



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**

Executive Director: Jason Flint

Deputy Director: Tony McDougall

This report is an update of Agriculture and Agri-Food Canada’s (AAFC) January outlook report for the 2022-2023 and 2023-2024 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 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) latest information on stocks of principal field crops in Canada as of December 31, 2022, which was released on February 7, 2023. Stocks of all principal field crops were reported by STC to be 27.1% higher compared to December 31, 2021, with all crops except for chickpeas and canary seed experiencing an increase in stock levels year-over-year and most showing a significant increase. Higher stocks were a direct result of increased production, particularly in Western Canada, where improved growing conditions resulted in substantial improvement in yields. Consequently, carry-out stocks (ending-year inventories) for all principal field crops are expected to increase modestly, as the upturn in production more than offsets an increase in exports, which are expected to return to more normal levels. 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, the area seeded to field crops in Canada is forecast to increase marginally from 2022-23, with wheat (excluding durum) and oilseeds area expected to increase, while area seeded to coarse grains and pulse and special crops is expected to decrease. Total field crop production is projected to decline somewhat on a return to average yields. Carry-out stocks are expected to increase marginally as carry-in stocks and normal production levels lead to a slight increase in total supply, 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 March 17, 2023.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded --- thousand hectares ---	Area Harvested	Yield t/ha	Production	Imports	Total Supply thousand tonnes	Exports	Total Domestic Use	Carry-out Stocks
Total Grains And Oilseeds									
2021-2022	27,640	26,464	2.56	67,764	7,224	86,700	31,644	46,455	8,601
2022-2023f	27,669	26,814	3.34	89,489	2,722	100,811	45,490	44,506	10,815
2023-2024f	27,853	26,878	3.27	87,965	2,912	101,691	45,865	44,471	11,355
Total Pulse And Special Crops									
2021-2022	3,821	3,725	1.23	4,577	231	6,439	4,335	1,077	1,026
2022-2023f	3,707	3,649	1.80	6,570	270	7,866	5,643	1,088	1,135
2023-2024f	3,640	3,570	1.91	6,808	267	8,210	5,670	1,205	1,335
All Principal Field Crops									
2021-2022	31,461	30,190	2.40	72,342	7,455	93,139	35,979	47,532	9,628
2022-2023f	31,376	30,462	3.15	96,059	2,992	108,678	51,133	45,595	11,950
2023-2024f	31,493	30,448	3.11	94,773	3,179	109,901	51,535	45,676	12,690

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

All Wheat

Durum

For 2022-23, Canadian durum production increased 80% from 2021-22 to 5.4 million tonnes (Mt), with the bulk of the crop rated in the top two tiers according to the Canadian Grain Commission (CGC). Total supply increased by 57%, constrained by tight carry-in stocks. Exports are forecast at 4.8 Mt, that is 79% of the total supply with strong demand coming from Italy and North Africa. Domestic use remains steady at 0.7 Mt and stocks are forecast to close at 0.5 Mt, down 12% year-on-year and 54% below average levels.

The International Grains Council (IGC) puts global durum production at 32.6 Mt, up 4.3% year-on-year, due to a rebound in production in North America and Algeria. Total supply is forecast at 39.3 Mt, 0.6% less than in 2021, restricted by low carry-over stocks. Global consumption is projected to grow by 1% to 33.3 Mt while stocks are pegged at 6.0 Mt, down 10% compared to the previous year due to significant drawdowns in Morocco. Global trade of durum is currently projected at 8.2 Mt, a 36% increase compared to in 2021-22.

In their latest World Agricultural Supply and Demand Estimates report (WASDE), the United States Department of Agriculture (USDA) made very little change to their balance sheet for durum. Total supply in 2022-23 was 3.8 Mt; domestic use was raised marginally from 2.45 to 2.5 Mt, and carry-out stocks were reduced the same amount, now at 0.76 Mt. US durum exports are pegged at 0.5 Mt.

The average Saskatchewan (SK) spot price for 1 CWAD 13% forecast remains steady at \$450/tonne.

For 2023-24, the area seeded to durum in Canada is forecast to decline by 6% to 2.3 million hectares (Mha) with strong competition for land from other crops. Yields are forecast at trend levels, that is 2.4 tonnes per hectare (t/ha), allowing for a relatively stable production of 5.5 Mt, 5% more than average levels. With domestic use steady at 0.8 Mt, exports are forecast to come down 8% to 4.4 Mt. Carry-out stocks are forecast to recover slightly, pegged at

0.80 Mt, with a stocks-to-use ratio of 15.5%.

World durum production is forecast to increase with a larger crop expected out of Europe and the United States. Early projections for the European durum crop is 7.8 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 support prices.

According to the USDA, area seeded to durum in Arizona and California is estimated at 36.4 thousand hectares, down 28% from 2022, but 6% more than the previous year. More information on the US durum crop will become available following the USDA's Agricultural Outlook conference in late February 2023.

The average SK CWAD 1 13% cash price for 2023-24 is expected to come down from current levels, but remain strong in historical terms; it is currently pegged at \$425/tonne.

Wheat (excluding durum)

For 2022-23, Canadian wheat production increased 46% from 2021-22 to 28.4 Mt, with the bulk of the crop rated in the top two tiers according to the CGC. Total supply increased by 28%, constrained by tight carry-in stocks. Domestic use is projected at 8.3 Mt, down 11% year-on-year due to less feed use. The export forecast was raised to 19.3 Mt on the continuing strong pace to-date. According to the CGC, export volumes to the end of January are now outpacing last year's levels by 70%. Top destinations include China, Indonesia, Japan, Bangladesh, Colombia, the US and Peru. Carry-out stocks were reduced to 4.0 Mt, up from 2021-22's levels, but still 11% below average.

The USDA revised their forecasts for supply, consumption, trade and stocks in their latest WASDE report. The world wheat supply was revised up by 2.4 Mt, to 1,060.5 Mt on higher production in Australia and Russia. World consumption was raised 1.4 Mt compared to last month's report, now pegged at 791.2 Mt, with increases in feed use. Trade was expanded by 1.3

Mt, to 212.9 Mt, on higher exports from Australia, the Ukraine, the EU and Russia. Closing stocks were raised 0.9 Mt to 269.3 Mt, but remain the lowest since 2016-2017.

The average Canadian Western Red Spring Wheat (CWRS) 1, 13.5% spot price in Saskatchewan for the 2022-23 crop year remains pegged at \$420/tonne.

For 2023-24, Canadian area seeded to wheat (excl. durum) is forecast to increase 4% year-over-year to 8.2 Mha. Yields are expected at trend levels, that is around 3.6 t/ha, and production to increase 2% to 28.9 Mt, 10% more than average levels. Total supply is projected at just under 33 Mt, constrained by tight carry-in stocks.

With domestic use relatively stable in Canada, exports are forecast at 19.6 Mt, which would allow for an average export campaign. Carry-out stocks are projected at 4.9 Mt, 23% more than carry-in, due to supply expanding more than use. If realized, this would result in a stocks-to-use ratio of 17% which is in line with average levels.

With low global stocks and reduced production expected out of Ukraine due to the war, the market will look to other large wheat producers to fill any gaps in supply. IGC's early projections put plantings at just above the average of 221 Mha. Canada, as

mentioned above, is forecast to expand the area sown to wheat by 4%, while south of the border, the USDA puts US winter wheat seeding at 14.95 Mha, up 11% year-on-year. An updated forecast from the USDA will be available following their annual Agricultural Outlook conference later this month.

All eyes will be on the weather as the final determinant of prospects for 2023's harvest. Drought has eased slightly across the US wheat belt, but the bulk of winter wheat, the most common type of wheat grown in the US, remains under watch. According to the latest USDA drought watch as of January 31, 2023, 58% of US winter wheat is in some level of drought, an improvement of 11 points since the end of December. The Russian crop is also developing under drier-than-usual conditions. In Canada, there remains some dryness in parts of Alberta and southwestern Saskatchewan, but since Canada sows the majority of its wheat in the spring, there is still some time for mother nature to bring added precipitation to help alleviate soil moisture deficits.

The average Saskatchewan spot price for CWRS 1, 13.5% is forecast to come down from current highs, but still remain relatively strong at \$410/tonne.

Romina Code: Wheat Analyst
Romina.Code@agr.gc.ca

Coarse Grains

Barley

For 2022-23, Canadian barley supplies are projected at 10.6 million tonnes (Mt), up sharply from last year's record low of 7.9 Mt. This is primarily due to a rebound in production compensating for 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 last year. Total domestic use is forecast at 6.0 Mt, up 28% from last year on higher feed and industrial use. Total exports are projected at 3.7 Mt, up 37% from last year due to good domestic supply and a decrease in production for the world's major barley exporting countries. 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.

According to the stocks report published by Statistics Canada (STC) on February 7, 2023, barley stocks on December 31, 2022 were pegged at 5.1 Mt, up 61% from a year ago, as a result of a recovery in production after last year's drought. Nevertheless, it remains 12% lower than the prior 2021 five-year average, as the 2021 drought-induced production decline is expected to have a continued impact on this year's barley stocks. Of total stocks, approximately 93% were stored on-farm and 7% in commercial positions. On-farm stocks were pegged at 4.7 Mt, up 67% from a year ago. Commercial stocks were pegged at 378 thousand tonnes (Kt), up only 9% from a year ago.

Total domestic disappearance, of which more than 90% is for animal feed, for the August – December 2022 period was estimated at 3.6 Mt, up 25% from a year ago and on par with the prior 2021 five-year average.

Exports of barley grain for the same period sit at 1.6 Mt, up 10% from a year ago and the highest back to at least 2000-01. The export pace was strong in October and November 2022 but slowed down in December. For the current crop year, China is by far the largest destination for Canadian barley grain exports, taking 88% of the exported volume, followed by the US at 10%. Exports of barley products for the same period sit at 283 Kt, down slightly from a year ago and the average. Of the

product exports, about 52% were shipped to the US, 27% to Japan and 11% to Mexico.

For the crop year to-date, the Lethbridge feed barley price averaged around \$415/tonne (t). There was a downward trend seen in the Lethbridge feed barley price over the past month. 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.

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. 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. Supported by expected increase in carry-in stocks, total supply in 2023-24 is projected at 10.9 Mt, up 3% and 6%, respectively, from 2022-23 and the previous five-year average. 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.

Corn

For 2022-23, Canadian corn supply is projected at 19.3 Mt, down 16% 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 at 14.9 Mt, down considerably from last year, primarily on lower feed use. Exports are forecast at 1.8 Mt, on par with last year's level, but a significant increase from the previous five-year average. Carry-out stocks are projected at 2.6 Mt,

down 5% from last year's record high but up 10% from the previous five-year average.

Corn stocks at the end of December 2022 were pegged by STC at 11.9 Mt, up slightly from a year ago and the average. Of the total stocks, approximately 65% were stored on farm and 35% in commercial positions. On-farm stocks were pegged at 7.8 Mt, up 3% from a year ago. Commercial stocks were pegged at 4.1 Mt, up 2% from a year ago and the highest back to at least 2000-01.

Total domestic disappearance for the August – December 2022 period sits at 4.9 Mt, down 24% from a year ago, due to lower feed use, while industrial use was relatively steady.

Imports for the same period were pegged at 455 Kt, down sharply from a year ago and the lowest in six years, reflecting lower US corn imports to Western Canada where feed grain production for the crop year has recovered from last year's drought. Exports for the same period were pegged at 521 Kt, down 6% from a year ago but up 22% from the average. The main international destinations for Canadian corn in the current crop year to date include Ireland, which took 46% of the exported volume, the US (20%) and Portugal (14%).

For the crop year to-date, the Chatham corn price averaged nearly \$325/t, versus \$275/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 United States Department of Agriculture (USDA) continued to cut Argentina's corn production projection for the 2022-23 marketing year, reflecting the negative impacts of unfavorable weather conditions on production potential. For now, Argentina's 2022-23 corn production is set at 47 Mt, down 10% from last month's projection and down 5% from 2021-22, also the lowest in the past five years. Brazil's 2022-23 corn production is estimated at 125 Mt, up 8% from 2021-22 and the highest on record. Ukraine's 2022-23 corn production is estimated at 27 Mt, down 36% from 2021-22 and the lowest in recent five years. For the US, 2022-23 corn

production is estimated at 349 Mt, down 9% and 4%, respectively, from last year and the previous five-year average. The US corn farm price is forecast at US\$6.70/bushel, unchanged from the last month 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. 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 18.6 Mt, down 3% from the projected 2022-23 level, primarily reflecting expected declines in 2023 production and carry-in stocks along with relatively stable imports. 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 2.4 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.

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 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 at 1.7 Mt, up sharply from last year on higher feed use. Total exports are projected at 2.7 Mt, up 15% based on good domestic supply. Carry-out stocks are projected at 1.3 Mt, rising sharply from last year's record low and becoming a near-record high.

Oat stocks at the end of December 2022 were pegged at 3.6 Mt, up 91% from a year ago and the highest on record. Of the total stocks, approximately 92% were stored on farm and 8% in commercial

positions. On-farm stocks were pegged at 3.3 Mt, more than double the level of a year ago. Commercial stocks were pegged at 291 Kt, down slightly from a year ago.

Total domestic disappearance, of which more than 95% is for animal feed, for the August – December 2022 period sits at 857 Kt, up sharply from a year ago and the highest since 2007-08.

Exports of grain oats for the same period were pegged at 690 Kt, down 6% from a year ago and the lowest in nine years. Exports of oat products, which have been trending upward year-over-year, were pegged at 438 Kt, up 5% and 28%, respectively, from a year ago and the average. Almost 99% of Canadian oat grain exports and about 93% of oat product exports were destined for the US.

For the crop year to-date, the oat price in Alberta averaged just above \$270/t, nearly \$150/t under the level of a year ago. In Saskatchewan, the oat price averaged just under \$260/t, down almost \$170/t from last year. Manitoba oat prices averaged just under \$300/t, down almost \$220/t from a year ago. The CBOT oat price averaged just under \$360/t, down almost \$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. 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 4.9 Mt, down 13% from 2022-23 but still up 6% from the previous five-year average. Total demand is expected to decline from 2022-23 given smaller domestic supply, but still above average. Carry-out stocks are projected at 0.7 Mt, down sharply from 2022-23 but up from average.

The CBOT oat price in 2023-24 is projected at CAN\$345/t, below the predicted 2022-23 level due to anticipated ample North American oat supply and

lower prices for other crops in 2023-24.

Rye

For 2022-23, Canadian rye supply is projected at 606 Kt, up 31% from 2021-22 and the highest since 1992, thanks to larger production and carry-in stocks. Total demand is expected to exceed last year's level due to an expected increase in feed use and exports. Carry-out stocks are projected at 140 Kt, up significantly from last year and the five-year average due to abundant supply.

Rye stocks at the end of December 2022 were pegged at 344 Kt, up more than 30% from a year ago and the average. Of the total stocks, approximately 92% were stored on farm and 8% in commercial positions. On-farm stocks were pegged at 318 Kt, up 40% from a year ago. Commercial stocks were pegged at 26 Kt, down 19% from a year ago.

Total domestic disappearance, of which more than 77% is for animal feed, for the August – December 2022 period sits at 152 Kt, up 28% from a year ago and the highest since at least 2000-01.

Exports for the same period were pegged at 108 Kt, up 28% from a year ago and the highest since 2008-09. The US has been the largest destination for Canadian rye exports, receiving over 99% of the volume for the period.

For the crop year to-date, the rye FOB farm price on the Canadian Prairies averaged just above \$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 STC at 185 thousand hectares (Kha), down 21% from 2022-23 and the lowest in the recent four years. 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 481 Kt, down

21% from 2022-23 but still up 2% from the previous five-year average. Total demand is expected to decline from 2022-23 given smaller supply. 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 the Canadian

Prairies is projected at CAN\$260/t, \$10/t below the predicted 2022-23 level.

Mei Yu: Coarse Grains Analyst

Mei.Yu@agr.gc.ca

Oilseeds

Canola

For 2022-23, Canada seeded 8.7 million hectares (Mha) to canola, and harvested 8.6 Mha, while yields returned to a more normal 2.11 tonnes per hectare (t/ha) following the previous year's drought. Production is estimated at 18.2 million tonnes (Mt). By province, Saskatchewan grew 9.5 Mt of canola, Alberta (5.6 Mt) and Manitoba (2.9 Mt). Total supply is estimated at 19.1 Mt as the rise in output is moderated by tight carry-in stocks.

Usage is forecast to return to historically normal levels with exports up 64% from last year to 8.6 Mt while domestic use rises to 9.5 Mt versus the 8.6 Mt processed last year. These estimates are supported by Statistics Canada's (STC) December 31st Stocks Report, released February 7, showing a 25% jump in exports and 6% rise in domestic crush compared to the same time last year.

Carry-out stocks are projected to decline by 7% from 2021-22 to 0.8 Mt, with a stocks-to-use ratio of 4% on support from strong world demand. Canola prices are forecast at \$880/tonne (t), track Vancouver, versus the January Outlook of \$910/t, \$1,075/t for 2021-22 and the five-year average of \$665/t.

Factors to watch for the rest of 2022-23 are: (i) pace of exports and crusher buying, (ii) South American soybean yields, (iii) Chinese import demand for oilseeds and co-products, (iv) pace of expansion in the renewable fuel sector (v) US soybean planting intentions, and (vi) Canadian seeding intentions.

For 2023-24, canola area is forecast to rise slightly, to 8.8 Mha, as support from attractive prices is offset by similarly attractive prices for alternate crops such as wheat and peas. Production is forecast at 18.5 Mt, assuming normal abandonment of crop area and trend yields. Normal weather and growing conditions for the upcoming crop year are assumed.

Total supplies are forecast up, at 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 continued strong world demand for oilseeds, vegetable oils, and protein meals. The domestic crush forecast assumes that none of the crush plants under construction come on stream within the upcoming crop year. If a major plant begins processing within 2023-24, domestic crush will likely be 0.5 Mt to 1.0 Mt above AAFC estimates while exports would decline by a similar amount.

Normal feed, waste and dockage is assumed. Carry-out is forecast to rise slightly to 0.85 Mt versus 0.80 Mt for 2022-23 and the five-year average of 2.26 Mt.

The simple average price for canola, No. 1, track Vancouver is forecast at \$850/t, down from \$880/t for 2022-23 but above the five-year average of \$733/t.

Flaxseed

For 2022-23, Canada seeded and harvested 0.32 Mha and 0.31 Mha of flaxseed, respectively, producing 0.47 Mt on yields of 1.5 t/ha. Total supply is estimated at 0.57 Mt, up 38% from last year, on higher production and carry-in stocks.

Exports are forecast down 32% from last year to 0.15 Mt on decreased Asian buying. The prediction is supported by STC's December Stocks report which showed shipments out of the country falling by 49% from the same time last year. Most out-of-country shipments are to the US. Total domestic use is forecast at 0.14 Mt, vs. 0.11 Mt for 2021-22, on a rise in feed, waste and dockage.

Total carry-out stocks are forecast to more than triple to 0.28 Mt from 0.08 Mt last year. Farm stocks are forecast to rise to modern day highs of 0.24 Mt. Flaxseed prices are forecast to decline to \$695/t vs. \$1,206/t for 2021-22.

For 2023-24, seeded area is forecast to decline to a modern day low of 0.30 Mha with harvested area forecast to fall to 0.29 Mha. Trend yields of 1.45 t/ha are forecast based on the assumptions of normal temperatures and soil moisture for the forthcoming crop year. Production is forecast to fall by 11% to

0.42 Mt versus 0.47 Mt for 2022-23 and the five-year average of 0.47 Mt. Total supplies of flaxseed are forecast to rise to 0.71 Mt as the decline in output is offset by the sharp rise in carry-in stocks.

Total domestic use is forecast to decline by 43% on a sharp drop in feed, waste and dockage, and stable other usage. Exports are forecast to increase to 0.40 Mt on steady world demand and lower prices. Carry-out stocks are forecast to fall to 0.23 Mt. The simple average price for flaxseed No.1, in-store, Saskatoon cash is forecast at \$670/t, down \$25/t from last year and \$51/t below the five-year average of \$721/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 was 6.5 Mt, versus 6.2 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 estimates are supported by Statistics Canada's December 31st stocks report, which showed 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.

For 2022-23, world oilseed production is forecast at 637 Mt by the United States Department of Agriculture (USDA), down by 5 Mt from last month but a rise of 30 Mt from last year. Most of the decline in output is due to a reduction in Argentine soybean production resulting from adverse growing conditions in that country.

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 2.23 Bbu. Ending stocks are predicted to fall to 0.23 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\$14.30/bushel, versus US\$13.30/bushel for 2021-22.

Canadian 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 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 still significantly above the five-year average of \$564/t.

Chris Beckman: Oilseeds Analyst
Chris.Beckman@agr.gc.ca

Pulse and Special Crops

Dry Peas

For 2022-2023, exports are expected to rise to 2.5 million tonnes (Mt) largely due to increased exports to Bangladesh. Carry-out stocks are forecast to increase by 311 thousand tonnes (Kt) from the previous year, in line with the rise in supply. The average price is expected to be sharply lower than the record 2021-2022 levels, with lower prices for all types of dry peas.

During the month of January, the on-farm price of yellow and green peas in Saskatchewan were unchanged. This was largely due to solid export demand and indications that the seeded area for the winter pulse crop in India is expected to be higher than the previous year. Yellow dry peas prices are expected to maintain a \$25/tonne (t) premium over green dry peas, compared to the \$60/t discount that green peas had over yellow peas in 2021-2022.

US dry pea production is estimated by the United States Department of Agriculture (USDA) at nearly 0.7 Mt, up 77% from 2021-22. This was largely due to above-average yields, despite lower area. Canadian dry pea exports to the US are moving below last year's record pace and are forecast at just below 0.3 Mt in 2022-2023.

For 2023-2024, seeded area is forecast to decrease marginally from 2022-23, at 1.3 million hectares (Mha) because of competitive returns for yellow pea types when compared to other crops. Production is forecast to decrease by 5% to 3.3 Mt, however, supply is still expected to rise by 4% from 2022-23 due to the larger carry-in stocks. Exports are expected to rise to 2.6 Mt with increased exportable supply. Carry-out stocks are expected to remain unchanged. The average price is expected to be lower than in 2022-23, due to increased global supply.

Lentils

For 2022-2023, exports are forecast to increase sharply to 2.3 Mt with strong import demand from India and Turkey. With higher supply and increased exports, carry-out stocks are expected to fall. This will continue to be supportive of lentil prices

throughout 2022-2023, albeit lower than the record prices in 2021-2022.

During the month of January, the on-farm price of large green lentils fell \$10/t and red lentils in Saskatchewan decreased by \$30/t. Prices have been pressured by a large Australian export program recently. Prices for No.1 large green lentils are expected to maintain a premium of \$330/t over No.1 red lentil prices, compared to a \$325/t premium in 2021-2022.

For 2022-2023, US lentil production, mostly green types, is estimated at 249 Kt, up 66% from 2021-2022. Canada is a minor exporter to the US. Canadian lentil exports to the US are expected to be similar to 2021-2022, at 80 Kt.

For 2023-2024, area seeded in Canada is forecast to fall marginally to 1.73 Mha with average potential returns compared to other crops. Production is forecast to increase by 15% to 2.65 Mt. Supply is expected to rise to 2.83 Mt as higher production is moderated by lower carry-in stocks. Exports are expected to be unchanged at 2.3 Mt. Carry-out stocks are forecast to be higher than the previous year. The overall lentil price is forecast to decrease from 2022-2023 due to the higher world supply and carry-out stocks.

Dry Beans

For 2022-2023, exports are forecast to be lower than 2021-2022. The EU and the US remain the top two export markets. Carry-out stocks are forecast to decrease from 2021-2022. The average Canadian dry bean price is expected to decrease due to larger supply in North America. To-date, Canadian white pea bean prices are 2% lower, pinto bean prices are 15% lower and black beans are 5% lower than last year.

US total dry bean production (excluding chickpeas) is estimated by the USDA at nearly 1.2 Mt, up 14% from 2021-2022. US dry bean production increased for white pea, pinto, pink and black bean types and fell for cranberry, Great Northern, kidney and red dry bean types. This is expected to continue to pressure Canadian dry bean prices throughout 2022-

2023, which has been partly offset by the weaker Canadian dollar vs. the US dollar.

For 2023-2024, the area seeded is forecast to be unchanged due to larger potential returns compared to other crops, particularly soybeans. Production is forecast to fall marginally to 0.29 Mt due to similar expected area but lower yields. Supply is expected to decrease, with smaller carry-in stocks. Exports are expected to be lower than 2022-2023 but carry-out stocks are expected to decrease. The average Canadian dry bean price is forecast to decrease due to expectations for increased North American supply and a stronger exchange rate for the Canadian dollar against the US dollar.

Chickpeas

For 2022-2023, exports are forecast at a record 200 Kt, with the US, the EU and Pakistan as the top markets. Carry-out stocks are expected to fall sharply. The average price is forecast to rise sharply to record levels due to stronger world demand and lower world supply.

US chickpea production is estimated by the USDA at 166 Kt, 28% higher than 2021-2022, due to higher yields, despite lower area. Canadian chickpea exports to the US are forecast to be similar to last year at 45 Kt.

For 2023-2024, the area seeded is forecast to increase from 2022-2023, largely due to good potential returns compared to other crops. As a result, production is expected to rise sharply to 170 Kt. Supply, however, is expected to fall from last year due to lower carry-in stocks. Exports are expected to fall from the previous year and carry-out stocks are expected to increase. The average price is forecast to be marginally lower than the previous year.

Mustard Seed

For 2022-2023, exports are forecast to be higher than last year at 115 Kt but carry-out stocks are expected to rise due to significantly higher supply. The US and the EU currently account for 75% of Canada's total exports to-date for mustard seed. The average price is expected to decrease from the record levels in 2022-23, but remain historically

high. This is due to the increased expected carry-out stocks in Canada and the US.

For 2023-2024, the area seeded is forecast to rise to 230 thousand hectares (Kha) and production is expected to increase to 190 Kt with a return to average yields. Supply is forecast to be 34% higher than the previous year, as the increase in production combines with higher carry-in stocks. Exports are expected to be higher but carry-out stocks are expected to increase. The average price is expected to fall sharply compared to 2022-2023, but remain the third highest on record.

Canary Seed

For 2022-2023, exports are forecast to be lower than last year. The EU and Mexico currently account for nearly 60% of the total Canadian canary seed export market. Carry-out stocks are forecast to tighten. The average price is forecast to decrease to \$900/t from a record \$1,125/t in 2021-2022.

For 2023-2024, the area seeded is expected to decrease marginally due to higher returns relative to other crops. Production is forecast to be higher than last year due to improved yields despite the decrease in seeded area. Supply is expected to be lower at 175 Kt. Exports are expected to be lower and carry-out stocks are forecast to rise but remain tight. The average price is forecast to be lower than the 2022-2023 level.

Sunflower Seed

For 2022-2023, exports are expected to be lower than the previous year and carry-out stocks are forecast to rise. The US is Canada's main export market for sunflower seed and accounts for 95% of Canada's total exports. The average price is expected to fall from 2021-2022 on lower oilseed prices due to the larger North American sunflower seed supply. Confectionery prices are expected to be higher.

For the US, sunflower seed production is estimated by the USDA to have increased by 48% to nearly 1.3 Mt. Nearly 1.2 Mt of the US sunflower seed crop is estimated to be oilseed types, higher than last year. The US confectionery type production was also higher this year at 109 Kt.

The global supply of sunflower seed is estimated by the USDA at a record 64.2 Mt, up marginally from last year. This is largely due to increased production in Russia and record Ukrainian carry-in stocks. As a result, world exports are expected to increase by 42% while domestic use is forecast to rise by 4% to a record 53.8 Mt. World carry-out stocks are expected to fall to 4.9 Mt but remain historically high. This has limited upward movement in world sunflower seed prices.

For 2023-2024, the area seeded is forecast to be slightly higher than 2022-2023 due to expectations for solid returns relative to other crops. Production is forecast to be similar at 85 Kt. Supply is expected to be higher at 245 Kt. Exports are expected to be higher than the previous year and carry-out stocks are expected to be marginally lower. The average price in Canada is forecast to be lower than in 2022-2023 as the prices for both confectionary type varieties and oil type varieties are expected to decrease.

Bobby Morgan: Pulse and Special Crops Analyst
Bobby.Morgan@agr.gc.ca

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

February 17, 2023

Grain and Crop Year (a)	Area Seeded ----- thousand ha	Area Harvested ----- thousand ha	Yield t/ha	Production ----- thousand tonnes	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g) \$/t
Durum												
2021-2022	2,319	2,233	1.36	3,033	8	3,853	2,716	210	126	568	569	631
2022-2023f	2,431	2,399	2.27	5,443	25	6,038	4,800	200	324	738	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	2.79	19,390	153	24,683	12,331	3,250	5,204	9,259	3,093	447
2022-2023f	7,844	7,683	3.69	28,380	100	31,574	19,300	3,200	4,264	8,274	4,000	420
2023-2024f	8,163	8,000	3.61	28,880	100	32,980	19,600	3,200	4,505	8,480	4,900	410
All Wheat												
2021-2022	9,453	9,193	2.44	22,422	161	28,536	15,047	3,460	5,329	9,827	3,663	
2022-2023f	10,274	10,082	3.35	33,824	125	37,611	24,100	3,400	4,588	9,011	4,500	
2023-2024f	10,459	10,250	3.35	34,327	125	38,952	24,000	3,400	4,863	9,252	5,700	
Barley												
2021-2022	3,362	3,007	2.32	6,984	228	7,923	2,672	285	4,178	4,708	543	432
2022-2023f	2,851	2,636	3.79	9,987	60	10,589	3,670	218	5,521	6,019	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	10.51	14,611	6,141	22,921	1,746	5,797	12,617	18,430	2,746	312
2022-2023f	1,466	1,444	10.07	14,539	2,000	19,284	1,750	5,500	9,419	14,934	2,600	320
2023-2024f	1,449	1,418	9.76	13,845	2,200	18,645	1,650	5,500	9,079	14,595	2,400	290
Oats												
2021-2022	1,449	1,176	2.46	2,899	25	3,580	2,307	98	709	941	333	565
2022-2023f	1,593	1,402	3.73	5,226	25	5,584	2,650	120	1,438	1,684	1,250	365
2023-2024f	1,238	1,030	3.51	3,611	15	4,876	2,750	120	1,180	1,426	700	345
Rye												
2021-2022	246	147	2.54	372	1	464	151	26	182	229	84	320
2022-2023f	237	152	3.42	520	2	606	170	39	236	295	140	270
2023-2024f	189	108	3.14	339	2	481	165	39	177	236	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	4.33	25,029	6,395	35,051	6,876	6,205	17,850	24,471	3,705	
2022-2023f	6,286	5,705	5.34	30,475	2,087	36,266	8,240	5,877	16,818	23,136	4,890	
2023-2024f	6,014	5,357	5.22	27,948	2,277	35,114	7,965	5,977	16,550	22,969	4,180	
Canola												
2021-2022	9,016	8,949	1.54	13,752	105	15,633	5,250	8,555	900	9,518	865	1,075
2022-2023f	8,659	8,596	2.11	18,174	100	19,138	8,600	9,500	187	9,738	800	880
2023-2024f	8,800	8,710	2.12	18,500	100	19,400	8,800	9,500	199	9,750	850	850
Flaxseed												
2021-2022	416	404	0.83	337	12	408	219	N/A	93	107	82	1,206
2022-2023f	315	312	1.52	473	10	565	150	N/A	121	140	275	695
2023-2024f	300	290	1.45	420	10	705	400	N/A	61	80	225	670
Soybeans												
2021-2022	2,154	2,134	2.92	6,224	552	7,072	4,252	1,858	454	2,532	287	678
2022-2023f	2,135	2,118	3.09	6,543	400	7,230	4,400	1,900	380	2,480	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	20,313	669	23,113	9,722	10,413	1,446	12,157	1,234	
2022-2023f	11,108	11,026	2.28	25,190	510	26,934	13,150	11,400	689	12,359	1,425	
2023-2024f	11,380	11,272	2.28	25,690	510	27,625	13,900	11,400	580	12,250	1,475	
Total Grains And Oilseeds												
2021-2022	27,640	26,464	2.56	67,764	7,224	86,700	31,644	20,079	24,625	46,455	8,601	
2022-2023f	27,669	26,814	3.34	89,489	2,722	100,811	45,490	20,677	22,094	44,506	10,815	
2023-2024f	27,853	26,878	3.27	87,965	2,912	101,691	45,865	20,777	21,994	44,471	11,355	

(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

February 17, 2023

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested ----- thousand ha -----	Yield t/ha	Production	Imports (b)	Total Supply ----- thousand metric tonnes -----	Exports (b)	Total		Stocks-to- Use Ratio %	Average Price (d) \$/t
								Domestic Use (c)	Carry-out Stocks		
Dry Peas											
2021-2022	1,546	1,491	1.50	2,244	29	2,831	1,911	581	339	14%	590
2022-2023f	1,363	1,348	2.54	3,423	26	3,788	2,500	638	650	21%	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	0.93	1,594	51	2,083	1,601	259	223	12%	970
2022-2023f	1,749	1,715	1.34	2,301	75	2,599	2,300	199	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	320	78	155	39%	1,165
2023-2024f	120	115	2.55	293	75	523	300	78	145	38%	1,140
Chickpeas											
2021-2022	75	74	1.24	91	30	395	176	64	155	65%	975
2022-2023f	95	95	1.35	128	45	328	200	68	60	22%	1,045
2023-2024f	105	105	1.62	170	45	275	145	65	65	31%	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	115	22	40	29%	2,525
2023-2024f	230	222	0.86	190	7	237	120	22	95	67%	1,870
Canary Seed											
2021-2022	124	123	1.03	127	0	201	173	8	20	11%	1,125
2022-2023f	118	117	1.36	159	0	179	170	4	5	3%	900
2023-2024f	115	114	1.49	170	0	175	160	5	10	6%	800
Sunflower Seed											
2021-2022	41	40	1.86	75	37	228	41	68	118	108%	900
2022-2023f	38	38	2.24	84	40	242	38	79	125	106%	850
2023-2024f	40	39	2.18	85	35	245	45	80	120	96%	840
Total Pulse And Special Crops (c)											
2021-2022	3,821	3,725	1.23	4,577	231	6,439	4,335	1,077	1,026		
2022-2023f	3,707	3,649	1.80	6,570	270	7,866	5,643	1,088	1,135		
2023-2024f	3,640	3,570	1.91	6,808	267	8,210	5,670	1,205	1,335		

(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