Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS — *January 20, 2023*

Market Analysis Group / Crops and Horticulture Division
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This report is an update of Agriculture and Agri-Food Canada's (AAFC) December outlook report for the 2022-2023 crop year and provides AAFC's preliminary look at the upcoming 2023-2024 crop year. 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 subject to heightened volatility due to the Russian invasion of Ukraine which continues to disrupt Black Sea production and global trade patterns, concerns in regard to a global economic slowdown and the ongoing effects of the COVID-19 pandemic.

For 2022-2023, the outlook incorporates the results of Statistics Canada's (STC) November Farm Survey of crop production, which was released on December 2, 2022, and is the last official estimate for crop production from STC for the year. Total field crop production for Canada is estimated to be 34.1% higher than in 2021, 5.6% above the previous five-year average, and the third largest crop on record. Prices are forecast to remain relatively strong for 2022-23, although decreasing for the most part from the elevated levels achieved in 2021-22.

For 2023-2024, rotation considerations, moisture conditions, expected prices, and input costs/availability are expected to be the main factors determining seeding decisions in the spring. Based on current market conditions and historical trends, the area seeded to field crops in Canada is forecast to increase marginally from 2022-23. The area seeded for wheat (excluding durum) and oilseeds is expected to increase, while area seeded to coarse grains and pulse and special crops is expected to decrease. The average yield and production is forecast to decrease slightly for total field crops, resulting in expected total field crop production to decline marginally. Carry-out stocks are expected to increase, while exports and domestic use are expected to remain relatively unchanged. In general, prices are expected to decrease but remain historically high, as world production and supplies increase and the Canadian dollar strengthens.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on February 17, 2023. STC is scheduled to release stocks of principal field crops in Canada as of December 31, 2022, on February 7, 2023.

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									
2021-2022	27,640	26,464	2.53	67,058	7,292	86,060	31,689	45,765	8,607
2022-2023f	27,669	26,814	3.34	89,489	2,712	100,808	45,715	44,528	10,565
2023-2024f	27,903	26,933	3.27	88,045	2,912	101,521	45,865	44,696	10,960
Total Pulse And Special Crops									
2021-2022	3,821	3,725	1.23	4,597	231	6,460	4,333	1,061	1,066
2022-2023f	3,707	3,649	1.80	6,570	270	7,906	5,647	1,124	1,135
2023-2024f	3,610	3,541	1.92	6,788	267	8,190	5,670	1,190	1,330
All Principal Field Crops									
2021-2022	31,461	30,190	2.37	71,656	7,523	92,520	36,021	46,825	9,673
2022-2023f	31,376	30,462	3.15	96,059	2,982	108,714	51,362	45,652	11,700
2023-2024f	31,513	30,474	3.11	94,833	3,179	109,711	51,535	45,886	12,290

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecasts by AAFC except for area, yield and production for 2022-23 which are STC

Durum

For 2022-23, Canadian durum production reached 5.4 million tonnes (Mt), 79% more than the previous year, thanks to an increase in seeded area and a recovery in yields. Crop quality is also very good with the bulk of the crop graded in the top two tiers and testing at above-average protein content. According to the Canadian Grain Commission (CGC), as of December 21, 2022, 61% of samples graded as No. 1 CWAD and another 20% at No. 2; average protein content is 14.5%.

Total supply is forecast at 6.0 Mt, up 57% compared to the previous year, constrained by tight carry-in stocks, which at 0.58 Mt, were 57% lower than average levels. Exports are forecast at 4.8 Mt, 77% more than the previous year, thanks to increased demand from Europe and North Africa. For the period of August to November 2022, Statistics Canada (STC) puts exports of Canadian durum at 1.5 Mt, 15% more than the same period last year. CGC puts durum shipments, from August to January 1, 2023, at 1.9 Mt, 64% more than for the same period last year. Domestic use is forecast at average levels, that is 0.7 Mt; closing stocks are projected at 0.5 Mt.

World durum production grew by 4% from 2021-22 to 32.6 Mt, while supply decreased 0.6% to 39.3 Mt, constrained by tight stocks, according to the International Grains Council (IGC). Trade is forecast to expand 36% to 8.2 Mt; use is anticipated at 33.3 Mt, up 1.4% year on year, and closing stocks at 6.0 Mt, 10.3% less than in 2021-22.

According to the United States Department of Agriculture (USDA), total supply of durum in the US in 2022-23 was 3.8 Mt, 31% more than the previous year. Domestic use is expected at 2.5 Mt, and exports at 0.5 Mt. Carry-out stocks were reduced from 0.9 Mt to 0.8 Mt, still up 16% year-over-year.

The average 2022-23 Saskatchewan (SK) spot prices for No.1 CWAD 13% is raised to $450/tonne.

For 2023-24, the area seeded to durum in Canada is forecast to decrease by 6%. With yields expected to improve, total production is expected to remain relatively stable at 5.4 Mt, and supply to reach just under 6.0 Mt. Exports are projected to decline 8% to 4.4 Mt with reduced demand from Europe where production is projected to expand year-on-year. Domestic use is projected at average levels and carry-out stocks are expected to expand to 0.8 Mt.

World durum production is forecast to increase with a larger crop expected out of Europe, Morocco and Tunisia. Early projections for the European durum crop is 8.3 Mt in 2023-24, compared to 7.1 Mt last year. Demand growth is expected to come from the growing middle class in lower-income nations. Low world stocks are expected to keep the supply/demand complex tighter than average, which is supportive of prices.

According to the USDA's January 12 seeding report, area seeded to durum in Arizona and California is estimated at 36.4 thousand hectares, down 28% from 2022, but 6% more than in 2021.

The average SK CWAD No. 1, 13% spot price for 2023-24 is forecast at $425/tonne, down from current levels, but still relatively strong in historic terms.

Wheat (excluding durum)

For 2022-23, Canadian wheat (excluding durum) production increased 47% from 2021-22 to 28.4 Mt on an increase in seeded area and recovery in yields. Crop quality is also good with the bulk of the crop graded in the top two tiers and testing at slightly above-average protein content. According to the CGC, as of December 21, 2022, 79% of samples graded as No. 1 CWRS and another 14% at No. 2; average protein content is 13.8%.

Total supply is forecast at 31.6 Mt, up 29% compared to the previous year, constrained by tight carry-in stocks, which at 3.1 Mt, were 37% lower than average levels. The export forecast was raised to 19.1 Mt, on account of the strong and accelerating export pace seen to date. According to STC, exports of wheat (excluding durum) from August to the end of November totaled 6.7 Mt, 50% more than for the same period last year. The CGC puts wheat shipments at 8.1 Mt for the August to January 1 period; that is 63% more than for the same period last year.

Domestic use is forecast at 8.3 Mt, relatively in line with average levels, and stocks were tightened to 4.2 Mt, down 0.3 Mt compared to last month's report, but still above last year's level.

The latest World Agricultural Supply and Demand Estimates (WASDE) report released by the USDA calls for increased supplies, exports, consumption, and stocks. The global wheat supply was raised 1.3 Mt to 1,058.1 Mt

on account of higher-than-expected output in Ukraine and the European Union (EU). Total use was raised 0.2 Mt to 789.7 Mt with higher feed use projected in the US. Projected 2022-23 exports were expanded 0.8 Mt to 211.6 Mt with higher exports from the EU and Ukraine. Ending stocks were raised 1.1 Mt to 268.4 Mt, with increases in the EU, Ukraine, Kazakhstan and India.

For the US alone, all wheat supply was raised 0.8 Mt to 67.2 Mt on an upward revision to opening stocks. Supply, at 67.18 Mt, is now 3.2 Mt lower than 2021-22 levels. Trade remains steady at 21.1 Mt, but total use is raised 0.9 Mt to 30.7 Mt on higher seed and feed use. Carry-out stocks were trimmed 0.1 Mt to 15.4 Mt.

The average SK Canadian Western Red Spring Wheat (CWRS) 1, 13.5% spot price for 2022-23 is forecast to remain steady at $420/tonne, marginally lower than in 2021-22.

For 2023-24, Canadian area seeded to wheat is forecast to increase 4% year-over-year, supported by strong prices and a generally tight global supply/demand complex. Area seeded to winter wheat is estimated at 718 thousand hectares (ha) while that for spring wheat is projected at 7.4 million hectares (Mha). Total area seeded to wheat (excluding durum) is projected at 8.2 Mha.

With yields assumed at average levels, that is around 3.6 tonnes per hectare, total production is projected at 28.9 Mt, and total supply at 33.2 Mt, up 5% year-on-year and 8% more than average levels. Domestic use is projected to expand to 8.7 Mt, with return to average quality and increase in feed use. Exports are projected at 19.6 Mt and carry-out stocks are projected to rise to 4.9 Mt.

With the continuation of the war in the Black Sea, Ukrainian winter seeding is down 20% compared to previous year, the recent poor wheat harvest in Argentina and low global stocks, 2023-24 will likely start off in a tight supply/demand complex. The USDA puts U.S. winter wheat seeding at 14.95 Mha, up 11% year-on-year, but globally, the IGC's early projections point to plantings only slightly above the average areas of 221 Mha.

Ultimately, the weather will be the determinant of whether any increase in area translates to increased production. With concerns of drought across the US and assuming average yields elsewhere, global wheat supply could remain relatively stable year-on-year. Early projections from the IGC show a tightening (-1%) in output, which is still relatively large in historical terms. Demand is seen growing about one to two percent with an expansion in food use, particularly in Asia and Africa where trade expanded by 1% as a result. In terms of prices, the market seems to have adjusted to the supply shocks seen to date while an increase in wheat seeding in the US, and drought concerns accompanied by general fears of global economic recession are working at odds on the US future market. Volatility is expected to continue in the short to medium term.

The average SK spot price for CWRS 1, 13.5% is forecast to come down slightly, but remain relatively strong in historical terms. It is currently pegged at $410/tonne on average for the 2023-24 crop year.

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Barley

For 2022-23, Canadian barley supply is projected at 10.6 million tonnes (Mt), up sharply from last year's record low of 7.9 Mt. This is primarily due to the rebound in production compensating for the record low carry-in stocks. As a result of the recovery in supply, demand for both domestic use and exports are expected to increase significantly from the previous year. Total domestic use is forecast to increase by 25% on higher feed and industrial use. Total exports are expected to increase by 41% due to good domestic supply and lower foreign supply. Carry-out stocks are projected at 0.9 Mt, rising sharply from last year's record low and marginally above the previous five-year average.

For the crop year to-date, the Lethbridge feed barley price averaged slightly below $415/tonne (t), with premiums over Prairie provincial averages at seven-year highs. Currently, the feed barley price in Lethbridge is nearly $50/t above the Alberta (AB) provincial average, up from last year's $40/t and the five-year average of $30/t prior to 2021-22. Compared to the SK provincial average, the premium reaches above $90/t, up from $65/t last year and the $55/t five-year average prior to 2021-22. Compared to the Manitoba (MB) provincial average, the premium reaches $85/t, up from $50/t for last year and the five-year average prior to 2021-22. For the entire crop year, the Lethbridge feed barley average price is predicted at $400/t, down nearly $30/t from last year's record high due to expectations for a recovery in domestic feed grain supply. However, it will remain historically high, largely underpinned by strong wheat and corn prices and robust demand.

Worldwide, the combined foreign barley supply in 2022-23 is projected at 187 Mt, based on data from the United States Department of Agriculture (USDA). It is 1% and 2% lower, respectively, than last year and the previous five-year average. This, together with robust demand for animal feed, is expected to lead the 2022-23 foreign ending stocks to drop to 17 Mt, a record low for at least the past two decades.

For 2023-24, Canadian barley area is forecast at 3.0 million hectares (Mha), up 5% from 2022-23 and only marginally higher than the previous five-year average. Good current prices along with robust demand are the major underlying drivers to support the 2023 barley acreage. Acreage in Western Canada is predicted at 2.9 Mha, up 5% from 2022-23. Acreage in Eastern Canada is predicted at 0.1 Mha, up 14% from 2022-23. Assuming average abandonment and yield potential, Canadian barley production in 2023 is projected at 10.0 Mt, remaining relatively unchanged from the previous year, despite larger acreage.

Total supply in 2023-24 is projected at 10.9 Mt, up 4% and 6% from 2022-23 and the previous five-year average, respectively, mainly reflecting an expected increase in carry-in stocks. Total domestic use is predicted to increase from 2022-23 on larger feed use, which is above the average level given good domestic supply. Exports are projected to decline, given the outlook for larger global feed grain supplies, but still above the average level. Carry-out stocks are projected at 1.0 Mt, up 11% from the previous year and a recent six-year high.

The 2023-24 Lethbridge average price is projected at $360/t, lower than the $400/t predicted for 2022-23, partly reflecting an anticipated good domestic supply and lower US corn prices in 2023-24.

For the 2023-24 US barley supply and demand situation, the USDA's 10-year baseline projections released on November 7th, 2022, point to larger supply, unchanged total domestic use, and higher ending stocks. Farm price is projected at US$6.50/bushel, 11% lower than the 2022-23 projection.

Corn

For 2022-23, the Canadian corn supply is projected at 19.3 Mt, down 14% from last year's record high, due to sharply lower imports more than offsetting larger production and carry-in stocks. Total domestic use is predicted to decrease considerably from last year on lower feed and industrial use. Exports are forecast to be on par with last year's level, but increase significantly from the previous five-year average. Carry-out stocks are projected at 2.40 Mt, decreasing by 13% from last year's record high but still slightly higher than the previous five-year

average.

For the crop year to-date, the Chatham corn price averaged nearly $325/t, versus $270/t in the same period a year ago. For the entire crop year, the Chatham corn price is projected at $320/t, nearly $10/t above last year's historical high, supported by the outlook for brisk demand and strong US corn prices.

Worldwide, the USDA cut Argentina's corn production projection for the 2022-23 marketing year by 3.0 Mt, reflecting the negative impacts of unfavorable weather conditions in the country on harvested area and yield potential. For Brazil, the USDA cut corn production by 1.0 Mt on slightly lowered yield potential. Nevertheless, the 2022-23 production in each of the two countries continues to increase from the 2021-22 marketing year and remains at a record high, primarily reflecting the expansion in area planted.

For the US, the USDA cut 2022 corn production estimate by more than 5.0 Mt based on a lower harvested area estimate as the yield estimate increased. This, despite lower projections for domestic demand and exports, caused the US corn ending stocks to drop further to 31.5 Mt, which is near a recent nine-year low. The farm price is forecast at US$6.70/bushel, unchanged from the December forecast but up from last year's US$6.00/bushel, and just below the all-time high of US$6.89/bushel in 2012-13.

For 2023-24, the Canadian corn area is forecast at 1.45 Mha, down from last year's historical high but still on par with the recent five-year average. The decline in corn area is partly linked to the strong competitiveness of other crops for acreage and high production costs. Acreage in Eastern Canada is predicted at 1.28 Mha, down 2% from 2022-23. Acreage in Western Canada is predicted at 0.17 Mha, up 3% from 2022-23, reflecting the acreage changes in Manitoba. Assuming average abandonment and yield potential, along with smaller acreage, Canadian corn production in 2023 is projected at 13.8 Mt, 5% lower than the 2022 level.

Total supply for 2023-24 is projected at 18.4 Mt, down 4% from the projected 2022-23 level, primarily reflecting expected declines in 2023 production and carry-in stocks. Total domestic use is forecast to decline from 2022-23 on lower feed use, which is still above the average level prior to 2021-22. Industrial use is expected to remain stable. Exports are projected to decline, given the outlook for larger global feed grain supplies, but still above the average level. Carry-out stocks are projected at 2.2 Mt, down 8% from the projected 2022-23 level.

The 2023-24 Chatham average price is projected at $290/t, lower than the record high of $320/t predicted for 2022-23, following the anticipated lower 2023-24 US corn price.

For the US, the USDA's baseline projections put the 2023 corn acreage in the US at 92 million acres, up 4% from 2022. Based on the projections for increased acreage and better yield potential, US corn production in 2023 is projected at 15.3 billion bushels (Bbu), up 10% from 2022. Total supply is projected to increase by 7% to 16.5 Bbu, the recent five-year high. Total use is predicted at 14.8 Bbu, up 4% from 2022-23, based on forecasts for stronger feed, food and industrial use, as well as larger exports. The ending stocks projection is pegged at 1.7 Bbu, up sharply from 2022-23 and becoming the recent four-year high. The farm price is projected at US$5.70/bushel, 15% lower than the 2022-23 projection.

Oats

For 2022-23, Canadian oat supply is projected at 5.6 Mt, up sharply from last year's nineteen-year low and becoming the highest on record. This is primarily due to the rebound in production compensating for the record low carry-in stocks. As a result of the recovery in supply, demand for both domestic use and exports is expected to increase significantly from the previous year. Total domestic use is forecast to increase by 79% on higher feed use. Total exports are expected to increase by 24% based on good domestic supply. Carry-out stocks are projected at 1.2 Mt, rising sharply from last year's record low and becoming a near-record high.

For the crop year to-date, the oat price in Alberta averages just above $270/t, nearly $120/t under the level of a year ago. In Saskatchewan, oat price averages are just under $260/t, down almost $160/t from last year. Manitoba oat price averages are just

under $300/ton, down more than $200/t from a year ago. For the entire crop year, the CBOT oat price is predicted at around $365/t, down $200/t from the record high in 2021-22, due to an expected supply recovery in North America.

For 2023-24, Canadian oat area is forecast at 1.2 Mha, down 22% from 2022-23 and the lowest in the recent five years. This is primarily due to sharply lower oat prices, significantly increased supplies for the current oat crop, and strong competitiveness from other crops for acreage. Acreage in Western Canada is predicted at 1.1 Mha, down 24% from 2022-23. Acreage in Eastern Canada is predicted at 0.1 Mha, down 2% from 2022-23. Assuming average abandonment and yield potential, along with smaller acreage, Canadian oat production in 2023 is expected to decrease by 31% from the previous year to reach 3.6 Mt.

Due to larger carry-in stocks partly offset by smaller production, total supply in 2023-24 is projected at 4.8 Mt, down 14% from 2022-23 but still up 4% from the previous five-year average. Demand for both domestic feed use and exports is expected to decline from 2022-23 given smaller domestic supply, but still above average. Carry-out stocks are projected at 0.6 Mt, down sharply from 2022-23 but on par with historically average levels.

The CBOT oat price in 2023-24 is projected at CAN$345/t, below the predicted 2022-23 level due to anticipated ample North America oat supply and lower prices for other crops in 2023-24.

For the 2023-24 US oat supply and demand situation, the USDA's baseline projections point to larger production, unchanged demand, and higher ending stocks. The farm price is projected at US$3.55/bushel, 38% lower than the 2022-23 projection.

Rye

For 2022-23, Canadian rye supply is projected at 631 thousand tonnes (Kt), up 12% from 2021-22 and the highest since 1992, thanks to large production and carry-in stocks. Demand is expected to exceed last year's level due to increased exports. Carry-out stocks are projected at 165 thousand tonnes (Kt), up significantly from last year and the five-year average due to abundant supply.

For the crop year to-date, the rye FOB farm price on the Canadian Prairies averages just below $280/t, nearly $30/t under the level a year ago. For the entire crop year, the average price is projected at $270/t, down $50/t from last year's record high, mainly due to ample 2022-23 feed grain supplies on the Canadian Prairies.

For 2023-24, Canadian fall rye area, which represents 97% of all rye planted in Canada, is reported by Statistics Canada at 185 thousand hectares (Kha), down 21% from 2022-23 and the lowest in the recent four years. This is probably linked to sharply decreased rye prices, significantly increased supplies for the current rye crop, and strong competitiveness from other crops for acreage. Acreage in Western Canada is predicted at 102 Kha, down 34% from 2022-23. Acreage in Eastern Canada is predicted at 83 Kha, up 7% from 2022-23. Assuming average abandonment and yield potential, along with smaller acreage, Canadian rye production in 2023 is expected to decrease by 35% from the previous year to reach 339 Kt.

Due to larger carry-in stocks partly offset by smaller production, total supply in 2023-24 is projected at 506 Kt, down 20% from 2022-23 but still up 2% from the previous five-year average. Demand for both domestic feed use and exports is expected to decline from 2022-23 given smaller domestic supply, but still above average. Carry-out stocks are projected at 80 Kt, down sharply from 2022-23 but still a comfortable level.

The 2023-24 rye average price on Canadian Prairie is projected at CAN$260/t, $10/t below the predicted 2022-23 level.

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Canola

For 2022-23, Canada seeded 8.7 million hectares (Mha) to canola, a drop of 4% from the last crop year, resulting in a harvested area of 8.6 Mha. Yields averaged 2.11 tonnes per hectare (t/ha) versus the 2021-22's drought-reduced of 1.54 t/ha. Production is estimated at 18.2 million tonnes (Mt) based on a Statistics Canada survey of 27,200 farmers. By major growing province, Saskatchewan produced 9.5 Mt of canola, followed by Alberta at 5.6 Mt and Manitoba at 2.9 Mt. Total supply is estimated up from last year at 19.1 Mt, as the rise in production was partly offset by tight carry-in of stocks.

Usage of Canadian canola is forecast to return to more historically normal levels: exports are up 63% to 8.6 Mt, while domestic crush rises to 9.5 Mt versus 8.6 Mt last year. The pace of exports to-November is 121% of last year based on the Canadian Grain Commission data, with shipments to China and Mexico accounting for 80% of the canola exported out of Canada by the end of November. Oil content of Canadian canola is averaging 42.8% to-date, based on a harvest survey of 1,866 samples, of which 93% graded Number 1.

Carry-out stocks are down to 0.80 Mt for a stocks-to-use ratio of 4%. Canola prices are forecast to decline to $910/tonne (t) track Vancouver. If realized, this would be the second-highest canola price on record.

The 2022-23 outlook remains sensitive to several factors: (i) world macroeconomic outlook with a strong possibility of recession, (ii) strength of world demand for vegetable oils, (iii) pace of crush and export buying, (iv) competition from European and Australian rapeseed, Indonesian palm oil and Brazilian and US soybeans, (v) late winter and early spring North American temperature and moisture conditions, and (vi) stability of supply chains stressed by the spread of COVID-19, particularly across China, and export shipments from the Black Sea region due to the ongoing Russian invasion of Ukraine.

For 2023-34, canola area is forecast to rise slightly to 8.8 Mha as support from attractive prices is matched by similarly attractive prices for alternate crops such as wheat and peas. Production is forecast at 18.5 Mt, assuming a normal abandonment of crop area and trend yields. Normal weather and growing conditions for the upcoming year are assumed. Total supplies are predicted to increase to 19.4 Mt as the rise in production is moderated by a slight decline in carry-in stocks.

Domestic crush and exports are forecast similar to 2022-23 at 9.5 Mt and 8.8 Mt, respectively, on support from strong world demand for oilseeds, vegetable oils and protein meals. Normal feed, waste and dockage is assumed. Carry-out is forecast to rise slightly to 0.85 Mt versus 0.80 Mt for 2021-22 and the five-year average of 2.26 Mt. The simple average price for canola, No. 1, track Vancouver is forecast at $875/t, down from $910/t for 2021-22 but above the five-year average of $739/t.

Flaxseed

For 2022-23, Canada grew 0.32 Mha of flaxseed, versus the five-year average of 0.39 Mha, with a harvested area of 0.31 Mha. Yields averaged 1.5 t/ha based on a production of 0.47 Mt (73% of which occurred in Saskatchewan). Total supply is forecast to increase by 36% to 0.57 Mt, on higher output and carry-in stocks.

Exports are forecast to increase to 0.38 Mt on stable world usage. To the end of November, exports through licensed terminals are running at 48% of last year's pace with most of the shipments destined for the US. Total domestic use is estimated at 93,700 tonnes on lower feed, waste and dockage, while carry-out stocks rise marginally to 100,000 t. Flaxseed prices are forecast to decline but remain historically strong at $700/t for 2022-23.

For 2023-24, the area seeded to flaxseed is forecast to rise slightly to 0.35 Mha, generating a harvested area of 0.34 Mha. Trend yields of 1.45 t/ha are projected based on the assumptions of normal temperatures and soil moisture for the upcoming crop year. Production is forecast to rise 5%, to 0.50 Mt versus 0.47 Mt for 2021-22 and the five-year average of 0.48 Mt. Total supplies of flaxseed are

projected to rise to 0.61 Mt as the rise in carry-in stocks and stable imports supplement the increase in output.

Total domestic use is forecast to decline slightly on a reduction in feed, waste and dockage while exports rise by 25,000 t to 0.40 Mt on steady to stronger world demand. Carry-out is forecast to rise by 30% to 0.13 Mt for a stocks-to-use ratio of 27%. The simple average price for flaxseed, No.1, in-store Saskatoon cash is forecast at $675/t down $25/t from last year and $47/t below the five-year average of $722/t.

Soybeans

For 2022-23, farmers planted 2.13 Mha to soybeans in Canada, versus 2.15 Mha last year, with a harvested area of 2.12 Mha. Production is 6.5 Mt, versus 6.3 Mt in 2021-22. The province of Ontario is the largest producer of soybeans in Canada at almost 4.0 Mt, followed by the provinces of Manitoba and Quebec, which grew 1.3 and 1.1 Mt of soybeans, respectively. Total supply is forecast to increase to 7.2 Mt, on higher production and carry-in combined with stable imports.

Exports are forecast to increase 3%, to 4.4 Mt, with shipments headed to a diverse group of countries. The export pace through Canada's licensed grain handling facilities to the end of November is down marginally from last year, compared to being 26% behind last year's pace for the end of October. Shipments are largely divided between China and the European Union. Domestic processing is forecast up slightly to 1.9 Mt compared to 1.86 Mt last year. Carry-out stocks are forecast up from last year at 0.35 Mt versus the five-year average of 0.45 Mt.

Soybean prices are forecast to rise to $710/t on support from higher US prices and a weaker Canadian dollar offsetting pressure from a large US soybean crop. A stable Canada-US dollar exchange rate is assumed for the duration of 2022-23.

For 2022-23, world oilseed production is forecast at 642 Mt by the United States Department of Agriculture (USDA), down by 2 Mt from last month but a rise of 35 Mt from last year. US soybean production is projected at 4.28 billion bushels (Bbu), down 4% from last year, creating a slight drop in American soybean supplies. US soybean exports are forecast at 1.99 Bbu while domestic crush increases to 2.25 Bbu. Ending stocks are predicted to fall to 0.21 Bbu, versus 0.27 Bbu for 2021-22 and the five-year average of 0.48 Bbu. The USDA projects the farm gate price of soybeans to rise slightly from last month to US$14.20/bushel, versus US$13.30/bushel for 2021-22.

For 2023-24, the area planted to soybeans is predicted to increase by 7% to 2.28 Mha creating a harvested area of 2.27 Mha. Trend yields of 3.0 t/ha are used on the assumption of normal temperatures and moisture conditions for the upcoming crop year. Production is forecast up 0.23 Mt from last year, to 6.77 Mt, and 0.22 Mt above the five-year average. Total supplies of soybeans are forecast to rise 4% to 7.52 Mt.

Total domestic use is forecast to fall slightly on lower feed, waste and dockage with crush holding steady at 1.9 Mt. Exports are forecast to rise to 4.7 Mt, up 0.3 Mt from 2022-23 and 0.19 Mt above the five-year average. Carry-out stocks are forecast to rise to 0.40 Mt for a stocks-to-use ratio of 6%. The simple average price for soybeans, track Chatham, is forecast to fall by $40/t, to $670/t, which is $106/t above the five-year average of $564/t.

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Dry peas

For 2022-23, Canadian dry pea exports for the August to November period were 1.1 million tonnes (Mt), 15% higher than for the same period last year. China imported the largest portion to-date at 0.63 Mt. The leading export market, after China, is Bangladesh at 0.18 Mt. Total Canadian dry pea exports for the crop year are forecast to rise by over 31% to 2.5 Mt due to increased Canadian supply.

Canadian dry pea supply is estimated to rise by 35% as higher production is partly offset by lower carry-in stocks. With the increased supply, carry-out stocks are expected to rise sharply and pressure prices throughout 2022-23. The average price is expected to be 22% lower than 2021-22, at $460/tonne (t), due to lower prices for all types of dry peas. Green pea prices are expected to maintain a premium of $25/t over yellow peas for the crop year, compared to the $60/t discount green peas had to yellow peas last year.

US dry pea production is estimated by the United States Department of Agriculture (USDA) at 0.69 Mt, up 77% from 2021-22. This was largely due to improved yields. As a result, Canadian dry pea exports to the US are forecast to be 0.3 Mt in 2022-23, lower than the previous year.

For 2023-24, seeded area is forecast to fall from 2022-23 to 1.3 million hectares (Mha), because of good returns relative for other crops. Production is expected to fall by 5% to 3.25 Mt, with an expectation of trend yields. Supply is forecast to rise marginally to 3.9 Mt due to higher carry-in stocks. With the expectation of a small increase in exportable supply, exports to other countries are expected to be higher than 2022-23 and carry-out stocks are expected to remain unchanged. The average price is expected to be lower than 2022-23, due to lower dry pea prices and increased world supply.

Lentils

For 2022-23, Canadian lentil exports for the August to November period totaled 0.84 Mt, 28% higher than the amount exported during the same period in 2021-22. India imported the largest portion to-date at 0.2 Mt. The leading export market, after India, is Turkey, followed by the United Arab Emirates. Total Canadian lentil exports for 2022-23 are forecast to rise sharply to 2.3 Mt. The supply of lentils in Canada is estimated to be over 0.5 Mt higher than last year as lower carry-in stocks partly offset the higher production. With the sharply higher supply and an increase in exports, this is expected to lead to lower carry-out stocks for the end of the 2022-23 crop year.

The overall average price is forecast to fall by 18% from last year to $800/t. Weaker prices for all lentil types, with the exception of French green types have combined with an above average grade distribution. As a result, there have been lower discounts for the lower grades for all lentil types. Prices for No. 1 large green lentils are expected to maintain a premium of $330/t above the price of No. 1 red lentils over the crop year, compared to a $325/t premium in 2021-22.

US lentil production is estimated at 249 thousand tonnes (Kt), up 66% from the previous year. As a result, Canadian lentil exports to the US are forecast at 75 Kt for 2022-23, down from the previous year.

For 2023-24, seeded area in Canada is expected to fall marginally to 1.73 Mha. Production is forecast to rise by 15% to 2.65 Mt. With lower carry-in stocks, supply is expected to rise by only 0.2 Mt to 2.8 Mt. Exports are forecast to be unchanged from 2022-23 at 2.3 Mt with marginally higher exportable supplies. Carry-out stocks are expected to rise to 250 Kt. With the assumption of an average grade distribution and grade discounts, the overall lentil price is forecast to fall from 2022-23.

Dry beans

For 2022-23, exports are forecast to be similar to last year. The European Union (EU) and the US are expected to remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Mexico. Despite the smaller supply, carry-out stocks are expected to be lower than the previous year due to the similar exports. The average Canadian dry bean price is forecast to decrease by 2% to $1,180/t, due to higher production and supply in North America.

US total dry bean production (excluding chickpeas) is estimated by the USDA at 1.17 Mt, up 14% from 2021-22. US dry bean production was higher for all bean types. This is expected to continue to pressure Canadian dry bean prices for 2022-23.

For 2023-24, the area seeded is forecast to be unchanged because of ample carry-out stocks and favorable potential returns for other crops, particularly soybeans and corn. Production is expected to decrease marginally to 0.29 Mt despite similar area but with expectations for lower yields, particularly in Manitoba. Supply is expected to be lower at 0.51 Mt. Exports and carry-out stocks are also forecast to be lower than 2022-23. The average Canadian dry bean price is forecast to be lower than the previous year due to expectations for a larger North American supply.

Chickpeas

For 2022-23, exports are forecast to be higher than 2021-22 at 195 Kt. The US, the EU and Pakistan have been the main markets for Canadian chickpeas to-date. Carry-out stocks are expected to fall to nearly half of those in the previous year. The average price is forecast to rise to a record $1,045/t, due to strong world demand and lower carry-out stocks.

US chickpea production is estimated by USDA to rise to 166 Kt, up 28% from 2021-22, due to improved yields.

For 2023-24, the area seeded is forecast to rise from 2022-23 because of expectations for good returns relative to competing crops. With a return to trend yields, production is expected to rise sharply to 170 Kt. Supply is expected to decrease by 12% from last year as the higher production is more than offset by smaller carry-in stocks. Exports are forecast to be lower than the previous year and carry-out stocks are expected to rise. The average price is forecast to be lower than 2022-23 due to expectations for an increase in world supply.

Mustard seed

For 2022-23, exports are expected to be marginally higher than 2021-22 at 110 Kt but carry-out stocks are forecast to rise sharply due to increased supply. The US and the EU are expected to remain the main export markets for Canadian mustard seed. As a result of the increase in stocks from the larger exportable supply, the average price is forecast to fall by 12% from the levels observed in 2021-22, to $2,525/t.

For 2023-24, the area seeded is expected to fall due to low yields from the previous year. Production is forecast to rise to 170 Kt due to expectations for improved yields. Supply is expected to rise by 28%, mostly due to the larger carry-in stocks. Exports are expected to be higher at 120 Kt and carry-out stocks are forecast to increase from the previous year. The average price is forecast to be sharply lower when compared to 2022-23, but remain historically high.

Canary seed

For 2022-23, exports are expected to be lower than the previous year. The EU and Mexico are forecast to remain the main export markets, followed by several countries in South America. Carry-out stocks are expected to tighten significantly. The average price is forecast to increase from 2021-22 to $900/t.

For 2023-24, the area seeded is forecast to be lower than the previous year due to good potential returns for other crops. Production is expected to be 7% higher due to improved yields. Supply is forecast to fall marginally due to the tight carry-in stocks. Exports are expected to be lower than in 2022-23 with the decreased supply and carry-out stocks are expected to rise slightly. The average price is forecast to be lower than the previous year at $800/t.

Sunflower seed

For 2022-23, exports are forecast to be marginally higher compared to the previous year at 45 Kt. Carry-out stocks are expected to rise to 120 Kt. To

date, the US has remained Canada's main export market for sunflower seed. The average price is forecast to fall from 2021-22 to $880/t, mostly due to lower prices for oilseed types grown in Canada this year.

For the US, sunflower seed production is estimated by the USDA to have risen by 48% to 1.3 Mt, largely due to higher area and improved yields. About 1.2 Mt of the US sunflower seed crop is estimated to be oilseed types, sharply higher than the previous year. US confectionery type production also increased this year to 109 Kt.

For 2022-23, the global supply of sunflower seed is estimated by the USDA at a record 64.4 Mt. This is marginally higher than last year. World exports are expected to increase by 38% to a record 5.4 Mt and domestic use is expected to rise marginally to 53.3 Mt. World carry-out stocks are expected to fall by 29% to 5.7 Mt.

For 2023-24, the area seeded is projected to be higher than 2022-23 due to expectations for solid returns compared to competing crops. Production is forecast to be relatively unchanged at 85 Kt, assuming trend yields. Supply is expected to be similar at 240 Kt. Exports are expected to be unchanged at 45 Kt and carry-out stocks are forecast to remain unchanged. The average price is forecast to be lower than 2022-23 with lower oil type prices, but similar confectionary type prices in Canada.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

January 20, 2023

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												
2021-2022	2,319	2,233	1.36	3,038	8	3,859	2,716	208	124	565	579	631
2022-2023f	2,431	2,399	2.27	5,443	25	6,047	4,800	200	334	747	500	450
2023-2024f	2,296	2,250	2.42	5,447	25	5,972	4,400	200	358	772	800	425
Wheat Except Durum												
2021-2022	7,133	6,960	2.77	19,258	153	24,551	12,412	3,258	4,974	9,045	3,095	447
2022-2023f	7,844	7,683	3.69	28,380	100	31,575	19,100	3,200	4,265	8,275	4,200	420
2023-2024f	8,163	8,000	3.61	28,880	100	33,180	19,600	3,200	4,705	8,680	4,900	410
All Wheat												
2021-2022	9,453	9,193	2.43	22,296	161	28,411	15,128	3,466	5,099	9,610	3,673	
2022-2023f	10,274	10,082	3.35	33,824	125	37,622	23,900	3,400	4,598	9,022	4,700	
2023-2024f	10,459	10,250	3.35	34,327	125	39,152	24,000	3,400	5,063	9,452	5,700	
Barley												
2021-2022	3,362	3,007	2.31	6,959	228	7,897	2,603	284	4,262	4,790	504	432
2022-2023f	2,851	2,636	3.79	9,987	60	10,551	3,670	318	5,383	5,981	900	400
2023-2024f	3,000	2,733	3.65	9,974	60	10,934	3,400	318	5,936	6,534	1,000	360
Corn												
2021-2022	1,413	1,391	10.06	13,984	6,201	22,354	1,737	5,797	12,058	17,871	2,746	312
2022-2023f	1,466	1,444	10.07	14,539	2,000	19,284	1,750	5,500	9,619	15,134	2,400	320
2023-2024f	1,449	1,418	9.76	13,845	2,200	18,445	1,650	5,500	9,079	14,595	2,200	290
Oats												
2021-2022	1,449	1,176	2.39	2,808	25	3,490	2,302	99	637	870	318	565
2022-2023f	1,593	1,402	3.73	5,226	15	5,559	2,850	120	1,313	1,559	1,150	365
2023-2024f	1,238	1,030	3.51	3,611	15	4,776	2,750	120	1,180	1,426	600	345
Rye												
2021-2022	246	147	3.22	473	1	565	151	26	258	304	109	320
2022-2023f	237	152	3.42	520	2	631	170	39	237	296	165	270
2023-2024f	189	108	3.14	339	2	506	165	39	202	261	80	260
Mixed Grains												
2021-2022	133	65	2.53	164	0	164	0	0	164	164	0	
2022-2023f	138	72	2.82	203	0	203	0	0	203	203	0	
2023-2024f	138	67	2.66	178	0	178	0	0	178	178	0	
Total Coarse Grains												
2021-2022	6,603	5,785	4.22	24,387	6,455	34,469	6,793	6,206	17,378	24,000	3,676	
2022-2023f	6,286	5,705	5.34	30,475	2,077	36,228	8,440	5,977	16,754	23,173	4,615	
2023-2024f	6,014	5,357	5.22	27,948	2,277	34,839	7,965	5,977	16,575	22,994	3,880	
Canola												
2021-2022	9,016	8,949	1.54	13,757	105	15,638	5,268	8,555	878	9,496	875	1,075
2022-2023f	8,659	8,596	2.11	18,174	100	19,148	8,600	9,500	197	9,748	800	910
2023-2024f	8,800	8,710	2.12	18,500	100	19,400	8,800	9,500	199	9,750	850	875
Flaxseed												
2021-2022	416	404	0.86	346	12	417	219	N/A	99	113	85	1,206
2022-2023f	315	312	1.52	474	10	569	375	N/A	75	94	100	700
2023-2024f	350	344	1.45	500	10	610	400	N/A	61	80	130	675
Soybeans												
2021-2022	2,154	2,134	2.94	6,272	560	7,125	4,281	1,858	468	2,547	298	678
2022-2023f	2,135	2,118	3.09	6,543	400	7,241	4,400	1,900	391	2,491	350	710
2023-2024f	2,280	2,272	2.98	6,770	400	7,520	4,700	1,900	320	2,420	400	670
Total Oilseeds												
2021-2022	11,585	11,486	1.77	20,375	676	23,180	9,768	10,413	1,444	12,155	1,257	
2022-2023f	11,108	11,026	2.28	25,191	510	26,958	13,375	11,400	663	12,333	1,250	
2023-2024f	11,430	11,326	2.28	25,770	510	27,530	13,900	11,400	580	12,250	1,380	
Total Grains And Oilseeds												
2021-2022	27,640	26,464	2.53	67,058	7,292	86,060	31,689	20,085	23,921	45,765	8,607	
2022-2023f	27,669	26,814	3.34	89,489	2,712	100,808	45,715	20,777	22,015	44,528	10,565	
2023-2024f	27,903	26,933	3.27	88,045	2,912	101,521	45,865	20,777	22,219	44,696	10,960	

(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 2022-23 which are STC

CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

January 20, 2023

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 metric tonnes*						*%*	*$/t*
Dry Peas											
2021-2022	1,546	1,491	1.51	2,258	29	2,845	1,909	551	385	16%	590
2022-2023f	1,363	1,348	2.54	3,423	26	3,834	2,500	684	650	20%	460
2023-2024f	1,300	1,270	2.56	3,250	30	3,930	2,600	680	650	20%	420
Lentils											
2021-2022	1,742	1,716	0.94	1,606	51	2,096	1,600	271	224	12%	970
2022-2023f	1,749	1,715	1.34	2,301	75	2,600	2,300	200	100	4%	800
2023-2024f	1,730	1,705	1.55	2,650	75	2,825	2,300	275	250	10%	720
Dry Beans											
2021-2022	177	171	2.26	386	75	571	327	79	165	41%	1,210
2022-2023f	120	117	2.67	313	75	553	327	81	145	36%	1,180
2023-2024f	120	115	2.55	293	75	513	300	78	135	36%	1,140
Chickpeas											
2021-2022	75	74	1.04	76	30	382	176	59	147	63%	975
2022-2023f	95	95	1.35	128	45	320	195	60	65	26%	1,045
2023-2024f	105	105	1.62	170	45	280	145	60	75	37%	1,025
Mustard Seed											
2021-2022	117	110	0.55	61	9	130	106	18	6	5%	2,885
2022-2023f	225	219	0.74	162	9	177	110	17	50	39%	2,525
2023-2024f	200	193	0.88	170	7	227	120	17	90	66%	1,870
Canary Seed											
2021-2022	124	123	1.05	129	0	202	173	8	21	12%	1,125
2022-2023f	118	117	1.36	159	0	180	170	5	5	3%	900
2023-2024f	115	114	1.49	170	0	175	160	5	10	6%	800
Sunflower Seed											
2021-2022	41	40	2.03	82	37	235	42	75	118	102%	900
2022-2023f	38	38	2.24	84	40	242	45	77	120	98%	880
2023-2024f	40	39	2.18	85	35	240	45	75	120	100%	840
Total Pulse And Special Crops (c)											
2021-2022	3,821	3,725	1.23	4,597	231	6,460	4,333	1,061	1,066		
2022-2023f	3,707	3,649	1.80	6,570	270	7,906	5,647	1,124	1,135		
2023-2024f	3,610	3,541	1.92	6,788	267	8,190	5,670	1,190	1,330		

(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 2022-23 which are STC