CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS *April 20, 2022*

Market Analysis Group / Crops and Horticulture Division
Sector Development and Analysis Directorate / Market and Industry Services Branch

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) March outlook report for the 2021-2022 and 2022-2023 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 economic outlook, for the world and Canadian grain markets remains highly uncertain, due in large part to the Russian invasion of Ukraine, which has resulted in the ongoing disruption of supplies from the region for the foreseeable future and considerable uncertainty in regards to the extent the invasion will affect the current spring planting campaign and the upcoming winter wheat harvest in Ukraine. Adding further uncertainty into the market is the ongoing effects of Covid-19, which continue to be felt even as the world starts to recover from the pandemic, in particular its persistent effects on global supply chains.

The outlook incorporates recent information from: (i) the United States Department of Agriculture (USDA) - World Agriculture Supply and Demand Estimates (WASDE), Prospective Plantings and Grain Stocks reports (ii) International Grains Council Grain Market Report (iii) Agricultural Market Information Systems (AMIS) Market Monitor.

For 2021-2022, carry-in stocks (beginning-year inventories) were at multi-year lows and production in the Canadian Prairie Provinces was drastically reduced due to drought, resulting in carry-out stocks (ending-year inventories) for all principal field crops forecast to end the year at a record low level, despite a marked decrease in exports.

Crop prices are forecast to remain strong, on support from: (i) supply disruptions caused by the Russian invasion of Ukraine (ii) tight Canadian supplies (iii) relatively tight global grain supplies (iv) expectations for a continuation of firm international demand.

For 2022-2023, producers are expected to react to the strong prices in the market by maximizing acreage planted and assuming a return to trend or just below trend yields, total field crop production and supply is expected to return to a more normal level. Dry conditions remain however, particularly in the southern and central portions of the western Prairies where timely precipitation this spring and throughout the growing season will be needed to achieve trend yields. Record low carry-in stocks combined with a significant increase in exports are expected to result in carry-out stocks remaining relatively tight.

Crop prices are expected to remain relatively strong in 2022-23 but decrease from the record to near-record prices of 2021-22 as Canadian and world production is expected to increase.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on May 20, 2022. Statistics Canada (STC) will conduct its 2022 Field Crop Area Survey in March, which will collect information from farmers on their crop planting intentions for principal field crops, and survey results are scheduled to be published on April 26, 2022. STC will release data on Stocks of Principal Field crops as of March 31, 2022, on May 6, 2022.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	thousand hectares		*t/ha*	*thousand tonnes*					
Total Grains And Oilseeds									
2020-2021	27,491	26,536	3.44	91,205	2,682	107,487	50,908	45,230	11,349
2021-2022f	27,693	26,507	2.45	65,039	4,947	81,334	31,822	42,177	7,335
2022-2023f	28,153	27,055	3.24	87,684	2,762	97,780	44,210	44,125	9,445
Total Pulse And Special Crops									
2020-2021	4,000	3,949	2.16	8,545	338	9,778	6,784	1,461	1,533
2021-2022f	3,832	3,730	1.22	4,567	223	6,323	4,465	1,108	750
2022-2023f	4,025	3,945	1.82	7,185	312	8,247	5,900	1,402	945
All Principal Field Crops									
2020-2021	31,491	30,485	3.27	99,750	3,019	117,265	57,692	46,691	12,882
2021-2022f	31,525	30,237	2.30	69,605	5,170	87,657	36,287	43,285	8,085
2022-2023f	32,178	31,000	3.06	94,869	3,074	106,027	50,110	45,527	10,390

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

Durum

For 2021-22, according to Statistics Canada, total supply of durum wheat is estimated at 3.43 million tonnes (Mt), down 53% compared to 2020-21 and also 53% less than the previous five-year average. Production of durum is reported at 2.65 Mt due to low yields caused by the drought in Western Canada. Despite the shortfall, quality is very good according to the Canadian Grain Commission (CGC) with 70% of the crop rated within the top two grades.

On the demand side, exports of durum continue their sluggish pace, trailing last year's volumes by 60% to the end of March as reported by the CGC. For the period of August to February, Statistics Canada reports exports of durum at 1.5 Mt, 53% less than the previous year. Exports were reduced to 2.40 Mt with the difference moving into ending stocks, now pegged at 0.45 Mt, the lowest since 1984-85 if realized.

According to the IGC, the 2021-22 world supply of durum is forecast at 39.1 Mt, down 8% compared to the previous year due to a 9% decline in production. Global production is estimated at 30.9 Mt, compared to 34 Mt one year prior. Global demand is forecast at 32.9 Mt, down 4% compared to the previous year with a reduction in both food (-3%) and feed use (-25%). Global trade is projected to decrease 33% with reduced supplies from North America following their short crops; it is currently pegged at 6 Mt compared to 9 Mt last market year. Closing stocks are expected to decline 25% to 6.2 Mt, the lowest in 14 years.

Spot prices for Saskatchewan (SK) Canadian Amber Durum (CWAD) 1, 13% have softened since the peaks of winter 2021, following sluggish export movement and a decrease in import demand, averaging $671/tonne to April 1, 2022. Downward pressure on old crop prices continues as interest moves to new crop prospects. The average spot price for SK CWAD 1, 13% for 2021-22 was reduced to $650/tonne.

For 2022-23, total supply is projected to increase 75% due to an increase in seeded area and a gradual return to average yields. Canadian production is pegged at 5.52 Mt, but subject to review next month following the release of the seeding intentions report by Statistics Canada. The weather across the Prairies, which is showing signs of drought, especially in southern Alberta and Saskatchewan, will be monitored closely as adverse weather could negatively affect yields.

Canadian exports are expected to increase to 4.3 Mt, about 72% of supply, led by import demand from North Africa where poor climatic conditions are expected to negatively impact the region's supply. Domestic use is forecast to return to average levels at 0.9 Mt, and carry out stocks are forecast to double to 0.9 Mt.

According to the USDA, farmers intend to plant 1.92 million acres of durum in 2022-23, up 17% compared to the previous year. However, the bulk (86%) of the durum crop remains under some level of drought with 37% considered in "severe drought" which could pressure yields. Weather is improving across southern Europe and in France, 88% of the durum crop is currently rated in good or very good condition according to AgriMer. Dry conditions continue in much of North Africa however, as a result, production is expected to fall and demand from the region to increase in 2022-23.

Although the average Canadian crop year producer price for durum is forecast to decline from current levels, it will remain relatively strong compared to historical prices. It remains unchanged at $415/tonne.

Wheat (excluding durum)

For 2021-22, according to Statistics Canada, total supply is estimated at 24.11 Mt, 28% less than the previous year and 23% less than the previous five-year average, due to lower seeded area accompanied by poor yields caused by the drought in Western Canada. Production is reported at just under 19 Mt and yields at 2.68 t/ha. Despite the shortfall, the CGC's sample survey analysis indicates that wheat quality is very good this year with 89% of the crop

graded within the top two tiers and with higher than average protein.

On the demand side, exports remain unchanged this month, pegged at 13.2 Mt, but with downward pressure if movement does not pick up with the opening of the St Lawrence seaway. According to Statistics Canada, exports from August to February 2022 are reported at 7.2 Mt, 39% less than the previous year and 28% less than the same period over the last five years. The CGC's weekly export reports show shipments lagging last year's volumes by 51% for the period of August to March 2022. Domestic use is pegged at 7.6 Mt and closing stocks at 3.3 Mt, down 33% compared to 2020-21.

According to USDA's April WASDE, the global outlook for all wheat (including durum) points to slightly larger supplies, increased consumption, lower trade and smaller ending stocks. Compared to the previous report, overall supply was increased to 1,069.5 Mt (+0.7 Mt), with higher production in Pakistan and Argentina. World consumption was increased 3.8 Mt to 791.1 Mt, on higher food, seed and industrial use in India. Global trade was lowered to 200.1 Mt (-3 Mt) on lower exports from the Ukraine, the EU, the US and Kazakhstan, and closing stocks are projected at 278.4 Mt, a 5-year low. For the US specifically, total supply in 2021-22 remains stable, but with lower domestic use (-0.28 Mt) and exports (-0.41 Mt) on sluggish movement. As a result, closing stocks were increased to 136.25 Mt, but remain 20% less than the previous year.

Prices have been exceptionally volatile following the Russian invasion of Ukraine, with large sweeps on both of ends of the spectrum. The 2021-22 average spot price for SK Canadian Western Red Spring (CWRS),1, 13.5% is revised up, now pegged at $420/tonne.

For 2022-23, total supply is projected at 29.04 Mt, up 20% compared to the previous year, with an increase in seeded area and a return to trend yields. Production is pegged at 25.64 Mt, 35% more than the previous year. Statistics Canada releases the results of the farmers' seeding intention survey at the end of April; forecasted production and supply will be revised accordingly in the next report. Exports were revised up slightly to 17.25 Mt, that is about 59% of total supply, under expectations of increased global demand following declining supply and trade from the Black Sea region, in particular Ukraine. Closing stocks were trimmed 0.3 Mt, now forecast at 3.8 Mt, still up 15% compared to the previous year.

According to the USDA's prospective plantings report, all wheat acreage, including durum, is expected to rise 1% to 47.4 million acres, the fifth lowest on record; the area sown to winter wheat is forecast at 34.2 million acres, up 2% from last year; that for spring wheat is expected at 11.2 million acres, down 2% from 2021. However, the weather will be paramount to reach desired yields, which are under pressure from drought conditions plaguing much of the US winter wheat belt. Approximately 69% of all winter wheat is located in some level of drought, with 16% considered under "extreme drought".

The 2022-23 market remains under high level of uncertainty amid the dry conditions in North America, mixed conditions in Europe, persisting war in Ukraine and rising input costs. Ukraine's crop is under scrutiny with production prospects for 2022-23 in the 26 Mt range, according to the USDA, but the level to which this can be exported is unknown. Prices will remain volatile with heavy shifts amid speculation, technical selling and profit seeking. The average SK spot price for CWRS 1, 13.5% was revised up supported by uncertainty and tight fundamentals, but volatility is expected to continue. It is forecast to come down from current highs, but still remain relatively strong at $390/tonne in the short term.

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Barley

For 2021-22, the Canadian barley supply and demand situation includes sharply lower carry-in stocks, production and supply, as well as significantly reduced domestic feed consumption and exports, when compared to last year. Carry-out stocks are projected at 0.3 Mt, a record low level.

The Lethbridge feed barley price for 2021-22 is forecast to hit a new high of $425/t, unchanged from the March projection, but up sharply from the previous record of $294/t set in 2020-21 and well above the three- and five-year averages. The 2021-22 prices are supported by tight domestic barley supplies, the decline in the availability of other domestic feed grain substitutes, robust demand and stronger prices of other grains. Barley prices though are being tempered by the large quantities of US corn imports into Western Canada since last September, limiting the price increase.

Worldwide, there has been high volatility in barley prices in the major barley exporting countries due to uncertainty related to the situation in Ukraine. According to the International Grains Council (IGC), EU France feed barley FOB price in the recent week was pegged at US$411/t (US$421/t a month ago, US$235/t a year ago). Australian FOB prices for feed barley and malting barley were set at US$344/t (US$321/t, US$225/t) and US$361/t (US$336/t, US$233/t), respectively.

For 2022-23, the Canadian barley outlook is for sharply lower carry-in stocks, a slightly smaller area, better yield, larger production and supply, greater domestic use and exports, higher ending stocks and a lower average price. Total barley supply is projected at 10.95 Mt, 40% higher than 2021-22 and the fourth highest since 2010. This is largely due to a 52% increase in the production forecast, assuming a return to normal weather conditions and trend yields for the 2022 growing season, and average abandonment rates on the Prairies.

Domestic feed use and exports are expected to increase significantly from 2021-22, given the tight domestic supply in 2021-22 rationing demand to very low levels for the year. Carry-out stocks for 2022-23 are projected at 1.0 Mt, increasing sharply from the projection for 2021-22 and well above the previous three and five year averages.

Based on expectations for a recovery in domestic barley supplies and lower US corn prices for 2022-23, the Lethbridge feed barley price for 2022-23 is forecast at $350/t, up $10/t from the March figure and considerably lower than the price forecast for 2021-22.

According to the United States Department of Agriculture's (USDA) Perspective Planting report released on March 31, 2022, US farmers intend to grow more barley in 2022, reflecting the expected increase in acreage in Montana and North Dakota, the two major barley growing states in the US. Pegged at 2.94 million acres (Mac), total barley acreage in the US for 2022 is expected to expand by 11% from 2021 and the highest since 2017.

2022 spring barley seeding progress in the world's major growing countries continues. Total 2022 spring barley area in Ukraine is projected at 1.0 million hectares, according to Ukraine's agriculture ministry. In Ukraine, spring barley accounts for around 50% of total barley plantings. Ukrainian winter barley posted a 10% decline versus a year ago. 2022 spring sowings in the EU (France) are now finished, and 88% of the winter crop is rated in good or excellent condition (85% last year), according to France AgriMer.

Corn

For 2021-22, the Canadian corn supply and demand situation includes larger production, imports and supply, increased domestic industrial use, feed consumption and exports, when compared to last year. Canadian corn supply is projected at 20.2 Mt, up from 2020-21 and a record high level. This is primarily due to a bumper corn crop in Eastern Canada, as well as an expected sharp increase in US corn imports into Western Canada to meet local feed demand. Domestic use is projected to increase mainly due to higher feed use. Exports are expected to increase from last year. Carry-out stocks are

predicted to decrease by 1% from a year ago.

The 2021-22 Chatham corn price average is projected at a new record of $305/t, up by $20/t from the March projection and $33/t from the old record of $272/t set in 2020-21. CBOT corn futures increased by US$0.80/bu, following Russia's invasion of Ukraine, which has led to disruptions of trade flows out of the Black Sea region and added greater volatility to grain prices. In line with the rising CBOT price, the Chatham corn price during the same period increased by $40/t.

Worldwide, the USDA's April forecast for 2021-22 Brazilian corn production was revised up by 2.0 Mt from its March forecast and remained unchanged for Argentina. If realized, corn production in the world's two major corn exporting countries for the 2021-22 marketing year will reach a record high. Corn imports by China were revised down by 3.0 Mt, reflecting the same level of reduction in predicted domestic feed demand for the country.

Reflecting continued trade disruptions in the Black Sea region, the 2021-22 corn export forecast for Ukraine was revised down by the USDA for the second month in a row. Now, Ukrainian corn export forecast is pegged at 23 Mt, lowered by 10.5 Mt from the pre-war forecast of 33.5 Mt. This will lead to 2021-22 exports being 4% and 6% lower than last year and the previous five-year average. As a result, the current corn stocks in Ukraine are sufficient for more than two years of domestic consumption, Ukraine's agriculture ministry is trying to increase corn exports as much as possible.

Revisions to 2021-22 US corn supply and demand forecasts include lowered feed demand and lifted industrial use for ethanol and by-product production, while forecasts for supply, exports and ending stocks remained unchanged from the March figures. The average farm price was lifted by US$0.15/bu to US$5.80/bu, up sharply from $4.53 last year.

For 2022-23, Canadian corn outlook is for a smaller supply, lower demand and ending stocks, as well as lower average price. Canadian corn supply is projected to decrease by 12% from 2021-22 to 17.8 Mt, based on projections for a 1% reduction in carry-in stocks, a 3% drop in production and a 33% fall in imports.

Total domestic demand is projected to decrease by 13% from 2021-22, mainly reflecting lower feed demand in Western Canada. Industrial use is projected to increase. Exports are expected to be at an average level. Carry-out stocks are projected to decrease from 2021-22 and to the lowest level since 2015-2016.

The 2022-23 Chatham corn price is projected at $290/t, up by $10/t from the March projection and 5% lower than the 2021-22 price forecast.

The USDA's Perspective Planting report shows that the US farmers intend to grow less corn for all purposes in 2022. Pegged at 89.5 Mac, corn acreage in the US for 2022 is expected to decrease by 3.9 Mac or 4% from 2021 and will be 1% and 3% lower than the previous five- and ten-year averages, respectively. The 2022 corn acreage in most states is expected to decrease. In the largest corn growing states, corn acreage will decrease by 300 Mac or so. Specifically, Minnesota will see corn acreage drop by 600 Mac to reach a four-year low. North Dakota will see a drop of 500 Mac from 2021, but corn area will still be the second-highest in four years. A few states will see a slight increase in corn acres, but that won't be enough to offset the total decrease. High input cost for corn production, particularly fertilizer and fuel, might be one of the reasons contributing to the expected reduction in 2022 corn acreage, despite good prices.

Oats

For 2021-22, the Canadian oat supply and demand situation includes considerably higher carry-in stocks, sharply lower production and supply, as well as significantly reduced domestic feed consumption and exports, when compared to last year. Carry-out stocks are projected at 0.2 Mt, drastically lower than last year and a record low level.

The CBOT oat futures average price for 2021-22 is revised higher and now is projected at CAD$565/t, up sharply from the old record set in 2020-21, due to severe crop production problems in North America and stronger prices of other grains. For the crop year

to date, oat price in the CBOT market is averaged at $563/t ($557/t a month ago, $285/t a year ago). For Alberta, Saskatchewan and Manitoba, oat price to-date is averaged $483/t ($475/t, $234/t), $461/t ($455/t, $/210t) and $547/t ($538/t, $244/t), respectively.

For 2022-23, the Canadian oat outlook is for sharply lower carry-in stocks, a larger area, better yield, higher production and supply, greater domestic use and exports, higher ending stocks and a lower average price. Total supply is projected to increase by 40% to 4.6 Mt, mainly reflecting the expected recovery in production for the Prairie provinces, on expectation for a larger area, a return to average abandonment rates and trend yields.

Total demand in 2022-23 is projected to increase significantly from 2021-22 due to greater domestic feed use and exports. Carry-out stocks for 2022-23 are projected at 0.5 Mt, increasing sharply from the record low forecast for 2021-22.

The CBOT oat futures price for 2022-23 is revised up by $10/t from the March figure to CAD$410/t. It is still notably lower than the 2021-22 price forecast due to expectations for a recovery in oat production in North America for 2022-23 and lower prices projected for other grains.

The USDA's Perspective Planting report shows that oat acreage in the US for 2022 will be at 2.55 Mac, essentially unchanged from 2021 and the lowest since 2012. Oat acreage in Texas, the number one oat growing state in the US, is expected to drop by 13% from 2021 and be the lowest in three years. On the contrary, oat acreage in North Dakota, South Dakota and Minnesota is expected to rise by 10%, 12% and 28%, respectively, from 2021.

Rye

For 2021-22, the Canadian rye supply and demand situation includes considerably higher carry-in stocks, slightly lower production and marginally higher supply, as well as increased domestic feed use and relatively flat exports, when compared to last year. Carry-out stocks are projected at 50 Kt, 30% and 44% lower than last year and the previous five-year average.

The 2021-22 average price is projected at $310/t, a new record and up sharply from 2020-21, due to robust demand and increased prices for other grains.

For 2022-23, Canadian rye outlook is for sharply lower carry-in stocks, a smaller area, better yield, lower production and supply, smaller domestic use and greater exports, higher ending stocks and lower average price. Total supply is projected to decrease by 5% to 522 Kt, due to sharply lower carry-in stocks and marginally lower production, but still be 12% higher than the previous five-year average.

Total demand for rye in 2022-23 is projected to decline due to lower feed use, given expected ample feed grain supplies in Western Canada. Exports are projected to be at the previous five-year average. Carry-out stocks are projected to increase sharply from 2021-22, due to lower demand, to the highest level since 2017-18.

The 2022-23 average price is revised up by $10/t from the March figure to $210/t. It is still dramatically lower than the 2021-22 price forecast, based on anticipations for ample 2022-23 feed grain supplies, a decrease in demand for rye and lower prices in neighboring markets.

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Canola

For 2021-22, canola supplies tightened up significantly from than last year, declining 37% to 14.5 million tonnes (Mt), due to a 49% drop in carry-in stocks and 35% lower production as a result of last summer's drought.

Demand for Canadian canola remains firm on a strong world oilseed crush and high prices for competing oilseeds, vegetable oils and protein meals. Disruption of Black Sea exports of sunflowerseed oil as a result of the Russian invasion of Ukraine is tightening world supplies and supporting world prices. Domestically, processing of canola is estimated to fall to 8.5 Mt, a drop of 18% from last year, while exports are expected to fall by 49% to 5.4 Mt, as commercial buyers outbid exporters for the tight supplies. For the crop year, the major importers of Canadian canola to-date are China, Japan, Mexico and the European Union.

Carry-out stocks are forecast to fall by 77% from last year, to a tight 0.40 Mt, for a stock-to-use ratio of 3% versus 8% in 2020-21 and the 5-year average of 13%. Price volatility for canola increased sharply during the past month due to shipping disruptions from the Black Sea Region. For the crop year to-date, Canadian canola prices are estimated at $1,100/t vs $730/t last year and the 5-year average of $556/t.

For 2022-23, seeded area in Canada is forecast to decrease by 3% to 8.8 million hectares (Mha) as farmers shift into alternate crops such as cereals. Harvested area is forecast at 8.7 Mha while normal yields of 2.31 tonnes per hectare are forecast versus the 1.4 t/ha achieved in 2021-22. Western Canadian canola yields will be largely determined by moisture, -current soil maps show near normal to normal soil moisture across the eastern Prairies, with south-central Alberta soil moisture lower than normal.

Production is forecast to rise by 60% to 20.2 Mt, the third highest on record. Total supply is forecast to rise sharply to 20.8 Mt as higher output offsets the drop in carry-in stocks.

Exports are forecast to rebound by 85% to 10.0 Mt, on strong world demand and a rebuilding of domestic supplies, assuming a return to normal yields. Domestic crush is forecast to rise by 18% to 10 Mt, with the industry operating at near-full capacity to serve the strong world demand for canola oil and canola meal. Carry-out stocks are forecast to rise by 50% to a still very tight 0.6 Mt for a stocks-to-use of 3%. Canola prices are forecast to decline to $900/t track Vancouver, a drop of about 20% from the record highs in 2021-22. If realized, this would be the second highest canola price on record.

The 2022-23 outlook is sensitive to several key factors including the unfolding situation in Ukraine. The second factor is the anticipated rate of growth in the renewable diesel sector as the world seeks to reduce its dependence on mineral oils to combat climate change. The third factor is the expected world production of alternate oilseeds crops- this outlook assumes a minimal shift in seeded area for most oilseed crops, normal temperatures and moisture across most growing regions, and normal yields for most crops. The outlook is also sensitive to the strength of food demand for oilseeds, particularly in China. China is the world's largest importer of oilseeds but remains a volatile purchaser and can affect the canola market either positively or negatively.

Flaxseed

For 2020-21, supplies are estimated to be down 38%, to 0.41 Mt, versus 0.67 Mt last year, due to lower production and slightly smaller carry-in stocks. Limited supplies of flaxseed may be imported into Canada due to high domestic prices.

Exports are forecast to decrease by about 41%, to 0.30 Mt as a result of the constrained domestic supplies. Similarly, total domestic use is forecast to fall by 23% to 79,900 t, on reduced feed, waste and dockage. Carry-out stocks are forecast to fall by 41% to 35,000 t, while flaxseed prices rally sharply to $1,200/t, versus $693/t in 2020-21 and the 5-year average of $526/t.

For 2022-23, the area seeded to flaxseed in Canada is forecast to fall slightly to 0.41 Mha, vs the 5-year average of 0.39 Mha, as support provided by the near doubling of prices in 2021-22 is offset by weather uncertainty and attractive prices for alternate crops. Flaxseed production is forecast at 0.58 Mt, assuming an area loss of 2% prior to harvest and near normal yields of 1.5 t/ha. Total supply is forecast to increase by 51%, to 0.63 Mt, due to higher output.

Exports are forecast to rebound to 0.45 Mt on steady to stronger Chinese, European and United States consumption. Total domestic use is forecast to rise by about 38% to 0.11 Mt, on higher feed, waste and dockage. Carry-out stocks are forecast to nearly double to 0.07 Mt. Flaxseed prices are forecast to decline by 29%, to a still historically strong $850/t for 2022-23.

Soybeans

For 2021-22, domestic supplies of soybeans are estimated down 6% from last year, to 7.0 Mt, versus 7.4 Mt last year, as a result of a marginal decrease in carry-in stocks and a 1%, decrease in production. Soybean imports are estimated down slightly to 0.4 Mt for the current crop year compared to the 0.44 Mt imported for 2020-21.

Canadian exports of soybeans are estimated down by 14%, to 4.0 Mt for the current crop year as tight domestic supplies mute support from strong world demand. Domestic processing of soybeans is forecast to increase by 10% from last year's pace to a historically normal 1.8 Mt, on strong crush margins and robust demand for vegetable oils. Soybean prices are estimated to rise to $650/t, for the current crop year versus the simple average of $605/t earned in 2020-21.

In the USDA's Grain Stocks report, soybeans stored in all positions on March 1, 2022 totaled 1.93 Bbu, up 24% from March 1, 2021. Soybean stocks stored on farms were estimated at 750 Mbu, up 26% from a year ago while off-farm stocks were up 22% since last March at 1.18 Bbu. Indicated disappearance for the December 2021 - February 2022 quarter totaled 1.22 Bbu, down 12% from the same time a year earlier. By State, the three largest stock holders were Iowa, Illinois, and Minnesota. In its April 2022 release of the World Agriculture Supply and Demand Estimates, the USDA left the farm-gate price of soybeans unchanged at US$13.25/bu versus the US$10.80/bu earned for 2020-21.

The factors to watch for the rest of the crop year are: (1) volatility in world oilseed prices, (2) South American harvest pace and yields, (3) US planting intentions for 2022-23, (4) the strength of Chinese buying and (5) Canadian crush and export pace,

For 2022-23, planted area in Canada is forecast to rise by 7% to 2.3 Mha, on support from high prices, with area gains limited by concerns over low sub soil moisture, the short growing season in Western Canada and attractive prices for competing crops. Assuming 5-year average yields, production is forecast at 6.6 Mt, versus 6.3 Mt in 2021-22 and the 6.4 Mt grown in 2020-21. Total supply is forecast to increase to 7.4 Mt, on the rise in production, higher carry-in and stable imports.

On the demand side, exports are forecast to increase by 13% to 4.5 Mt, with shipments headed to a diverse group of countries. Domestic processing is forecast up slightly to 1.9 Mt compared to last year. Carry-out stocks are forecast to rise slightly to 0.50 Mt versus the 0.45 Mt estimated for 2021-22 and the 5-year average of 0.49 Mt.

Soybean prices are forecast to fall by $50/t to $600/t, as support from the ongoing South American drought offsets an expected rise in US output. A stable Canada-US dollar exchange rate is assumed.

For 2022-23 crop year, Prospective Plantings of soybeans are up 4%, to a record 91 Mac, vs down 4% for corn and up 1% for all-wheat. Compared with last year, planted acreage is up or unchanged in 24 of the 29 estimating States. The largest percentage increases in planted area occur in Tennessee, up 45%, in Georgia up 21% and in South Dakota up 19%. The four largest soybean growing States in order of area are: Illinois at 11.0 Mac, Iowa at 10.4 Mac, Minnesota at 8.0 Mac and North Dakota at 7.0 Mac

Assuming normal abandonment and trend yields of 51.5 bu/ac, soybean production is tentatively estimated by AAFC at 4.55 Bbu for 2022-23, versus 4.44 Bbu for 2021-22, helping ease tight world supplies due to the South American drought. Total US supplies are estimated at 4.85 Bbu, based on beginning stocks of 285 Mbu and imports of 15 Mbu. This increase will be large enough to support a rise in usage above the 2.22 Bbu expected to be crushed and 2.1 Bbu estimated to be exported for 2021-22.

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Dry Peas

For 2021-22, exports are forecast to decrease to 2.1 million tonnes (Mt). China and the US are the two main markets for Canadian dry peas. Carry-out stocks are forecast to decrease, despite lower export demand, hampered by the lowest supply since 2003-04. The average price is expected to rise from 2020-21, with record prices for all dry pea types.

Monthly exports of dry peas have been lower than the five-year average for every month (Aug-Feb), mostly due to decreased exports to China and Bangladesh. Production of the winter pulse crop in India is forecast by the Government of India at over 18 Mt, up 9% from the previous year. If this level of production is realized, it would be a record winter crop. Canadian dry pea export demand to China is expected to remain firm throughout the remainder of the crop year.

During the month of March, the on-farm price of yellow peas in Saskatchewan rose $45/t while the green pea price increased $30/t. Green pea prices have been at a $100/t discount to yellow pea prices in the month of March. For the entire crop year, green dry pea prices are expected to be at a $60/t discount to yellow pea prices, compared to a green pea premium of $5/t to yellow types in 2020-21.

For 2022-23, seeded area is expected to be marginally higher from the previous year at 1.65 Mha, due to good returns relative to other crops and above average export demand. However, with a return to more average yields, production is forecast to increase to 3.8 Mt with total supply rising sharply to 4.0 Mt. Exports are expected to be higher at 3.0 Mt, and carry-out stocks are expected to increase. The average price is expected to fall sharply from 2021-22, but remain historically high, due to expectations for larger world supply.

The USDA March Prospective Planting report showed that US area seeded to dry peas for 2022-23 is forecast at nearly 1.1 million acres, 11% higher than 2021-22. This is largely due to a big expected increase in North Dakota area.

Lentils

For 2021-22, Canadian lentil exports (Aug-Feb) total about 0.9 Mt, lower than this time in 2020-21. Crop year exports are forecast at 1.6 Mt with Turkey, United Arab Emirates and India currently the top export markets. Carry-out stocks are forecast to fall due to the limited supply. The overall average price is forecast to rise to record levels for all types due to lower world supply and carry-out stocks.

During the month of March, the on-farm price of large green lentils in Saskatchewan rose $145/t and red lentils rose $95/t. The average price for large green lentils is forecast to maintain a $340/t premium over red lentil prices, compared to a $135/t premium to red lentils in 2020-21.

For 2022-23, area seeded in Canada is expected to be mostly unchanged at 1.8 Mha, due to higher expected returns relative to other crops. With trend yields, production is forecast to rise sharply to 2.5 Mt and supply is expected to increase to 2.75 Mt despite a fall in carry-in stocks. Exports are forecast to be higher at 2.1 Mt. Carry-out stocks are expected to remain tight, which will be supportive for prices. The average price for all grades is forecast to fall from 2021-22 with increased world supply, but remain historically high.

The USDA March Prospective Planting report showed that US area seeded to lentils is expected to increase 11% from last year to 0.79 million acres. Area seeded is expected to rise in North Dakota and in Montana.

Dry Beans

For 2021-22, with lower domestic supply, exports are expected to fall to 350 thousand tonnes (Kt). The US and the EU remain the top two markets for Canadian dry beans, with smaller volumes exported to Mexico and Japan. Carry-out stocks are expected to rise. The average Canadian dry bean price is forecast to increase to record levels due to lower North American supply. As a result, there is a smaller than expected canning quality supply in North America. To-date (August-March), white pea bean prices are 25% higher, pinto and black bean prices are 50% higher than in 2020-21.

For 2022-23, the area seeded is forecast to fall from 2021-22 to 170 thousand hectares (Kha) because of lower potential returns compared to other crops. Production is expected to rise marginally to 390 Kt due to a return to trend yields despite lower area. Supply is expected to rise with higher carry-in stocks. Exports are forecast to increase with higher demand from the US and the EU. Carry-out stocks are expected to increase. The average price of dry beans is forecast to fall compared to the previous year, but remain historically high.

The USDA March Prospective Planting report indicated that the intended US area seeded to dry beans (excluding chickpeas) is forecast to decrease by 6% to 1.31 million acres, due to lower seeded area across the US dry bean producing states.

Chickpeas

For 2021-22, a rise in demand from the US has resulted in an increase in the forecast for Canadian exports. Pakistan, the US and the EU are the main markets for Canadian chickpeas. Carry-out stocks are expected to fall sharply due to lower supply and increased exports. The average price is forecast to rise to a near record $960/t with above average export demand and lower North American stocks.

For 2022-23, the area seeded is forecast to rise marginally from 2021-22 because of lower carry-in stocks and the potential for good returns relative to other crops. As a result, production is expected to increase to 125 Kt. However, supply is forecast to decrease from last year due to the lower carry-in stocks. Exports are forecast to fall and carry-out stocks are expected to decrease for the second consecutive year. The average price is forecast to be lower, with expectations for higher world supply.

The area seeded to chickpeas in the US is estimated by the USDA to fall to 0.3 million acres, down 18% from 2021-22. This is due to a sharp fall in area seeded in Idaho.

Mustard Seed

For 2021-22, exports are expected to be lower than last year at 80 Kt. Carry-out stocks are forecast to fall sharply due to the smaller supply. The US and the EU are the main export markets for Canadian mustard seed. The average price is forecast to rise to record levels from 2020-21 due to the limited domestic supply and the expected decrease in carry-out stocks to extremely tight levels.

For 2022-23, the area seeded is expected to be higher than the previous year due to good returns compared to other crops. Production is forecast to increase to 115 Kt with a return to trend yields. Supply is expected to rise from the previous year, due to the increase in production despite lower carry-in stocks. Exports are expected to be similar to the previous year at 80 Kt and carry-out stocks are forecast to continue to remain tight. The average price is forecast to fall from 2021-22, but remain above the five-year average, despite the slightly higher supply and tight carry-out stocks.

Canary Seed

For 2021-22, exports are expected to be lower than last year, as increased demand from Mexico and Indonesia has been more than offset by lower demand from Brazil and Egypt. Supply is estimated to be down from 2020-21 causing carry-out stocks to tighten. The average price is forecast to rise from the 2020-21, to record levels.

For 2022-23, the area seeded is forecast to rise due to solid returns relative to other crops. Production is expected to increase with a return to trend yields. Supply is forecast to increase sharply to 180 Kt. Exports are expected to rise with the increase in supply, and carry-out stocks are expected to remain tight. The average price is forecast to be lower than the 2021-22 level.

Sunflower Seed

For 2021-22, exports are forecast to lower from 2020-21 and carry-out stocks are forecast to remain similar to the previous year. The US remains Canada's main export market for sunflower seed. The average price is forecast to increase from 2021-22, due to higher prices for both types. Confectionery and oilseed sunflower seed prices have been supported by lower North American supply.

For 2022-23, area seeded is expected to be similar, but slightly less than in 2021-22 due to lower potential returns. Production is forecast to fall to

80 Kt, assuming a return to average yields. Supply is expected to decrease to 225 Kt and, and exports are expected to be stable. Carry-out stocks are also expected to decrease due to the lower supply. The average price is forecast to fall from 2021-22, due to similar confectionary type prices in the US and Canada, but lower oil type prices.

The prospective planting of sunflower seed in the US for 2022-23 is forecast by the USDA at 1.42 million acres, up 10% from 2021-22. This is largely due to an expected sharp rise in area seeded in North Dakota. The area seeded to the oil type varieties of sunflower seed is expected to increase to 1.27 million acres while the area allocated to confectionery type varieties is forecast to rise sharply to above 0.14 million acres.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

April 20, 2022

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g)
	thousand ha		*t/ha*	*thousand tonnes*								*$/t*
Durum												
2020-2021	2,302	2,295	2.86	6,571	13	7,321	5,766	198	388	802	753	302
2021-2022f	2,238	2,157	1.23	2,654	20	3,427	2,400	180	194	577	450	650
2022-2023f	2,450	2,401	2.30	5,522	25	5,997	4,300	200	384	797	900	415
Wheat Except Durum												
2020-2021	7,892	7,723	3.70	28,612	129	33,503	20,567	3,243	4,025	8,023	4,913	271
2021-2022f	7,255	7,090	2.68	18,998	200	24,111	13,200	3,000	3,886	7,611	3,300	420
2022-2023f	7,598	7,446	3.44	25,636	100	29,036	17,250	3,200	4,011	7,986	3,800	390
All Wheat												
2020-2021	10,194	10,018	3.51	35,183	142	40,824	26,333	3,442	4,414	8,825	5,666	
2021-2022f	9,493	9,247	2.34	21,652	220	27,538	15,600	3,180	4,080	8,188	3,750	
2022-2023f	10,048	9,847	3.16	31,158	125	35,033	21,550	3,400	4,395	8,783	4,700	
Barley												
2020-2021	3,060	2,809	3.82	10,741	294	11,991	4,277	299	6,417	7,003	711	294
2021-2022f	3,357	3,002	2.31	6,948	150	7,809	2,600	219	4,410	4,909	300	425
2022-2023f	3,300	2,960	3.58	10,590	60	10,950	3,350	319	6,001	6,600	1,000	350
Corn												
2020-2021	1,440	1,408	9.63	13,563	1,639	17,762	1,438	5,376	8,764	14,155	2,169	272
2021-2022f	1,413	1,391	10.06	13,984	4,000	20,153	1,500	5,400	11,087	16,503	2,150	305
2022-2023f	1,420	1,390	9.78	13,600	2,000	17,750	1,450	5,450	8,884	14,350	1,950	290
Oats												
2020-2021	1,554	1,314	3.48	4,576	17	5,019	2,971	105	1,170	1,391	657	301
2021-2022f	1,385	1,112	2.34	2,606	15	3,277	2,270	120	562	807	200	565
2022-2023f	1,500	1,230	3.54	4,360	15	4,575	2,750	120	1,079	1,325	500	410
Rye												
2020-2021	237	153	3.19	488	2	530	153	41	243	306	72	225
2021-2022f	246	147	3.22	473	2	546	152	44	279	344	50	310
2022-2023f	240	140	3.36	470	2	522	160	44	167	231	130	210
Mixed Grains												
2020-2021	168	97	2.41	233	0	233	0	0	233	233	0	
2021-2022f	133	65	2.53	164	0	164	0	0	164	164	0	
2022-2023f	140	65	2.69	175	0	175	0	0	175	175	0	
Total Coarse Grains												
2020-2021	6,459	5,780	5.12	29,601	1,952	35,535	8,839	5,820	16,827	23,087	3,608	
2021-2022f	6,534	5,716	4.23	24,175	4,167	31,949	6,522	5,783	16,501	22,727	2,700	
2022-2023f	6,600	5,785	5.05	29,195	2,077	33,972	7,710	5,933	16,307	22,681	3,580	
Canola												
2020-2021	8,410	8,325	2.34	19,485	125	23,044	10,573	10,425	259	10,750	1,722	730
2021-2022f	9,097	9,002	1.40	12,595	150	14,467	5,400	8,500	116	8,667	400	1,100
2022-2023f	8,800	8,732	2.31	20,200	150	20,750	10,000	10,000	99	10,150	600	900
Flaxseed												
2020-2021	377	371	1.56	578	26	667	505	N/A	85	103	59	693
2021-2022f	416	404	0.86	346	10	415	300	N/A	60	80	35	1,200
2022-2023f	405	399	1.45	580	10	625	450	N/A	90	110	65	850
Soybeans												
2020-2021	2,052	2,041	3.12	6,359	438	7,417	4,659	1,636	606	2,465	294	605
2021-2022f	2,153	2,139	2.93	6,272	400	6,966	4,000	1,800	516	2,516	450	650
2022-2023f	2,300	2,292	2.86	6,551	400	7,401	4,500	1,900	301	2,401	500	600
Total Oilseeds												
2020-2021	10,839	10,738	2.46	26,421	588	31,129	15,736	12,061	950	13,318	2,075	
2021-2022f	11,666	11,545	1.66	19,212	560	21,847	9,700	10,300	691	11,262	885	
2022-2023f	11,505	11,423	2.39	27,331	560	28,776	14,950	11,900	490	12,661	1,165	
Total Grains And Oilseeds												
2020-2021	27,491	26,536	3.44	91,205	2,682	107,487	50,908	21,322	22,190	45,230	11,349	
2021-2022f	27,693	26,507	2.45	65,039	4,947	81,334	31,822	19,263	21,272	42,177	7,335	
2022-2023f	28,153	27,055	3.24	87,684	2,762	97,780	44,210	21,233	21,191	44,125	9,445	

(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 (Average Prairie producer price, FOB farm); 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

April 20, 2022

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to-Use Ratio	Average Price (d)
	thousand ha		***t/ha***	***thousand tonnes***						***%***	***$//t***
Dry Peas											
2020-2021	1,722	1,685	2.73	4,594	81	4,909	3,582	768	559	13%	340
2021-2022f	1,546	1,491	1.51	2,258	30	2,846	2,100	596	150	6%	600
2022-2023f	1,650	1,610	2.36	3,800	80	4,030	3,000	730	300	8%	450
Lentils											
2020-2021	1,713	1,705	1.68	2,868	110	3,187	2,326	454	407	15%	645
2021-2022f	1,742	1,716	0.94	1,606	50	2,063	1,600	288	175	9%	1,000
2022-2023f	1,800	1,775	1.41	2,500	75	2,750	2,100	425	225	9%	725
Dry Beans											
2020-2021	185	183	2.68	490	63	578	396	72	110	24%	930
2021-2022f	177	171	2.26	386	75	571	350	71	150	36%	1,180
2022-2023f	170	165	2.36	390	75	615	390	70	155	34%	1,045
Chickpeas											
2020-2021	121	120	1.79	214	41	506	159	71	275	119%	640
2021-2022f	75	74	1.04	76	20	371	165	56	150	68%	960
2022-2023f	85	83	1.51	125	45	320	125	60	135	73%	860
Mustard Seed											
2020-2021	104	101	0.98	99	6	165	111	15	40	32%	885
2021-2022f	125	113	0.44	50	8	98	80	13	5	5%	2,900
2022-2023f	150	145	0.79	115	7	127	80	32	15	13%	1,800
Canary Seed											
2020-2021	111	110	1.62	178	0	193	160	7	26	16%	690
2021-2022f	127	125	0.87	109	5	140	125	10	5	4%	1,125
2022-2023f	130	128	1.37	175	0	180	160	10	10	6%	800
Sunflower Seed											
2020-2021	45	45	2.25	101	36	241	51	74	116	93%	620
2021-2022f	41	40	2.03	82	35	233	45	73	115	98%	835
2022-2023f	40	39	2.05	80	30	225	45	75	105	88%	750
Total Pulses and Special Crops (c)											
2020-2021	4,000	3,949	2.16	8,545	338	9,778	6,784	1,461	1,533		
2021-2022f	3,832	3,730	1.22	4,567	223	6,323	4,465	1,108	750		
2022-2023f	4,025	3,945	1.82	7,185	312	8,247	5,900	1,402	945		

(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