

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

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This report updates Agriculture and Agri-Food Canada's (AAFC) outlook report for the 2020-21 and 2021-22 crop years. The outlook incorporates recent information from the August United States Department of Agriculture (USDA) World Agriculture Supply and Demand Estimates (WASDE). The economic outlook, for the world and Canadian grain markets, is expected to continue to be affected by the domestic and international uncertainty caused by COVID-19.

The 2020-21 crop year closed at the end of July for most crops other than corn and soybeans, which closes at the end of August. Despite record production, total carry-out stocks for all principal field crops dropped to their lowest level in eight years, on the strength of record exports. Grain prices in Canada for the year were relatively high on strong international demand and relatively tight world and domestic grain supplies.

For 2021-2022 total seeded area is expected to remain relatively unchanged, with increased area planted to oilseeds and coarse grains expected to offset a decrease in wheat, pulse and special crop planted areas. Total field crop production is forecast to decrease significantly by 27%, as the overall drought in Western Canada worsened considerably throughout July, with most of the Canadian prairie growing region experiencing record low levels of precipitation and record breaking temperatures. As of July 31, 74% of the Canadian agricultural area was classified as abnormally dry or in drought, with these conditions, in general, stretching from Northern Ontario to British Columbia as illustrated in the latest AAFC [Canadian Drought Monitor](#). There remains significant uncertainty at this time in regards to estimates of yield and production. Harvest in Western Canada is well underway and expected to be complete by mid-September for most crops. Total supply of all principal field crops is forecast to decrease sharply by 26%, due to the low level of carry in stocks combined with lower production. A decrease in exports and a further tightening of ending stocks is expected due to the sharp drop in total supply. In general, grain prices in Canada are forecast to stay relatively strong despite forecasts for increased world production, as global grain supplies are expected to become more comfortable but remain relatively tight due to robust international demand. The decline in domestic production and overall tightness in domestic stocks will also support prices in Canada.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on September 20, 2021. STC is scheduled to publish its first yield and production estimates for principal field crops in Canada on August 30, 2021.

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	27,569	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	2,547	106,292	52,245	45,049	8,998
2021-2022f	27,682	26,117	2.55	66,559	2,862	78,418	30,790	41,388	6,240
Total Pulse And Special Crops									
2019-2020	3,912	3,804	1.99	7,559	328	9,425	7,219	1,311	896
2020-2021f	4,000	3,949	2.16	8,527	339	9,762	6,932	1,425	1,405
2021-2022f	3,798	3,422	1.54	5,285	318	7,008	5,230	1,328	450
All Principal Field Crops									
2019-2020	31,480	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	2,886	116,054	59,177	46,474	10,403
2021-2022f	31,480	29,539	2.43	71,844	3,180	85,426	36,020	42,716	6,690

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

f: forecasts by AAFC except for area, yield and production for 2020-2021 and area seeded for 2021-2022 which are STC

All Wheat

Durum

For 2020-21, Canadian durum supply increased 6% year over year (y/y) to 7.33 Mt due to an increase in seeded area (+16% y/y) accompanied by an increase in yields. Canadian Grain Commission (CGC) exports are pegged at over 6.0 Mt, but do not tell the whole story as US-Canada cross border shipments are not fully captured. For 2020-21, total Canadian durum exports are forecast at 6.1 Mt, a new record if realized. Carry out stocks are forecast to fall by 8% from 2019-20 to 0.67 Mt, with commercial stocks making up the majority. CGC commercial stocks are reported at over 0.6 Mt to close out the crop year.

The average Saskatchewan (SK) spot price for CWAD 1, 13% was \$302/tonne.

For 2021-22, seeded area for durum is reported at 2,238 thousand hectares (kha), according to Statistics Canada. Persistent heat and dry conditions across the Prairies are reducing yield and production potential.

Crop ratings for durum in the Prairies have been deteriorating week over week (w/w) with the percentage rated in good to excellent condition in Saskatchewan dropping from 74% in June to 11% as of August 6, over the same time frame, the quality of Alberta's durum crop rated good to excellent dropped from 77% to 22%. Production is forecast at 3.8 Mt and supply at 4.5 Mt, down 38% y/y and 40% below the last five year average.

Exports are pegged at 3.1 Mt, as a result of the decrease in supply, with higher demand expected from the United States. Carry out stocks are projected at 0.6 Mt.

Prospects for the United States durum crop are also poor and deteriorating as the drought persists. For 2021-2022, the USDA projects US durum production to fall 49% y/y to 0.95 Mt. Total supply is projected at 3.4 Mt., down 18% y/y. With tighter supplies, exports are forecast at 0.41 Mt, down 46% y/y. Compared to the previous report, domestic use was adjusted down slightly to 2.37 Mt, from 2.45 Mt, with ending stocks expanding 0.03 Mt to 0.57

Mt, down 25% y/y.

Looking globally, the International Grain Council's forecast for world durum production fell 2% to 33.1 Mt month over month (m/m), due to reduced production in North America and quality concerns in France. Global supplies are expected to be the tightest seen in seven years, constraining consumption and trade. Total use is now forecast at 34.4 Mt, a reduction of 3% compared to last month's forecast, and trade at 8.1 Mt, down 7% m/m. Closing stocks are forecast at 6.8 Mt, the lowest this decade.

The 2021-22 SK average spot price for CWAD 1 13% is forecast at \$350/tonne for the year.

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 pegged at 21Mt, about 63% of total supply; China is the primary destination for Canadian wheat. Domestic use is expected at 8.2 Mt, with 4 Mt used for feed. Carry out stocks were revised up to 4.2 Mt on CGC's commercial stocks reported for the end of the crop year.

The average SK CWRS 1 13.5% spot price reached a new high mid-July at \$382/tonne, coming down to about \$360/tonne to close out the year. The spot price for SK CWRS 1 13.5% averaged \$271/tonne over the 2020-21 crop year.

For 2021-22, Canadian area seeded to wheat is expected at 7,254 kha, according to Statistics Canada, by class as follows: Canada Western Red Spring (CWRS), 5,633 thousand hectares (kha); Canada Prairie Spring (CPS) 433 kha; soft white spring (CWSWS) 115 kha; Canadian Northern Hard Red (CNHR), 254 kha; Canadian Eastern Red Spring (CERS), 76kha; other western spring, 157kha; winter wheat remaining, 546 kha.

Due to adverse weather across the Prairies this summer, lower yields are expected. Overall production of wheat is currently forecast to fall to

16.4 Mt with total supply at 20.8 Mt, down 38% y/y and 32% lower than the last five year average. Provincial reports, as of August 6, estimate the percentage of spring wheat rated as good to excellent at 16% in Saskatchewan, down from 58% one month prior; Alberta reduced their percentage of the spring crop rated good to excellent from 71% to 22%; while Manitoba estimates their spring crop at about 40% good to excellent.

Given shorter supplies, exports are currently pegged at 11 Mt, down 48% y/y, but not as low as levels obtained during the last severe drought on record. Carry out stocks are forecast to be quite tight at 2.0 Mt. As the harvest continues, revisions will be made as necessary.

According to the USDA's August WASDE report, total world wheat supply for 2021-22 was cut 16.8 Mt to 1,065.7, due to lower expected production in North America and Russia and tight carry in stocks; world wheat production is forecast at 776.9 Mt, which is still 13% above last year's estimate. Total use was also downgraded 4.2 Mt m/m, now pegged at 786.7 Mt with reductions in feed and residual use. Trade for 2021-22 is projected at 198.2 Mt, down 1.6% y/y. Reductions in shipments are expected for North America and Russia, due to limited supply,

and reductions in demand are projected for Afghanistan, Algeria, Bangladesh, Brazil, Japan, and other Southeast Asian countries. Chinese import demand is expected to be 10 Mt. Ending stocks were tightened another 12.6 Mt, now projected at 279.06 Mt, with over 50% assumed to be held by China and another 10% by India.

For the US specifically, all wheat supply is forecast to drop 9% y/y to 69.8 Mt on low beginning stocks and reduced production of hard red winter, hard red spring, winter white and durum; production of soft red winter is expected to increase 37% to 9.96 Mt. Domestic use is projected at 29.9 Mt, up 7% y/y on higher feed use. Exports are forecast to fall 11% y/y to 23.4 Mt, with carry-out stocks ending at 16.5 Mt.

The forecast for the average SK spot price for CWRS 1 13.5% has been revised upward to \$300/tonne, supported by strong futures for spring wheat (MGEX) and low North American supply. Price volatility is expected to continue in the short term, especially until the outcome of this year's harvest is known.

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Coarse Grains

Barley

For 2020-21, total barley exports are expected to increase significantly from 2019-20 to 4.55 Mt, primarily due to brisk barley grain exports to China, based on Statistics Canada's (STC) monthly export data. For the August 2020 – June 2021 period, STC reported barley grain exports at 3.48 Mt and malt exports at 0.51 Mt.

Barley imports for 2020-21 are expected to rise sharply from last year to 0.30 Mt, largely due to increased feed demand in western provinces. For the August 2020 – June 2021 period, STC reported barley imports at 0.26 Mt.

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 pegged at 4%, versus around 19% in normal years.

The 2020-21 average feed barley price in Lethbridge area increased to \$294/t, breaking the record level of \$279/t in 2012-13, due to the expected tight carry-out stocks, a pessimistic outlook about new crop production, and strong prices of other grains.

For 2021-22, Canadian producers seeded nearly 3.36 million hectares (Mha) of barley in total, according to STC's June seeded area survey. This is 10% higher than last year's level and the highest since 2009.

Extremely dry and hot weather in the western provinces continued to erode crop conditions. The expected Canadian barley yield and harvested area are further reduced from last month's estimates. The 2021 barley yield is projected at 2.48 tonnes/hectare (t/ha), which is 65% of the 5-year average, and close to 2.24 t/ha, the record low in 2002. The area to be harvested is projected at 3.0 million hectares, 7% higher than last year and the highest in thirteen years. However, the abandonment rate is expected to be higher than in normal years. Production is pegged at 7.45 Mt, 31% lower than last year and a seven-year low. This, coupled with historically low carry-

in stocks, will result in a 33% reduction in total supply from the previous year, making it the lowest level on record. In response to the lower supplies, exports and feed demand are adjusted lower than last month's estimates and are expected to decline sharply from last year. Carry-out stocks are expected to break the record low level set in the previous year.

The average price of feed barley for 2021-22 is predicted to increase sharply from 2020-21, based on the projected sharply lower supply and carry-out stocks. The forecasts for stronger 2021-22 prices of other grains will also support Canadian barley prices.

According to the USDA's August supply and demand report, US barley yield continues to slip, resulting in 2021 production being 36% lower than a year ago. Globally, 2021 barley productions in most exporting countries are forecast to decrease from a year ago. In contrast, production in Ukraine is projected to increase by more than 2.0 Mt, followed by Argentina with an increase of 0.3 Mt.

Corn

For 2020-21, corn imports are forecast at 1.6 Mt, a decrease of 14% from 2019-20, due to limited availability of US corn. According to STC, Canada has imported nearly 1.38 Mt of corn for the September 2020 – June 2021 period, of which, about 43% were destined to Eastern Canada and 57% to Western Canada.

Corn exports for 2020-21 are forecast at 1.7 Mt, increasing from 0.68 Mt last year, based on the pickup in exports to the EU from Eastern Canada. STC reports that 1.45 Mt of corn has been exported for the September 2020 – June 2021 period, of which, about 86% were from Eastern Canada and 14% from Western Canada.

Domestic use for 2020-21 is predicted to remain flat. Carry-out stocks are forecast at 2.00 Mt, decreasing by 22% from the record high in the previous year, and 13% lower than the previous five-year average.

The average price of Chatham corn for 2020-21 is expected to increase by 38% from 2019-20 to \$270/t, partly underpinned by increased demand and stronger US corn prices.

The USDA adjusted the 2020-21 US corn carry-out stocks upward in its August projections, as expected lower exports more-than offset anticipated higher food, seed and industrial demand. The marketing-year weighted average price received by farmers remained unchanged at US\$4.40/bu from the July estimate.

Globally, the 2020-21 corn production in Brazil was further cut by 6.0 Mt by the USDA to 87.0 Mt, decreasing by 15% and 3%, respectively, from last year and the previous five-year average.

For 2021-22, Canadian producers seeded nearly 1.41 Mha of corn in total. This is 2% and 4%, respectively, lower than last year's level and the previous five-year average.

Nationwide production is forecast to increase by 5% from 2020-21 to 14.2 Mt, mainly due to expected higher yield, despite lower harvested area. This, along with sharply increased imports, will lead to an increased supply, despite lower carry-in stocks. Domestic use is projected to increase due to higher industrial and feed use. Exports are predicted to decline due to the expected drop in shipments to the EU region. Carry-out stocks are forecast to remain flat 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 forecast to remain strong.

US corn production in 2021 is forecast at 14.8 billion bushels by the USDA, down 415 million from the July projection and up 568 million from a year ago. The season's first survey-based corn yield forecast, at 174.6 bushels per acre, is 4.9 bushels below last month's trend-based projection but 2.6 bushels above a year ago and slightly higher than the previous five-year average. Among the major corn producing states, record-high yields are expected in Illinois, Indiana, and Ohio. In contrast, yields in Minnesota and South Dakota are forecast

below a year ago. In North Dakota, which borders the Canadian prairie provinces of Saskatchewan and Manitoba, corn yield is forecast to be 24% lower than a year ago, but production is predicted to be 44% higher than a year ago due to expected higher harvested area. The season-average farm price received by producers increased to US\$5.75/bu from US\$5.60/bu in the July projections and US\$4.40/bu for 2020-21.

Oats

For 2020-21, total exports of oat grain and oat products are projected at 2.95 Mt, including 2.0 Mt for grain exports and 0.95 Mt for product exports. This is 13% higher than last year and the highest level on record.

Total domestic use for 2020-21 is expected to increase by 8%, largely due to a forecasted increase in feed use. Carry-out stocks will continue to fall to a record low level, due to robust exports and solid domestic feed use. The stocks-to-use ratio is pegged at 7%, versus around 25% in normal years.

Oat prices in North America have been supported by tight oat stocks, growing worries about new oat crop production and strong prices of other grains. The 2020-21 average cash oat prices in the Prairie provinces sat at \$251/t, \$208/t and \$253/t, respectively, for Alberta, Saskatchewan and Manitoba, versus \$218/t, \$202/t and \$242/t in 2019-20. 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 level on record.

For 2021-22, Canadian producers seeded nearly 1.39 Mha of oats in total. This is 11% below last year's level, but 2% above the previous five-year average.

The prolonged dry and hot weather in the western provinces continued to erode crop conditions. Oat yield potential is further cut from last month's estimate. Nationwide production is forecast to decrease drastically from 2020-21 to 2.68 Mt, the third lowest on record. This, in addition to expected historically low carry-in stocks, will result in supply being 39% lower than the previous year, at 3.04 Mt,

the second lowest on record. Total demand, including exports and domestic use, is anticipated to drop sharply due to lower supplies. Carry-out stocks are expected to hit a new record low.

The average price of oats for 2021-2022 is forecast to increase significantly due to the projected sharply low supply and carry-out stocks. The forecasts for stronger 2021-22 prices of other grains will also support oat prices.

Oat production in the US for 2021 is predicted by the USDA to decline by 37% from 2020. Imports are forecast to drop by 9%. Globally, 2021 oat production for all major exporting countries is forecast to decrease. However, the EU will still have a large crop.

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 140 Kt of rye for the September 2020 – June 2021 period, 9% lower than that in the same period last year.

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

sharply due to drastically increased supply. Rye prices are expected to rise slightly from 2019-20, due to a rebound in demand and price rallies in other crops.

For 2021-22, Canadian producers seeded 245 thousand hectares (Kha) of rye in total. This is 4% and 40%, respectively, higher than last year's level and the previous five-year average.

Nationwide production is forecast at 400 Kt, 18% lower than 2020-21, as a sharp increase in seeded area will be largely offset by anticipated lower yields and a higher abandonment rate. Supply is forecast at 462 Kt, 13% lower than 2020-21. Domestic demand, exports and carry-out stocks will decline from the previous year, in response to lower supply. The 2021-22 average price is forecast to increase slightly due to lower supply and price gains in other crops.

Rye production in the US for 2021 is predicted to increase by 5% from 2020. Imports are forecast to drop by 17%. Globally, 2021 rye production in the EU and Black Sea region is forecast to decrease.

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Canola

For 2020-21, ending stocks are estimated at 0.7 Mt, down sharply from the carry-in of 3.1 Mt as Canada marketed a record 21.3 Mt of canola during the crop year. Final data on canola crush and exports is still being compiled by Statistics Canada but preliminary estimates indicate Canada crushed a record volume of canola at 10.2 Mt and exported about 10.9 Mt – the second highest pace on record. The year-end, simple-average price for canola, track Vancouver was \$730/t, up sharply from \$484/t for 2019-20 and the 5 year average of \$513/t.

For 2021-22, seeded area in Canada increased by 8%, to a three year high of 9.10 million hectares, (Mha), while harvested area is estimated at 9.04 Mha, assuming historically normal abandonment. Sharply below normal yields are forecast based on adverse growing conditions experienced during the spring and summer including: low spring soil moisture, regional frosts followed by a prairie-wide heat-wave, insect and disease outbreaks, and a lack of rain. AAFC estimates canola yields 70% of the 5 year average at 1.66 t/ha. By comparison, 2020-21 yields were 2.25 t/ha, the 5 year average is 2.16 t/ha and the yields for the drought year of 2002-03 were 1.25 t/ha. AAFC continues to monitor the drought situation closely and will update its yield estimates in the September release of the Outlook based on data provided through Statistic Canada's Field Crop Reporting Series.

Canola production is estimated at a ten year low of 15.0 Mt, versus the 18.7 Mt produced in 2020-21 and the 5 year average of 20.0 Mt. Canola production was last this low in 2012-13 when output fell to 13.9 Mt. Canadian supplies are estimated at 15.9 Mt, again the lowest since the 2012-13 crop year, on a combination of very tight carry-in stocks and reduced output. Canola supplies were 22.0 Mt in 2020-21 and the 5 year average is 22.9 Mt.

World demand is expected to remain strong for the remainder of the crop year, however exports are forecast to fall 36%, to 7.0 Mt on tight Canadian supplies. Similarly, domestic crush is expected to decline from last year's record to 8.0 Mt as the

canola sector as a whole is forced to ration supplies. Ending stocks are forecast to remain unchanged at a very tight 0.7 Mt, while prices are forecast at a record \$950/t vs \$730/t last year and the 5 year average of \$512/t. This outlook contains a significantly higher-than normal degree of uncertainty given the growth in world vegetable oil demand and the adverse growing conditions across western Canada over the past year. Price volatility for canola has declined in recent weeks but remains vulnerable to a sharp correction in the event of a demand or supply shock.

Flaxseed

For 2020-21, ending stocks are estimated at 55,000 t, versus the carry-in of 63,600 t, as Canada marketed 0.61 Mt of flaxseed for the crop year. Final data is still unavailable but exports are estimated at 0.54 Mt with a significant volume exported through facilities whose handling data is not captured by the Canadian Grain Commission. Total domestic use is estimated at 71,700 t while the simple average price for flaxseed, par region Saskatoon was \$693/t versus 518/t for 2019-20 and the 5 year average of \$477/t.

For 2021-22, the area seeded to flaxseed in Canada increased by 10% to a four-year high of 0.42 Mha, on support from the 2020-21 price rally. Harvested area is estimated at 0.41 Mha, assuming a normal rate of abandonment compared to previous years. By contrast, flaxseed yields are estimated at 80% of the 5 year average, at 1.2 t/ha, due to the severity of the drought affecting western Canada. Flaxseed is considered a relatively drought tolerant crop and a fuller assessment of this season's weather impacts on yields will be possible when harvest results start to become available. Flaxseed production is forecast at 0.49 Mt while total supply is forecast to decrease by 17%, to 0.56 Mt, as lower carry-in accompanies the decline in output.

Exports are forecast down 26% from 2020-21, to 0.40 Mt, as Canada is forced to ration sales to its traditional Chinese, European and United States customers. Total domestic use is forecast to rise by about 60% to 0.12 Mt, on higher feed, waste and

dockage. Carry-out stocks are forecast to decrease by 27% to 40,000 t while flaxseed prices rise to \$800/t for 2021-22 on steady world demand.

Soybeans

For 2020-2021, ending stocks are estimated at 0.40 Mt, down from the 0.63 Mt carried out in 2019-20. Domestic supplies of soybeans are estimated at 7.4 Mt, up from 7.1 Mt last year on an increase in production and imports which offset a drop in beginning stocks.

Canadian exports of soybeans are estimated up 29% to 4.6 Mt for the current crop year on strong world demand. Domestic processing of soybeans are estimated at 1.8 Mt on good crush margins and support from strong world 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.

For 2021-2022, planted area increased by 5% to about 2.2 Mha on support from high prices, with the gains limited by low subsoil moisture and attractive prices for competing crops. Unlike other Canadian oilseeds, soybeans are largely grown in eastern Canada where temperatures and rainfall have been largely favourable. Yield estimates were adjusted downwards by 20% from the 5 year average in western Canada to reflect the dry weather - although the crop is more tolerant to hot weather than most crops on the Prairies. Compared to canola and flaxseed, soybean yields are more affected by weather in August than in July. Cooling temperatures and scattered rains in August are expected to moderate the impact of the July heat wave on western Canadian soybean yields.

Production is forecast at 6.00 Mt, versus 6.36 Mt in 2020-21 and the five year average of 6.85 Mt.

Total supply is forecast to decrease to 6.8 Mt on lower production, stable imports and lower carry-in stocks. The tightening of supplies will pressure exports down by 11%, to 4.1 Mt despite strong world demand. Domestic processing is forecast stable at 1.8 Mt while carry-out stocks fall to 0.35 Mt, versus 0.40 Mt for 2020-21 and the 5 year average of 0.55 Mt. Soybean prices are forecast to rise by \$40/t to \$645/t in line with US prices.

For 2021-22, the USDA is maintaining its tight outlook for US soybeans based on lower than normal rainfall west of the Mississippi river, strong world demand and the growing American renewable diesel sector. In its August 2021-22 release of the World Agricultural Supply and Disposition Estimates, the USDA estimates ending stocks at 155 million bushels (Mbu) for a stocks-to-use ratio of 3.5% versus ending stocks of 160 Mbu (3.5%) for 2020-21 and 525 Mbu (13.3%) for 2019-20. Production is forecast at 4.34 billion bushels (Bbu) assuming a yield of 50.0 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 2.21 Mbu but exports are expected to fall by 9% despite strong world demand, as a result of tight US supplies. The farm-gate price is forecast at US\$13.70/bu versus US\$10.90/bu for 2020-21 and US\$8.57/bu for 2019-20.

The factors to watch are: (1) Canadian and US crop progress and condition ratings, (2) harvest start dates, (3) price volatility, (4) growth rate in biodiesel and renewable diesel consumption, (5) strength of Chinese buying and (6) South American planting intentions.

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Dry Peas

For 2020-21, exports are estimated at 3.7 million tonnes (Mt), marginally lower than the 2019-20 level, with record exports to China. This combined with higher domestic use is still expected to result in an increase in carry-out stocks. For yellow and feed peas, the crop year average price was sharply higher than 2019-20. Green pea prices were lower than the previous year. Despite higher carry-out stocks, the average dry pea price was 28% higher than 2019-20.

For 2021-22, Canadian dry pea production in Canada is forecast to fall sharply from 2020-21, to 2.75 Mt. This is largely due to extremely dry conditions across Western Canada that is expected to raise abandonment and reduce yields. Saskatchewan is estimated to account for 52% of the dry pea production, with 39% in Alberta, and the remainder across Canada. Supply is forecast to fall 33% to below 3.3 Mt, the lowest in 10 years, due to the fall in production. Exports are forecast to fall to 2.4 Mt, with China, Bangladesh and the US expected to be Canada's top markets. Carry-out stocks are forecast to decrease sharply. The average price is expected to be higher than 2020-21.

In the US, area seeded to dry peas for 2021-22 is forecast by USDA to fall by 6% from 2020-21, to 0.94 million acres. This is largely due to an expected fall in area in North Dakota. With lower yields and higher abandonment, US dry pea production is forecast by the USDA to fall to below 0.8 Mt. The US has been successful in exporting small amounts of dry peas to markets in China, Canada and Yemen. It is expected the US will continue to try keep its share in these markets in 2021-22.

Lentils

For 2020-21, lentil exports fell sharply to 2.4 Mt, from the previous year. Exports of red lentils were 1.4 Mt while 1.0 Mt were green lentils. The main markets were India, the United Arab Emirates, Bangladesh and Turkey. Total domestic use was unchanged from 2019-20 at below 0.4 Mt. Carry-

out stocks rose to 0.4 Mt. The average Canadian lentil price was 33% higher than it was for 2019-20. No.1 large green lentil prices maintained an average crop year premium of \$135/t over No.1 red lentil prices.

For 2021-22, lentil production is forecast to fall by 34% to 1.9 Mt, the smallest Canadian lentil crop in nine years. Larger abandonment and reduced yields are expected due to drought in Western Canada. Total green lentil area rose, while red lentil area decreased marginally. Saskatchewan is expected to account for 87% of the lentil production, with the remainder in Alberta and Manitoba. Supply is also forecast to decrease sharply due to the reduction in yields, despite larger carry-in stocks. Exports are forecast to fall to 2.0 Mt, with the reduction in exportable supply. Carry-out stocks are forecast to fall compared to the previous year. The average price is forecast to rise by 9% from 2020-21 with the expectations of lower world supply.

In the US, the area seeded to lentils for 2021-22 is forecast by the USDA to rise by 11% to nearly 0.6 million acres (mln ac), due to higher area seeded in Montana. Assuming lower yields and higher abandonment, 2021-22 US lentil production is therefore forecast by AAFC at below 0.3 Mt, down 12% from last year. The main US export markets for lentils are expected to continue to be Canada, Mexico and the EU.

Dry Beans

For 2020-21, dry bean exports were higher than 2019-20 with the higher Canadian supply and stronger world prices. The US and the EU remained the main markets for Canadian dry beans, with smaller volumes exported to Japan and Mexico. A weaker Canadian dollar and a larger North American supply provided the majority of the pressure for Canadian dry bean prices in 2020-21, which fell 6% from the previous year.

For 2021-22, Canadian production is forecast to decrease to 0.30 Mt, as lower seeded area combines with lower yields. By province, Ontario

is expected to account for 41% of total dry bean production, Manitoba 33%, Alberta 19%, with the remainder in Saskatchewan, Quebec and the Maritimes. Supply is expected to fall due to the lower production despite higher carry-in stocks. Exports are forecast to be marginally lower than the previous year. Canada is expected to maintain its market share in the US, Europe and Japan. As a result, carry-out stocks are expected to fall. The average Canadian dry bean price is forecast to be 5% higher due to smaller expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to fall by 13% to 1.51 million acres, largely due to decreased area seeded in North Dakota. Total US dry bean production for 2021-22 (excluding chickpeas) is forecast by the USDA to fall below 1.1 Mt, down 29% from 2020-21.

Chickpeas

For 2020-21, Canadian chickpea exports have risen from the previous year to 155 thousand tonnes (Kt). This was largely due to higher exports to Pakistan and the US. With the higher supply and despite increased exports, carry-out stocks are expected to rise. The average price was 23% higher than the previous year due to lower world supply.

For 2021-22, production is forecast to fall to 87 Kt, due to lower area and poor yields. By province, Saskatchewan is expected to account for the majority of the chickpea production, with the remainder in Alberta. Supply is forecast to be much lower than last year. Exports are forecast to be lower than in 2020-21 and carry-out stocks are expected to fall sharply. The average price is forecast to be 9% above 2020-21.

US chickpea area for 2021-2022 is forecast by the USDA at 0.34 million acres, up 26% from the previous year. Assuming below average yields and higher abandonment, 2021-22 US chickpea production is therefore forecast by AAFC at 0.18 Mt, down 8% from last year.

Mustard Seed

For 2020-21, Canadian mustard seed exports were unchanged from the previous year at 112 Kt due to

similar demand from the US. Carry-out stocks fell due to the decreased supply. Prices rose by 13% from the previous year for yellow mustard seed types. This was largely due to price support from the lower Canadian and US domestic yellow mustard seed stocks. Prices for the brown and oriental types were sharply higher than the previous year. As a result, the average price across all types was up 26% from 2019-20.

For 2021-22, production is estimated at 78 Kt, 21% lower than last year, despite a large rise in seeded area. Expectations for lower yields and higher abandonment are the main reasons for the reduced production. Supply is expected to decrease by 33%, to 111 Kt, as lower carry-in stocks combine with the fall in output. Exports are expected to fall sharply to 75 Kt, with the US and the EU being the main markets for Canadian mustard seed. With the reduced supply, carry-out stocks are forecast to fall. The average price is forecast to be 7% higher than 2020-21 with a price of \$950/t.

Canary Seed

For 2020-21, exports were at 160 Kt, similar to the previous year. The average producer price was 10% higher from a year earlier.

For 2021-22, production is estimated at 125 Kt, down 22% from last year, with higher area expected to be offset by higher abandonment and lower yields. Supplies are forecast to decrease due to lower carry-in stocks and reduced production. Exports are forecast to fall from 2020-21 due to the fall in supply, with the EU and Mexico continuing to be the main markets, followed by the US and Brazil. The average price is forecast to be 5% higher than in 2020-21.

Sunflower Seed

For 2020-21, sunflower seed exports increased to 50 Kt due to increased demand from the US. Despite this, carry-out stocks were higher than the previous year. The total average Canadian price for sunflower seed increased marginally from the previous year due to higher oilseed prices.

For 2021-22, production is estimated at 60 Kt, sharply down from last year, as area seeded decreased from 2020-21, to 32 thousand hectares. Yields are expected to be lower than last year. Exports are forecast to fall to 45 Kt due to expectations for decreased US demand. The US remains Canada's main export market for sunflower seed, with small amounts moving to the Middle East and South America. Carry-out stocks are forecast to fall to 115 Kt. Sunflower seed prices are forecast to rise by 3% to \$640/t, due to higher prices for oil and confectionery types.

For the US sunflower crop, USDA forecasts that the area seeded to oil type varieties is expected to fall to below 1.3 million acres, while the area seeded to confectionery type varieties is forecast to decrease to 0.13 million acres. Assuming lower yields and

higher abandonment, 2021-22 US sunflower seed production is forecast by AAFC to fall sharply to 0.9 Mt.

For 2021-22, the global supply of sunflower seed is estimated by the USDA at a record 62.4 Mt, 14% higher than last year. This is due to higher expected production in the Black Sea region. World exports are expected to rise by 28% to a record 3.9 Mt and domestic use is expected to rise to a record 56 Mt. As a result, world carry-out stocks are expected to rise 14% to 2.1 Mt. This is expected to pressure Canadian oil type sunflower seed prices in 2021-22.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

August 20, 2021

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested ----- thousand ha -----	Yield t/ha	Production ----- thousand tonnes -----	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	5,268	216	464	901	737	270
2020-2021f	2,302	2,295	2.86	6,571	20	7,328	6,100	200	131	554	674	302
2021-2022f	2,238	2,126	1.80	3,828	25	4,527	3,100	200	404	827	600	350
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	21,000	3,500	3,913	8,200	4,259	271
2021-2022f	7,254	6,674	2.45	16,351	200	20,810	11,000	3,000	4,085	7,810	2,000	300
All Wheat												
2019-2020	10,126	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	27,100	3,700	4,044	8,754	4,933	
2021-2022f	9,493	8,800	2.29	20,179	225	25,336	14,100	3,200	4,488	8,636	2,600	
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	300	11,997	4,300	268	6,638	7,197	500	294
2021-2022f	3,357	3,000	2.48	7,450	60	8,010	2,050	318	5,051	5,660	300	325
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	1,600	17,723	1,700	5,300	8,708	14,023	2,000	270
2021-2022f	1,405	1,380	10.29	14,200	2,000	18,200	1,400	5,400	9,384	14,800	2,000	275
Oats												
2019-2020	1,459	1,171	3.61	4,227	13	4,637	2,615	143	1,324	1,597	426	274
2020-2021f	1,554	1,314	3.48	4,576	20	5,021	2,950	140	1,466	1,722	350	301
2021-2022f	1,385	1,115	2.40	2,680	15	3,045	1,600	140	975	1,245	200	335
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	245	162	2.47	400	2	462	140	44	208	271	50	230
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	132	59	2.70	160	0	160	0	0	160	160	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	1,922	35,504	9,105	5,762	17,284	23,489	2,910	
2021-2022f	6,524	5,716	4.35	24,890	2,077	29,877	5,190	5,902	15,779	22,137	2,550	
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	730
2021-2022f	9,097	9,041	1.66	15,000	150	15,850	7,000	8,000	99	8,150	700	950
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	693
2021-2022f	415	407	1.20	490	10	555	400	N/A	95	115	40	800
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	2,153	2,153	2.79	6,000	400	6,800	4,100	1,800	350	2,350	350	645
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	11,665	11,600	1.85	21,490	560	23,205	11,500	9,800	544	10,615	1,090	
Total Grains And Oilseeds												
2019-2020	27,569	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	2,547	106,292	52,245	21,462	21,854	45,049	8,998	
2021-2022f	27,682	26,117	2.55	66,559	2,862	78,418	30,790	18,902	20,811	41,388	6,240	

(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 and area seeded for 2021-2022 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

August 20, 2021

Grain and Crop Year (a)	Area	Area	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total		Stocks-to- Use Ratio	Average Price (d)
	Seeded	Harvested						Domestic Use (c)	Carry-out Stocks		
	----- thousand ha	----- t/ha								%	\$/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	82	4,909	3,650	809	450	10%	340
2021-2022f	1,546	1,390	1.98	2,750	90	3,290	2,450	790	50	2%	360
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	110	3,187	2,400	387	400	14%	645
2021-2022f	1,743	1,565	1.20	1,885	75	2,360	2,000	310	50	2%	700
Dry Beans											
2019-2020	160	150	2.11	317	75	442	361	56	25	6%	985
2020-2021f	185	183	2.68	490	63	578	405	53	120	26%	930
2021-2022f	151	146	2.05	300	75	495	400	55	40	9%	975
Chickpeas											
2019-2020	159	156	1.61	252	48	440	105	85	250	132%	490
2020-2021f	121	120	1.79	214	43	507	155	82	270	114%	640
2021-2022f	75	67	1.30	87	45	402	135	82	185	85%	700
Mustard Seed											
2019-2020	161	155	0.87	135	7	214	112	42	61	39%	700
2020-2021f	104	101	0.98	99	6	165	112	28	25	18%	885
2021-2022f	124	110	0.71	78	8	111	75	31	5	5%	950
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%	690
2021-2022f	127	114	1.10	125	0	135	125	5	5	4%	725
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%	620
2021-2022f	32	30	2.00	60	25	215	45	55	115	115%	640
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	
2020-2021f	4,000	3,949	2.16	8,527	339	9,762	6,932	1,425	1,405	17	
2021-2022f	3,798	3,422	1.54	5,285	318	7,008	5,230	1,328	450	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 2020-2021 and area seeded for 2021-2022 which are STC