45,907	13,030	
2020-2021f	27,449	26,154	3.35	87,602	2,482	103,114	44,820	20,695	21,853	44,260	14,034	

(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

July 17, 2020

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested ----- t/ha -----	Yield t/ha	Production	Imports (b)	Total Supply ----- thousand tonnes -----	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
Dry Peas											
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	70	4,619	3,700	669	250	6	260-270
2020-2021f	1,722	1,690	2.51	4,250	60	4,560	3,400	710	450	11	250-280
Lentils											
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	2,400	383	100	4	465-485
2020-2021f	1,713	1,685	1.47	2,475	50	2,625	2,100	350	175	7	500-530
Dry Beans											
2018-2019	143	137	2.49	341	98	464	348	37	80	21	815
2019-2020f	160	150	2.11	317	78	474	365	34	75	19	975-995
2020-2021f	156	151	2.28	345	85	505	345	40	120	31	790-820
Chickpeas											
2018-2019	179	176	1.77	311	51	376	147	129	100	36	480
2019-2020f	159	156	1.61	252	45	397	105	132	160	68	470-490
2020-2021f	121	118	1.69	200	50	410	125	135	150	58	455-485
Mustard Seed											
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	104	100	0.90	90	8	153	115	33	5	3	680-710
Canary Seed											
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	109	107	1.45	155	0	155	150	5	0	0	540-570
Sunflower Seed											
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	28	27	2.19	59	24	183	30	53	100	120	575-605
Total Pulses and Special Crops (c)											
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	311	8,930	6,877	1,313	740	9	
2020-2021f	3,953	3,878	1.95	7,574	277	8,591	6,265	1,326	1,000	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