

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

October 20, 2021

**Market Analysis Group / Crops and Horticulture Division
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This report is an update of Agriculture and Agri Food Canada's (AAFC) September outlook report for the 2020-21 crop year, which has ended for all crops, and provides the outlook for the 2021-22 crop year. For most crops in Canada, the crop year started on August 1 and ends on July 31, although for corn and soybeans, the crop year started on September 1 and ends on August 31. The economic outlook, for the world and Canadian grain markets, is expected to be affected by the domestic and international uncertainty caused by COVID-19, rising energy prices as well as increased fertilizer and transportation costs.

For the 2020-21 crop year, the report provides the final estimates for all crops, incorporating information from Statistics Canada's (STC) October 5, 2021 report on the supply and disposition of soybeans and corn. Total field crop production attained a record level, however record exports resulted in total carry-out stocks (year-end inventories) for all principal field crops to decline to their lowest level in eight years.

For the 2021-2022 crop year, the outlook incorporates yield estimates from STC's September 14, 2021 report, which are based on a model that incorporates coarse resolution satellite data from STC's Crop Condition Assessment Program, data from STC's field crop reporting series, and agro-climatic data. Drought in Western Canada resulted in an early harvest and an estimated 40% decline in total field crop production. Early indications from the Canadian Grain Commission Harvest Survey Program are of generally good quality grain. In Eastern Canada, the corn and soybean harvest is not expected to be complete until early November. Crop production in Eastern Canada is estimated to have risen slightly due to favorable growing conditions. For all principal field crops, a low level of carry-in stocks (beginning year inventories) combined with drought-reduced production results in a significant decline in total supplies, which more-than offsets a sharp decline in exports and leads to a further tightening of carry-out stocks to record low levels. Grain prices in Canada are forecast to stay relatively strong as tight Canadian supplies, more comfortable but still relatively tight global grain supplies and strong international demand provide support.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on November 19, 2021. STC publishes its final principal field crop production estimates for the year on December 3, 2021, based on a survey in November of approximately 28,600 farmers across Canada.

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	27,660	26,263	3.34	87,752	2,643	104,919	44,827	46,491	13,601
2020-2021	27,491	26,536	3.44	91,205	2,619	107,424	51,041	44,950	11,434
2021-2022f	27,691	26,453	2.47	65,379	3,952	80,765	32,365	41,470	6,930
Total Pulse And Special Crops									
2019-2020	3,912	3,804	1.99	7,559	328	9,425	7,219	1,311	896
2020-2021	4,000	3,949	2.16	8,545	344	9,784	6,771	1,547	1,467
2021-2022f	3,827	3,744	1.34	5,005	317	6,788	5,000	1,343	445
All Principal Field Crops									
2019-2020	31,571	30,067	3.17	95,312	2,972	114,344	52,046	47,802	14,497
2020-2021	31,491	30,485	3.27	99,750	2,962	117,209	57,812	46,496	12,901
2021-2022f	31,518	30,197	2.33	70,384	4,269	87,553	37,365	42,813	7,375

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

f: forecasts by AAFC except for area, yield and production for 2021-2022 which are STC

All Wheat

Durum

For 2020-21, according to STC, Canadian durum supply increased 5% year over year (y/y) to 7.3 million tonnes (Mt); exports reached a record 5.8 Mt and carry-out stocks are reported at a tight level of 0.75 Mt.

For 2021-22, STC estimates production of durum at 3.5 Mt, down 46% compared to the previous year as the 3% lower seeded area and higher abandonment are compounded by below-average yields due to the severe drought across the Prairies. Yields are projected at 1.62 t/ha, down from 2.86 t/ha one year prior. Over the last five years, durum yields have averaged 2.7 t/ha. Total supply is forecast at 4.3 Mt due to both lower yields and carry in stocks.

The durum harvest is virtually complete. Early harvest quality reports, released by the Canadian Grain Commission, show the bulk of durum is testing within the top two grades, with protein content averaging 15.7% for CWAD 1 and 15.9% for CWAD 2. As of October 4th, 512 durum samples have been tested.

Exports are expected to decline 46% to 3.1 Mt due to the short supply, but maintaining an export program of 70% of supply as farmers fill prior contracts and take advantage of strong pricing. Over the last five years, about 60% of the durum supply was exported to international destinations, primarily Italy and North Africa. Domestic use is pegged at 0.77 Mt, and carry-out stocks at 0.45 Mt, the lowest level on record.

World durum production is estimated by the International Grains Council to fall by 6% to 31.9 Mt, with total supply decreasing to 40 Mt, from 42.4 Mt one year prior. Use is also expected to fall, but not by the same extent, leading to excess demand on the global markets. Total use is projected at 33.8 Mt, down 2% y/y. Trade is downgraded to 6.2 Mt, down 23% compared to the previous year, due to a significant decline in exports from both Canada and the USA as a result of their supply shortage. Carry-out stocks are forecast to fall 23% to 6.2 Mt, the lowest in 14 years. In their September 30, Small

Grains Summary report, the USDA revised their durum production forecast down 85% to 1.01 Mt.

Pricing for durum has broken historical records sustained by short world supplies and quality concerns. The 2021-22 average price for CWAD 1 13% is pegged at \$550/tonne, with continued upward pressure if strong world demand is maintained.

Wheat (excluding durum)

For 2020-21, according to STC, Canadian wheat supply increased 4% y/y to 33.5 Mt; exports reached 20.6 Mt, and carry-out stocks are reported at 4.95 Mt. Stocks-to-use ratio for all wheat is pegged at 17%, in line with the last five-year average.

For 2021-22, STC estimates production of wheat (ex-durum) at 18.2 Mt, down 36% compared to 2020-21 and 31% below the last five-year average, as lower seeded area and higher abandonment are compounded by low yields caused by the drought conditions during the growing season. Yields for all wheat are projected at 2.6 t/ha, down 30% y/y. The average yield over the last five years is 3.6 t/ha. Factoring in low carry-in stocks, total supply is projected at 23.3 Mt, down 30% year on year.

Compared to last month's report, wheat (ex-durum) exports were revised upwards as the CGC's harvest quality reports start to come in. As of October 4, the CGC's preliminary harvest results show that the majority of CWRS samples are rated within the top 2 grades, with higher-than-average protein content, which could encourage additional exports in order to take advantage of strong pricing both in Canada and abroad. Exports are now pegged at 13 Mt; domestic use is projected at 7.3 Mt, down 7% compared to the previous year; and carry-out stocks at 3 Mt, the lowest on record.

The world wheat market is in a state of significant volatility with the supply shortages in key exporting nations leading to extreme price volatility in world markets. In addition, the increase in input prices, supply chain disruptions, as evidenced recently by hurricane Irma, coupled with rising freight charges

and speculation on the Russian export tax could further limit supplies available to importing nations. The 2021-22 forecasted average price for CWRS 1 13.5% is currently pegged at \$350/tonne with upward pressure until the outcome of the southern

hemisphere crop is known.

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Coarse Grains

Barley

For 2020-21, Canada exported 4.57 million tonnes (Mt) of barley, up 50% from 2019-20 and 45% from the previous five-year average, reaching the highest in recent three decades. Barley imports for 2020-21 increased to 0.30 Mt, up sharply from last year, reaching a record high.

Total domestic use, at 6.71 Mt, was down 9% from last year on a decline in feed use, although industrial use picked up. Carry-out stocks fell sharply from last crop year to 0.71 Mt, the lowest level on record. The stocks-to-use ratio is pegged at 6%, versus around 19% in normal years.

The 2020-21 average feed barley price in Lethbridge area was finalized at \$294/t, up from 2019-20 and reaching a record high.

For 2021-22, Canadian barley supply is projected at 8.00 Mt, down sharply from 2020-21 and reaching a record low, primarily due to production issues in Canada's Prairie provinces, as well as record low carry-in stocks. As a result, demand, including for domestic feed consumption and exports will be sharply down.

The average price of feed barley for 2021-22 is predicted to increase sharply from 2020-21, supported by tight carry-in stocks, significant new crop production problems and stronger prices of other grains.

Globally, 2021 barley production in major exporting countries is expected to decline, with the exception of Argentina with an increase of 0.30 Mt and Ukraine with an increase of more than 2.55 Mt. Demand of barley for feed use is expected to drop worldwide, mainly due to record corn production expected around the world. World barley trade for 2021-2022 is predicted to decline on lower import projections for China due to its expected bumper corn production. World ending stocks are expected to decrease to their lowest level since 1983-84.

Corn

For 2020-21, corn imports totaled 1.51 Mt, a decrease of 18% from 2019-20, due to lower purchases of US corn. Of the total, about 43% was destined to Eastern Canada and 57% to Western Canada.

Corn exports for 2020-21 totaled 1.41 Mt, increasing from 0.68 Mt last year, due to the pickup in exports to Europe from Eastern Canada. Of the total, about 97% were from Eastern Canada and 3% from Western Canada.

Domestic use for 2020-21 edged up on slightly higher food and industrial use, as feed use was virtually unchanged. Carry-out stocks fell by 15% from the record high in the previous year.

The average price of Chatham corn for 2020-21, at \$272/t, increased by 39% from 2019-20, partly underpinned by stronger demand and higher US corn prices.

The 2020-21 US corn carry-out stocks were finalized by the USDA at 1,236 million bushels (Mbu), up 49.0 Mbu from the previous estimate, which, combined with a cut of 71.0 Mbu for the 2020 US corn for grain production, indicates lower than expected demand for 2020-21 (lowered feed and residual use). The marketing-year weighted average price received by farmers was pegged at US\$4.53/bu, up from US\$4.45/bu for the September estimate.

For 2021-22, Canadian corn supply is projected at 19.54 Mt, up sharply from 2020-21 and reaching a record high, primarily due to estimates for a bumper corn crop in Eastern Canada, as well as a sharp increase in expected imports from Western Canada. Domestic use is projected to increase mainly due to higher volume in feed, waste and dockage. Exports and carry-out stocks are predicted to decrease slightly from 2020-21.

Following the forecast for a surge in the 2021-22 US corn price, the 2021-22 corn price in the Chatham region is expected to remain strong.

According to the USDA's October supply and demand report, the revisions for 2021-22 global corn supply and demand include: higher beginning stocks, production and ending stocks, as well as lowered feed use, relative to the September projections.

For the US, the projections for 2021-22 corn yield, production, beginning stocks, supply, exports and ending stocks were revised up by the USDA from its September projections, while feed and residual use was revised down. The season-average farm price was unchanged at US\$5.45/bu, up from US\$4.53/bu for 2020-21.

Oats

For 2020-21, Canada exported 2.93 Mt of oats, up 12% from 2019-20 and 15% from the previous five-year average, reaching the highest level on record.

Total domestic use for 2020-21 decreased by 10% from last year, mainly due to lower feed use. Carry-out stocks increased by 55% to 0.66 Mt, close to the previous five-year average.

The 2020-21 average Chicago Board of Trade (CBOT) oat futures price sat at \$301/t, a 10% increase from 2019-20, making it the highest on record.

For 2021-22, Canadian oat supply is projected at 3.25 Mt, down 35% from 2020-21 and 28% from the previous five-year average. This is primarily due to production issues in Canada's Prairie provinces, despite carry-in stocks at a normal level. Accordingly, total demand, including exports and domestic use, is anticipated to drop sharply. Carry-out stocks are expected to be close to a record low.

The average price of oats for 2021-2022 is forecast to increase significantly due to severe new crop production problems in North America and stronger prices of other grains.

Globally, 2021 oat production in the world's major exporting countries was projected by the USDA to decrease from 2020. For the US, 2021 oat production was estimated by the USDA's objective yield and farm operator surveys at an all-time low of 39.8 million bushels (Mbu), 4% lower than the previous projection, down 39% from 2020 and 31% from the previous five-year average.

Rye

For 2020-21, Canada exported 150 thousand tonnes (Kt) of rye, down 9% from 2019-20 and 6% from the previous five-year average.

Total domestic demand increased significantly from the previous year due to strong industrial use and feed consumption. Carry-out stocks expanded notably due to ample supply, but remain lower than the five-year average.

Rye prices increased slightly from 2019-20, due to a rebound in domestic demand and price rallies in other crops.

For 2021-22, Canadian rye supply is forecast at 486 Kt, down 8% from 2020-21 but up 7% from the previous five-year average. Domestic use (mostly for feed use), exports and carry-out stocks are predicted to drop from 2020-21. The 2021-22 average price is forecast to increase slightly due to support from price gains in other crops.

World 2021 rye production was projected by the USDA to decrease from 2020. For the US, 2021 rye production was estimated at 9.81 Mbu, sharply lower than the previous projection, down 15% from 2020 and 10% from the previous five-year average. Imports for 2021-22 are projected at 152 Kt, down 38% from 244 Kt in 2020-21.

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Oilseeds

Canola

For 2020-21, Canada crushed a record 10.4 Mt of canola while Canadian exports of canola were the 3rd highest on record at 10.5 Mt. Ending stocks were 1.8 Mt for a stocks-to-use ratio of 8%. The modern day low carry-out was 0.59 Mt in 2012-13 while the record high carry-out occurred in 2018-19 at 4.4 Mt. For the crop year, the simple average price track Vancouver was \$730/t, versus \$484/t for 2019-20 and the 5-year average of \$556/t.

For 2021-22, production is estimated at a 13 year low of 12.8 Mt on a seeded and harvested areas of 9.1 Mha and 9.0 Mha, respectively. Harvest is rapidly wrapping up across western Canada on widespread warm and dry weather, although combining was delayed in some regions by green undergrowth. As of early October, western Canada has not experienced a killing frost and forecasts call for above normal temperatures for the remainder of the fall.

Yields at 1.4 t/ha are the lowest since 2003-04 and are 39% below last year and the 5-year average, respectively. By province, Manitoba canola production is estimated at 2.5 Mt, Saskatchewan 5.8 Mt and Alberta 4.3 Mt. The grade distribution for canola is near normal with the Canadian Grain Commission's Harvest Sample Survey reporting 92% of the crop grading Number 1, 7% Number 2, 1% Number 3 and a marginal quantity grading Sample. Canola oil content is significantly lower than normal at an average 41.4% versus 44.1% last year and the 5-year average of 44.2%. The modern day record oil content for canola was set in 2011 at 45.2%. The distribution of canola oil content is relatively even across all grades and significantly higher for canola grown in eastern Canada compared to that grown across the western provinces.

Canadian supplies are estimated at 14.7 Mt, the lowest since the 2008-09 crop year, on a combination of tight carry-in stocks, reduced output and modest imports. Canola supplies were 23.0 Mt in 2020-21 and the 5-year average is 23.1 Mt.

Canadian exports are forecast to fall 38% from last year to 6.5 Mt on tight Canadian supplies despite strong world demand. Domestic crush is forecast to decline from last year's record of 10.4 Mt to 7.5 Mt as supplies are rationed among users. Ending stocks are forecast to tighten to 0.50 Mt, with 0.3 Mt in commercial position and 0.2 Mt stored on farm, for a stocks-to-use ratio of 4%. Tight canola stocks combined with strong US soyoil prices are forecast to support a canola price of \$960/t for 2021-22, compared to \$730/t in 2020-21 and the 5-year average of \$556/t.

This outlook contains significantly higher-than-normal uncertainty given the expansion in world vegetable oil consumption and the adverse growing conditions experienced across various growing regions over the past year. Volatility for canola prices is expected to remain high with the market vulnerable to sharp corrections from either demand or supply shocks.

Flaxseed

For 2020-21, domestic use of flaxseed fell to 0.09 Mt while exports were 0.52 Mt, mostly to China and the European Union. Ending stocks are 57,300 t, with 25,000 t on farm and 32,300 t in commercial position. The simple average price for flaxseed, par region Saskatoon, was \$693/t versus \$518/t for 2019-20 and the 5-year average of \$476/t.

For 2021-22, flaxseed production is estimated at 0.38 Mt, a 19 year low, on a seeded and harvested areas of 0.42 Mha and 0.40 Mha respectively. The crop was 95% harvested for Saskatchewan, the major growing province, as of October 4th, with no major problems reported. Yields are estimated at 0.95 t/ha compared to 1.56 t/ha for 2020-21 and the 5-year average of 1.5 t/ha. The Canadian Grain Commission has not released any quality reports for flaxseed at the time of writing.

Flaxseed supplies are estimated at 0.45 Mt on the decline in carry-in stocks and production, combined with modest imports. Supplies are 33% below last year and 37% under the 5-year average.

Exports are forecast down 28% from 2020-21, to 0.38 Mt, as Canada is forced to ration sales to its traditional Chinese, European and United States customers. Total domestic use is forecast to fall by 44% to 51,100 tonne (t) on lower feed, waste and dockage. Carry-out stocks are forecast to decrease by 65% to 20,000 t, with 5,000 t remaining on farm and 15,000 t in commercial position. The outlook for flaxseed prices strengthened sharply over the past month on tight supplies and inelastic world demand, increasing to \$1,150/t from \$850/t in September and \$693/t for 2020-21. If realized, this would be a record price for flaxseed. However, this price forecast carries a high degree of uncertainty and is vulnerable to a sharp correction.

Soybeans

For 2020-2021, total domestic use declined by 7% to 2.7 Mt, on a moderate drop in feed, waste and dockage and a 6% drop in crush to 1.64 Mt. Exports increased by 26% to 4.5 Mt on strong world demand and large domestic supplies. Ending stocks are 294 Mt with 275 Mt located in commercial position and 19 Mt situated on farm. Prices ended the crop year sharply higher at \$605/t versus \$419/t last year and the 5-year average of \$430/t.

For 2021-2022, production is estimated at 5.9 Mt on planted and harvested areas of about 2.15 Mha and 2.14 Mha, respectively. Yields are estimated at 2.75

t/ha, down slightly from the 3.1 t/ha for 2020-21 but similar to the 5-year average of 2.82 t/ha. At the time of writing, the Canadian Grain Commission had not released any information on the preliminary quality data of Canadian oilseed-type soybeans. Anecdotal reports suggest quality should be near normal across eastern Canada on good growing conditions there while the quality of western Canadian soybeans is expected to be affected by the mid-summer drought.

Total supply is forecast to decrease to 6.6 Mt (7.5 Mt last year) on lower production, reduced imports and lower carry-in stocks. The tightening of supplies is forecast to result in a 11% decline in exports to 4.0 Mt despite strong world demand. Domestic processing is forecast to rise to 1.8 Mt while carry-out stocks fall to 0.25 Mt. Soybean prices are forecast to decline modestly to \$575/t, in line with US prices and the Canadian-American exchange rate.

Looking ahead, the factors to watch are: (1) US and Canadian harvest weather conditions, (2) North American harvest pace, (3) price volatility, (4) South American planting intentions, (5) Chinese import demand and (6) rate of expansion of the biodiesel and renewable diesel sectors.

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Pulse and Special Crops

Dry Peas

For 2020-21, exports were lower than the 2019-20 level at 3.58 million tonnes (Mt) despite record shipments to China, which was offset by lower exports to Bangladesh and India. Domestic use was higher compared to the previous year. The average dry pea price was 28% higher at \$340/t, due to strong demand, however, the larger supply led to a rise in carry-out stocks in 2020-21. The average crop year prices for yellow peas and feed peas were higher than for the previous year, but prices were lower than 2019-20 for green types.

For 2021-22, production in Canada is estimated to decrease by 45% to just over 2.5 Mt due to significantly lower yields attributed to the drought in Western Canada. Alberta and Saskatchewan are expected to account for 2.3 Mt of the dry pea production, with the remainder of the production in Manitoba, British Columbia and Eastern Canada. Supply is expected to be sharply lower by 37% over last year at nearly 3.1 Mt. Exports are forecast to fall sharply to 2.3 Mt, with China, the US and Bangladesh expected to be Canada's top three markets. Carry-out stocks are forecast to fall with expectations for a small decrease in domestic use. The average price is expected to increase by 71% from 2020-21 at a record \$580/t.

During the month of September, Saskatchewan green pea farmgate prices rose \$45/t, while yellow pea farmgate prices increased \$35/t. Green dry peas prices are currently at a \$20/t premium to yellow dry peas compared to last year when green pea prices were a \$5/t premium to yellow peas.

In the US, area seeded to dry peas for 2021-22 is forecast by the USDA to decrease by 3% from last year to just below 1.0 million acres. This is largely due to an expected fall in area seeded in North Dakota. With lower yields and higher abandonment, US dry pea production is forecast by the USDA to decrease by 44% to 0.55 Mt. The US exported about 380 thousand tonnes (Kt) of dry peas in 2020-21, mostly to Canada, the Philippines and China. The US is expected to try and maintain its market share in 2021-22 despite production lower than the previous year.

Lentils

For 2020-21, lentil exports fell to 2.3 Mt, down 15% from the previous year. Of this, 1.5 Mt were red lentil types, with 0.8 Mt consisting of the green lentil types. The leading export markets were India, the United Arab Emirates, Bangladesh and Turkey. Total domestic use was higher than the previous year at 0.46 Mt. Carry-out stocks nearly doubled to 0.4 Mt. The average Canadian lentil price was significantly higher than 2019-20 with an increase of 33%, due to increased demand. No.1 large green lentil prices maintained a crop year premium of \$135/t over No.1 red lentil prices.

For 2021-22, due to sharply lower yields as a result of the drought in Western Canada, production is estimated to decrease by 37% to 1.8 Mt, the lowest since 2009-10. The production of large green lentils is forecast to decrease from last year to 0.3 Mt and the production of red lentils is expected to be lower than last year at 1.3 Mt. Production of the other remaining lentil types is expected to be slightly lower than last year at 0.15 Mt.

Supply, however, is expected to be 28% lower than last year as larger carry-in stocks partly offset the decreased production. Exports are expected to be 18% lower than last year at 1.9 Mt, with India, the United Arab Emirates, Bangladesh and Turkey expected to remain the top export markets. Domestic use is forecast to be lower than last year at 333 Kt. Carry-out stocks are forecast to decrease sharply over the previous year to below 0.1 Mt. The overall average price is forecast to be 63% higher than 2020-21, reaching a record \$1,050/t. Large green lentil prices are forecast to have a larger premium over red lentil prices when compared to last year.

In the US, the area seeded to lentils for 2021-22 is forecast by the USDA at 0.7 million acres, up over 35% from 2020-21 due to higher area seeded in Montana. With lower yields and higher abandonment, 2021-22 US lentil production is therefore forecast by USDA to fall to 0.23 Mt, 31% lower than in 2020-21. US lentil exports are about 0.2 Mt annually with the main markets continuing to be the EU, Canada, India and Mexico.

Dry Beans

For 2020-21, dry bean exports were slightly higher than the previous year at a record 395 Kt. The EU and the US were the top two markets for Canadian dry beans, with smaller volumes exported to Angola, Japan and Mexico. The stronger Canadian dollar and a record North American dry bean crop provided the majority of the pressure for Canadian dry bean prices in 2020-21, which fell only 6% from the previous year as large supply was buffered by strong domestic and export demand during the COVID-19 pandemic.

For 2021-22, production is estimated to fall by 28% to nearly 352 Kt, consisting of 103 Kt of white pea bean types and 249 Kt of coloured bean types. Production in Manitoba and Ontario decreased. In Alberta, colored dry bean production increased to 94 Kt.

Supply is forecast to decrease by 5%, to 0.55 Mt despite higher carry-in stocks. Exports are forecast to be marginally higher than last year at 400 Kt. The US and the EU are forecast to remain the main markets for Canadian dry beans, with expectations that Canada will continue to expand its market share in Africa. Carry-out stocks are also expected to fall to 85 Kt. The average Canadian dry bean price is forecast to increase by 25% to a record \$1,165/t due to the smaller North American supply.

In the US, area seeded to dry beans is forecast by the USDA to fall by 20% to 1.4 million acres, mostly due to a smaller area seeded in North Dakota and Michigan. US total dry bean production (excluding chickpeas) is forecast by the USDA at just over 1.0 Mt, down 31% from 2020-21. US export markets are expected to continue to be the EU, Mexico and Canada. US dry bean export quantities are similar to Canada at about 0.3-0.4 Mt annually.

Chickpeas

For 2020-21, Canadian chickpea exports rose by 43% from the previous year to 150 Kt. Higher exports to Pakistan and the US resulted in the increase in exports. As a result of the larger supply, despite an increase in exports, carry-out stocks rose from the previous year to a record high 280 Kt. The average price increased by 31% to \$640/t, due to increased export demand for all chickpea types.

For 2021-22, production is estimated to fall sharply to 64 Kt, due to lower area and poor yields. However, supply is forecast to only decrease by 23% to 389 Kt, due to higher carry-in stocks. Exports are forecast to be unchanged, with the EU, the US and Pakistan expected to remain the main markets for Canadian chickpeas. Carry-out stocks are expected to decrease by 45% and be positive for prices. The average price is forecast to rise 54%, with an expectation for decreased world supply.

US chickpea area seeded is estimated by the USDA at 0.38 million acres, up 39% from 2020-21. With below normal yields and lower abandonment, 2021-22 US chickpea production is forecast by the USDA at 138 Kt, 29% lower than in 2020-21.

Mustard Seed

For 2020-21, Canadian mustard exports were mostly unchanged at 111 Kt, due to lower export demand from the US offset by higher demand from the EU. However, due to lower supply, carry-out stocks fell. Prices rose for main types, due to tighter carry-out stocks.

For 2021-22, production is estimated to decrease by 28% to 71 Kt due to higher harvested area but below normal yields. The production of yellow, oriental and brown types fell. However, supply is forecast to fall by 29%, due to low carry-in stocks. Exports are expected to be rationed and fall by 32% to 75 Kt. Carry-out stocks are forecast to decrease sharply to 5 Kt. The US and the EU are expected to remain the main export markets for Canadian mustard seed. The average price is forecast to increase by 49%, due to tighter domestic supply to a record \$1,320/t.

Canary Seed

For 2020-21, exports were marginally lower than the previous year at 158 Kt. This was due to lower exports to the Middle East. The average price was supported by tight Canadian carry-out stocks.

For 2021-22, production is estimated to be reduced by 66 Kt to 112 Kt, as higher harvested area is more than offset by poor yields. Exports are expected to be limited by lower supply. The EU and Mexico are forecast to remain the main export markets, followed by South America and the US. Carry-out

stocks are expected to tighten. The average price is forecast to rise sharply from 2020-21 to a record \$1,125/t due to similar world demand and tight Canadian stocks.

Sunflower Seed

For 2020-21, sunflower seed exports were higher by 40% at 52 Kt due to increased demand from the US. Despite this, carry-out stocks rose slightly. The total average Canadian price for sunflower seed increased marginally from the previous year due to higher oilseed type prices, but unchanged confectionery type prices.

For 2021-22, production is estimated at 77 Kt, down 24% from last year, due to lower harvested area and yields. Supply is expected to decrease by only 10% to 218 Kt due to lower production partly offset by increased carry-in stocks. Although exports are forecast to be lower, carry-out stocks are expected to fall by 18% to 95 Kt. The US is expected to remain Canada's main export market for sunflower seed. The average price is forecast to rise by 27% due to higher prices for confectionery and oilseed types of sunflower seed.

Area seeded to sunflower seed in the US is estimated by the USDA to have fallen below 1.3 million acres, 26% lower than last year due to the decrease in area seeded in North and South Dakota. The area seeded to oil type varieties decreased to under 1.2 million acres and the area seeded to confectionery type varieties fell to 0.11 million acres. For 2021-22, US sunflower seed production is forecast by USDA at 0.86 Mt, 36% lower than last year.

For 2021-22, the global supply of sunflower seed is estimated by the USDA at a record 61 Mt. This is 12% higher than last year due to increased expected production in Ukraine and Russia. World domestic use is expected to rise to a record 56 Mt and world exports are forecast to increase by 23% to a record 3.7 Mt. World carry-out stocks are expected to fall by 7% to 1.9 Mt, well below to the five-year average. This should be supportive for world sunflower seed prices.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

October 20, 2021

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	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
												thousand tonnes
Durum												
2019-2020	1,980	1,908	2.63	5,017	96	6,946	5,268	216	504	941	737	270
2020-2021	2,302	2,295	2.86	6,571	13	7,321	5,773	194	387	796	752	302
2021-2022f	2,238	2,186	1.62	3,545	25	4,322	3,100	190	358	772	450	550
Wheat Except Durum												
2019-2020	8,145	7,754	3.57	27,653	179	32,040	19,081	3,369	4,009	8,197	4,763	225
2020-2021	7,892	7,723	3.70	28,612	100	33,474	20,634	3,190	3,942	7,886	4,954	271
2021-2022f	7,254	6,984	2.60	18,170	200	23,324	13,000	3,000	3,599	7,324	3,000	350
All Wheat												
2019-2020	10,126	9,662	3.38	32,670	275	38,986	24,349	3,585	4,513	9,138	5,499	
2020-2021	10,194	10,018	3.51	35,183	113	40,795	26,407	3,383	4,329	8,682	5,705	
2021-2022f	9,493	9,170	2.37	21,715	225	27,645	16,100	3,190	3,957	8,095	3,450	
Barley												
2019-2020	2,996	2,728	3.81	10,383	63	11,308	3,054	277	6,759	7,298	957	232
2020-2021	3,060	2,809	3.82	10,741	295	11,992	4,572	291	6,131	6,709	711	294
2021-2022f	3,357	3,029	2.36	7,141	150	8,002	2,050	319	5,044	5,652	300	360
Corn												
2019-2020	1,496	1,451	9.24	13,404	1,870	17,254	677	5,303	8,698	14,017	2,560	195
2020-2021	1,440	1,408	9.63	13,563	1,512	17,636	1,412	5,376	8,664	14,055	2,169	272
2021-2022f	1,413	1,384	10.38	14,368	3,000	19,537	1,400	5,400	10,571	15,987	2,150	275
Oats												
2019-2020	1,459	1,171	3.61	4,227	13	4,637	2,615	143	1,324	1,597	426	274
2020-2021	1,554	1,314	3.48	4,576	16	5,018	2,928	141	1,175	1,431	659	301
2021-2022f	1,385	1,128	2.29	2,579	15	3,252	1,800	140	982	1,252	200	370
Rye												
2019-2020	175	103	3.25	333	3	386	165	19	140	180	40	221
2020-2021	237	153	3.19	488	2	530	150	41	245	308	72	225
2021-2022f	245	160	2.58	412	2	486	140	44	221	285	60	230
Mixed Grains												
2019-2020	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021	168	97	2.41	233	0	233	0	0	233	233	0	
2021-2022f	132	41	2.84	117	0	117	0	0	117	117	0	
Total Coarse Grains												
2019-2020	6,271	5,520	5.17	28,539	1,950	33,777	6,510	5,743	17,113	23,284	3,982	
2020-2021	6,459	5,780	5.12	29,601	1,825	35,408	9,062	5,848	16,447	22,736	3,610	
2021-2022f	6,533	5,742	4.29	24,618	3,167	31,394	5,390	5,903	16,936	23,294	2,710	
Canola												
2019-2020	8,572	8,471	2.35	19,912	155	24,502	10,040	10,129	838	11,028	3,435	484
2020-2021	8,410	8,325	2.34	19,485	123	23,042	10,534	10,410	265	10,741	1,767	730
2021-2022f	9,097	9,002	1.42	12,782	150	14,699	6,500	7,500	148	7,699	500	960
Flaxseed												
2019-2020	379	339	1.43	486	22	568	350	N/A	138	154	64	518
2020-2021	377	371	1.56	578	26	668	519	N/A	73	92	57	693
2021-2022f	415	400	0.95	379	10	446	375	N/A	31	51	20	1,150
Soybeans												
2019-2020	2,313	2,271	2.71	6,145	242	7,087	3,578	1,742	933	2,888	621	419
2020-2021	2,052	2,041	3.12	6,359	532	7,512	4,518	1,636	841	2,700	294	605
2021-2022f	2,153	2,139	2.75	5,886	400	6,580	4,000	1,800	330	2,330	250	575
Total Oilseeds												
2019-2020	11,263	11,081	2.40	26,544	419	32,157	13,968	11,871	1,908	14,070	4,119	
2020-2021	10,839	10,738	2.46	26,421	681	31,222	15,571	12,045	1,179	13,532	2,118	
2021-2022f	11,665	11,541	1.65	19,047	560	21,725	10,875	9,300	509	10,080	770	
Total Grains And Oilseeds												
2019-2020	27,660	26,263	3.34	87,752	2,643	104,919	44,827	21,198	23,534	46,491	13,601	
2020-2021	27,491	26,536	3.44	91,205	2,619	107,424	51,041	21,276	21,955	44,950	11,434	
2021-2022f	27,691	26,453	2.47	65,379	3,952	80,765	32,365	18,393	21,402	41,470	6,930	

(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 2021-2022 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

October 20, 2021

Grain and Crop Year (a)	Area		Yield t/ha	Production	Imports (b)	Total Supply	Exports (b)	Total		Stocks-to- Use Ratio %	Average Price (d) \$/t
	Seeded ----- thousand ha	Harvested ----- thousand ha						Domestic Use (c)	Carry-out Stocks		
Dry Peas											
2019-2020	1,753	1,711	2.48	4,237	82	4,631	3,709	689	233	5%	265
2020-2021	1,722	1,685	2.73	4,594	83	4,910	3,580	851	479	11%	340
2021-2022f	1,546	1,508	1.68	2,527	90	3,095	2,300	745	50	2%	580
Lentils											
2019-2020	1,530	1,489	1.60	2,382	90	3,327	2,734	384	209	7%	485
2020-2021	1,713	1,705	1.68	2,868	114	3,190	2,326	459	406	15%	645
2021-2022f	1,743	1,714	1.05	1,802	75	2,283	1,900	333	50	2%	1,050
Dry Beans											
2019-2020	160	150	2.11	317	75	442	361	56	25	6%	985
2020-2021	185	183	2.68	490	63	578	395	63	120	26%	930
2021-2022f	173	168	2.09	352	75	547	400	62	85	18%	1,165
Chickpeas											
2019-2020	159	156	1.61	252	48	440	105	85	250	132%	490
2020-2021	121	120	1.79	214	42	506	150	77	280	124%	640
2021-2022f	75	72	0.89	64	45	389	150	84	155	66%	985
Mustard Seed											
2019-2020	161	155	0.87	135	7	214	112	42	61	39%	700
2020-2021	104	101	0.98	99	6	166	111	15	40	32%	885
2021-2022f	124	119	0.60	71	7	118	75	38	5	4%	1,320
Canary Seed											
2019-2020	118	115	1.52	175	0	186	161	10	15	9%	630
2020-2021	111	110	1.62	178	0	193	158	9	26	16%	690
2021-2022f	127	123	0.91	112	0	139	125	9	5	4%	1,125
Sunflower Seed											
2019-2020	31	29	2.18	63	26	186	37	45	103	125%	615
2020-2021	45	45	2.25	101	36	241	52	73	116	93%	620
2021-2022f	41	40	1.92	77	25	218	50	73	95	77%	790
Total Pulses and Special Crops (c)											
2019-2020	3,912	3,804	1.99	7,559	328	9,425	7,219	1,311	896	11	
2020-2021	4,000	3,949	2.16	8,545	344	9,784	6,771	1,547	1,467	18	
2021-2022f	3,827	3,744	1.34	5,005	317	6,788	5,000	1,343	445	7	

(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 2021-2022 which are STC