



## **CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

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### **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) June Outlook 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 outlook for the world's grain markets continues to be uncertain and volatile due to a number of factors; strong demand and relatively tight supplies, the Russian invasion of Ukraine which has disrupted Black Sea production and global trade patterns, rising inflation and increasing concerns about recession.

The Outlook incorporates information from (i) Statistics Canada's (STC) July 5 Seeded Area Survey, (ii) the United States Department of Agriculture (USDA) - World Agriculture Supply and Demand Estimates (WASDE), (iii) the International Grains Council - Grain Market Report, and (iv) the Agricultural Market Information Systems (AMIS) Market Monitor.

**For the 2021-22 crop year**, which closes for most crops at the end of July, export movement of cereals, oilseeds, pulses and special crops continues to slow down to the end of June on tight domestic stocks, and this is expected to continue until new crop supplies become available. In general, domestic processing of grains is maintaining a steadier pace than shipments out of the country with the domestic disappearance of some crops for the year to-date running ahead of last year. Total carry-out stocks (ending year inventories) for all principal field crops are forecast to end the year at a record low level.

**For 2022-23**, total seeded area is estimated by STC to have remained largely unchanged in 2022. Farmers in Canada increased wheat acres significantly, while area sown to coarse grains, oilseeds, pulses and special crops declined. Total field crop production is forecast to increase significantly due to a return to trend yields as crop conditions to the end of June are favorable in the Western Prairies and improving in the Eastern Prairies after a slow start due to planting delays, with generally favourable conditions for crop development experienced in Eastern Canada. Timely rains will still be needed over the rest of the growing season to reach average production.

Crop prices, in general, are forecast to remain strong in 2022-23, although decreasing from the record to near-record highs of 2021/22. The price forecasts carry a significant downside risk and are vulnerable to a possible and unpredictable sharp correction.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on August 22, 2022. STC is scheduled to publish its first model-based yield and production estimates for principal field crops in Canada on August 29, 2022, and its estimates for stocks of principal field crops as of July 31, 2022 on September 7, 2022.

## Canada: Principal Field Crops Supply and Disposition

	Area Seeded	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	-- <i>thousand hectares</i> --		<i>t/ha</i>	----- <i>thousand tonnes</i> -----					
<b>Total Grains And Oilseeds</b>									
2020-2021	27,491	26,536	3.44	91,205	2,682	107,487	50,897	45,241	11,349
2021-2022f	27,693	26,507	2.45	65,039	5,502	81,889	30,790	44,009	7,090
2022-2023f	27,767	26,732	3.27	87,297	2,912	97,299	43,635	43,683	9,980
<b>Total Pulse And Special Crops</b>									
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	1.23	4,577	235	6,345	4,180	1,225	940
2022-2023f	3,683	3,620	1.82	6,572	312	7,824	5,495	1,399	930
<b>All Principal Field Crops</b>									
2020-2021	31,491	30,485	3.27	99,750	3,019	117,265	57,681	46,702	12,882
2021-2022f	31,525	30,237	2.30	69,616	5,737	88,235	34,970	45,234	8,030
2022-2023f	31,450	30,352	3.09	93,869	3,224	105,123	49,130	45,082	10,911

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

**f:** forecasts by AAFC except for area, yield and production for 2021-2022 and seeded area for 2022-23 which are STC

## All Wheat

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### Durum

**For 2021-22**, Canadian durum supply decreased by 53% from 2020-21 due to a drop in production caused by the drought in Western Canada. Canadian exports are forecast at 2.4 million tonnes (Mt), an upward revision compared to last month. According to the Canadian Grain Commission, exports of durum to the end of June totalled 2.3 Mt, but with export movement still lagging last year's levels by 58%. Carry out stocks are now forecast to fall to 0.45 Mt, 40% less than in 2020-21 and 66% lower than the previous five-year average of 1.3 Mt.

According to the International Grains Council, global durum production dropped 10% compared to the previous year with smaller North American crops offsetting the larger harvests in Mexico, the EU, and North Africa. Production for 2021-22 is estimated at 30.7 Mt, with projections for a decline in both consumption and trade. Consumption is estimated at 32.6 Mt, 7.8% less than the previous year, and trade to close in at 6.2Mt, 31% less than in 2020-21. Closing stocks are estimated at 6.4 Mt, a 14-year low, with major exporters' share declining 40% year on year.

The average Saskatchewan spot price for Canadian Western Amber Durum, No.1, 13% protein (CWAD 1, 13), has experienced significant price volatility with highs around \$750/tonne and lows of \$530/tonne; the average CWAD 1, 13 spot price for 2021-22 is forecast at \$640/tonne.

**For 2022 23**, according to STC's seeded area released July 5th, area planted to durum is estimated at 2,431 thousand hectares (kha), down 3% from producer intention estimates in April. Production was revised down by 3% this month as a result of the lower acreage, but it remains more than double that of the previous year at just under 5.5 Mt, assuming favourable weather and average yields. Some dry conditions still persist however in Alberta and Saskatchewan, and precipitation will be needed to help crop development. Total supply is projected at 6.0 Mt, 74% more than in 2021-22, but still 5% less than the five-year average due to low carry-in stocks. Domestic use is forecast to reach average

levels and exports are forecast at 4.4 Mt, about 74% of total supply, with strong demand expected from Europe and North Africa where poor weather has negatively affected local crops. Closing stocks were trimmed from last month, now forecast at 0.7 Mt, up 56% year on year.

World durum production is forecast to rise by 9% in 2022-23 to 33.4 Mt, with increased supplies from North America. Consumption is expected to grow 3% to 33.6 Mt, and trade to rebound to 8.7 Mt, up 40% compared to the previous year, with an increase in demand from the EU, Turkey and Morocco. Stocks however are expected to remain tight at 6.2 Mt, with major exporters' share expanding only slightly from 2.2 Mt to 2.5 Mt.

The Saskatchewan spot price for CWAD 1, 13% is forecast to decrease from current levels, but still remain strong at \$500/tonne on average over 2022-23.

### Wheat (excluding durum)

**For 2021-22**, Canadian wheat supply decreased by 28% compared to 2020-21 due to a drop in yield and production in western Canada caused by the drought. Overall however, the quality of the Canadian wheat crop was excellent. Exports have been lagging last year's volumes by over 40% and were trimmed again this month to 12.4 Mt as a result of the sluggish export pace. Low exports can be partially explained by high Canadian export prices, rising transport costs and general uncertainty in the market. Domestic use is now forecast at 8.6 Mt, and carry out stocks are 3.2 Mt, up slightly from last month, but still 35% lower year on year and 34% below the last five-year average.

According to United States Department of Agriculture (USDA), world all wheat (including durum) production increased by 3.3 Mt to 779.03 Mt, while supply decreased by 3.3 Mt to 1,070.6 Mt because of low carry-in stocks. Total use is estimated to increase by 8.9 Mt to 791.2 Mt. World all wheat carryout stocks are estimated to decrease by 12.2 Mt to 280.1 Mt. US all wheat production dropped by about 5 Mt from 2020-21 to 44.8 Mt.

Supply is 10.1 Mt lower at 70.4 Mt. Domestic use is estimated at 30.53 Mt, up 0.05 Mt compared to the previous year. Carry out stocks are pegged at 17.96 Mt, down from 23.0 Mt one year prior.

The 2021-22 Saskatchewan spot price for Canadian Western Red Spring Wheat no. 1, 13.5% (CWRS 1, 13.5) has fluctuated between \$369/tonne and \$580/tonne; it is forecast at \$445/tonne on average over the year.

**For 2022-23**, Canadian area seeded to wheat is larger than anticipated, according to the STC seeding report of July 5th. Area seeded to wheat is estimated at 7,915 kha, up 3% compared to the seeding intention report of April and 9% more than in 2021-22. The area seeded to spring wheat is estimated at 7,370 kha and area for winter wheat is 476.5 kha; Canadian Western Red Spring (CWRS) wheat, the most common type of wheat in Canada, is planted on 6,204.7 kha, or 78% of the total land seeded to wheat (excluding durum).

As a result of the increased acreage, and assuming a return to average yields, production is projected to grow to 28.2 Mt, 49% more than in 2021-22 and 11% more than the last five-year average. If realized, it would be the third largest crop on record. Total supply is forecast at 31.5 Mt, 30% more than the previous year, but only 4% above average levels, constrained by low carry-in stocks. Domestic use is forecast at 8.5 Mt, down 1% compared to 2021-22, with a reduction in feed use. Exports are forecast to rebound as a result of the greater supply and strong world demand; they are pegged at 18.0 Mt, 45% more than in 2021-22; carry-out stocks are projected

at 5.0 Mt, with a gradual rebuild in both farm and commercial inventories.

World all wheat production is forecast at 771.64 Mt, 7.4 Mt lower than the previous year because of lower wheat production primarily for the EU and Ukraine, as the war and ongoing dry weather lowers yield and production prospects. Supply is forecast to drop 18.87 Mt to 1,051.74 Mt from the decrease in production. Total use is forecast at 784.2 Mt. Trade is projected to rise 5.47 Mt from 2021-22 levels to 200.07 Mt, because of an increase in exports from Canada and the US. Carry out stocks are forecast to decline to 267.52 Mt, 12.58 Mt less than opening levels.

US all wheat production is forecast to rise by 2.5 Mt to 48.47 Mt, according to the USDA; total US supply is projected at 69.42 Mt, down 0.96 Mt compared to the previous year. Trade is forecast to fall by 0.8 Mt to 21.09 Mt, while domestic use is projected to fall by 0.4 Mt to 30.2 Mt. Carry-out stocks are projected to fall by 0.57 Mt to 17.39 Mt; they have been revised up from the July forecast of 17.05 Mt.

Saskatchewan spot price for CWRS 1, 13.5% is forecast to decrease but remain strong in 2022-23, with low world stocks, increasing input costs and continued uncertainty in market caused by the conflict in the Black Sea. It is forecast at \$430/tonne on average for 2022-23.

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## Coarse Grains

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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, as compared to last year. Carry-out stocks are projected at 0.4 million tonnes (Mt), a record low level, due to sharply decreased supply. The stocks-to-use ratio will continue to fall to a record low of 4%, versus 6% last year and 13% for five-year average.

The Lethbridge feed barley price for 2021-22 is forecast to hit a new high of \$435/t, up sharply from the old record of \$294/t set in 2020-21 and well above the previous five-year average. The 2021-22 prices are supported by tight domestic barley supplies, the decline in the availability of other domestic feed grain substitutes 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.

**For 2022-23**, Canadian producers seeded nearly 2.85 million hectares (Mha) of barley in total, the lowest in four years, according to Statistics Canada's (STC) June seeded area survey. This is 6% lower than the March intended acres, and 15% and 1% lower than last year and the previous five-year average, respectively. Barley area is 8% and 25% lower than last year, respectively, in Alberta and Saskatchewan, the top two barley producing provinces in Canada, while it is 3% higher in Manitoba.

Production is projected at 9.06 Mt, assuming higher than average yield potential and normal abandonment. If realized, it will be 30% and 2%, respectively, higher than last year's record low and the five-year average. Owing to increased production offsetting historically low carry-in stocks and smaller imports, supply is projected to increase by 21% from 2021-22 to 9.52 Mt. However, this level will still be the second lowest in eight years.

In responding to larger supply, domestic use,

including industrial use and feed use, and exports are predicted to increase from 2021-22. Carry-out stocks are projected to rise to 0.5 Mt, which is still a historically low level.

The average price is predicted to drop moderately from the record level in 2021-22 to \$380/t, due to expectations for a recovery in domestic supplies. But it will remain historically high, largely underpinned by strong corn prices.

According to the United States Department of Agriculture (USDA), 2022 seeded barley area in the US is estimated at 3.05 million acres (Mac), up 4% and 15% from the March projections as well as the previous year. Barley acreage to be harvested is projected by the USDA to increase by 23% from 2021 to 2.40 Mac. Based on forecasts for larger harvested area and higher yield, production is projected to increase sharply from last year, which could be one explanation for a notable drop in projected imports. Demand remains strong, but growth is moderate. Ending stocks are predicted to increase significantly from last year.

The 2022-23 world barley production is set by the USDA at 146 Mt, only slightly up from 2021-22, but 2% below its five-year average. The combined production in Australia, the EU and Ukraine, the world's major barley exporting regions and countries, is expected to fall by 11% (nearly 8.0 Mt) from last year. World demand is expected to decline from last year, with an increase in food, seed and industrial consumption completely offset by lower feed demand. Global demand for imports is predicted to decline from last year, but China will post a significant rise. World ending stocks will decrease by 3% and 18% from 2021-22 and the five-year average, respectively.

### Corn

**For 2021-22**, the Canadian corn supply and demand situation includes an increase in production, imports and supply, greater industrial use, feed consumption and export demand, relative to last year. Carry-out stocks are predicted at 1.9 Mt, a decrease of 12% and 18% from a year ago and the previous five-year

average. The stocks-to-use ratio will continue to fall to 10%, versus 14% last year and 15% for five-year average.

The 2021-22 Chatham corn price average is forecast at a new record of \$310/t, up \$38/t and over \$100/t respectively from the old record set in 2020-21 and the previous five-year average. The surge in corn price is linked to concerns about global corn supply prospects along with strong demand.

**For 2022-23**, Canadian producers seeded nearly 1.47 Mha of corn in total, the third largest on record. This is 2% lower than the March intended acres, mostly reflecting less acres planted in Ontario, Quebec and Manitoba, the major corn growing provinces in Canada. Despite this, corn acres in the three provinces expanded from last year, pushing total corn acreage 4% and 1% larger than last year and the previous five-year average, respectively.

Production is projected at 14.4 Mt, assuming higher than average yield potential and normal abandonment. If realized, it will be 3% and 4% higher than last year and the five-year average, also a record level, thanks to historically high production expected in Ontario. Supply is projected at 18.5 Mt, decreasing by 10% from 2021-22 due to significantly smaller carry-in stocks and imports, despite the larger production forecast, but on par with the five-year average.

Domestic use is predicted to decrease from 2021-22 on lower feed use. Exports are forecast to remain unchanged. Carry-out stocks are projected at 2.20 Mt, up moderately from last year and on a par with the five-year average.

The average price is predicted at \$300/t, down from the record level of 2021-22, but still a relatively high level, supported by strong new crop corn prices in the US, due largely to uncertain global corn supply prospects.

The 2022 seeded corn area in the US is estimated by the USDA at 89.9 million acres (Mac), slightly up from the March projections, but 4% lower than last year. Corn acreage to be harvested is projected by the USDA to decline by the same extent from 2021

to 81.9 Mha due to lower seeded acres, assuming steady abandonment. Production is projected to decline by also 4% from 2021 to 14.5 million bushels (Mbu). This is based on the lower harvested area forecast while yield remains unchanged from last year's record level. The average farm price is projected at US\$6.65/bu, up sharply from \$5.90 for 2021-22 and only slightly below the record high of \$6.89 reached in 2012-13.

The 2022-23 world corn production is set at 1,186 Mt, down 3% from 2021-22, but 4% above the five-year average. Production in Argentina and Brazil, the world major corn exporting countries, is expected to increase by 2.0 Mt and 10.0 Mt, respectively, to a new record high, while corn production in Ukraine is expected to decline sharply by more than 17.0 Mt to a five-year low. World exportable surplus is predicted to drop considerably from last year, mainly due to the expected drop in exports from Ukraine. As the main grain for feed use and feedstock for industrial use in the world, the global demand has been strong and rising over the past decades. For 2022-23, it is expected to rise slightly from last year and be 4% higher than the five-year average. World ending stocks are projected to increase slightly from 2021-22 but be 1% lower than the five-year average. Ukraine's corn ending stocks in 2022-23 will continue to build and significantly exceed the previous record level predicted for 2021-22.

### **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, significantly lower than last year and a record low level. The stocks-to-use ratio will fall to a record low of 6%.

The CBOT oat futures average price for 2021-22 is projected at CAD\$560/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 2022-23**, Canadian producers seeded nearly

1.61 Mha of oats in total, the highest level in fourteen years. This is slightly less than the area planned in March. However, it is 16% higher than last year and the five-year average, due to continued expansion of oat acreage in the Prairie Provinces.

Production is projected to increase sharply, up by 66% from 2021-22, to 4.33 Mt, assuming average yield and abandonment. If realized, the larger production will significantly offset the historically low carry-in stocks and lead supply to increase by 38% from 2021-22 to 4.54 Mt.

In responding to larger supply, domestic use, specifically feed use, and exports are predicted to increase. Carry-out stocks are projected to rise sharply to 0.5 Mt, however will still remain significantly below historically normal levels.

The average price is predicted to fall from the record level set for 2021-22 to \$460/t, due to expectations for a recovery in supplies in North America, but remain historically high, supported by strong prices in neighboring markets.

The 2022 seeded oat area in the US is estimated at 2.39 Mac, down 6% from the March projections and last year. However, assuming a recovery from the last year's drought, oat acreage to be harvested is projected by the USDA to increase by 22% from 2021 to 0.80 Mha. Production is projected to increase significantly from last year, based on forecasts for larger area to be harvested and higher yield. Demand for oats remain strong and will increase sharply from last year. The US is the world's largest oat importing country and more than half of its domestic demand is met by imports. Imports are projected to rise considerably from last year. Ending stocks are predicted to decrease marginally from last year.

### **Rye**

**For 2021-22**, the Canadian rye supply and demand situation includes marginally increased supply, record high domestic feed use and decreased exports, relative to last year. Carry-out stocks are projected at 60 thousand tonnes (Kt), 17% and 33% 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 an increase in prices for other grains.

**For 2022-23**, Canadian producers seeded 238 thousand hectares of rye in total, 3% lower than last year due to slightly lower fall rye acreage. Fall rye accounts for over 98% of all rye area in Canada. Fall rye acreage remaining after winter fell by 10% and 9% from the March estimate and last year, but still 24% higher than the five-year average.

Production is projected to edge down from 2021-22 to 467 thousand tonnes, assuming average yield and abandonment. This is still a historically large production. Supply is projected at 529 Kt, 3% lower than 2021-22, but 13% higher than the 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 average level and increase from 2021-22. Carry-out stocks are projected to increase significantly from 2021-22 and the five-year average, due to decreased feed use.

The 2022-23 average price is projected at \$250/t, significantly lower than the 2021-22 price forecast, based on expectations for larger 2022-23 feed grain supplies on the Canadian Prairies.

The 2022-23 rye production in the US is projected by the USDA to increase by 20% from last year, based on forecasts for larger area to be harvested and higher yield. Demand remains strong and will increase significantly from last year and the five-year average. The US is the world's largest rye importing country and about half of its domestic demand is met by imports. Imports are projected to decline from last year. Ending stocks are projected to rise from last year.

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## Oilseeds

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### Canola

**For 2021-22**, demand for Canadian canola remains firm on support from strong world demand for vegetable oils as the crop year winds down. Movement from the farm through the grain handling system has slowed down significantly on tight domestic supplies following last summer's extreme drought across western Canada.

The estimate for Canadian canola crush is unchanged from last month at 8.3 Mt, versus 10.4 Mt for 2020-21, on support from late in the crop year crush volumes. The export estimate also remains unchanged at 5.15 Mt, sharply lower than the 10.6 Mt shipped out of the country last year, as high prices restrict export buying. Carry-out stocks are estimated at a very tight 0.4 Mt, down 77% from last year, for a stocks to use ratio of 3%.

The simple average canola price is estimated at \$1,050/t, a reduction of \$50/t from last month, under pressure from a large sell off in world oilseed markets sparked by good global crop prospects and anticipated lower new crop prices.

**For 2022-23**, canola seeded area is estimated at 8.7 million hectares (Mha), a drop of 5% from last year, based on Statistics Canada's Seeded Area survey. By province, Manitoba seeded 1.34 Mha to canola, Saskatchewan 4.61 Mha and Alberta 2.64 Mha. Canola area in MB is down slightly from earlier estimates based on STC's Seeding Intentions Survey while the provinces of SK and AB seeded slightly more area than originally intended.

Most of the difference between the intended and actual seeded areas for canola was due to a series of rain storms that fell across the western provinces. The canola area estimates contain some uncertainty this year due to the late spring and wet conditions across the eastern Prairies, which may have prevented seeding of some of the crop. AAFC incorporated STC's official area estimates into the canola outlook.

Harvested area is forecast at 8.6 Mha based on historic abandonment rates while yields are forecast

at 2.14 tonnes per hectare based on a 5-year average. By comparison, canola yields were 1.4 t/ha for 2021-22 due to the widespread drought across western Canada.

Production is forecast at 18.4 Mt, the 7<sup>th</sup> highest level on record. By province, Saskatchewan is forecast to grow 9.6 Mt of canola, Alberta 5.6 Mt and Manitoba 3.0 Mt. Total supply is forecast to rise sharply from last year to 18.9 Mt, as the increase in production is moderated by tight carry-in.

Usage of Canadian canola is forecast to recover with exports up 75% to 9.0 Mt while domestic crush rises to 9.3 Mt versus 8.3 Mt last year. Carry-out stocks are up moderately to 0.45 Mt for a stocks-to-use ratio of 3%. Canola prices are forecast to decline to \$950/t track Vancouver, a drop of about 10% from the record highs in 2021-22. If realized, this would be the second highest canola price on record.

The 2022-23 outlook remains sensitive to several factors: (i) growing conditions across western Canada, the US and the world, (ii) supply chain shocks, (iii) shifts in trade patterns due to the Russian invasion of Ukraine and export policies i.e., Indonesia, (iv) rate of growth of the biodiesel sector, (v) strength of Chinese oilseed buying and (vi) assorted shocks such as fluctuating crude oil prices, inflation and rising interest rates, and recession fears.

### Flaxseed

**For 2021-22**, exports are forecast to decrease by about 44%, to 0.29 Mt as a result of the constrained domestic supplies. Similarly, total domestic use is forecast to fall slightly to 99,900 t, on lower feed, waste and dockage. Carry-out stocks are forecast to fall by 49% to 30,000 t, while flaxseed prices rally sharply to \$1,250/t, versus \$693/t in 2020-21 and the 5-year average of \$526/t.

**For 2022-23**, Statistics Canada estimates a decline in the area seeded to flaxseed, to 0.32 Mha versus the 5-year average of 0.39 Mha, based on its seeded area survey. Harvested area for flaxseed is forecast at 0.31 Mha, while yields are 1.4 t/ha based on the



five-year average. Flaxseed production is forecast at 0.42 Mt with 70% of the output occurring in Saskatchewan. Total supply is forecast to increase by 11% to 0.46 Mt, as higher output is constrained by very tight carry-in stocks.

Exports are forecast to increase to 0.33 Mt on steady to stronger Chinese, European and United States consumption. Total domestic use falls by about 15% to 0.09 Mt, on lower feed, waste and dockage while carry-out rises approximately 67% to 50,000 tonnes. Flaxseed prices are forecast to decline by 12%, but remain historically very strong at \$1,100/t for 2022-23.

### **Soybeans**

**For 2021-22**, Canadian exports of soybeans are down 14%, to 4.0 Mt, as tight domestic supplies mute support from strong world demand. Domestic processing of soybeans increases by 10% from last year to a historically normal 1.8 Mt on strong crush margins and robust demand for vegetable oils. Soybean prices are estimated at \$680/t versus the simple average of \$605/t earned in 2020-21.

**For 2022-23**, farmers planted 2.13 Mha to soybeans in Canada, down marginally from last year, as a decline in area in western Canada more than offsets a slight increase in the East based on Statistics Canada's Seeded Area survey. The largest soybean growing provinces in Canada are Ontario at 1.25 Mha, Manitoba 0.46 Mha and Quebec with 0.37 Mha. Assuming 5-year average yields, production is forecast at 6.4 Mt, versus 6.3 Mt in 2021-22 and similar to the 6.4 Mt grown in 2020-21. Total supply

is forecast to increase to 7.2 Mt, on the combined rise in production and carry-in along with stable imports.

On the demand side, exports are forecast to increase by 8% to 4.3 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 \$30/t to \$650/t, as pressure from a large US soybean crop is offset by a drop in South American production. A stable Canada-US dollar exchange rate is assumed for the duration of 2022-23.

For 2022-23 world oilseed production is forecast at 643 Mt by the USDA, a rise of 43 Mt from last year. US soybean production is projected at 4.51 billion bushels (Bbu), 2% higher than last year, supporting a marginal rise in American soybean supplies. US soybean exports are forecast at 2.1 Bbu while domestic crush increases to 2.25 Bbu. Ending stocks are predicted to rise to 0.23 Bbu, versus 0.21 Bbu for 2021-22 and the five year average of 0.47 Bbu. The USDA projects the farmgate price of soybeans to fall to US\$14.40/bu, up from last month's outlook of US\$14.70/bu and above the US\$13.35 expected for 2021-22.

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## Pulse and Special Crops

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### Dry Peas

**For 2021-22**, Canada's exports are expected to be much lower than the 2020-21 level at 1.9 million tonnes (Mt). This has been largely due to lower demand from China, record prices and a rationing of exports due to limited Canadian exportable supply. Carry-out stocks in Canada are expected to fall sharply despite the lower export pace and domestic use. The average dry pea price is expected to be sharply higher than 2020-21 for all dry pea types.

The prices of green dry peas are expected to maintain a \$65/t crop year discount to yellow dry peas, compared to a \$5/t premium in 2020-21. During the month of June, Saskatchewan yellow and green pea farmgate prices both fell by \$35/t. This was largely due to the average conditions across the Prairies and expectations for a larger dry pea crop.

**For 2022-23**, dry pea seeded area in Canada decreased to 1.36 million hectares (Mha), down 12% from 2021-22, despite good returns relative to other crops and continued recognition of the benefits of dry peas as part of crop rotation plan. Saskatchewan accounts for 54% of the dry pea area, Alberta for 39%, with the remainder seeded across Canada. Production is forecast to rise to 3.3 Mt due to expectations for higher yields. However, supply is forecast to increase to 3.6 Mt with lower carry-in stocks combined with a rise in production. Exports are forecast to be higher at 2.6 Mt, with China, Bangladesh and the US expected to be Canada's top markets. Carry-out stocks are forecast to rise but be lower than the five and ten year averages. The average price is expected to be lower than 2021-22, due primarily to expectations for increased world supply.

In the US, area seeded to dry peas for 2022-23 is forecast by the USDA to rise from 2021-22 to 1.0 million acres. This is largely due to an expected increase in area in Montana. Assuming normal yields and abandonment, US dry pea production is forecast by AAFC to more than double to over 0.8 Mt. The US has been successful in exporting small amounts of dry peas to traditional Canadian export markets in Yemen, China and the Philippines, and it is expected the US will maintain its market

share in 2022-23.

### Lentils

**For 2021-22**, lentil exports are forecast to be lower than the previous year at 1.5 Mt. Of this total, 0.9 Mt are red lentil types with the remaining 0.6 Mt consisting of the green lentil types. The main markets are India, the United Arab Emirates and Turkey. Total domestic use is forecast to be lower at 0.3 Mt. Carry-out stocks are forecast to fall sharply to 0.25 Mt. The average price for all types and grades is forecast to be a record high compared to the previous year.

Large green lentil prices are expected to maintain a significant premium (\$340/t) over red lentil prices. During the month of June, Saskatchewan large green lentil farmgate prices fell \$155/t and red lentil farmgate prices have fallen \$110/t. This is largely due to weaker export demand for lentils and prospects for a larger Canadian lentil crop.

**For 2022-23**, Canadian lentil seeded area was largely unchanged at 1.75 Mha, due to good forecasted returns compared to other crops. By province, Saskatchewan accounts for 87% of the lentil area, with the remainder seeded in Alberta and Manitoba. Production is forecast to increase to 2.46 Mt, with supply higher despite smaller carry-in stocks. Exports are forecast to be higher at 2.1 Mt. Carry-out stocks are forecast to increase to 0.28 Mt. The average price for all grades and types is forecast to fall from 2021-22, with lower prices for large green and red types. There is an expectation that import demand from the Indian subcontinent will continue to be similar to or lower than in 2022-23.

In the US, the area seeded to lentils for 2022-23 is forecast by the USDA at 0.65 million acres, down 8% from 2021-22 due to lower area seeded in Montana. Assuming normal yields and abandonment, 2022-23 US lentil production is forecast by AAFC at 340 thousand tonnes (Kt), more than double the previous year. The main US export markets for lentils are expected to continue to be Canada, the EU, India and Mexico.

## **Dry Beans**

**For 2021-22**, dry bean exports are expected to be lower than 2020-21 with the marginally smaller Canadian supply. The US and the EU remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Angola. A smaller North American supply has supported record Canadian dry bean prices for the 2021-22 crop year, particularly for pinto and black bean prices.

**For 2022-23**, the area seeded in Canada decreased 32% from 2021-22 at 120 thousand hectares (Kha). By province, Ontario accounted for 37% of the dry bean area, Manitoba 42%, Alberta 17%, with the remainder seeded in Saskatchewan, Quebec and the Maritimes. Production is forecast to fall below 0.29 Mt, and supply is expected to decrease, despite large carry-in stocks. Exports are forecast to be higher. Carry-out stocks are expected to fall. The average Canadian dry bean price is forecast to be lower than the previous year due to higher expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to fall by 8% to 1.28 million acres, mostly due to a fall in area seeded across many dry bean producing states. Assuming normal yields and abandonment, 2022-23 US total dry bean production (excluding chickpeas) is therefore forecast by AAFC to rise to nearly 1.1 Mt, up 3% from 2021-22.

## **Chickpeas**

**For 2021-22**, Canadian chickpea exports are expected to be similar to 2020-21 at 160 Kt. A fall in import demand from Pakistan has been offset by increased exports to the US and Turkey. Carry-out stocks are expected to fall. The average price has risen sharply due to smaller supplies in Argentina, Pakistan and Turkey.

**For 2022-23**, the area seeded fell by 4% from 2021-22 despite strong returns received in the previous year. Saskatchewan is expected to account for the majority of the chickpea area, with the remainder in Alberta. Production is forecast by AAFC at 112 Kt, up 47% from the previous year, due to improved yields. Supply is forecast to fall sharply from 2021-22 due to lower carry-in stocks. Exports are forecast to fall but carry-out stocks are forecast to decrease due to the smaller supply. The

average price is forecast to be unchanged due to a larger world supply, with the expectation of an average grade distribution.

US chickpea area for 2022-23 is forecast by the USDA to fall to 0.35 million acres, down 5% from 2021-22. This is largely due to an expected fall in area in Montana. Assuming normal yields and abandonment, US chickpea production is forecast by AAFC at 230 Kt, 78% higher than the previous year. The US is expected to continue to export to the EU, Canada and Pakistan.

## **Mustard Seed**

**For 2021-22**, Canadian mustard exports are forecast at 105 Kt, limited by sharply lower supply. The US and the EU have been the main export markets for Canadian mustard seed. Carry-out stocks are forecast to tighten significantly. Prices are forecast to rise sharply in 2021-22 due to lower carry-out stocks, for all types.

**For 2022-23**, the area seeded rose sharply to 225 Kha, due to record mustard seed returns compared to the previous year. By province, Saskatchewan accounts for 73% of the mustard seed area, with 26% seeded in Alberta and the remainder seeded in Manitoba. Due to the higher area and expectations for average yields, production is forecast to increase sharply to 175 Kt. Supply is expected to rise, despite the smaller carry-in stocks. Exports are expected to rise to 110 Kt and carry-out stocks are forecast to increase. The average price is forecast to be lower than the record prices set in 2021-22 but remain historically high.

## **Canary Seed**

**For 2021-22**, the EU and Mexico have been the main markets, followed by countries in South America. Carry-out stocks are expected to be tight. The average price is forecast to increase to record levels compared to prices in the previous year.

**For 2022-23**, the area seeded fell by 7%, to 118 Kha, despite good returns relative to other crops and lower carry-in stocks. Production is expected to increase by 37% to 163 Kt. Supply is forecast to increase. Exports are expected to rise, while carry-out stocks are expected to remain tight, though increase from last year. The average price is forecast

to be lower than 2021-22.

### **Sunflower Seed**

**For 2021-22**, exports of sunflower seed are forecast to fall to 45 Kt due to decreased demand from the US. Despite this, carry-out stocks are expected to be similar to last year. The US and Japan have been Canada's main export markets for sunflower seed. The average Canadian price for sunflower seed is forecast to rise to record levels compared to 2020-21, largely due to sharply higher oil type sunflower seed prices.

**For 2022-23**, the area seeded was lower at 38 Kha, despite higher returns compared to the previous year and other crops. Production is forecast to fall to 77 Kt and supply is expected to also be lower at 222 Kt, compared to 2021-22. Exports are expected to be unchanged from last year and carry-out stocks are forecast to decrease. The average price is

forecast to be lower than 2021-22, due to expectations for increased North American sunflower seed supply. Lower oil type prices are anticipated along with similar confectionery prices in the US and Canada.

US sunflower seed area for 2022-23 is forecast by the USDA to rise to 1.67 million acres, up 29% from 2021-22, largely due to higher area in North Dakota. The area seeded to oil type varieties is expected to increase to 1.54 million acres and the area seeded to confectionery type varieties is forecast to rise to 0.12 million acres. Assuming normal yields and abandonment, 2022-23 total US sunflower seed production is forecast by AAFC to increase by 36% to 1.1 Mt.

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# CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

July 21, 2022

Grain and Crop Year (a)	Area Seeded <i>thousand ha</i>	Area Harvested <i>thousand ha</i>	Yield <i>t/ha</i>	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>												
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	640
2022-2023f	2,431	2,382	2.30	5,479	25	5,954	4,400	200	440	854	700	500
<b>Wheat Except Durum</b>												
2020-2021	7,892	7,723	3.70	28,612	129	33,503	20,538	3,265	4,033	8,053	4,913	271
2021-2022f	7,255	7,090	2.68	18,998	300	24,211	12,400	2,500	5,296	8,611	3,200	445
2022-2023f	7,915	7,756	3.64	28,240	100	31,540	18,000	3,200	4,565	8,540	5,000	430
<b>All Wheat</b>												
2020-2021	10,194	10,018	3.51	35,183	142	40,824	26,303	3,463	4,422	8,855	5,666	
2021-2022f	9,493	9,247	2.34	21,652	320	27,638	14,800	2,680	5,490	9,188	3,650	
2022-2023f	10,345	10,138	3.33	33,719	125	37,494	22,400	3,400	5,005	9,394	5,700	
<b>Barley</b>												
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	200	7,859	2,590	289	4,340	4,869	400	435
2022-2023f	2,851	2,598	3.49	9,056	60	9,516	3,050	319	5,367	5,966	500	380
<b>Corn</b>												
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	4,400	20,553	1,750	5,400	11,487	16,903	1,900	310
2022-2023f	1,470	1,437	10.02	14,400	2,200	18,500	1,750	5,450	9,084	14,550	2,200	300
<b>Oats</b>												
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	20	3,282	2,070	95	783	1,012	200	560
2022-2023f	1,608	1,311	3.30	4,325	15	4,540	2,650	120	1,144	1,390	500	460
<b>Rye</b>												
2020-2021	237	153	3.19	488	2	530	153	41	243	306	72	225
2021-2022f	246	147	3.22	473	2	546	145	29	291	341	60	310
2022-2023f	238	143	3.28	467	2	529	160	39	229	288	80	250
<b>Mixed Grains</b>												
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	138	64	2.53	161	0	161	0	0	161	161	0	
<b>Total Coarse Grains</b>												
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	4,622	32,404	6,555	5,813	17,065	23,289	2,560	
2022-2023f	6,305	5,553	5.12	28,409	2,277	33,245	7,610	5,928	15,985	22,355	3,280	
<b>Canola</b>												
2020-2021	8,410	8,325	2.34	19,485	125	23,044	10,589	10,425	243	10,734	1,722	730
2021-2022f	9,097	9,002	1.40	12,595	150	14,467	5,150	8,300	566	8,917	400	1,050
2022-2023f	8,667	8,599	2.14	18,400	100	18,900	9,000	9,300	99	9,450	450	950
<b>Flaxseed</b>												
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	285	N/A	80	100	30	1,250
2022-2023f	315	310	1.36	420	10	460	325	N/A	66	85	50	1,100
<b>Soybeans</b>												
2020-2021	2,052	2,041	3.12	6,359	437	7,417	4,661	1,636	603	2,462	294	605
2021-2022f	2,153	2,139	2.93	6,272	400	6,966	4,000	1,800	516	2,516	450	680
2022-2023f	2,135	2,132	2.98	6,350	400	7,200	4,300	1,900	300	2,400	500	650
<b>Total Oilseeds</b>												
2020-2021	10,839	10,738	2.46	26,421	588	31,129	15,755	12,061	931	13,299	2,075	
2021-2022f	11,666	11,545	1.66	19,212	560	21,847	9,435	10,100	1,161	11,532	880	
2022-2023f	11,116	11,041	2.28	25,170	510	26,560	13,625	11,200	465	11,935	1,000	
<b>Total Grains And Oilseeds</b>												
2020-2021	27,491	26,536	3.44	91,205	2,682	107,487	50,897	21,343	22,180	45,241	11,349	
2021-2022f	27,693	26,507	2.45	65,039	5,502	81,889	30,790	18,593	23,715	44,009	7,090	
2022-2023f	27,767	26,732	3.27	87,297	2,912	97,299	43,635	20,528	21,455	43,683	9,980	

(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 and seeded area for 2022-23 which are STC

# CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

July 21, 2022

Grain and Crop Year (a)	Area Seeded ----- thousand ha	Area Harvested ----- -----	Yield t/ha	Production -----	Imports (b)	Total Supply ----- thousand tonnes	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/t
<b>Dry Peas</b>											
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	1,900	696	250	10%	600
2022-2023f	1,363	1,337	2.47	3,300	80	3,630	2,600	730	300	9%	480
<b>Lentils</b>											
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	1,500	313	250	14%	1,000
2022-2023f	1,748	1,725	1.43	2,460	75	2,785	2,100	410	275	11%	835
<b>Dry Beans</b>											
2020-2021	185	183	2.68	490	63	578	396	72	110	24%	930
2021-2022f	177	171	2.26	386	75	571	325	71	175	44%	1,200
2022-2023f	120	117	2.44	285	75	535	360	70	105	24%	1,180
<b>Chickpeas</b>											
2020-2021	121	120	1.79	214	41	506	159	71	275	119%	640
2021-2022f	75	74	1.04	76	30	381	160	71	150	65%	960
2022-2023f	72	71	1.58	112	45	307	130	67	110	56%	960
<b>Mustard Seed</b>											
2020-2021	104	101	0.98	99	6	165	111	15	40	32%	885
2021-2022f	125	113	0.44	50	15	105	105	0	0	0%	3,000
2022-2023f	225	217	0.81	175	7	182	110	42	30	20%	2,050
<b>Canary Seed</b>											
2020-2021	111	110	1.62	178	0	193	160	7	26	16%	690
2021-2022f	127	125	0.95	119	0	145	145	0	0	0%	1,125
2022-2023f	118	116	1.41	163	0	163	150	8	5	3%	900
<b>Sunflower Seed</b>											
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%	890
2022-2023f	38	37	2.11	77	30	222	45	72	105	90%	850
<b>Total Pulses and Special Crops (c)</b>											
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	1.23	4,577	235	6,345	4,180	1,225	940		
2022-2023f	3,683	3,620	1.82	6,572	312	7,824	5,495	1,399	930		

(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 and seeded area for 2022-23 which are STC