

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

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This report is an update of Agriculture and Agri Food Canada's (AAFC) August 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 continue to be affected by the domestic and international uncertainty caused by COVID-19.

**For the 2020-21 crop year**, the report provides the near-final estimates for all crops, except for corn and soybeans, incorporating information from Statistics Canada's (STC) September 8, 2021 report on stocks of grains and oilseeds as of July 31. Total field crop production was a record, but due to record exports, total carry-out stocks (year-end inventories) for all principal field crops declined to their lowest level in five years.

**For the 2021-22 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. Total field crop production in Canada is estimated to decrease by 30% due to the severe drought conditions encountered over the majority of the growing season in Western Canada, where production is estimated to have declined by 40% from 2020 and be 36% below the previous five-year average. Drought covered 94% of the agricultural land in Western Canada as at August 31, as illustrated in the latest AAFC [Canadian Drought Monitor](#). Crop production in Eastern Canada is estimated to have risen slightly due to favorable growing conditions. Harvest in Western Canada is nearing completion and expected to be complete by the end of September for most crops. For all principal field crops, a low level of carry-in stocks (beginning year inventories) combined with a substantial decrease in production is expected to result in a 25% decline in total supplies, which more-than offsets a sharp decline in exports and results in a further tightening of carry-out stocks to a record low level. In general, grain prices in Canada are forecast to stay relatively strong, although global grain supplies are expected to become more comfortable, they are expected to remain relatively tight due to firm and sustained international demand. The decline in domestic production and tight domestic stock levels would also provide support to prices in Canada.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on October 20, 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
<b>Total Grains And Oilseeds</b>									
2019-2020	27,660	26,263	3.34	87,752	2,643	104,919	44,825	46,488	13,606
2020-2021	27,491	26,536	3.44	91,205	2,624	107,435	51,260	44,703	11,471
2021-2022f	27,691	26,453	2.47	65,379	3,952	80,802	31,865	41,557	7,380
<b>Total Pulse And Special Crops</b>									
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	4,980	1,343	465
<b>All Principal Field Crops</b>									
2019-2020	31,571	30,067	3.17	95,311	2,972	114,344	52,044	47,799	14,502
2020-2021	31,491	30,485	3.27	99,750	2,968	117,219	58,032	46,250	12,938
2021-2022f	31,518	30,197	2.33	70,384	4,269	87,590	36,845	42,900	7,845

**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

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### Durum

**For 2020-21**, Canadian durum supply increased 5% year over year (y/y) to 7.3 million tonnes (Mt); exports reached a record 5.8 Mt according to STC. Canada shipped durum to over 35 countries, of which 62% was destined to Italy (24%), Algeria (20%) and Morocco (18%). The United States was the fourth largest destination accounting for 6% of total exports. Carry-out stocks are reported at 0.75 Mt.

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

**For 2021-22**, Canadian durum production is forecasted by STC to decrease by 46% due to adverse weather conditions affecting yields. Yields are projected to decrease 43% to 1.62 Mt/ha, which accompanied by tight carry-in stocks results in a 41% reduction in supply, compared to last year, of 4.3 Mt. This is also 42% below the last five year average and the fifth lowest on record. Exports are expected to decrease 46% as a result of lower supply. Domestic use is also projected to fall slightly, to 0.77 Mt, with a marginal reduction in both food and feed use. World pricing for durum remains strong with steady and strong demand. Given current price dynamics, exports are expected to remain relatively strong, as a result, carry-out stocks are projected to decline 40% to 0.45 Mt, albeit stock-to-use ratio remains relatively steady at 11.5%.

Globally, according to the International Grains Council's (IGC) latest report, world durum supply is forecast to decline 5% due to poor production prospects in North America and tight carry-in stocks. Production is forecast at 3.2 Mt, a 20-year low, while carry-in stocks are estimated at 8.1 Mt, one of the smallest in 19 years. As a result, consumption was trimmed 0.5 Mt this month to 33.8 Mt, a 1% decline y/y; trade is projected at 7.1 Mt, down 18.5%. World closing stocks are expected to contract to 6.5 Mt. US durum production is estimated to decrease 49% y/y to 0.95 Mt, with ending stocks forecast to decline 36% to 0.66 Mt, according to the United States Department of

Agriculture (USDA).

The 2021-22 average price for CWAD 1, 13% was increased to \$400/tonne for the year, supported by tight world supplies.

### Wheat (excluding durum)

**For 2020-21**, Canadian wheat supply was 33.5 Mt, +4% y/y. Exports reached 20.6 Mt according to STC. Wheat was shipped to over 60 countries and China was the largest destination accounting for 16% of the total volume. Other key markets included Indonesia (11%), Peru (9%), Japan (7%), Colombia (7%), Bangladesh (5%) and the United States (5%). Carry out stocks are estimated at 4.95 Mt according to STC

The average SK CWRS 1, 13.5% averaged \$271/tonne over the 2020-21 crop year.

**For 2021-22**, STC projects production of wheat (ex-durum) at 18.2 Mt. This is 36% below last year's volume and 31% less than the last five year average. Total supply is projected at 23.3 Mt. Spring wheat production is estimated to fall by 40% to 15.3 Mt and winter wheat production to rise by 3% to 2.85 Mt.

Exports are forecast to fall to 12.5 Mt due to lower overall supply. Domestic use is also expected to fall marginally with a reduction in both food and feed use. With strong and steady world demand, carry-out stocks are forecast to decline from this year's levels on reduced but relatively strong exports, especially with the current strong pricing. Carry-out stocks are projected at 3.5 Mt, down 29% y/y, but with the stocks/use ratio remaining relatively stable at 17.5%.

The September USDA-WASDE report projects increased supplies, consumption and trade, and higher ending stocks than the previous month. World supplies were revised up to 1,073 Mt on higher-than expected stocks in North America and positive production prospects in Australia, India and China. Total global production is now forecast at 780.3 Mt, 0.6% more than 2020-21 estimates. Total

use was also upgraded by 2.96 Mt to 789.63 Mt, 1% more than the previous year. Trade for 2021-22 is projected at 199.7 Mt, just marginally above last year's levels. Ending stocks were expanded by 4.16 Mt, to 283.2 Mt, of which over 50% are held by China and not necessarily available to the world market.

For the US, all wheat supply is forecast to drop 9% y/y to 72.8 Mt, on low beginning stocks (-17%) and reduced production of all spring wheat varieties. Production of winter wheat was not affected

significantly by the drought with output of all winter wheat up 24% y/y. Domestic use is forecast to increase 6% and trade is expected to drop 12%. US closing stocks for all wheat are forecast at 16.7 Mt, down 27% y/y.

The 2021-22 average price for CWRS 1, 13.5% is forecast to be \$300/tonne.

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## Coarse Grains

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### Barley

**For 2020-21**, barley exports totaled 4.57 million tonnes (Mt), including 3.82 Mt of exports of barley grain and 0.75 Mt of exports of grain equivalent products. Exports increased significantly from 2019-20, primarily due to a significant increase in barley grain exports to China, although exports to the US and Japan fell, based on Statistics Canada's (STC) trade data. Canada's barley exports to China in 2020-21 surged to 3.25 Mt, up from 1.44 Mt in the previous crop year, pushing China's share of Canadian barley exports to more than 90%.

Barley imports for 2020-21 increased to 0.30 Mt, up sharply from 0.06 Mt last year and above 0.26 Mt in 2002-03 when Canadian barley production last suffered from severe drought. This increase was due to strong feed demand in the western provinces, particularly in Alberta, as robust exports exhausted the domestic feed barley supply.

Total domestic use decreased by 8% from last year on a drop of 11% for feed use, though the industrial use rebounded from the previous year's low. 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.

Canadian barley prices have been supported by strong exports, tight old crop barley stocks, growing worries about new crop barley production and strong prices of other grains. The 2020-21 average feed barley price in Lethbridge area increased to \$294/t, breaking the record level of \$279/t in 2012-13.

**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.

Despite an increase in seeded area, 2021 barley production is projected by STC at 7.14 Mt in its September 14<sup>th</sup> production report, down 34% and 23%, respectively, from last year and the prior five-year average, as yields in the Prairie provinces

have been hit hard by drought and the abandonment rate is expected to be higher than last year. Nationwide, the 2021 yield is expected to be 38% and 37% lower than in 2020 and the five-year average, respectively. More of the barley crop in the Prairie provinces will be cut for green feed. The prolonged drought on the Prairies has also resulted in poor pastures and rangelands, and severe hay supply shortages, causing farmers to cut poor quality crops for livestock feed.

Along with record low beginning stocks, total Canadian barley supply for 2021-22 will be severely compromised. As a result, demand will be heavily rationed lower.

The average price of feed barley for 2021-22 is predicted to increase sharply from 2020-21, supported by tight beginning stocks, a pessimistic outlook about new crop production, and stronger prices of other grains.

Globally, the combined 2021 barley production for the world's major exporting countries was projected by the USDA to decrease from 2020, though productions in Argentina and Ukraine were projected to increase. World barley imports for 2021-2022 were predicted to decline on lower imports for China due to its larger-than anticipated corn production. World feed demand for barley was projected to decrease from last year, partly due to production issues in some of the world major exporting countries and an outlook for recovered corn production worldwide. World ending stocks were projected to decrease to the lowest level.

### Corn

**For 2020-21**, corn imports are forecast at 1.65 Mt, a decrease of 12% from 2019-20, due to lower purchase from the US. According to STC, Canada has imported nearly 1.51 Mt of corn for the September 2020 – July 2021 period, of which, about 43% was destined to Eastern Canada and 57% to Western Canada. Monthly imports have been stable at around 0.13 Mt.

Corn exports for 2020-21 are forecast at 1.55 Mt,

increasing from 0.68 Mt last year, based on the pickup in exports to the EU from Eastern Canada. STC reports that 1.50 Mt of corn has been exported for the September 2020 – July 2021 period, of which, about 84% were from Eastern Canada and 16% from Western Canada. Corn exports normally slowdown in July and August.

Domestic use for 2020-21 is predicted to rise on increased feed demand. Carry-out stocks are forecast to fall from the record high in the previous year.

The average price of Chatham corn for 2020-21 is expected to increase by 39% from 2019-20 to \$272/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 lower exports, especially to China, which had a good 2021 corn harvest, more-than offset higher food, seed and industrial use. 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 estimate for Brazil was further cut by 1.0 Mt by the USDA, while it was lifted by 1.5 Mt for Argentina.

**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.

Despite slightly lower harvested area, nationwide production is forecast to increase by 6% from 2020-21 to a record level of 14.4 Mt, mainly due to expected record high yields that reflect the favourable growing conditions in Eastern Canada. This, along with sharply increased imports to Western Canada, will lead to the highest national corn supply on record, despite lower carry-in stocks. Corn imports to Western Canada are expected to increase drastically due to feed grain production problems in this region and the historically high premium of feed grain prices relative to US corn prices. 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 drop 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.

According to the USDA, world corn production in 2021-22 is forecast to reach a record high, as production in the world's top corn producing countries, including China, is forecast to increase significantly. Demand is expected to continue to expand with a larger portion destined for the feed sector. Ending stocks will increase after four consecutive years of decline, but will remain below the previous five-year average.

For the US, the projections for 2021-22 corn acreage, yield, production, supply, ending stocks, feed and residual use, and exports were revised up by the USDA from its August projections. Compared to 2020-21, supply is only slightly higher, while total demand is slightly lower. As a result, ending stocks will be 9% higher than in 2020-21 but still 28% lower than the previous five-year average. The season-average farm price received by producers was pegged at US\$5.45/bu, down from US\$5.75/bu in the August projection but up from US\$4.45/bu for 2020-21.

## **Oats**

**For 2020-21**, oat exports totaled 2.93 Mt, including 2.0 Mt for grain exports and 0.92 Mt for grain equivalent of product exports. This is 12% higher than the total exports in 2019-20 and the highest level on record. Exports of grain to the US, the largest destination of Canadian oats decreased slightly to 1.5 Mt. Exports to Chile surged to 0.2 Mt, making it the second largest destination of Canadian oats.

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.

Oat prices in North America have been supported by tight old crop oat stocks, growing worries about new

crop oat production and strong prices of other grains. 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.

According to STC, oat production is projected at 2.58 Mt, down 44% and 33%, respectively, from last year and the prior five-year average. This is due to sharply lower yield forecasts and a higher abandonment rate in the Prairie provinces, compared to last year. The sharp decrease in production will result in total supply at 3.25 Mt, 35% and 28% lower than in 2020-21 and the previous five-year average, 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 the projected sharply lower supply and carry-out stocks. The forecasts for stronger 2021-22 prices of other grains will also support oat prices.

Globally, 2021 oat production in the world's major exporting countries was projected by the USDA to decrease from 2020. However, the EU will still have a large oat crop. For the US, 2021 oat production was predicted to decline by 37%. Imports were forecast to drop by 13%. Ending stocks were predicted to decrease by 28% and 33%, respectively, from last year and the five-year average.

## **Rye**

**For 2020-21**, rye exports decreased to 150 Kt, down 9% from the previous year. More than 98% of the exports were destined to the US, making Canada's share of the US rye imports at 61%.

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 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 412 Kt, about 16% lower than 2020-21, as a notable increase in seeded area will be largely offset by drastically lower yields in the Prairie Provinces. Supply is forecast at 486 Kt, decreasing from 2020-21. Domestic use (mostly for feed use), exports and carry-out stocks will decline, following lower supply. 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 predicted to increase. Imports for 2021-22 are projected at 152 Kt, down 38% from 244 Kt in 2020-21.

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### Canola

**For 2020-21**, Canada crushed a record 10.4 Mt of canola compared to the 10.1 Mt processed the previous year and the 5 year average of 9.2 Mt. Canadian exports of canola were the 3<sup>rd</sup> highest on record at 10.5 Mt, versus the 10.0 Mt shipped out of the country a year ago and the 5 year average of 10.3 Mt. Ending stocks were 1.8 Mt for a stocks-to-use ratio of 8% compared to 3.4 Mt and 16%, respectively, a year ago. 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 area of 9.1 Mha and 9.0 Mha respectively. 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. 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 and strong world demand. Similarly, 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 soybean prices are forecast to support a canola price of \$940/t for 2021-22, compared to \$730/t in 2020-21 and the 5 year average of \$556/t.

This outlook contains a significantly higher-than normal degree of uncertainty given the expansion in world vegetable oil consumption and the adverse growing conditions across different growing regions over the past year. Volatility for canola prices is

expected to remain high over the next several months with the market remaining vulnerable to a sharp correction from either a demand or supply shock.

### Flaxseed

**For 2020-21**, domestic use of flaxseed decreased significantly to 0.09 Mt on a sharp drop in feed, waste and dockage from 0.15 Mt last year to 0.09 Mt. Exports were 0.52 Mt, mostly to China and the European Union, an increase of 48% from the 2019-20 crop year. Ending stocks are 57,300 t, down from 63,600 t last year, with 25,000 tonnes located on farm and 32,300 tonnes 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 area of 0.42 Mha and 0.40 Mha respectively. 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. 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. Flaxseed prices are forecast to rise to \$875/t on steady world demand and reduced production in Canada and Kazakhstan.

### Soybeans

**For 2020-2021**, domestic usage is forecast to decline by 17% to about 2.4 Mt, as a sharp drop in feed, waste and dockage offsets a modest rise in crush to 1.8 Mt. By contrast, exports increased by 29% to 4.6 Mt on a combination of strong world demand and large supplies of domestic soybeans.

Ending stocks are estimated at 0.4 Mt, little changed from last year. 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 a planted and harvested area 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. Total supply is forecast to decrease to 6.7 Mt (7.4 Mt last year) on lower production, stable imports and lower carry-in stocks. The tightening of supplies is forecast to result in a 13% decline in exports to 4.0 Mt despite strong world demand. Domestic processing is forecast stable at 1.8 Mt while carry-out stocks fall to 0.35 Mt. Soybean prices are forecast to decline modestly to \$595/t, in line with US prices.

For 2021-22, the USDA loosened its US soybean situation slightly following a series of rains across

key eastern and northern plain growing regions. In the September release of the WASDE, soybean yields were raised by 0.6 bu/ac as the eastern half of the US experiences significantly better growing conditions than the western half. With minor changes to domestic use and exports, ending stocks were raised slightly, but still remain historically tight at 185 Mbu. The farm-gate price for soybeans was lowered to US\$12.90 a bushel compared to US\$13.70 for the August release.

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

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### Dry Peas

**For 2020-21**, exports were lower than the 2019-20 level at 3.6 million tonnes (Mt) despite record shipments to China. This was offset by lower exports to Bangladesh and India. Domestic use was higher compared to the previous year. The average dry pea price was \$340/t, rising sharply from 2019-20, despite lower exports which led to an increase in carry-out stocks in 2020-21. The average crop year prices for yellow and feed peas were higher than for the previous year but prices were lower than 2019-20 for green pea types.

**For 2021-22**, Canadian dry pea production in Canada is estimated by STC to fall by 45% from 2020-21, to 2.5 Mt, due to lower yields. Saskatchewan and Alberta are expected to account for 52% and 39% of the dry pea production, respectively, with the remainder in Manitoba, British Columbia and Eastern Canada. As a result, total supply is forecast to fall sharply despite higher carry-in stocks. Exports are forecast to be rationed to 2.3 Mt, with China, the US and Bangladesh continuing to be Canada's top markets. Carry-out stocks are forecast to fall. The average price is expected to be sharply higher than 2020-21, at a record \$580/t, due to lower world supply and decreased carry-out stocks in Canada.

In the US, area seeded to dry peas for 2021-22 is forecast by the USDA to fall by 3% from 2020-21, to just below 1.0 million acres. This is largely due to an expected fall in area in North Dakota. With higher abandonment and lower yields, US dry pea production is forecast by the USDA to fall 44% to 551 Kt. The major US export markets for dry peas, were China, Canada, the Philippines and Yemen.

### Lentils

**For 2020-21**, lentil exports fell to 2.3 Mt, down 15% from the record set 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 under 0.5 Mt. Carry-out stocks rose sharply to 0.4 Mt. The average Canadian lentil price

was significantly higher than 2019-20. No.1 large green lentil prices maintained a crop year premium of \$135/t over No.1 red lentil prices.

**For 2021-22**, lentil production is estimated to fall by 37% to 1.8 Mt due to lower yields. Seeded area rose marginally, but below average yields are expected, with the majority of the decrease being red lentil types. By province, Saskatchewan is expected to account for 90% of the lentil production and 10% in Alberta. With the sharp fall in production, total supply is forecast to fall only 28% due to higher carry-in stocks. Exports are forecast to be lower at 1.9 Mt. Carry-out stocks are expected to decrease sharply to below 0.1 Mt. The average price for all grades is forecast to be significantly higher than 2020-21 at a record \$1,000/t, due to lower carry-out stocks and expectations for a decrease in world supply.

In the US, the area seeded to lentils for 2021-22 is forecast by the USDA at over 0.7 million acres, 35% higher than 2020-21, due to higher area seeded in Montana and North Dakota. However, with lower yields and higher abandonment, US lentil production is forecast by USDA at below 0.3 Mt, down 31% from last year. The main US export markets for lentils are expected to continue to be Canada, Mexico and the EU, particularly Spain.

### Dry Beans

**For 2020-21**, dry bean exports were slightly higher than 2019-20 at a record 0.4 Mt. The EU and the US were the top two markets for Canadian dry beans, with smaller volumes exported to Angola, Japan and Mexico. A stronger exchange rate and a record North American crop provided the majority of the pressure on Canadian dry bean prices in 2020-21.

**For 2021-22**, Canadian production is forecast to fall by 28% to 0.35 Mt, due to a decrease in seeded area and lower yields, mostly in Manitoba. By province, Manitoba is expected to account for 41% of the dry bean production, Ontario 29% and Alberta 27%, with the remainder in Saskatchewan. Total supply is expected to decrease by only 5%, due to large carry-in stocks. Exports are forecast to be similar or

marginally higher than the previous year. As a result, carry-out stocks are expected to fall. The average Canadian dry bean price is forecast to rise to a record \$1,090/t, due to lower expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to decrease by 16% to below 1.5 million acres, largely due to lower area seeded in North Dakota and Nebraska. Total US dry bean production for 2021-22 is forecast by the USDA to fall below 1.1 Mt, 29% lower than in 2020-21.

### **Chickpeas**

**For 2020-21**, Canadian chickpea exports rose from the previous year to 150 thousand tonnes (Kt). Increased demand from Pakistan and the US were behind the rise in exports. As a result of the larger supply and despite an increase in exports, carry-out stocks rose from the previous year. The average price increased sharply, despite an increase in world supply for all chickpea types.

**For 2021-22**, production is forecast to fall significantly to 64 Kt, due to decreased area and sharply lower average yields. By province, Saskatchewan is expected to account for 78% of the chickpea production, with 22% in Alberta. Total supply is forecast to fall by only 23% to 0.39 Mt due to large carry-in stocks. Exports are forecast to be lower than 2020-21, however carry-out stocks are expected to decrease for the first time in 5 years. The average price is forecast to rise sharply to \$985/t due to expectations for a smaller world chickpea supply.

US chickpea area for 2021-22 is forecast by the USDA to rise by 39% to 0.38 million acres. With lower yields and higher abandonment, 2021-22 US chickpea production is forecast by USDA at 138 kt, down 29% from the previous year. The main export markets are Pakistan, the EU and Canada.

### **Mustard Seed**

**For 2020-21**, Canadian mustard exports were mostly unchanged at 111 Kt, similar to the previous year, as lower export demand from the US was offset by higher demand from the EU. This, combined with lower supply, resulted in carry-out

stocks falling to 40 kt, the lowest in 5 years. Prices rose sharply for all mustard seed types, due to support from tightening domestic stocks.

**For 2021-22**, production is estimated at 71 Kt, lower than last year due to a sharp fall in yields, as seeded area was higher. Supply is expected to be 29% lower at 0.12 Mt, as lower carry-in stocks combine with the decrease in output. Exports are expected to be rationed to 75 Kt, with the US and the EU as the main markets for Canadian mustard seed. Carry-out stocks are forecast to fall sharply. The average price is forecast to rise sharply from 2020-21 to a record \$1,200/t.

### **Canary Seed**

**For 2020-21**, exports were lower than the previous year at 158 Kt. This was due to higher exports to Mexico being offset by lower demand from the Middle East. The average price increased by \$60/t, to \$690/t despite higher Canadian carry-out stocks.

**For 2021-22**, production is estimated at 112 Kt, down 37% from last year, due to lower yields and higher abandonment. Supply is forecast to decrease by 28%, buffered by higher carry-in stocks. Exports are forecast to be limited by supply, with the EU and Mexico as the main markets, followed by Brazil and the US. The average price is forecast to increase significantly from 2020-21 to a record \$1,060/t.

### **Sunflower Seed**

**For 2020-21**, sunflower seed exports were higher 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.

**For 2021-22**, production is estimated at 77 Kt, 24% lower than last year, as the decrease in seeded area combines with below-average yields. With supply expected to fall by 10%, exports are forecast to be reduced to 45 Kt. The US remains Canada's main export market for sunflower seed. As a result of the decrease in supply, carry-out stocks are forecast to fall to 100 Kt. Sunflower seed prices are forecast to

rise, to a record \$790/t with higher prices for oil and confectionery types.

For 2021-22, area seeded to sunflower seed in the US is forecast by the USDA at 1.38 million acres, down 20% from 2020-21, due to lower area seeded in North and South Dakota. The area seeded is expected to fall to 1.25 and 0.13 million acres, respectively for oil type varieties and confectionery type varieties. Assuming lower yields and higher abandonment, 2021-22 US sunflower seed production is forecast by AAFC to fall sharply to just above 0.9 Mt.

For 2021-22, the global supply of sunflower seed is estimated by the USDA at a record 63 Mt, which is 14% higher than last year, due higher production in the former Soviet Union and the EU. World exports are expected to rise by 29% and domestic use is expected to increase by 13% to a record 56 Mt. Despite this, world carry-out stocks are expected to rise to 2.6 Mt, up 11% from the previous year.

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# CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

September 24, 2021

Grain and Crop Year (a)	Area Seeded ----- thousand ha	Area Harvested ----- thousand ha	Yield t/ha	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g) \$/t
<b>Durum</b>												
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	400
<b>Wheat Except Durum</b>												
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	12,500	3,000	3,599	7,324	3,500	300
<b>All Wheat</b>												
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	15,600	3,190	3,957	8,095	3,950	
<b>Barley</b>												
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	350
<b>Corn</b>												
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	1,650	17,773	1,550	5,300	8,808	14,123	2,100	263
2021-2022f	1,413	1,384	10.38	14,368	3,000	19,468	1,400	5,400	10,652	16,068	2,000	275
<b>Oats</b>												
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	360
<b>Rye</b>												
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
<b>Mixed Grains</b>												
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	
<b>Total Coarse Grains</b>												
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	1,963	35,546	9,200	5,772	16,591	22,804	3,542	
2021-2022f	6,533	5,742	4.29	24,618	3,167	31,326	5,390	5,903	17,017	23,375	2,560	
<b>Canola</b>												
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	940
<b>Flaxseed</b>												
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	875
<b>Soybeans</b>												
2019-2020	2,313	2,271	2.71	6,145	242	7,087	3,577	1,742	930	2,884	626	419
2020-2021	2,052	2,041	3.12	6,359	400	7,385	4,600	1,800	385	2,385	400	605
2021-2022f	2,153	2,139	2.75	5,886	400	6,686	4,000	1,800	336	2,336	350	595
<b>Total Oilseeds</b>												
2019-2020	11,263	11,081	2.40	26,543	419	32,157	13,966	11,871	1,905	14,066	4,124	
2020-2021	10,839	10,738	2.46	26,421	549	31,094	15,653	12,210	723	13,217	2,224	
2021-2022f	11,665	11,541	1.65	19,047	560	21,831	10,875	9,300	515	10,086	870	
<b>Total Grains And Oilseeds</b>												
2019-2020	27,660	26,263	3.34	87,752	2,643	104,919	44,825	21,198	23,531	46,488	13,606	
2020-2021	27,491	26,536	3.44	91,205	2,624	107,435	51,260	21,365	21,643	44,703	11,471	
2021-2022f	27,691	26,453	2.47	65,379	3,952	80,802	31,865	18,393	21,489	41,557	7,380	

(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

September 24, 2021

Grain and Crop Year (a)	Area	Area	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
	Seeded	Harvested						Domestic Use (c)			
	----- thousand ha	----- t/ha						----- thousand tonnes			
<b>Dry Peas</b>											
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
<b>Lentils</b>											
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%	1,000
<b>Dry Beans</b>											
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%	1,090
<b>Chickpeas</b>											
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	135	84	170	78%	985
<b>Mustard Seed</b>											
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%	1,200
<b>Canary Seed</b>											
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%	1,060
<b>Sunflower Seed</b>											
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	45	73	100	85%	790
<b>Total Pulses and Special Crops (c)</b>											
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	4,980	1,343	465	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