

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) December outlook report for the 2020-2021 crop year and provides AAFC's preliminary look at the upcoming 2021-2022 crop year. For most crops in Canada, the crop year starts on August 1 and ends on July 31, although for corn and soybeans, the crop year starts on September 1 and ends on August 31.

For 2020-2021, the outlook incorporates the results of Statistics Canada's (STC) November Farm Survey of crop production which was released on December 3, 2020. These are the final survey-based production estimates for 2020 and replace the model-based estimates, which were released by Statistics Canada on September 14, 2020.

Total supply is forecast to increase to 116.0 million tonnes (Mt) on record crop production. Total exports are forecast to increase significantly, by 9% to 57.4 Mt, and be the main driver behind an expected 6% decrease in total carry-out stocks to 13.4 Mt. Grain prices in Canada are forecast to continue to be supported by the expected relatively low value of the Canadian dollar and strong world demand.

For 2021-2022, the area seeded to field crops in Canada is forecast to increase marginally from 2020-2021 as area increases for wheat (mainly durum), oilseeds, pulse and special crops offset decreases in acreage for coarse grains. In general, average yields are forecast to decrease compared to 2020-2021, based on a return to trend yields. Production of grains, oilseeds and pulse and special crops are forecast to decrease modestly, resulting in expected total field crop production decreasing to 96.3 Mt. In general, prices are expected to remain relatively strong, but decrease from their current levels as world production is expected to increase.

The economic outlook for the world and Canadian grain markets is expected to continue to be impacted by the domestic and international uncertainty caused by COVID-19. The next STC crop data release is scheduled on February 5, 2021, when data on grain stocks as of December 31st, 2020 will be made public.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded --- thousand hectares ---	Area Harvested	Yield t/ha	Production	Imports	Total Supply ----- thousand tonnes -----	Exports	Total Domestic Use	Carry-out Stocks
Total Grains And Oilseeds									
2019-2020	27,568	26,242	3.32	87,125	2,957	104,611	45,077	46,138	13,397
2020-2021f	27,490	26,419	3.42	90,444	2,416	106,256	50,000	44,106	12,150
2021-2022f	27,764	26,612	3.31	88,184	2,812	103,146	47,930	43,766	11,450
Total Pulse And Special Crops									
2019-2020	3,911	3,804	1.99	7,559	327	9,424	7,418	1,109	897
2020-2021f	4,000	3,949	2.16	8,527	333	9,757	7,380	1,107	1,270
2021-2022f	4,125	4,047	2.02	8,165	313	9,748	7,205	1,173	1,370
All Principal Field Crops									
2019-2020	31,479	30,046	3.15	94,685	3,284	114,036	52,495	47,247	14,294
2020-2021f	31,490	30,368	3.26	98,971	2,749	116,013	57,380	45,213	13,420
2021-2022f	31,889	30,659	3.14	96,349	3,125	112,894	55,135	44,939	12,820

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

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

All Wheat

Durum

For 2020-21, Canadian durum production increased by 32% from 2019-2020 to reach 6.57 million tonnes (Mt). This is attributed to an increase in seeded and harvested area and a 5% improvement in yields. Total supply is estimated at 7.3 Mt, 6% more than last year, and 2% more than average supplies over the last five years.

Exports are moving well to date and forecast to reach a record of 5.4 Mt. Exports continue to be sustained by limited international supplies and strong demand from Europe and North Africa. Domestic use is forecast at 1 Mt because of an increase in food use, while carry out stocks are forecast at 0.9 Mt, up from 2019-2020, but 35% less than the last five year average.

USDA is forecasting US durum production to increase 28% to 2.5 Mt pushing total supply to 5.6 Mt, 2% more than the previous year, but on par with the last five year average. Domestic use is also expected to increase 41% to 3.4 Mt, with an increase in both food and seed use. Exports and ending stocks are both forecast to decline by 29% to about 1.1 Mt respectively.

According to the IGC, world supply is expected to fall this year (-2%) with increased production in North America offset by lower world carry-in stocks and limited production seen in Europe and North Africa. Use is expected to increase slightly (+2%), while carry-out stocks are expected to drop to 7.6 Mt, the lowest since 2014-2015.

The average Canadian crop year producer price for Saskatchewan No. 1 Canadian Western Amber Durum (CWAD) 13% protein is forecast at \$280/t, \$5/t more than last month, underpinned by strong international demand.

For 2021-22, the area seeded to durum in Canada is forecast to increase by 6% from 2020-21 thanks to strong pricing. Supply is projected to remain relatively on par with current volume as yields return to average levels. Exports are expected to fall while feed use and dockage are forecast to remain

stable, close to 2020-21 levels. Carry out stocks are forecast to return to average levels at 1.3 Mt.

World durum supply and production is forecast to increase in 2021-22 with an increase in seeded area globally and a return to average yields in Europe and North Africa. Use is expected to be stable as higher food use is offset by lower feed use.

The average Canadian crop year producer price for durum is forecast to decline over 2021-2022, due to higher production at the world, Canadian and US levels.

Wheat (excluding durum)

For 2020-21, Canadian wheat production is estimated at 28.6 Mt, 4.5% more than in 2019-2020, due to record yields more-than offsetting the lower seeded and harvested area. This year's yield was 3.71 t/acre, an improvement of 5% over average yields since 2015-2016. Total supply is forecast at 33.5 Mt with winter wheat estimated at 2.77 Mt, and spring wheat estimated at 25.8 Mt, 0.4% less than 2019-2020 volumes.

Exports are forecast at 21 Mt, 10% more than the previous year and 18% more than the last five year average, because of strong import demand from China. Domestic use is forecast at 7.2 Mt, with a small increase in food use offset by a reduction in feed use domestically. Carry-out stocks are forecast at 5.3 Mt.

According to the USDA, the global outlook for wheat this month is for smaller supplies, increased exports and tightening stocks. Compared to the December report, overall supply is lowered 1.6 Mt to 1,072.7 Mt on lower production estimates from China (-1.8 Mt) and Argentina (-0.5 Mt).

Trade is forecast 193.8 Mt, with higher exports forecast for Australia, Canada, and the United Kingdom. Demand from China is expected to remain strong with forecasted imports raised 0.5 Mt to 9 Mt, 67% more than volumes imported in 2019-2020.

Global consumption is forecast to increase to 759.5 Mt on higher feed and residual use in China, the United States and Russia. Ending stocks were tightened another 3.3 Mt to 313.2 Mt, with China holding the bulk at 51%. Excluding China, world ending stocks are forecast at 154.3 Mt, 4% more than 2019-2020.

For the US, the January forecasted supply for 2020-2021 remains unchanged at 81 Mt, 5% less than 2019-20, due to a 5% decline in both carry-in stocks and production. Carry-out stocks were tightened 3% to 22.8 Mt, due to an increase in feed use (+25%).

Average Canadian producer prices for Saskatchewan for No. 1 Canadian Western Red Spring (CWRS) 13.5% protein are forecast at \$230/t, up \$5 compared to last month, supported by strong demand by importers.

For 2021-22, Canadian area seeded is forecast to remain relatively stable, as more acres are seeded to durum, due to attractive pricing. Assuming average yields, production is projected to decrease 4.4% to 27.4 Mt and supply is forecast to drop 2% to

32.7 Mt. Exports are expected to return to average volumes seen over the last three years, just under 20 Mt. Domestic use is forecast at 7.7 Mt, with a return to average feed use levels at 4 Mt.

The International Grains Council (IGC) 5 year baseline projections were published on January 11 and are calling for larger production, supplies and ending stocks in 2021-22, underpinned by larger production in Argentina and Europe, and large carry-in stocks in China. On January 12, the USDA reported that the area seeded to winter wheat, the major wheat type in the US, is estimated at over 12.9 million hectares, 5% higher than 2020 and 2% more than in 2018. Assuming average yields, US supply is projected to increase about 3% over 2020-21.

Average Canadian producer prices for wheat for the crop year are forecast at \$235/t, but with downward pressure if projected supplies are realized.

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Coarse Grains

Barley

For 2020-21, barley production in Canada increased by 3% from the previous year to 10.7 million tonnes (Mt), largely due to higher harvested area and better yields, reaching the highest level since 2008-09.

Total supply has reached a ten-year high at 11.8 Mt, due to good production, despite low carry-in stocks. Canadian barley exports, including grain and products, are expected to be 3.5 Mt, 15% higher than last year, based on the current strong export pace. Domestic use is expected to decline slightly on lower feed consumption. Industrial use is expected to recover, but will be lower than the level in 2018-19. Owing to larger supplies, carry-out stocks are expected to rise by 5% from last year, but are still 25% lower than the previous five-year average.

The average price of feed barley for 2020-21 is expected to rise by 6% from 2019-20 to \$245/t as a result of strong demand for exports and domestic use, as well as supportive corn prices.

The United States Department of Agriculture (USDA) estimates that 2020-21 world barley production will remain stable from last year, due to increased barley production in Australia, Canada and Russia offsetting lower barley production in Ukraine, Kazakhstan and Argentina. World carry-out stocks are expected to be up by 3%, with most of the increase being located in Australia and Russia, the major exporting countries, and China, Iran and Saudi Arabia, the major importing countries.

For 2021-22, the area seeded to barley in Canada is forecast to decrease by 7% to 2.9 million hectares (Mha), as strong acreage competition from oilseeds is expected to attract more areas than barley, despite good feed barley prices. Production is forecast to decrease by 12% to 9.5 Mt on forecasts for lower harvested area and yield, using the previous five-year averages. Supply is forecast to drop by 10% to 10.6 Mt due to lower production more-than offsetting the rise in carry-in stocks. Domestic use is anticipated to drop on lower feed use. Exports are expected to fade on anticipation of lower buying

from Canada's major barley importers and lower available domestic surplus. Carry-out stocks are forecast to fall on lower barley supply.

Average price of feed barley for 2021-22 is forecast to increase slightly on forecasts for lower domestic barley supply.

The International Grains Council (IGC) projects world barley production for 2021-22 to decline, which will result in lower total supply, despite higher carry-in stocks. Alongside forecasts for increased consumption, carry-out stocks are project to drop.

Corn

For 2020-21, corn production in Canada rose slightly from the previous year to 13.6 Mt due to better yields, although 2% lower than the previous five-year average.

Corn imports are expected to decrease by 22% due to good feed grain supplies. Total Canadian corn supply for 2020-21 is expected to increase by 1% to 17.8 Mt due to a sharp increase in carry-in stocks and a slight increase in production. Canadian corn exports are expected to increase to 1.4 Mt, versus 677 thousand tonnes (Kt) last year, largely due to expectations for higher exports to the EU. Domestic use is anticipated to decrease by 1% to 14.1 Mt on lower feed use. Carry-out stocks are expected to drop by 10% to 2.3 Mt from the prior-year's record level.

Average price of Chatham corn for 2020-21 is expected to increase by 8% to \$210/t, due to higher US corn prices but partly offset by the appreciation of Canadian dollar.

The USDA lowered the US corn production for 2020-21 from last estimates by 2% on lower yield estimates, although still 4% higher than last year. The demand for all uses was also revised lower, but it is still 4% higher than last year, including increased uses for ethanol production and exports. The US corn carry-out stocks are expected to be seven-year low The marketing-year weighted average

price received by farmers was pegged at US\$4.20 per/ bushel, revised by US\$0.20 per/ bushel higher, resulting in an increase of US\$0.64/bushel from last year.

World corn production estimates for the US, Brazil and Argentina, the major exporting countries, were revised lower, while they were revised higher for China and India. Compared with the previous year, total production is expected to increase by 2% due to higher production estimates for Brazil and the US more than offsetting lower production estimates for Argentina and Ukraine. Demand around the world has been strong and is anticipated to grow by 2% in 2020-21 on higher feed use and industrial use. Total imports are anticipated to rise by 4% to 181 Mt, largely due to strong demand from Asian countries, driven by an increase of 9.9 Mt for China's imports. World carry-out stocks are pegged at a six-year low.

For 2021-22, the area seeded to corn in Canada is forecast to decrease by 3% from 2019-20 to 1.4 Mha, as some corn area is forecast to shift to oilseeds. Production is forecast to decrease by 2% to 13.3 Mt on forecasts for lower harvested area, and imports are expected to increase accordingly. Supply is projected to drop slightly from 2020-21 mainly due to lower carry-in stocks and production. Domestic use is projected to remain the same as the previous year on stable feed use and industrial use. Exports are projected to remain stable. Carry-out stocks are forecast to decrease by 9% to 2.1 Mt.

The average price of corn for 2021-22 is forecast to remain the same as the previous year, due to the expected higher US corn price offset by the appreciation of Canadian dollar.

According to the IGC, world corn production for 2021-22 is projected to increase by 40 Mt to 1,184 Mt on higher production in the world major exporting countries, as well as in China and the EU. Demand around the world continues to grow and world carry-out stocks continue to drop.

Oats

For 2020-21, oat production in Canada increased by 8% from the previous year to 4.6 Mt, largely due to higher harvested area and better yields.

Total supply is expected to increase to the third highest level on record, largely due to increased production. Canadian oat exports, including grain and products, are expected to be 2.8 Mt, 6% higher than last year. Total domestic use is expected to rise, largely on higher feed use. Carry-out stocks are expected to increase from 426 Kt last year to 600 Kt.

The Chicago Board of Trade (CBOT) oat futures price for 2020-21 is expected to be \$270/t, close to the level of the previous year, underpinned by strong demand, despite ample supplies in Canada, the US and the world's major exporting countries.

The 2020-21 oat production in the world's main oat producing countries, including Australia and the EU, is estimated to increase. Total demand is also expected to increase. Total carry-out stocks are anticipated to increase by 35% from last year; most of the increase is in the major exporting countries and the US.

For 2021-22, the area seeded to oats in Canada is forecast to decrease by 11%, approaching 1.4 Mha, as strong acreage competition from oilseeds is expected to attract more areas than oats, despite good oat prices. Production is forecast to decrease by 16% to 3.9 Mt on forecasts for lower harvested area and yield using the previous five-year averages. Supply is forecast to drop by 11% to 4.5 Mt due to lower production more-than offsetting the rise in carry-in stocks. Domestic use is anticipated to fall on lower feed use. Exports are expected to fade due to expectations for increased global supplies and a decrease in the available domestic surplus. Carry-out stocks are forecast to fall on lower oat supply.

Average price of oats for 2021-22 is forecast to increase slightly on forecasts for lower North American oat supply.

The IGC projects stable world oat production for 2021-22, alongside higher carry-in stocks, resulting in increased total supply. Demand is forecast to rise, but the increase is lower than that in total supply, leading to higher carry-out stocks.

Rye

For 2020-21, rye production in Canada increased by 46% from last year to 488 Kt due to the good output across Canada; it is the highest level in three decades. Supply is expected to increase by 37% from last year to 530 Kt, the highest since 2006.

Exports are estimated to fall by 21% to 130 Kt, based on the current export pace. Domestic feed use is expected to increase significantly due to relatively cheap prices and good supplies. Carry-out stocks are projected to rise sharply due to bumper supplies. Rye prices are expected to fall by 17% from 2019-20, due to ample supplies in Canada, the US and around the world.

For 2021-22, the area seeded to fall rye in Canada increased to 240 thousand hectares (Kha), versus 237 Kha for a year ago. It is also the highest level

since 2006-07, combined with trending higher yield, which might result in production and total supply at record levels in thirty years. Domestic use is anticipated to increase due to ample supply and expectations for increased feed use. Carry-out stocks are forecast to increase due to plentiful supply. Average price of rye for 2021-22 is forecast to decrease on forecasts for larger supply.

The IGC projects a slight lower world rye production for 2021-22, alongside higher carry-in stocks, resulting in a slight increase in total supply. Demand is forecast to have a stable increase and carry-out stocks are projected to remain unchanged.

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Oilseeds

Canola

For 2020-21, the situation for canola has tightened significantly from last year with supplies falling by 9%, to 22.0 million tonnes (Mt), resulting from a 29% decline in carry-in stocks and a 5% drop in production. Demand for Canadian canola remains strong on support from sharply higher world oilseed, vegetable oil and protein meal prices, supported in turn by aggressive Chinese buying as that country rebuilds its hog herd.

The combination of tighter supplies and strong demand is supporting a sharp price rally resulting in the rationing of demand for Canadian canola. Domestic processing of canola is estimated down by 6% from last year, to 9.5 Mt. Uncertainty over this estimate is higher than usual based on mixed data for the crush pace to date, with the CGC showing a sharp drop in domestic disappearance for the crop year to date, while Statistics Canada shows a 5% rise in canola crush for the Aug-Nov 2020 period versus the same period last year. The crush pace will be closely monitored and the forecasts adjusted as the crop year advances.

Canadian exports are forecast up 7% from last year, to 10.9 Mt, the second highest level on record. This forecast is supported by the aggressive export pace for the first 5 months of the crop year, which saw exports through licensed facilities rise by 38%, to 5.1 Mt, on support from strong Chinese, European Union, Japanese, United Arab Emirate and Mexican buying. Carry-out stocks are forecast to fall by 62% from last year, to a historically tight 1.2 Mt, for a stock-to-use ratio of 6% versus 15% in 2019-20 and the 5 year average of 14%. Canola prices are estimated at \$635/t versus \$484/t last year and the 5 year average of \$511/t.

For 2021-22, seeded area in Canada is forecast to increase by 3%, to 8.7 million hectares (Mha), as farmers expand canola area at the expense of coarse grains. Harvested area is forecast at 8.6 Mha while yields are projected at 2.31 tonnes per hectare (t/ha), up from the 2.25 t/ha achieved in 2020-21. Production is forecast to rise by 6% to 19.9 Mt, the third highest level on record. Total supply is forecast

to fall slightly to 21.2 Mt as sharply lower carry-in stocks more-than offset the rise in production.

Exports are forecast to fall by 5% to 10.4 Mt, as tighter domestic supplies limit Canada's ability to serve the strong world demand for vegetable oils and protein meals. Domestic crush is forecast to remain stable at 9.5 Mt while carry-out stocks fall by 17% to a very tight 1.0 Mt for a stock-to-use ratio of 5%. Canola prices are forecast at \$600/t, track Vancouver.

The accuracy of the 2021-22 hinges on a few key factors, the first being the strength of Chinese import demand for oilseeds and oilseed products. This forecast assumes stable Chinese buying for the upcoming crop year, however in the past, China's import pace for oilseeds has been volatile with buying decisions determined by non-commercial decisions opaque to the marketplace. The strength of Chinese demand will continue to be monitored closely and the forecast adjusted accordingly if market conditions change.

Other factors affecting the canola outlook are soybean planting intentions and expected yields for both North and South America. Although plantings are expected to increase sharply, supplies are expected to remain tight for both continents. Summer weather conditions across the European Union will also affect the accuracy of the canola forecast; hot and dry weather for the past two summers constrained yields and tightened supplies across one of the world's key canola growing regions. Normal weather is assumed for 2020-21 but a return to hot and dry conditions could negatively impact the European crop and support Canadian prices. Brexit is assumed to have a negligible impact on Canadian canola prices at this time.

Flaxseed

For 2020-21, supplies are estimated up 15%, to 0.65 Mt, versus 0.57 Mt last year, as the result of higher production and marginally higher carry-in stocks. Exports are forecast to increase by about 43%, to 0.5 Mt due to the combination of strong European buying, as the EU's traditional supplier,

Kazakhstan switches to supplying China instead. Conversely, total domestic use is forecast to fall by 67%, to 51,600 t, on sharply lower feed waste and dockage. Carry-out stocks are forecast to rise by 57% to 0.1 Mt while flaxseed prices rally sharply to \$665/t, versus \$518/t in 2019-20 and the 5 year average of \$477/t.

For 2021-22, the area seeded to flaxseed in Canada is forecast to rise by 22% to a five-year high of 0.46 Mha, on support from the 28% rally in prices in 2020-21. The shift into flaxseed area is expected to be limited by agronomic factors, such as low spring soil moisture, and by competition for crop area from alternate crops, such as lentils. Flaxseed production is forecast at 0.68 Mt, assuming an area loss of 2% prior to harvest and five year average yields of 1.5 t/ha. Total supply is forecast to increase by 20%, to 0.79 Mt, based on a 57% rise in carry-in stocks combined with the expected increase in output.

Exports are forecast to remain stable with 2020-21 levels, at 0.50 Mt, on steady to stronger Chinese, European and United States consumption. Total domestic use is forecast to rise by about 113% to 0.11 Mt, on higher feed, waste and dockage. Carry-out stocks are forecast to increase by 75% to 0.18 Mt. Flaxseed prices are forecast to decline by 17% to \$550/t for 2021-22.

Soybeans

For 2020-21, domestic supplies of soybeans are estimated up 5% from last year, to 7.5 Mt, versus 7.1 Mt last year, as a result of a marginal increase in carry-in stocks and a 3%, or 0.2 Mt, increase in production. Soybean imports are estimated up slightly to 0.4 Mt for the current crop year compared to the 0.24 Mt imported for 2019-20.

Canadian exports of soybeans are estimated up by 23%, to 4.4 Mt for the current crop year, on support from strong world demand and higher domestic supplies. Domestic processing of soybeans are forecast to increase by 9% from last year's pace to a historically normal 1.9 Mt, on support from strong crush margins and strong demand for vegetable oils. Soybean prices are estimated to increase by 30%, to \$545/t, for the current crop year versus the simple average of \$420/t earned in 2019-20.

The January 2021 release of the USDA's WASDE projects world production of soybeans at 361 Mt, up from the 336 Mt grown in 2019-20 and similar to 361 Mt produced in 2018-19. World supplies of soybeans are predicted at 456 Mt, a 2% rise from last year as tighter beginning stocks moderate the rise in output. World domestic use of soybeans is estimated at 370 Mt, an increase of 4% from last year. Of this, domestic crush is forecast to rise by 4%, to 322 Mt, with the largest gains occurring in China, up 41% to 129 Mt. World trade is expected to reach 169 Mt, an increase of 3% from last year, while ending stocks fall to 84 Mt from 95 Mt in 2019-20.

The factors to watch for the rest of the crop year are: (1) strength of Chinese buying, (2) Argentine logistic issues, including a possible port strike, (3) South American growing conditions and (4) US planting intentions for 2021-22.

For 2021-22, planted area in Canada is forecast to rise by 12% to 2.3 Mha, on support from high prices with area gains limited by concerns over low sub soil moisture, short growing season in western Canada and attractive prices for competing crops. Assuming 5-year average yields, production is forecast at 6.6 Mt, versus 6.4 Mt in 2020-21 and 6.1 Mt grown in 2019-20.

Total supply is forecast to increase to 7.7 Mt as the rise in production and slightly higher imports more than offset the estimated drop in carry-in stocks. Exports are forecast to increase by 14% to 5.0 Mt with shipments headed to a diverse group of countries. Domestic processing is forecast stable at 1.9 Mt from last year. Carry-out stocks are forecast to fall nearly in half to 0.33 Mt versus the 0.60 Mt estimated for 2020-21 and the 5 year average of 0.61 Mt.

Soybean prices are forecast to fall by \$45/t to \$500/t, on an expected easing of US prices and a stable Canadian-US dollar exchange rate.

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Pulse and Special Crops

Dry peas

For 2020-21, Canadian dry pea exports for the August to November period were 1.5 million tonnes (Mt), 11% higher than for the same period last year. China imported the largest portion to-date at 1.2 Mt. The leading export market, after China, is Bangladesh and the US. Total Canadian dry pea exports for the crop year are forecast to rise marginally to 3.8 Mt due to higher export demand from China.

Canadian dry pea supply is estimated to rise by 6% as higher production is partly offset by lower carry-in stocks. With the higher supply, carry-out stocks are expected to rise but continue to be supportive for prices throughout 2020-21. The average price is expected to be 19% higher than 2019-20, mostly due to higher prices for yellow and feed peas with lower prices for green peas. Green pea prices are expected to maintain a premium of \$35/t over yellow peas for the crop year, compared to the \$115/t premium green peas had over yellow peas last year.

US dry pea production is estimated by the USDA at nearly 1.0 Mt, down 2% from 2019-20. This was largely due to lower seeded area and higher yields. As a result, Canadian dry pea exports to the US are forecast to be just over 0.1 Mt in 2020-21, similar to the previous year.

For 2021-22, seeded area is forecast to rise marginally from 2020-21 to a near record 1.75 million hectares (Mha), because of good returns relative to other crops. Dry peas continue to be recognized as a beneficial part of a crop rotation plan. Production is expected to fall marginally to 4.4 Mt, with an expectation of trend yields. Supply is forecast to rise marginally to 4.9 Mt due to larger carry-in stocks. With the tariff in India expected to remain, exports to other countries are expected to be marginally lower than 2020-21 and carry-out stocks are expected to rise. The average price is expected to be lower than 2020-21, due to lower pea prices and ample world supply.

Lentils

For 2020-21, Canadian lentil exports for the August to November period totaled 1.0 Mt, 53% more than the amount exported during the same period in 2019. India imported the largest portion to-date at just under 0.4 Mt. The leading export market, after India, is Turkey, followed by the United Arab Emirates. Total Canadian lentil exports for 2020-21 are forecast to fall marginally to 2.8 Mt, with the lentil import duties imposed by India. The supply of lentils in Canada is estimated to be marginally lower than last year as lower carry-in stocks were partly offset by the higher production. With the marginally lower supply and a decrease in exports, this is expected to lead to marginally lower carry-out stocks for the end of the 2020-21 crop year.

The overall average price range is forecast to rise by 24% from last year to \$600/t. Stronger prices for all lentil types have combined with an average grade distribution. As a result, there have been lower discounts for the lower grades for all green lentil types. Prices for No.1 large green lentils are expected to maintain a premium of \$145/t above the price of No.1 red lentils over the crop year, compared to a \$105/t premium in 2019-20.

US lentil production is estimated at 336 thousand tonnes (Kt), up 40% from the previous year. As a result, Canadian lentil exports to the US are forecast at 60 Kt for 2020-21, similar to the previous year.

For 2021-22, seeded area in Canada is expected to rise by 5% to 1.8 Mha, due to strong prices for the No.1 grades in the previous year. Production is forecast to fall marginally to 2.85 Mt. With lower carry-in stocks, supply is expected to fall marginally to 3.1 Mt. Exports are forecast to fall from 2020-21 to 2.7 Mt with a smaller exportable supply. Carry-out stocks are expected to rise to 200 kt. With the assumption of an average grade distribution and grade discounts, the overall lentil price is forecast to fall from 2020-21.

Dry beans

For 2020-21, exports are forecast to be marginally higher than last year. The EU and the US are forecast to remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Mexico. With the record supply, carry-out stocks are expected to rise sharply from the previous year. The average Canadian dry bean price is forecast to decrease by 17%, due to higher production and supply in North America.

US total dry bean production (excluding chickpeas) is estimated by the USDA at a record 1.5 Mt, up 59% from 2020-21. US dry bean production was higher for all bean types, particularly of white pea and pinto bean type production, which increased sharply. This and a stronger Canadian dollar compared to the previous year is expected to continue to limit Canadian dry bean prices for 2020-21.

For 2021-22, the area seeded is forecast to be lower than 2020-21, because of favorable potential returns for other crops, particularly soybeans and corn. Production is expected to decrease to 0.36 Mt due to lower area and expected yields. Supply is expected to be higher at 0.6 Mt due to the higher carry-in stocks. Exports are forecast to be unchanged from 2020-21. Carry-out stocks are expected to be higher than the previous year. The average Canadian dry bean price is forecast to be similar to the previous year due to expectations for unchanged North American supply.

Chickpeas

For 2020-21, exports are forecast to be unchanged from 2019-20. The US and Pakistan have been the main markets for Canadian chickpeas to-date. Carry-out stocks are expected to rise to record levels. The average price is forecast to rise, due to strong world demand and lower carry-out stocks.

US chickpea production is estimated by USDA to fall to 194 Kt, down 32% from 2019-20, largely due to lower area.

For 2021-22, the area seeded is forecast to fall from 2020-21 because of expectations for lower returns relative to other pulse crops. As a result, production

is expected to decrease by 21% to 170 kt. Supply is expected to increase marginally from last year as the lower production is partly offset by large carry-in stocks. Exports are forecast to be higher than the previous year and carry-out stocks are expected to rise and remain burdensome. The average price is forecast to be lower than 2020-21 due to expectations for an increase in world supply and therefore a decrease in world demand.

Mustard seed

For 2020-21, exports are expected to be marginally lower than 2019-20 at 110 Kt, but carry-out stocks are forecast to fall due to lower supply. The US and the EU are expected to remain the main export markets for Canadian mustard seed. As a result of the decrease in stocks, the average price is forecast to rise by 16% from the levels observed in 2019-20.

For 2021-22, the area seeded is expected to rise due to improved returns from the previous year. Production is forecast to rise to 145 Kt due to higher area. Supply is expected to rise only slightly due to the lower carry-in stocks. Exports are expected to be higher at 115 Kt and carry-out stocks are forecast to tighten from the previous year. The average price is forecast to be marginally lower when compared to 2020-21.

Canary seed

For 2020-21, exports are expected to be similar to the previous year. The EU and Mexico are forecast to remain the main export markets, followed by South America, particularly Brazil and Columbia. Carry-out stocks are expected to tighten. As a result, the average price is forecast to increase from the 2019-20 level.

For 2021-22, the area seeded is forecast to be higher than the previous year due to good potential returns compared to other crops. Production is expected to be higher due to increased area and trend yields, but supply is forecast to be relatively unchanged. Exports are expected to be similar to 2020-21 and carry-out stocks are expected to remain tight. The average price is forecast to be lower than the previous year.

Sunflower seed

For 2020-21, exports are forecast to be marginally higher compared to the previous year, but carry-out stocks are expected to rise by 34%. To-date, the US has remained Canada's main export market for sunflower seed. The average price is forecast to fall by 8% from 2019-20 due to lower prices for oilseed types grown in Canada this year.

For the US, sunflower seed production is estimated by the USDA to have risen by 53% to 1.35 Mt, largely due to record yields. About 1.2 Mt of the US sunflower seed crop is estimated to be oilseed types, higher than the previous year. US confectionery type production nearly doubled this year to over 150 kt.

For 2020-21, the global supply of sunflower seed is estimated by the USDA at 55 Mt. This is 9% lower than the record supply of last year. World exports

are expected to decrease to 2.9 Mt and domestic use is expected to fall to 50 Mt. Despite this, world carry out stocks are expected to fall by 28% to 1.8 Mt, the lowest since 2002-03.

For 2021-22, the area seeded is projected to be 10 thousand hectares lower than 2020-21 due to expectations for lower returns compared to competing crops. Production is forecast to fall to 75 Kt, assuming trend yields. Supply, however, is expected to increase to 240 kt. Exports are expected to be unchanged from the previous year at 40 Kt and carry-out stocks are forecast to rise for the third consecutive year. The average price is forecast to be higher than 2020-21 with higher oil type prices, but similar confectionary type prices in Canada.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

January 25, 2021

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested	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												
2019-2020	1,980	1,902	2.62	4,977	96	6,906	5,344	216	388	825	737	270
2020-2021f	2,302	2,295	2.86	6,571	30	7,338	5,400	230	534	988	950	280
2021-2022f	2,430	2,369	2.66	6,298	25	7,273	5,000	215	535	973	1,300	270
Wheat Except Durum												
2019-2020	8,145	7,754	3.53	27,371	179	31,758	19,128	3,363	3,687	7,868	4,763	225
2020-2021f	7,892	7,723	3.71	28,616	100	33,479	21,000	3,375	2,987	7,179	5,300	230
2021-2022f	7,902	7,650	3.60	27,353	100	32,753	20,000	3,200	3,600	7,753	5,000	235
All Wheat												
2019-2020	10,125	9,656	3.35	32,348	275	38,664	24,471	3,578	4,075	8,694	5,499	
2020-2021f	10,194	10,018	3.51	35,187	130	40,816	26,400	3,605	3,520	8,166	6,250	
2021-2022f	10,332	10,019	3.36	33,651	125	40,026	25,000	3,415	4,135	8,726	6,300	
Barley												
2019-2020	2,996	2,728	3.81	10,383	63	11,308	3,054	277	6,759	7,298	957	232
2020-2021f	3,060	2,809	3.82	10,741	60	11,757	3,500	298	6,719	7,257	1,000	245
2021-2022f	2,855	2,550	3.73	9,500	60	10,560	3,000	318	6,091	6,660	900	250
Corn												
2019-2020	1,496	1,451	9.24	13,404	2,184	17,568	677	5,303	9,012	14,331	2,560	195
2020-2021f	1,440	1,402	9.67	13,563	1,700	17,823	1,400	5,300	8,808	14,123	2,300	210
2021-2022f	1,400	1,362	9.77	13,308	2,000	17,608	1,400	5,300	8,792	14,108	2,100	210
Oats												
2019-2020	1,459	1,171	3.61	4,227	13	4,637	2,615	143	1,324	1,597	426	274
2020-2021f	1,554	1,245	3.62	4,576	14	5,015	2,770	140	1,390	1,645	600	270
2021-2022f	1,379	1,114	3.46	3,852	15	4,467	2,500	140	1,205	1,467	500	275
Rye												
2019-2020	175	103	3.25	333	3	386	165	19	140	180	40	210
2020-2021f	237	146	3.34	488	2	530	130	24	255	299	100	175
2021-2022f	240	159	3.21	510	2	612	130	24	290	332	150	170
Mixed Grains												
2019-2020	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021f	166	67	3.49	233	0	233	0	0	233	233	0	
2021-2022f	148	69	2.74	188	0	188	0	0	188	188	0	
Total Coarse Grains												
2019-2020	6,271	5,520	5.17	28,539	2,264	34,091	6,510	5,743	17,427	23,598	3,982	
2020-2021f	6,457	5,669	5.22	29,601	1,776	35,358	7,800	5,762	17,405	23,558	4,000	
2021-2022f	6,022	5,254	5.21	27,358	2,077	33,435	7,030	5,782	16,567	22,755	3,650	
Canola												
2019-2020	8,481	8,456	2.32	19,607	155	24,197	10,170	10,129	707	10,897	3,131	484
2020-2021f	8,410	8,320	2.25	18,720	100	21,950	10,900	9,500	290	9,850	1,200	635
2021-2022f	8,650	8,598	2.31	19,900	100	21,200	10,400	9,500	249	9,800	1,000	600
Flaxseed												
2019-2020	379	339	1.43	486	21	567	350	N/A	138	154	64	518
2020-2021f	377	371	1.56	578	10	652	500	N/A	32	52	100	665
2021-2022f	460	449	1.50	675	10	785	500	N/A	90	110	175	550
Soybeans												
2019-2020	2,313	2,271	2.71	6,145	242	7,093	3,576	1,742	841	2,796	721	419
2020-2021f	2,052	2,041	3.12	6,359	400	7,480	4,400	1,900	380	2,480	600	545
2021-2022f	2,300	2,292	2.88	6,600	500	7,700	5,000	1,900	275	2,375	325	500
Total Oilseeds												
2019-2020	11,172	11,066	2.37	26,238	418	31,857	14,095	11,871	1,685	13,847	3,915	
2020-2021f	10,839	10,732	2.39	25,656	510	30,081	15,800	11,400	701	12,381	1,900	
2021-2022f	11,410	11,339	2.40	27,175	610	29,685	15,900	11,400	614	12,285	1,500	
Total Grains And Oilseeds												
2019-2020	27,568	26,242	3.32	87,125	2,957	104,611	45,077	21,192	23,188	46,138	13,397	
2020-2021f	27,490	26,419	3.42	90,444	2,416	106,256	50,000	20,767	21,626	44,106	12,150	
2021-2022f	27,764	26,612	3.31	88,184	2,812	103,146	47,930	20,597	21,316	43,766	11,450	

(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: forecasts by AAFC except for area, yield and production for 2020-2021 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

January 25, 2021

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
Dry Peas											
2019-2020	1,753	1,711	2.48	4,237	82	4,630	3,781	616	233	5%	265
2020-2021f	1,722	1,685	2.73	4,594	90	4,917	3,800	667	450	10%	315
2021-2022f	1,750	1,715	2.57	4,400	80	4,930	3,700	730	500	11%	285
Lentils											
2019-2020	1,530	1,489	1.60	2,382	90	3,327	2,861	258	209	7%	485
2020-2021f	1,713	1,705	1.68	2,868	95	3,172	2,800	197	175	6%	600
2021-2022f	1,800	1,775	1.61	2,850	75	3,100	2,700	200	200	7%	585
Dry Beans											
2019-2020	160	150	2.11	317	75	442	361	56	25	6%	985
2020-2021f	185	183	2.68	490	70	585	365	55	165	39%	820
2021-2022f	160	154	2.31	355	75	595	365	55	175	42%	825
Chickpeas											
2019-2020	159	156	1.61	252	48	439	105	85	250	132%	490
2020-2021f	121	120	1.79	214	45	509	105	84	320	169%	570
2021-2022f	100	97	1.75	170	50	540	125	85	330	157%	545
Mustard Seed											
2019-2020	161	155	0.87	135	7	214	113	41	61	39%	700
2020-2021f	104	101	0.98	99	7	166	110	41	15	10%	810
2021-2022f	160	155	0.94	145	8	168	115	43	10	6%	800
Canary Seed											
2019-2020	118	115	1.52	175	0	186	161	9	15	9%	630
2020-2021f	111	110	1.46	161	0	176	160	11	5	3%	650
2021-2022f	120	117	1.45	170	0	175	160	10	5	3%	615
Sunflower Seed											
2019-2020	31	29	2.18	63	26	186	37	44	104	128%	620
2020-2021f	45	45	2.25	101	26	232	40	52	140	153%	570
2021-2022f	35	34	2.21	75	25	240	40	50	150	167%	585
Total Pulses and Special Crops (c)											
2019-2020	3,911	3,804	1.99	7,559	327	9,424	7,418	1,109	897	11	
2020-2021f	4,000	3,949	2.16	8,527	333	9,757	7,380	1,107	1,270	15	
2021-2022f	4,125	4,047	2.02	8,165	313	9,748	7,205	1,173	1,370	16	

(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: forecasts by AAFC except for area, yield and production for 2020-2021 which are STC