

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS****June 18, 2021****Market Analysis Group / Crops and Horticulture Division
Sector Development and Analysis Directorate / Market and Industry Services Branch****Executive Director: Lauren Donihee****Deputy Director: Tony McDougall**

This report updates Agriculture and Agri-Food Canada's (AAFC) outlook report for the 2020-21 and 2021-22 crop years. 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. The outlook incorporates recent information from the United States Department of Agriculture (USDA) World Agriculture Supply and Demand Estimates (WASDE), the International Grains Council (IGC) Grain Market Report and Agricultural Market Information System (AMIS) Market Monitor. 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.

For 2020-21, despite record production, carry-out stocks for all principal field crops for the 2020/21 crop year are forecast to decrease to their lowest level in eight years, on record exports. In particular, carry-out stocks of canola, barley and durum are expected to be extremely tight, with stocks-to-use ratios of 4% for canola and barley, and 10% for durum. Grain prices in Canada are forecast to remain high on strong international demand, drought concerns in key North American growing regions and tight world and domestic grain supplies.

For 2021-22, total seeded area is expected to decline marginally year over year, with oilseed and coarse grains areas increasing at the expense of wheat and pulse and special crop areas. Total field crop production is forecast to decrease due to the lower total seeded area and an assumption of a return to trend yields. Seeding is essentially complete throughout Canada, but dry conditions affect much of the country, with the most significant concerns in Manitoba and southern Saskatchewan. Timely precipitation throughout the growing season will be required to achieve trend yields. In general, grain prices in Canada are forecast to stay relatively strong despite forecasts for increased world production, as world grain supplies are expected to continue to remain relatively tight due to robust international demand.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on July 20, 2021. STC is scheduled to publish final area estimates for principal field crops on June 29, 2021. The survey was conducted from mid-May to mid-June and collected information from approximately 24,500 farms on final area estimates that they actually seeded for grains, oilseeds, pulses and special crops.

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	2,643	104,292	44,827	46,163	13,302
2020-2021f	27,492	26,531	3.41	90,444	2,417	106,162	51,695	45,752	8,715
2021-2022f	27,477	26,452	3.35	88,676	2,262	99,652	45,250	44,977	9,425
Total Pulse And Special Crops									
2019-2020	3,911	3,804	1.99	7,559	328	9,425	7,219	1,311	896
2020-2021f	4,000	3,949	2.16	8,527	355	9,778	7,262	1,396	1,120
2021-2022f	3,791	3,714	2.01	7,473	318	8,911	6,632	1,349	930
All Principal Field Crops									
2019-2020	31,479	30,046	3.15	94,685	2,972	113,717	52,046	47,474	14,198
2020-2021f	31,492	30,479	3.25	98,971	2,772	115,940	58,957	47,148	9,835
2021-2022f	31,268	30,166	3.19	96,149	2,580	108,563	51,882	46,326	10,355

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

Durum

For 2020-21, Canadian durum production increased by 32% from 2019-20 to 6.57 million tonnes (Mt) and total supply increased 6% to 7.33 Mt. The export forecast was raised again this month to 5.8 Mt due to a continued strong export pace. For the period August 2020 to May 30, 2021, the Canadian Grain Commission reports cumulative export shipments at 5.4 Mt, 25% ahead of last year's volumes over the same time frame. Carry-out stocks were tightened further to 0.65 Mt, down 12% over 2019-20 and the third lowest on record.

Globally, world durum production grew by 0.4 Mt from 2019-20 to 33.8 Mt, while supply decreased by 1.1 Mt to 42.6 Mt, according to the International Grains Council (IGC). Use is expected to fall by 0.4 Mt to 34.5 Mt. Carry out stocks are forecast to fall by 0.7 Mt to 8.1 Mt.

The average Saskatchewan (SK) price for CWAD 1, 13 to date has averaged \$292/tonne with recent and deferred pricing over \$300/tonne. The 2020-21 average producer price is forecast at \$300/tonne.

For 2021-22, the area seeded to durum in Canada is expected to remain relatively on par with the previous year at 2.3 Mha, according to farmers' seeding intentions in March when surveyed by STC. However, supply is forecast to fall 9% to 6.7 Mt with yields returning to average levels and tight carry-in stocks.

With seeding of durum essentially complete, good weather conditions are crucial for crop development. Despite the warm and dry conditions, the Saskatchewan Ministry of Agriculture has reported 73% of the province's durum crop to be in good to excellent condition as of May 31st. Yields may be affected moving forward if dry conditions persist in the major growing regions.

Exports were reduced this month compared to last on reduced production. They are now forecast at 4.8 Mt, down 17% year over year (y/y), with a reduction in supply compounded by reduced import demand and a gradual rebuilding of domestic stocks, which are

forecast at 1 Mt.

World durum production is forecast to increase 2.1 Mt from 2020-21 to 35.9 Mt, according to the IGC, with increases in Europe and North Africa (in particular Morocco), offsetting any reductions in North America; supply is expected to increase by 1.4 Mt to 44 Mt. Use is expected to increase by 1 Mt to 35.5 Mt with an increase in both food and feed use, while carry-out stocks are expected to increase to 8.5 Mt as countries start to rebuild inventories following tightness the previous year.

The average 2020-21 price in SK for CWAD 1 13 is forecast to remain strong but lower than in 2021-22 as export demand declines. The 2021-22 SK price for CWAD 1 13 is forecast at \$270/tonne, with further downward pressure if European and Moroccan production is realized.

Wheat (excluding durum)

For 2020-21, Canadian wheat production rose by 5% from 2019-20 to 28.6 Mt and total supply also rose 5% to 33.5 Mt. Exports are forecast to rise 10% year over year to 21 Mt, a new record if realized thanks to strong import demand, especially from China. Carry-out stocks are forecast to drop to 4 Mt, the third lowest on record.

World all wheat (including durum) production increased by 12.4 Mt to 775.8 Mt, while total supply increased by 27.5 Mt to 1,075 Mt, according to the United States Department of Agriculture (USDA). Total use is expected to increase by 33 Mt to 781.5 Mt. World all wheat carry-out stocks are forecast to decline by 5.7 Mt to 293 Mt, with about 50% of these held in China for domestic use.

US all wheat supply dropped 4 Mt to 80.5 Mt due to a decline in production; domestic use remains stable at 30.5 Mt, while exports are estimated to rise 0.5 Mt to 26.8 Mt. Carry out stocks are estimated at 23 Mt, down 15% compared to 2019-20.

Average SK CWRS 1 13.5 prices have increased 58% since the beginning of August averaging \$258/tonne to date with multi-year highs

experienced in April. The 2020-21 forecast for SK average price for CWRS 1 13.5 is revised upward to \$270/tonne.

For 2021-22, Canadian area seeded to wheat is expected to decrease by 10% to 7.1 Mha with a 8% decline in area seeded to winter wheat and a 9% decline in spring wheat, based on Statistics Canada seeding intentions report released at the end of April. Assuming a 2% abandonment rate and yields at 3.6 t/ha, -3% y/y, but 3% greater than the last five year average, production of wheat, excluding durum, is projected to decline 12% to just over 25 Mt. Supply is forecast at 29.1 Mt, down 13% y/y. Exports are expected to fall to 17.1 Mt, about 60% of total supply. Carry-out stocks are forecast to increase slightly to just over 4Mt.

Persistently warm and dry weather has impacted the majority of the Prairies, and in particular southern Saskatchewan and most of Manitoba. Whether this has affected growers' final seeding decisions is yet to be seen with Statistics Canada final seeding report expected at the end of June. As of May 31st, spring wheat conditions seem to be favourable with the Prairie provincial ministry of agriculture reporting 67% of the spring wheat in good to excellent condition. But soil moisture concerns remain and with long term forecast leaning towards more warm and dry weather, an impact on quantity and quality could ensue.

According to the USDA, world all wheat supply is forecast to rise 4.3 Mt to 1,087.9 Mt due to higher production in the EU, Russia and Ukraine offsetting

any crop concerns in the US and Canada; world production is forecast to reach a new record of 794.4 Mt in 2021-22. Total use is expected to rise by 10 Mt y/y to over 791 Mt on higher feed and residual use by the EU and Russia. Trade in 2021-22 is projected at 203.2 Mt, on increased exports from the Ukraine and India, and ending stocks were raised 1.8 Mt from the last report, to 296.8 Mt, with an expectation that exporting countries will begin to rebuild their inventories. China is expected to reduce their imports by 0.5 Mt y/y to 10 Mt, and will account for about 48% of total ending stocks.

US all wheat supply is forecast to drop 3% to 78.2 Mt on low beginning stocks despite their production forecast to increase 51.7 Mt, + 2 Mt y/y on higher yields in particular for soft red winter and hard red winter wheat. Imports are forecast to increase to 3.4 Mt, or +0.5 Mt y/y. Domestic use is projected to increase 2.2 Mt to 32.8 Mt on higher feed use as wheat maintains at a competitive price as compared to corn through the summer. Exports are forecast to fall by 2 Mt y/y to 24.5 Mt; carry-out stocks are also projected to decline by 2 Mt to 20.95 Mt.

The forecast average SK price for CWRS 1 13.5 were also revised upward to \$280/tonne, supported by strong futures for spring wheat (MGEX), at least in the short term. Price volatility is expected to continue as weather and crop conditions unfold.

Romina Code: Wheat Analyst
Romina.Code@agr.gc.ca

Coarse Grains

Barley

For 2020-21, the combined exports of raw barley grain and grain equivalent of malt are revised upwards to 4.3 million tonnes (Mt) on brisk grain exports and stable barley product exports. The Canadian Grain Commission's (CGC) weekly reports show barley grain exports for the August 1, 2020 – May 30, 2021 period at more than 3.55 Mt, 98% higher than the volume during the same period of a year ago. The barley export pace is expected to slow down for the remainder of the crop year as supplies dwindle.

Barley imports for 2020-21 are expected to rise sharply from last year to 0.27 Mt, as strong demand for feed grain in western Canada, especially in Alberta, has resulted in surging barley imports.

Total domestic use is anticipated to decrease from last year, mainly due to lower feed use. Carry-out stocks are projected to decline sharply from last crop year to 0.5 Mt, the lowest level on record. The stocks-to-use ratio is forecast at 4% for 2020-2021, significantly below the previous 5-year average of 9%.

For the crop year to-date, the average feed barley price in Lethbridge sat at \$280/t, versus \$230/t for the same period last year. Feed barley prices in Lethbridge have been underpinned by heavy exports, which has raised concerns about the tightening of barley supplies for the rest of the crop year. In addition, persistent dryness has caused uncertainty over new crop production prospects on the Prairies, which has also underpinned feed barley prices. For the entire crop year, the feed barley price is expected to reach \$290/t, higher than the record level of \$279/t in 2012-13.

For 2021-22, the planned barley area in Canada is forecast at nearly 3.5 million hectares (Mha), the highest in twelve years, according to Statistics Canada's (STC) March 2021 seeding intentions report. Production is forecast to rise by 11% from 2020-21, based on the previous five-year average for the projected harvest rate and yields. Supply is anticipated to be the highest level in twelve years. Canadian barley exports are anticipated to remain

strong, but to be lower than the previous year. Domestic use is anticipated to increase based on predictions for growth in feed consumption and industrial use. Carry-out stocks are forecast to rise sharply due to ample supply.

The average price of feed barley for 2021-22 is forecast to decrease, based on the projection for higher 2021-22 supply, compared to lower demand. However, the predicted higher US corn price for 2021-22 is expected to provide support for Canadian feed barley prices.

Worldwide, the United States Department of Agriculture (USDA) has predicted expanded area and increased production in 2021-22 in major barley exporting countries, except Australia. Its June World Agricultural Supply and Demand Estimates (WASDE) report indicates that the production outlooks in the EU and Ukraine have improved.

As for China, the top barley importing country in the world in recent years, its demand for barley continues to be strong in 2021-22. As a result, China's imports of barley are anticipated to grow in 2021-22 and reach a record high level of 10.6 Mt.

Corn

For 2020-21, corn imports were forecast at 1.5 Mt, decreasing by 20% from 2019-20. According to STC, Canada has imported nearly 1.1 Mt of corn for the September 2020 – April 2021 period, a decrease of 7% from the same period last year. Imports were brisk in April from the US to Quebec and Ontario, while the pace had slowed down in other provinces.

2020-21 corn exports are forecast at 1.4 Mt, increasing from 677 thousand tonnes (Kt) last year, based on the pickup in exports to the EU. STC reports that 923 Kt of corn have been exported for the September 2020 – April 2021 period, including 832 Kt from Eastern Canada and 91 Kt from Western Canada.

Domestic use for 2020-21 is predicted to increase by 1% to 14.2 Mt on rising feed use. Carry-out stocks are forecast to fall by 22% to 2.0 Mt from the record

high in the previous year.

The average price of Chatham corn for 2020-21 is expected to increase by 31% from 2019-20 to \$255/t, partly underpinned by strong US corn prices.

In the June WASDE report, the 2020-21 corn carry-out stocks in the US are lowered again, based on projected increases in corn used for ethanol production and exports. The marketing-year weighted average price received by farmers is not changed from the May projection at US\$4.35/bu, versus US\$4.30/bu in the April report and US\$3.56/bu for last year.

Due to the continued deterioration of Brazil's second-crop corn output, the USDA has cut another 3.5 Mt for Brazil's 2020-21 corn production. Brazil's corn exports and domestic feed use have also been cut accordingly.

For 2021-22, the planned corn area in Canada is forecast to increase by 2%, or 26 Kha, from 2019-20, to nearly 1.5 Mha. Production is forecast to increase by 2% from the previous year to 13.9 Mt, based on the previous five-year average for the projected harvest rate and yields. Imports and exports are expected to remain unchanged from the previous year. Domestic use is projected to decrease on expected lower feed use, in spite of higher industrial use. Carry-out stocks are projected to decrease by 5% to 1.9 Mt.

Following the forecast for a surge in the 2021-22 corn price in the US, the 2021-22 corn price in the Chatham region is forecast to increase, but to a lesser extent.

In the June WASDE report, the 2021-22 US corn ending stocks are lowered by 150 million bushels by the USDA, relative to the May projections, with no changes made to the 2021-22 uses. The season-average farm price is unchanged at US\$5.70/bu. No significant changes have been made to the supply and demand projections for other exporting and importing countries.

Oats

For 2020-21, total exports of raw oat grain and oat products are projected at 2.95 Mt, 13% higher than last year and the highest level on record. Exports are on pace to reach the goal, according to STC's trade data.

Total domestic use for 2020-21 is expected to increase by 8%, largely due to a forecasted increase in feed use. Carry-out stocks are expected to fall to a record low level, due to robust exports and solid domestic feed use. The stocks-to-use ratio is forecast to drop to 7% for 2020-21, sharply lower than the previous five year average of 11%.

For the crop year to date, the average cash oat prices in the Prairie provinces have increased by 12%, 6% and 4%, respectively, for Alberta, Saskatchewan and Manitoba. The Chicago Board of Trade (CBOT) oat futures price for 2020-21 is expected to rise by 8% from last year to \$295/t, the highest level on record, supported by tight oat stocks in North America and gains in other grain prices.

For 2021-22, the planned oat area in Canada is forecast to decrease by 6% to nearly 1.5 Mha. Nationwide production is forecast to decrease by 8% to 4.2 Mt based on projections for lower harvested area and yield, which, along with lower carry-in stocks, will lead total supply to drop by 9% from the level of a year ago to nearly 4.6 Mt. Domestic use is anticipated to fall on lower feed use. Exports are expected to drop due to lower supply but will remain strong based on expectations for continued strong demand from the world's major importing countries. Carry-out stocks are forecast to continue to drop from a year ago due to smaller supply.

The average price of oats for 2021-2022 is forecast to increase due to the expectation for a decline in carry-out stocks as a result of reduced supply and relatively strong demand.

According to the USDA, world demand of oats for food is predicted to continue to increase in 2021-22. World demand for feed use is projected to decrease but remain at the highest level since 2010-11. Oats for feed use in non-oat exporting countries is expected to continue to expand, compared to a drop

for oat exporting countries. In the US, the top importing country of Canadian oats, demand of oats for food consumption is forecast to increase slightly from the previous year and feed demand is anticipated to increase by 7%.

Rye

For 2020-21, Canadian rye exports are estimated to fall by 6% to 155 Kt, based on the current export pace. Almost all the exports are shipped to the US. STC reported that Canada has exported 123 Kt of rye for the September 2020 – April 2021 period, 11% lower than that in the same period last year.

Total domestic use is expected to increase significantly due to a sharp increase in industrial use and feed use. Carry-out stocks are projected to rise sharply due to a plentiful supply.

Rye prices are expected to rise slightly from 2019-20, due to a rebound in demand.

For 2021-22, the area of fall rye seeded last fall in Canada increased to 240 Kha, versus 231 Kha for a year ago. It is also the highest level since 2006-07.

After winterkill, the area of fall rye remaining is estimated at 169 Kha, 7% higher than a year ago and the highest since 2006-07.

Production and total supply are projected to be at record high levels, based on the large fall rye area. The bumper supply is expected to support exports and domestic feed use. Carry-out stocks are forecast to increase sharply from 2020-21. The average price of rye for 2021-22 is forecast to decrease due to ample supply.

Based on expected lower area and production in the world's major rye exporting countries (the EU and Russia), the USDA projects global rye production in 2021-22 to be 9% lower than the 2020-21 level. For the US, the top importing country of Canadian rye, its domestic supply and demand of rye for 2021-22 are forecast by the USDA to fall by the same amount. Imports by the US are forecast to remain unchanged from 2020-21.

Mei Yu: Coarse Grains Analyst
Mei.Yu@agr.gc.ca

Canola

For 2020-21, canola supplies are estimated at 22.0 Mt, unchanged from last month but down 9% from last year on a 29% decline in carry-in stocks and a 5% drop in production. Demand for Canadian canola remains strong with the current pace supporting forecasts for the second highest exports on record at 10.9 Mt. Domestic crushing remains on a record setting pace, 1% ahead of last year, supporting forecasts for a record crush of 10.2 Mt. Carry-out stocks are estimated at a very tight 0.7 Mt for 2020-21 versus 3.1 Mt for 2019-20 and the 5 year average of 2.7 Mt.

The canola price estimate was lowered by \$30/t from last month, to \$715/t following a decline in late spring prices from the record set mid-spring, as buyers look ahead to purchasing new crop supplies. By comparison, the 2019-20 canola price was \$484/t and the 5 year average is \$511/t. Price volatility remains higher than normal on support from higher Chinese and European buying, the ongoing South American harvest, a strengthening Canadian dollar and tighter world vegetable oil ending stocks.

For 2021-2022, seeded area in Canada is forecast to increase by 4%, to 8.71 million hectares, (Mha), while harvested area rises to 8.66 Mha, as farmers expand canola area at the expense of wheat, forages and summerfallow. The moisture situation for canola across western Canada is patchy with the eastern half of the canola growing region remaining extremely dry and dependent on timely rains.

Normal yields are forecast for the upcoming crop year but AAFC is monitoring the situation closely and will adjust the yield estimates in upcoming releases of the Outlook as warranted by growing conditions. Canola yields are projected at the 5 year average of 2.32 tonnes per hectare (t/ha), up from the 2.25 t/ha achieved in 2020-21. For comparison, the lowest modern day yields were achieved in the drought year of 2012-13, at 1.57 t/ha.

Production is forecast to rise by 7% to the third highest level on record based on the current area and yield estimates. This forecast carries a significant

downside risk if normal summer precipitation fails to materialize. Total supply is forecast to tighten to 20.9 Mt as sharply lower carry-in stocks more than offset the expected rise in production.

Exports are forecast to fall by 8% to 10.0 Mt, as tighter domestic supplies limit Canada's ability to service strong world demand for vegetable oils and protein meals. Domestic crush is forecast to decline to 10.0 Mt, while carry-out stocks rise marginally to a still tight 0.75 Mt, for a stock-to-use ratio of 4%. Canola prices, track Vancouver, are forecast to decline slightly to \$680/t under pressure from an expected easing of new crop US soybean prices. Price volatility remains high and this forecast contains significant downside price risk.

Flaxseed

For 2020-21, supplies increased by 17%, to 0.67 Mt, versus 0.57 Mt last year, due to increased production and marginally higher carry-in stocks. Exports are estimated up by 54%, to 0.54 Mt on strong European buying. Total domestic use is expected to fall by 54%, to 71,700 t, on sharply lower feed waste and dockage. Carry-out stocks are forecast down 14% to 0.05 Mt while flaxseed prices rally sharply to \$690/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 6% to a four-year high of 0.40 Mha, on support from the 2020-21 price rally. The shift into flaxseed is expected to be constrained by low spring soil moisture, and by competition for crop area from alternate crops. Flaxseed production is forecast at 0.59 Mt, assuming an area loss of 2% prior to harvest and five year average yields of 1.50 t/ha. Total supply is forecast to decrease by 3%, to 0.65 Mt, as the decline in carry-in exceeds the rise in output.

Exports are forecast down by 15% from 2020-21, to 0.46 Mt, on reduced Chinese, European and United States buying. Total domestic use is forecast to rise by about 53% to 0.11 Mt, on higher feed, waste and dockage. Carry-out stocks are forecast to increase by 45% to 0.08 Mt while flaxseed prices decline by

\$40/t to \$650/t for 2021-22.

Soybeans

For 2020-2021, domestic supplies of soybeans are estimated up 4% from last year to 7.4 Mt due to a 3% increase in production. Soybean imports are estimated up slightly to 0.4 Mt for the current crop year, versus the 0.24 Mt imported for 2019-20.

Canadian exports of soybeans are forecast to rise by 29% to 4.6 Mt for the current crop year on strong world demand. Domestic processing of soybeans is forecast to increase by 3% from last year to 1.8 Mt on good crush margins and strong demand for vegetable oils and protein meal. Soybean prices are estimated to increase by 44%, to \$605/t, versus the simple average of \$419/t in 2019-20.

The factors to watch for the remainder of the crop year are: (1) price volatility, (2) Canadian and US crop conditions, (3) North American weather forecasts, (4) South American export pace and (5) the strength of Chinese buying.

For 2021-2022, planted area in Canada is forecast to increase by 5% to 2.2 Mha on support from high prices, with the gains limited by low sub soil moisture combined with attractive prices for competing crops. Weather conditions across eastern Canada are unsettled with temperatures ranging from heat to frost and soil moisture ranging from moderate to extreme drought across most of the growing regions. Assuming 5-year average yields, production is forecast at 6.2 Mt, versus 6.4 Mt in 2020-21 and the 6.1 Mt grown in 2019-2020.

Total supply is forecast to decrease to 7.0 Mt on lower production, stable imports and lower carry-in stocks. The tightening of supplies will pressure exports down

by 2%, to 4.5 Mt despite support from strong world demand. Domestic processing is forecast stable at 1.8 Mt while carry-out stocks fall to 0.23 Mt, versus 0.40 Mt for 2020-21 and the 5 year average of 0.55 Mt. Soybean prices are forecast to fall by \$5/t to \$600/t, in line with US prices.

For 2021-22, the outlook for US soybeans remains tight. In its June outlook for 2021-22 the USDA bumped up its ending stocks estimate slightly to 155 million bushels (mln bu) for a stocks to use ratio of 3.5% vs 135 mln bu (3.0%) for 2020-21 and 525 mln bu (13.3%) for 2019-20. Production is forecast at 4.4 billion bushels (bln bu) assuming a yield of 50.8 bu/ac. Supplies will tighten for the upcoming crop as the sharp drop in beginning stocks more than offsets the rise in output. Domestic crush is forecast to rise to a record 2.2 Mbu but exports are expected to fall by 9% despite strong world demand due to tight US supplies. The farm-gate price is forecast at US\$13.85/bu versus US\$11.25/bu for the current crop year and US\$8.57/bu for 2019-20.

For 2021-22, the world outlook is for a looser soybean market but overall supplies to remain tight based on the USDA's June outlook. Ending stocks are projected to rise 5% to 92.6 Mt. World soybean production is forecast up 6%, to a record 386 Mt on increased output in the United States, Argentina and Brazil. World total domestic consumption of soybeans is forecast at 381 Mt, a rise of 3% from the last crop year with world trade expected to rise to 173 Mt from 171 Mt. World soybean meal and soybean oil production is forecast at a record 260 Mt and 62 Mt, on a record world crush of 332 Mt.

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

Pulse and Special Crops

Dry Peas

For 2020-21, Canada's exports are expected to be unchanged from 2019-20 at 3.7 million tonnes (Mt) with record imports from China and strong demand from Bangladesh. For the August to April period, Canadian exports to the US are below last year's level, mostly due to a large US dry pea crop. Carry-out stocks in Canada are expected to be higher than the previous year, despite higher domestic use and similar export demand. The average dry pea price is expected to rise sharply from the price in 2019-20, as higher yellow and feed pea prices partly offset lower green pea prices.

Over the crop year, the price premium for green dry pea prices over yellow dry peas is expected to be very small, compared to the \$115/t green pea premium observed in 2019-20. During the month of May, the yellow and green pea farmgate prices fell \$5/t, despite expectations for a smaller Canadian dry pea supply in 2021-22.

For 2021-22, Canadian dry pea seeded area is expected to fall 10% from 2020-21 to 1.55 Mha despite higher returns from the previous year and solid export demand. By province, Saskatchewan is expected to account for 55% of the dry pea area, Alberta 37%, with the remainder spread across Canada.

Production is expected to decrease marginally to below 4.0 Mt due to higher yields. Supply is forecast to decrease by 9% due to the lower production estimate. Exports are forecast to be lower, due to the smaller supply, with China and Bangladesh remaining as Canada's top markets. Carry-out stocks are forecast to fall to 0.3 Mt, lower than the long-term average. The average price is expected to be unchanged from 2020-21 due to expectations for lower domestic supply being balanced by similar world supply.

In the US, area seeded to dry peas is forecast by the USDA to decrease by 11% to 0.89 million acres. This is largely due to an expected fall in North Dakota area. Assuming normal yields and abandonment, US dry pea production is forecast by

AAFC to fall nearly 24% to below 0.8 Mt. The US has been successful in exporting small amounts of green dry peas to Canada, the Philippines, China and Yemen. It is expected the US will maintain its market share in 2021-22.

Lentils

For 2020-21, lentil exports are forecast to be marginally lower than 2019-20 at 2.7 Mt. The main markets are India, Turkey and the United Arab Emirates. Carry-out stocks are forecast to decrease. The average price, for all types and grades, is forecast to rise sharply. This is due to lower carry-out stocks and stronger prices for all types, particularly large green types. For the crop year, large green lentil prices are expected to maintain a premium of C\$155/t over red lentil prices. During May, Saskatchewan large green lentil prices rose \$20/t and red lentil farm gate prices increased by \$75/t.

For 2021-22, area seeded to lentils in Canada is expected to be similar to the previous year at 1.7 Mha, despite the sharp rise in farmgate lentil prices in the last half of the 2020-21 crop year. Saskatchewan is expected to account for 89% of the lentil area, with the remainder in Alberta and Manitoba. Production is forecast by AAFC to fall to 2.65 Mt. Supply is expected to fall to 2.8 Mt, as a result of lower carry-in stocks and production. Exports are expected to be lower than in 2020-21 at 2.4 Mt. Carry-out stocks are forecast to remain tight at 0.1 Mt. The average price is forecast to rise from 2020-21 due to lower world supply with higher prices for the top grades and the assumption of an average grade distribution.

In the US, the area seeded to lentils for 2021-22 is forecast by the USDA at 0.61 million acres, up 16% from 2020-21 due to higher area seeded in North Dakota and Montana. Assuming normal yields and abandonment, US lentil production is forecast by AAFC to be 5% lower than 2020-21 at 320 thousand tonnes (Kt). The main US export markets for lentils continue to be the EU, Canada, India and Mexico.

Dry Beans

For 2020-21, dry bean exports are expected to reach a record 405 Kt, up from the previous year. The US and the EU remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Angola. The larger North American supply has been partly offset by a rise in North American dry bean consumption rates due to the COVID-19 pandemic. This is expected to limit US and Canadian dry bean prices for the remainder of 2020-21 crop year.

For 2021-22, the area seeded in Canada is forecast to decrease by 9% from 2020-21 mainly because of lower potential returns, compared to other crops. By province, Ontario is expected to account for 36% of the dry bean area, Manitoba 38%, Alberta 16%, with the remainder seeded in Saskatchewan, Quebec and the Maritimes. Production is expected to fall to 0.39 Mt. Supply is expected to be relatively unchanged with large carry-in stocks. Exports are forecast to fall marginally despite the similar supply. Carry-out stocks are expected to rise. The average Canadian dry bean price is forecast to rise marginally, due to lower expected supply in North America, particularly for the white pea bean and pinto types.

In the US, area seeded to dry beans is forecast by the USDA to fall by 11% to 1.54 million acres due to a decrease in area seeded in most US dry bean growing states. Assuming normal yields and abandonment, 2021-22 US total dry bean production (excluding chickpeas) is therefore forecast to fall to 1.3 Mt, down 13% from 2020-21.

Chickpeas

For 2020-21, Canadian chickpea exports are expected to rise to 135 Kt due to increased export demand from the US and Pakistan. Carry-out stocks are expected to rise. The average price is forecast to be sharply higher when compared to the previous year despite an increase in North American chickpea supply.

For 2021-22, the area seeded is expected to decrease sharply from 2020-21 due to lower potential returns compared to other crops. By province, Saskatchewan is expected to account for

the majority of the chickpea area, with the remainder in Alberta. Production is forecast to fall significantly to 145 Kt. Supply is forecast to decrease marginally, as lower production will be buffered by higher carry-in stocks. Exports are forecast to be similar and carry-out stocks are expected to decrease but remain historically high. The average price is forecast to rise due to lower world supply, with the expectation of an average grade distribution in 2021-22.

US chickpea area for 2021-22 is forecast by the USDA to increase to 0.29 million acres, up 7% from the previous year. This is largely due to an expected rise in area in Idaho. Assuming normal yields and abandonment, 2021-22 US chickpea production is therefore forecast by AAFC to fall below 0.2 Mt, down marginally from 2020-21. The US is expected to continue to hold on to its market share in the EU, Pakistan and Canada.

Mustard Seed

For 2020-21, Canadian mustard exports are forecast to be unchanged at 112 Kt. The US and the EU have been the main export markets for Canadian mustard seed. Carry-out stocks are forecast to decrease. Prices are forecast to rise sharply from 2019-20 due to decreased carry-out stocks, particularly for yellow and brown types.

For 2021-22, the area seeded is expected to rise by 40% due to higher prices from the previous year. By province, Saskatchewan is expected to account for 75% of the mustard seeded area, with 24% seeded in Alberta. Production is forecast by AAFC to increase sharply to 133 Kt due to higher area and average yields. Supply is expected to be unchanged, due to higher production offsetting lower carry-in stocks. Exports are expected to be unchanged at 112 Kt and carry-out stocks are forecast to be lower than the previous year. The average price is forecast to be higher than that observed for the previous year.

Canary Seed

For 2020-21, exports are expected to be similar to 2019-20 at 160 kt. The EU and Mexico have remained the main markets. Carry-out stocks are expected to tighten. The average price is forecast to increase compared to 2019-20.

For 2021-22, the area seeded is expected to decrease due to strong returns for competing crops. Production is forecast to fall by 13% and supply is expected to decrease. Exports are expected to decrease from 2020-21 due to lower supply. Carry-out stocks are expected to remain tight. The average price is forecast to be higher than the 2020-21 level.

Sunflower Seed

For 2020-21, sunflower seed exports are forecast to increase to 50 Kt due to higher demand from the US. The US and Japan have been Canada's main export markets for sunflower seed. Carry-out stocks are expected to rise. The average Canadian price for sunflower seed is forecast to decrease from 2019-20, due to lower oil type sunflower seed prices.

For 2021-22, the area seeded is expected to fall from 2020-21, due to similar potential returns compared to other crops. Production is forecast to be

lower at 70 Kt, assuming average yields, and supply is expected to decrease to 225 Kt. Exports are expected to fall and carry-out stocks are forecast to decrease. The average price is forecast to rise from 2020-21 due to expectations for lower North American sunflower seed supply and stronger oil and confectionery type prices in the US and Canada.

US sunflower seed area for 2021-22 is forecast by the USDA to fall to 1.22 million acres, down 29% from 2020-21 due to decreased area in North and South Dakota. The area seeded to oil type varieties is expected to fall to below 1.1 million acres and the area seeded to confectionery type varieties is forecast to decrease to well below 0.2 million acres. Assuming normal yields and abandonment, 2021-22 US sunflower seed production is forecast by AAFC to fall by 35% to below 0.9 Mt.

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

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

June 18, 2021

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested ----- thousand ha -----	Yield t/ha	Production	Imports (b)	Total Supply	Exports (c) ----- thousand tonnes -----	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	5,268	216	464	901	737	270
2020-2021f	2,302	2,295	2.86	6,571	20	7,328	5,800	215	440	878	650	300
2021-2022f	2,306	2,259	2.66	6,010	25	6,685	4,800	200	462	885	1,000	270
Wheat Except Durum												
2019-2020	8,145	7,754	3.53	27,371	179	31,758	19,081	3,369	3,727	7,915	4,763	225
2020-2021f	7,892	7,723	3.71	28,616	80	33,459	21,050	3,500	4,122	8,409	4,000	270
2021-2022f	7,100	6,958	3.60	25,047	100	29,147	17,100	3,200	4,020	7,997	4,050	280
All Wheat												
2019-2020	10,125	9,656	3.35	32,348	275	38,664	24,349	3,585	4,191	8,816	5,499	
2020-2021f	10,194	10,018	3.51	35,187	100	40,786	26,850	3,715	4,561	9,286	4,650	
2021-2022f	9,405	9,217	3.37	31,057	125	35,832	21,900	3,400	4,482	8,882	5,050	
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	270	11,967	4,300	268	6,599	7,167	500	290
2021-2022f	3,486	3,186	3.75	11,959	60	12,519	4,000	318	6,920	7,519	1,000	275
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
2020-2021f	1,441	1,408	9.63	13,563	1,500	17,623	1,400	5,300	8,907	14,223	2,000	255
2021-2022f	1,466	1,430	9.72	13,900	1,500	17,400	1,400	5,400	8,684	14,100	1,900	265
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	1,314	3.62	4,576	20	5,021	2,950	140	1,459	1,721	350	295
2021-2022f	1,460	1,185	3.55	4,210	15	4,575	2,800	140	1,205	1,475	300	300
Rye												
2019-2020	175	103	3.25	333	3	386	165	19	140	180	40	221
2020-2021f	237	153	3.20	488	2	530	155	54	240	314	60	225
2021-2022f	244	163	3.24	529	2	590	190	44	216	280	120	215
Mixed Grains												
2019-2020	145	68	2.84	192	0	192	0	0	192	192	0	
2020-2021f	168	97	2.41	233	0	233	0	0	233	233	0	
2021-2022f	141	59	2.73	161	0	161	0	0	161	161	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	
2020-2021f	6,459	5,780	5.12	29,601	1,792	35,374	8,805	5,762	17,437	23,659	2,910	
2021-2022f	6,797	6,024	5.11	30,759	1,577	35,245	8,390	5,902	17,187	23,535	3,320	
Canola												
2019-2020	8,481	8,456	2.32	19,607	155	24,197	10,042	10,129	835	11,025	3,131	484
2020-2021f	8,410	8,320	2.25	18,720	100	21,950	10,900	10,200	90	10,350	700	715
2021-2022f	8,713	8,660	2.32	20,050	150	20,900	10,000	10,000	99	10,150	750	680
Flaxseed												
2019-2020	379	339	1.43	486	22	568	350	N/A	138	154	64	518
2020-2021f	377	371	1.56	578	25	667	540	N/A	52	72	55	690
2021-2022f	398	389	1.50	585	10	650	460	N/A	90	110	80	650
Soybeans												
2019-2020	2,313	2,271	2.71	6,145	242	7,087	3,577	1,742	930	2,885	626	419
2020-2021f	2,052	2,041	3.12	6,359	400	7,385	4,600	1,800	385	2,385	400	605
2021-2022f	2,164	2,162	2.88	6,225	400	7,025	4,500	1,800	300	2,300	225	600
Total Oilseeds												
2019-2020	11,172	11,066	2.37	26,239	419	31,852	13,968	11,871	1,902	14,064	3,820	
2020-2021f	10,839	10,732	2.39	25,656	525	30,002	16,040	12,000	526	12,807	1,155	
2021-2022f	11,275	11,212	2.40	26,860	560	28,575	14,960	11,800	489	12,560	1,055	
Total Grains And Oilseeds												
2019-2020	27,568	26,242	3.32	87,125	2,643	104,292	44,827	21,198	23,206	46,163	13,302	
2020-2021f	27,492	26,531	3.41	90,444	2,417	106,162	51,695	21,477	22,524	45,752	8,715	
2021-2022f	27,477	26,452	3.35	88,676	2,262	99,652	45,250	21,102	22,158	44,977	9,425	

(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

June 18, 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	4,631	3,709	689	233	5%	265
2020-2021f	1,722	1,685	2.73	4,594	100	4,927	3,700	777	450	10%	340
2021-2022f	1,553	1,520	2.60	3,950	90	4,490	3,400	790	300	7%	340
Lentils											
2019-2020	1,530	1,489	1.60	2,382	90	3,327	2,734	384	209	7%	485
2020-2021f	1,713	1,705	1.68	2,868	105	3,182	2,700	382	100	3%	630
2021-2022f	1,707	1,680	1.58	2,650	75	2,825	2,400	325	100	4%	660
Dry Beans											
2019-2020	160	150	2.11	317	75	442	361	56	25	6%	985
2020-2021f	185	183	2.68	490	65	580	405	55	120	26%	910
2021-2022f	167	161	2.39	385	75	580	400	55	125	27%	925
Chickpeas											
2019-2020	159	156	1.61	252	48	440	105	85	250	132%	490
2020-2021f	121	120	1.79	214	43	507	135	87	285	128%	645
2021-2022f	86	84	1.73	145	45	475	135	85	255	116%	660
Mustard Seed											
2019-2020	161	155	0.87	135	7	214	112	42	61	39%	700
2020-2021f	104	101	0.98	99	7	166	112	29	25	18%	870
2021-2022f	145	140	0.95	133	8	166	112	34	20	14%	885
Canary Seed											
2019-2020	118	115	1.52	175	0	186	161	10	15	9%	630
2020-2021f	111	110	1.46	161	0	176	160	6	10	6%	680
2021-2022f	99	96	1.46	140	0	150	140	5	5	3%	685
Sunflower Seed											
2019-2020	31	29	2.18	63	26	186	37	45	103	125%	615
2020-2021f	45	45	2.25	101	35	240	50	60	130	119%	595
2021-2022f	34	33	2.12	70	25	225	45	55	125	125%	605
Total Pulses and Special Crops (c)											
2019-2020	3,911	3,804	1.99	7,559	328	9,425	7,219	1,311	896	11	
2020-2021f	4,000	3,949	2.16	8,527	355	9,778	7,262	1,396	1,120	13	
2021-2022f	3,791	3,714	2.01	7,473	318	8,911	6,632	1,349	930	12	

(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