

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS**

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) April 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 subject to heightened volatility due to the Russian invasion of Ukraine, which continues to disrupt Black Sea production and global trade patterns, and concerns around the effects of a global economic slowdown.

The outlook incorporates recent information from (i) Statistics Canada's (STC) Seeding Intentions of Principal Field Crops released on April 26, 2023, of which the data was based on a survey of a sample of Canadian farmers conducted from December 12, 2022, to January 14, 2023; STC's Survey of Stocks of Principal Field Crops in Canada as of March 31, 2023. (ii) the United States Department of Agriculture (USDA) - World Agriculture Supply and Demand Estimates (WASDE) (iii) International Grains Council (IGC) Grain Market Report (iv) Agricultural Market Information Systems (AMIS) Market Monitor.

For 2022-2023, stocks of all principal field crops reported by STC in Canada as of March 31, 2023, increased by 15.4% relative to March 31, 2022, as the recovery in total field crop production in Western Canada after the drought in 2021-22 more than offset increased exports. With the exception of corn, durum wheat, lentils, canary seed and chickpeas, stocks of all principal field crops increased, and by a significant proportion for most. As a result, carry-out stocks (ending-year inventories) for all principal field crops are forecast to end the year increasing slightly, despite robust exports. In general, prices for field crops are forecast to remain relatively strong in 2022-23, although decreasing from the elevated levels of 2021-22.

For 2023-2024, STC's report on the Seeding Intentions of Principal Field Crops in Canada indicated that total seeded area is estimated to remain largely unchanged, with wheat and oilseed area increasing marginally at the expense of coarse grains and pulse and special crop area. The most significant climate-related risk for crop production to May 9 was continued dryness across Western Canada (according to the [National Agroclimate Risk Report](#)). After a slow start, seeding progress on the Canadian Prairies is proceeding rapidly due to favourable planting conditions. Seeding and field work from Ontario to Atlantic Canada have generally progressed well due to favorable conditions. Total field crop production is forecast to decrease slightly based on the assumption of a return to average yields, although total supply is expected to increase marginally due to the increase in carry-in stocks (beginning-year inventories), while exports and domestic use are expected to remain relatively unchanged, leading to a marginal increase in carry-out stocks. In general, prices are projected to decrease but still remain relatively strong as expectations for an increase in global supplies exert downward pressure on prices, while support is expected to come from continued strong world demand.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on June 20, 2023. STC is scheduled to publish final area estimates for principal field crops on June 28, 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	27,831	26,602	2.55	67,818	7,224	86,754	31,669	46,484	8,601
2022-2023f	27,669	26,814	3.34	89,489	2,792	100,881	45,865	45,161	9,855
2023-2024f	28,054	27,079	3.29	89,196	2,732	101,783	46,445	44,243	11,095
Total Pulse And Special Crops									
2021-2022	3,798	3,698	1.23	4,555	227	6,407	4,297	1,074	1,035
2022-2023f	3,707	3,649	1.80	6,570	270	7,875	5,858	1,189	828
2023-2024f	3,538	3,473	1.88	6,545	267	7,640	5,490	1,225	925
All Principal Field Crops									
2021-2022	31,629	30,300	2.39	72,373	7,451	93,160	35,966	47,558	9,636
2022-2023f	31,376	30,462	3.15	96,059	3,062	108,757	51,723	46,351	10,683
2023-2024f	31,593	30,552	3.13	95,741	2,999	109,423	51,935	45,468	12,020

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

f: forecasts by AAFC except for area, yield and production for 2022-23 and seeded area for 2023-24 which are STC

Durum

For 2022-23, production of durum is estimated at 5.4 million tonnes (Mt) by Statistics Canada (STC), 80% more than the previous year thanks to an increase in seeded area accompanied by a recovery in yields. Total supply is forecast at 6.0 Mt. Exports remain pegged at 4.8 Mt, with STC exports for 2022-23 to March reported at 3.6 Mt, 116% more than last year and 29% above average levels, with larger volumes shipped to Italy (+0.87 Mt), Algeria (+0.48 Mt), Morocco (+0.27 Mt) and the US (+0.17 Mt) over the same period last year. Domestic use is up 33% year-on-year (y/y) with an increase in feed use; stocks are expected to close the year out at 0.48 Mt, down 16% compared to 2021-22 and the lowest on record since 1984-85.

World production rose to 32.7 Mt in 2022-23 according to the International Grains Council (IGC). Total supply, however, dropped to a 21-year low due to tight carry-over stocks. Total consumption is forecast to rise to 33.3 Mt, up 2% from last month's projections mainly on higher food use. Total trade is forecast to reach 8.6 Mt, up 38% y/y on higher demand stemming from the EU, Turkey and Morocco. Closing stocks are currently pegged at 5.9 Mt, their lowest level in 15 years, due to large drawdowns in the EU and Morocco.

The 2022-23 average spot price for Saskatchewan (SK) Canadian Amber Durum (CWAD) no.1, 13% remains pegged at \$450/tonne.

For 2023-24, total supply is projected to increase to 6.3 Mt (+5% y/y) due to a 1% increase in seeded area (assuming average yields). According to STC, seeded area for durum is projected at 2,453 thousand hectares (Kha); the biggest increase is in Saskatchewan (+2.8%), while the area seeded to durum in Alberta is forecast to decline by 5.4%. Domestic use is expected to remain relatively flat and exports are to drop slightly with a decrease in demand from Europe and the US outweighing any increase stemming from North Africa, where dry conditions threaten production prospects. Carry-out stocks are projected to increase 67% from current levels to 0.8 Mt, but remain 10% below average.

According to the IGC, global production is anticipated at 32.9 Mt in 2023-24, up 1% compared to 2022-23 with larger crops in North America and the EU. Tight carry-in stocks, however, continue to constrain global supply which is forecast to recede another 1% from current levels to 38.8 Mt. Total consumption is pegged at 33.5 Mt, just marginally higher than in 2022 and stocks are expected to fall another 0.5 Mt to 5.4 Mt, with the four largest exporters' stocks dropping slightly from 2.4 Mt to 2.3 Mt, with the bulk of the loss in Europe. Total volume of trade is forecast to remain steady at 8.6 Mt.

The average SK spot price for CWAD 1, 13% for 2023-2024 remains forecast at \$410/tonne.

Wheat (excluding durum)

For 2022-23, total production of wheat (excluding durum) is reported at 28.4 Mt by STC thanks to an increase in seeded area and a recovery in yields following the 2021 drought. Total supply is forecast at 31.6 Mt. On the demand side, exports of wheat have been outpacing last year's volumes by over 70% and are also over 20% more than average levels, according to Canadian Grain Commission reports to the end of April 2023. STC reports exports of wheat to the end of March at 3.6 Mt, with an increase in shipments to China, Indonesia, Bangladesh, Peru and Columbia. Compared to last month's report, exports have been raised 0.5 Mt to 19.65 Mt. Carry-out stocks were reduced to 3.5 Mt, but remain 13% above the 2021-22 levels. According to STC, total wheat stocks to March 31 are estimated at 11.5 Mt, +23% more than in March 2022.

According to the United States Department of Agriculture's World Agricultural Supply and Demand Estimates report (USDA-WASDE), world production in 2022-23 is estimated at 788.26 Mt, up 1% compared to the previous year and 6.39 Mt short of total use at 794.7 Mt. Total supply is estimated at 1,060.9 Mt and trade at 212.5 Mt, up 4.7% compared to 2021-22. Closing stocks are projected at 266.28 Mt, with about half held in China and

unavailable to the global market. For the US, the supply estimate for 2022-23 is reported at 67.34 Mt, down 4.4% y/y. Exports are 1% lower at 21.09 Mt and domestic use up 1% to 29.94 Mt. Closing stocks have dropped 14% to 16.28 Mt.

For the 2022-23 crop year, the average price of Saskatchewan Canadian Western Red Spring (CWRS) 1, 13.5% is reduced to \$410/tonne, with pressure from both futures and world markets, and large supplies steadily being shipped from both Russia and Australia.

For 2023-24, total supply is projected at 33.5 Mt, up 6% y/y due to an increase in seeded area and the assumption of average yields. According to STC, the area seeded to wheat (ex-durum) is projected to increase 8% y/y to 8,460 Kha, of which 7,847 Kha is spring wheat. The biggest gains in area for spring wheat are in Saskatchewan (+341.8 Kha), followed by Alberta (+153.6 Kha) and Manitoba (+51.5 Kha). Area seeded to winter wheat in the fall increased by 13% with the largest gains in Ontario (+71.8 Kha).

Assuming an average export program, total Canadian shipments are forecast up 2% to 20 Mt. Domestic use is forecast at 8.53 Mt, up only 1% y/y,

on higher feed and residual use; carry-out stocks are pegged at 5.0 Mt, up 43% y/y with total supply outweighing the increase in total use.

The USDA-WASDE released their first global outlook for 2023-24 on May 12; overall they are calling for marginally lower supplies, trade, consumption and ending stocks compared to 2022-23. Although global production is forecast to increase to a record 789.8 Mt, total supply is expected to drop 0.5% to 1,056.05 Mt, constrained by carry-in stocks. Total global use is projected to drop by 3 Mt to 791.7 Mt, with a decrease in feed use. Trade is projected at 209.72 Mt, down 2.6% y/y with decreased shipments from the Ukraine, Australia and India. Closing stocks are projected at 264.3 Mt, down 1.9 Mt compared to 2022-23 and the lowest level since 2014-15, if realized.

The average SK spot price for CWRS 1, 13.5% for the 2023-24 crop year is reduced to \$375/tonne in the short term, with upward pressure dependent on weather prospects for North America and geo-political tensions in the Black Sea.

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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 7.92 Mt. Total domestic use is forecast at 6.11 Mt, up 30% from last year on higher feed use. Total exports are projected at 3.72 Mt, up 39% from last year. The major international destinations for Canadian barley and products include China, the US, Japan and Mexico. Carry-out stocks are projected at 730 thousand tonnes (Kt), rising sharply from last year's record low but remaining tight.

Barley stocks at March 31, 2023, were tight, despite a rise from a year ago, according to Statistics Canada's (STC) stocks report released on May 9. The volume was pegged at 2.67 Mt, up by 44% from a year ago but nearly the lowest level ever at March 31. This largely reflected the situation of on-farm stocks which account for about 80% of total stocks. Commercial stocks increased sharply from a year ago and the average.

The stocks report also indicated that total disappearance in the first eight months of the current crop year (August 2022-March 2023) was pegged at 7.88 Mt, up 32% and 9%, respectively, from a year ago and the average, due to strong domestic feed use and exports.

The Lethbridge feed barley price over the past month ranged from \$400/tonne (t) to \$425/t. For the crop year to-date, the Lethbridge feed barley price averaged around \$418/t, versus \$432/t for the same period a year ago. For the entire crop year, the Lethbridge feed barley average price is forecast at \$410/t, down nearly \$20/t from last year's record high.

For 2023-24, Canadian producers intend to plant 2.87 million hectares (Mha) of barley, according to STC's first acreage report for 2023 growing season. This is only slightly above the acreage of 2.85 Mha in 2022-23, as the expected big expansion in Alberta, the largest barley growing province, is mostly offset by declines elsewhere; the biggest decline is anticipated in Saskatchewan, the second largest barley producing province, followed by Manitoba. Producers from Ontario also decided to notably reduce barley acres.

If realized, Canadian barley acreage in 2023-24 will be 4% below the previous five-year average.

Assuming an average abandonment rate and yield, Canadian barley production for 2023-24 is projected at 9.54 Mt, down 4% from last year. Supported by an expected increase in carry-in stocks, total supply in 2023-24 is projected at 10.3 Mt, slightly below 2022-23 and the previous five-year average. Total domestic use is predicted to increase slightly year-over-year (y/y) on larger industrial use while feed use is projected to be relatively stable. Exports are projected to decline, but still above average. Carry-out stocks are projected at 0.8 Mt, up 10% but down 5%, respectively, from 2022-23 and the average.

The 2023-24 Lethbridge average price is projected at \$350/t, lower than the \$410/t predicted for 2022-23, partly reflecting an anticipated good domestic supply and lower US corn prices in 2023-24.

Worldwide, global barley production for 2023-24 is expected to decline by 3% (4.62 Mt) from 2022-23 to 147.4 Mt, the lowest in the recent five years, according to the United States Department of Agriculture (USDA). This is because barley production in the world's major barley exporting countries is expected to decline, led by Australia posting a 29% (4.1 Mt) decline, followed by Russia to decline by 9% (2.0 Mt). Global ending stocks for the crop year are projected by the USDA to decline by 5% (1.02 Mt) y/y to 18.1 Mt, the lowest on record.

Corn

For 2022-23, the Canadian corn supply is projected at 19.3 Mt, down sharply from last year's record high but remains the second highest on record. Imports are projected to decline sharply from last year. Total domestic use is predicted at 14.9 Mt, down considerably from last year, primarily on lower feed use on the Canadian Prairies. Exports are forecast at 1.85 Mt, up by 6% from last year's level and a record high. The major international destinations for Canadian corn include Ireland, the US and Portugal. Carry-out stocks are projected at 2.5 Mt, down 9% from last year's record high but up 5% from the previous five-year average.

Canadian corn stocks at March 31, 2023, were sufficient, pegged at 9.08 Mt, down slightly from a year ago but 7% above the average and the second highest on record. On-farm stocks, which account for about 70% of total stocks, were up from a year ago but down from the average. Commercial stocks were down from a year ago but up from the average.

Total disappearance for the crop year to-date (September 2022-March 2023) was estimated at 9.25 Mt, down significantly from a year ago due to a sharp decline in feed use. Nevertheless, this level remained high, as industrial use and exports were strong.

The Chatham corn price declined by over \$10/t over the past month and ranged between \$270-\$300/t. For the crop year to-date, the Chatham corn price averaged nearly \$316/t, versus \$302/t during the same period a year ago. For the entire crop year, the Chatham corn price is projected at \$305/t.

For 2023-24, Canadian producers intend to plant 1.51 Mha of corn. This is 3% above the acreage of 1.47 Mha in 2022-23. 2023-24 corn acreage in each of the top three corn producing provinces, Ontario, Quebec and Manitoba, is expected to expand; Manitoba leads the expansion, followed by Quebec, while it is slightly higher in Ontario. Corn acreage in Ontario, the largest corn growing province, has shown a slow upward trend in recent years and the 2023 level will be another record high. This is also happening in Manitoba. If realized, Canadian corn acreage in 2023-24 will be at an all-time high.

Assuming an average abandonment rate and yield, Canadian corn production for 2023-24 is projected at 14.3 Mt, slightly below the 2022 level. Together with lower carry-in stocks, total supply for 2023-24 is projected at 18.8 Mt, down 2% from 2022-23. Total domestic use is forecast to decline from 2022-23 on decreased industrial use, which is on par with the average level, despite slightly increased feed use. Exports are projected to decline, given the outlook for larger global corn supplies, but still above average. Carry-out stocks are projected at 2.3 Mt, down 8% from 2022-23.

The 2023-24 Chatham average price is projected at \$255/t, below the projected 2022-23 level, largely due to the anticipated lower 2023-24 US corn price.

The USDA projected that 2023-24 global corn production would increase to 1,220 Mt, a record high. Among the major corn exporting regions and countries, a sharp expansion in production projected for South America, the EU and the US would completely offset a decline in the production forecast for Ukraine. For the rest of the world, the combined corn production was also projected to increase to a record level. World demand was predicted to rise but would be slower than the increasing pace in production. Global ending stocks were predicted to move up to the highest in recent five years. US corn price for 2023-24 is forecast at US\$4.80/t, down sharply from US\$6.60/t predicted for 2022-23.

Oats

For 2022-23, Canadian oat supplies are projected at 5.58 Mt, up sharply from last year's nineteen-year low and would be the highest on record. Total domestic use is forecast at 1.73 Mt, up sharply from last year on higher feed use. Total exports are projected at 2.61 Mt, up 13% from last year, with over 95% destined for the US. Carry-out stocks are projected at 1.25 Mt, rising sharply from last year's record low and becoming the second highest on record.

Oat stocks at March 31, 2023, were abundant. The volume was pegged at 2.63 Mt, up by 115% and 45%, respectively, from a year ago and the prior 2021-22 five-year average. This level was almost the highest back to at least 2000-01. This largely reflected the situation of on-farm stocks, which account for about 85% of total stocks. Commercial stocks also increased significantly from a year ago and the average.

Total disappearance in the August 2022-March 2023 period was pegged at 2.94 Mt, up by 26% and 10%, respectively, from a year ago and the average due to strong domestic feed use.

Over the past month, oat prices in the three Canadian Prairie provinces remained relatively stable while the CBOT market continued to trend lower to the range between \$280-\$320/t. For the entire crop year, the CBOT oat price is projected at \$335/t, down more than \$230/t from the record high in 2021-22. The significant drop in oat prices reflects abundant oat supplies along with a decline in demand for North America and lower prices for other row crops.

For 2023-24, Canadian producers intend to plant 1.24 Mha of oats, a decline after expansion from 2019 through 2022. This is down sharply from 2022-23, largely reflecting that producers on the Prairies, Canada's main oat growing region, intend to significantly cut oat acreage in 2023-24. Producers from Ontario and Quebec also decided to reduce oat acres. The biggest loss is anticipated in Saskatchewan. If realized, Canadian oat acreage in 2023-24 will be 16% below the previous five-year average.

Assuming an average abandonment rate and yield, along with smaller acreage, Canadian oat production for 2023-24 is expected to decrease by 30% from the previous year to reach 3.64 Mt. Due to larger carry-in stocks partly offset by smaller production, total supply in 2023-24 is projected at 4.91 Mt, down 12% from 2022-23 but still up 6% from the previous five-year average. Total demand is expected to decline from 2022-23 on lower feed use and exports. Carry-out stocks are projected at 1.0 Mt, down notably from 2022-23 but up sharply from the average.

The CBOT oat price in 2023-24 is projected at CAN\$320/t, below the predicted 2022-23 level, due to ample North American oat supplies and lower row crop prices expected for 2023-24.

Worldwide, the USDA projected that global oat production for 2023-24 would decline by 9% (2.33 Mt) from 2022-23 to 23.3 Mt, the lowest in the recent five years. In addition to a sharp decline in oat production predicted for Canada, oat production in the EU and Australia will also decline to their lowest in the recent four years. Global ending stocks for the crop year are projected to decline by 23% and 13%, respectively, from 2022-23 and the previous five-year average to 2.27 Mt, the lowest on record.

Rye

For 2022-23, Canadian rye supply is projected at 606 Kt, up 31% from 2021-22 and the highest since 1992. Total demand is expected to exceed last year's level due to an expected increase in domestic feed use and exports. The US has been the largest destination for Canadian rye exports, receiving over 99% of the volume. Carry-out stocks are projected at 120 Kt, up significantly from last year and the five-year average, due to abundant supply.

Canadian rye stocks at March 31, 2023, were ample, pegged at 261 Kt, up sharply from a year ago and the average, also nearly the highest in almost at least two decades, largely reflecting the situation of on-farm stocks, which account for about 80% of total stocks. Commercial stocks were down from a year ago and the average.

Total disappearance for the crop year to date (August 2022-March 2023) were pegged at 345 Kt, up sharply from a year ago and the average, also a record high back to at least 2000-01. In the same period, exports and domestic use (mainly for feed use) were up y/y and above average. Total exports account for 40% of total disappearance with domestic use at 60%.

Rye FOB farm price for the crop year is projected at \$270/t, down \$50/t from last year's record high under pressure from ample supplies and lower row crop prices.

For 2023-24, Canadian fall rye area, which represents more than 95% of all rye planted in Canada, is reported by STC at 185 thousand hectares (Kha), down 21% from 2022-23 but remains relatively high when compared to the last decade. Assuming an average abandonment rate and yield, along with smaller acreage, Canadian rye production in 2023 is expected to decrease by 33% from 2022-23 to reach 350 Kt. Due to the smaller production partly offset by larger carry-in stocks, total supply in 2023-24 is projected at 472 Kt, down 22% from 2022-23 but up by 3% from the average. Total demand is expected to decline from 2022-23 due to lower feed use and exports. 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.

Worldwide, the USDA projected that global rye production for 2023-24 would decline slightly from 2022-23 to 12.0 Mt. Contrary to expectations of a sharp drop in Canadian rye production, EU rye production was set to rise. Global ending stocks for the crop year are projected to decline only slightly from 2022-23 but would be the lowest on record.

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Oilseeds

Canola

For 2022-23, the estimate for Canadian canola supplies is up 22% from last year on higher production, stable imports and tighter carry-in stocks. Production is estimated at 18.2 million tonnes (Mt), imports 0.1 Mt and carry-in 0.9 Mt.

Total disappearance is returning to normal levels with exports up 60% from last year, to 8.4 Mt, while domestic crush rises to 9.5 Mt versus 8.6 Mt for 2021-22. Canadian Grain Commission data shows the current export and domestic disappearance rate up 57% and 10%, respectively, from the same time last year. Carry-out stocks are estimated at 0.65 Mt, versus 0.87 Mt for 2021-22, for a stocks-to-use ratio of 4%. Canola prices are estimated at \$805/t, down \$45/t from last month and \$270/t from last year, as market values correct sharply on increased world vegetable oil supplies, a record Brazil soybean crop, and expectations for a large upcoming US soybean crop.

For the rest of 2022-23, the factors to watch are: (i) the pace of export and commercial buying, (ii) the planting pace across Canada and the US, (iii) the Environmental Protection Agency's June 14 ruling establishing Renewable Fuel Standard volumes for 2023, 2024, and 2025, (iv) Chinese import demand, and (v) the South American soybean export pace.

For 2023-24, canola area is forecast to rise slightly, to 8.7 million hectares (Mha), on generally favourable prices; expansion is limited by similarly attractive prices for alternate crops such as wheat and peas. Production is forecast at 18.4 Mt, assuming normal area abandonment and trend yields. Pre-seeding weather across Western Canada was colder and drier than normal, a return to typical temperatures and normal to above-normal rainfall is required to support yields. Supplies are forecast to rise marginally as a tightening of carry-in stocks offsets the rise in production.

Domestic crush and exports are forecast similar to 2022-23 at 9.5 Mt and 8.8 Mt, respectively, on sustained strong world demand for oilseeds, vegetable oils, and protein meals. The domestic crush outlook assumes current crush plant capacity

for the upcoming crop year. If a major plant comes on stream in 2023-24, domestic crush will be 0.5 Mt to 1.0 Mt above current estimates while exports would decline by a comparable amount.

Normal feed, waste and dockage is assumed. Carry-out stocks are forecast to fall slightly to 0.60 Mt versus 0.65 Mt for 2022-23 and the five-year average of 2.2 Mt. The simple average price for canola, No. 1, track Vancouver, is forecast at \$700/tonne (t), down from \$805/t for 2022-23, and the five-year average of \$718/t.

Flaxseed

For 2022-23, Canadian supplies of flaxseed are estimated at 0.57 Mt, up 38% from last year, on higher production and carry-in stocks. Canada produced 0.47 Mt of flaxseed on yields of 1.5 tonnes per hectare (t/ha).

Exports are forecast down 32% from last year to 0.15 Mt on reduced Asian buying. Exports through licensed handling facilities are running about 56% of last year's pace with most shipments headed to the US. Total domestic use is forecast at 0.14 Mt, versus 0.11 Mt for 2021-22, on higher feed, waste and dockage.

Total carry-out stocks are forecast to more than triple to 0.28 Mt from the 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 \$575/t versus \$1,206/t for 2021-22.

For 2023-24, farmers intend to seed a modern-day record low 0.28 Mha, implying a harvested area of 0.26 Mha. Trend yields of 1.44 t/ha are projected, assuming normal temperatures and soil moisture, supporting a production of 0.38 Mt versus 0.47 Mt for 2022-23 and the five-year average of 0.47 Mt. Total supplies of flaxseed are forecast up, at 0.66 Mt, as lower output is offset by sharply higher carry-in stocks.

Total domestic use is forecast to decline by 32% on a sharp drop in feed, waste and dockage, and stable other usage. Exports are forecast to increase to 0.40 Mt on support from strengthening world demand

and lower prices. Carry-out stocks are forecast to fall to 0.17 Mt. The simple average price for flaxseed No.1, in-store, Saskatoon cash is forecast at \$550/t, down \$25/t from 2022-23 and \$150/t below the five-year average of about \$700/t.

Soybeans

For 2022-23, Canadian supplies of soybeans are projected to increase to 7.3 Mt on higher production and carry-in combined with stable imports. Production was 6.5 Mt, versus 6.2 Mt in 2021-22.

Exports are forecast to increase by 6%, to 4.5 Mt, with shipments headed to a diverse group of countries. Year-on-year shipments out of the country through licensed handling facilities are up 15%. 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, the United States Department of Agriculture (USDA) raised world oilseed production by 2.1 Mt with soybeans up 0.8 Mt. Domestically, the USDA left its oilseed production unchanged from last month, but supplies increased marginally on increased imports. The USDA lowered its farm-gate price for soybeans to US\$14.20/bushel (bu) versus US\$14.30/bu for April.

Canadian soybean prices are forecast to rise to \$700/t as a weaker Canadian dollar offsets the large US and Brazilian crops.

For 2023-24, farmers intend to plant 2.23 Mha to soybeans, inferring a harvested area of slightly under 2.23 Mha. Trend yields of 3.0 t/ha are predicted, assuming normal growing conditions. Soybean production is forecast at 6.7 Mt, up 0.16 Mt from last year and the five-year average. Total supplies of soybeans rise 2% to 7.50 Mt.

Total domestic use is forecast to fall slightly on a steady crush of 1.9 Mt and on lower feed, waste and dockage. Exports are up 0.2 Mt from 2022-23, to 4.7 Mt, and are 0.17 Mt above the five-year average. Carry-out stocks are forecast at 0.35 Mt for a stocks-to-use ratio of 5%.

The USDA predicts a slight loosening of the US soybean market in its first 2023-24 World Agricultural Supply and Demand Estimates Report. Soybean production is pegged at 4.51 billion bushels (Bbu) versus 4.28 Bbu from 2022-23 on a steady planted area and higher yields. The USDA's production estimate has a root mean square error of 8.9% and the May forecast has fallen below the final estimate 22 times and exceeded it 20 times over the past 42 years. Supplies are up 4% as the change in output is moderated by lower carry-in. US soybean crush and exports are forecast at 2.31 Bbu and 1.98 Bbu, respectively. Ending stocks rise to 0.34 Bbu. The USDA projects the farm-gate price for soybeans at US\$12.10/bu, down from US\$14.20/bu in 2022-23 but up from the five-year average of US\$11.07/bu.

The Canadian simple average price for soybeans, track Chatham, is forecast to fall by \$100/t to \$600/t, versus the five-year average of \$561/t.

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Pulse and Special Crops

Dry Peas

For 2022-23, dry pea supply is much higher than the previous year at 3.8 million tonnes (Mt). Canada's exports are forecast to rise to 2.7 Mt, up 41% from the 2021-22 level. Increased demand from China and Bangladesh has been partially offset by the lower export pace to the US. Canadian exports to the US for the year to-date (August-March) are lower than for the same period last year due to the large US dry pea crop. With larger domestic supply and steady exports and domestic use, carry-out stocks in Canada are expected to be marginally higher than the previous year at 0.4 Mt.

The average price is expected to be sharply lower than 2021-22, due to lower dry pea prices for all types. Green dry peas prices are expected to maintain a \$30/tonne (t) premium to yellow dry peas, compared to a green pea premium of \$60/t in 2021-22. During the month of April, Saskatchewan yellow farm gate prices fell \$35/t while green pea farm gate prices fell \$5/t.

For 2023-24, producers intend to decrease seeded area in Canada to 1.3 million hectares (Mha), 5% below 2022-23. By province, Saskatchewan is expected to account for 53% of the dry pea area, Alberta 40%, with the remainder seeded across Canada.

Production is forecast to fall to 3.25 Mt due to the lower seeded area, assuming a return to average yields. Supply is forecast to fall by 3% to 3.7 Mt due to lower production. Exports are expected to be lower than 2022-23 at 2.6 Mt and carry-out stocks are forecast to be similar to the previous year. The average price is expected to fall from the levels in 2022-23, with decreased domestic supply but expectations for increased world production.

In the US, area seeded to dry peas for 2023-24 is forecast by the United States Department of Agriculture (USDA) to rise by 9% to 1.0 million acres (Mac). This is largely due to an increase in expected area in North Dakota.

Lentils

For 2022-23, Canada's lentil supply is forecast at 2.6 Mt and exports are forecast to be significantly higher than 2021-22 at 2.3 Mt. The main markets continue to be Turkey, India and the United Arab Emirates. Carry-out stocks are forecast to fall to 0.1 Mt.

The average price of lentils in Canada is forecast to fall sharply from the record levels of 2021-22, largely due to the increase in world supply, despite strong imports from Turkey. Large green lentil prices are forecast to have a \$365/t premium over red lentil prices for the entire crop year, compared to a \$325/t premium to red lentils in 2021-22. During the month of April, Saskatchewan large green lentil farm gate prices were unchanged while red lentil farm gate prices increased \$15/t.

For 2023-24, producers intend to reduce the area seeded to lentils in Canada by 8% to 1.61 Mha. By province, Saskatchewan is expected to account for 87% of the lentil area, with the remainder seeded in Alberta and Manitoba.

Production is forecast by AAFC to rise 4% to 2.4 Mt but supply is expected to decrease marginally to below 2.6 Mt. Exports are expected to fall with lower supply to 2.1 Mt. Carry-out stocks are forecast to rise to 0.2 Mt. The average price is forecast to be lower than 2022-23, with the assumption of an average grade distribution and lower prices for No.1 red and green lentils grades.

In the US, the area seeded to lentils for 2023-24 is forecast by the USDA at 0.52 Mac, 21% lower than in 2022-23, mostly due to a fall in area seeded in Montana.

Dry Beans

For 2022-23, dry bean exports are forecast to increase to 0.36 Mt due to higher export demand from smaller markets like Japan and Mexico. The US and the EU remain the main markets for Canadian dry beans. Larger North American supply has pressured Canadian dry bean prices for 2022-23. To-date (August-April), Canadian white pea bean and black bean prices have averaged 5% lower,

while pinto beans are down 15% from 2021-22 levels. For the entire crop year, the average price is forecast to fall 4% from 2021-22 to \$1,165/t.

For 2023-24, the area seeded in Canada is forecast to fall by 14% from 2022-23 to 104 thousand hectares (Kha) due to lower returns compared to other crops. By province, Ontario is expected to account for 39% of the dry bean area, Manitoba 45%, Alberta 9%, with the remainder in Saskatchewan, Quebec and the Maritimes.

Production is expected to decrease to 250 thousand tonnes (Kt). With lower carry-in stocks, supply is expected to decrease by 21%. Exports are forecast to fall and stocks are expected to decline. The average Canadian dry bean price is forecast to be marginally lower with a stronger Canadian dollar and despite expectations for a decrease in North American supply.

In the US, area seeded to dry beans is forecast by the USDA to decrease by 2% to 1.22 Mac, with lower area across most of the US dry bean growing states.

Chickpeas

For 2022-23, the chickpea supply is lower than the previous year. Canadian chickpea exports are expected to increase sharply to a record 235 Kt, largely due to higher exports to the US the EU, and Turkey, three of Canada's largest markets. Carry-out stocks are expected to fall significantly as the increase in export demand has chewed through a lot of the supply. The average price is forecast to be up marginally from 2021-22, to a record \$1,000/t, largely due to strong world import demand.

For 2023-24, the area seeded is expected to rise from 2022-23 due to prospects for higher returns compared to other crops. By province, Saskatchewan is expected to account for a significant portion of the chickpea area, with the remainder seeded in Alberta.

Production is forecast to rise by 33% to 170 Kt, assuming a return to average yields, higher than the previous year. Supply, however, is forecast to fall significantly compared to 2022-23 due to lower carry-in stocks. Exports are forecast to decrease from the previous year. Carry-out stocks are

expected to remain unchanged. The average price is forecast to fall marginally from 2022-23, but remain historically high.

US chickpea area for 2023-24 is forecast by the USDA to fall to 0.3 Mac, down 4% from 2022-23.

Mustard Seed

For 2022-23, the mustard seed supply is 177 Kt, up 36% from 2021-22. Canadian mustard exports are forecast to rise to 135 Kt, sharply higher than the previous year. The US and the EU remain the main export markets for Canadian mustard seed. Carry-out stocks are forecast to rise. Prices are forecast to fall sharply due to the increase in domestic supply.

For 2023-24, the area seeded is expected to rise by 15% due to high prices from the previous year. Saskatchewan and Alberta account for 75% and 23% of the area seeded, respectively. Production is forecast to rise sharply to 215 Kt due to higher area, and improved yields. Combined with increased carry-in stocks and production, supply is expected to increase by 37%. Exports are expected to decrease and carry-out stocks are forecast to rise, above the five-year average. The average price is forecast to be lower than 2022-23, but the third highest on record.

Canary Seed

For 2022-23, supply is at 213 Kt, up 6% from the previous year. Exports are expected to be up from last year. The EU and Mexico are the main markets, with higher exports to the Middle Eastern region. The average price is forecast to fall from 2021-22 to \$900/t due to rising carry-out stocks.

For 2023-24, producers intend to increase the area seeded due to competitive returns when compared to other crops. Production is expected to increase to 180 Kt with expectations for higher yields than the previous year. Supply is forecast to rise with higher carry-in stocks. Exports are expected to increase and carry-out stocks are expected to rise. The average price is forecast to be lower than the 2022-23 level, but remain historically high at \$800/t.

Sunflower Seed

For 2022-23, supply is higher than the previous year. Sunflower seed exports are forecast to be lower than the previous year at 33 Kt due to lower import demand from the US. The US is the top export market, followed by Japan and China, which import small volumes. Carry-out stocks are expected to rise. The average price for sunflower seed in Canada is forecast to fall from 2021-22 due to lower oil type sunflower seed prices.

For 2023-24, area seeded is expected to fall due to decreased returns from the previous year. Production is forecast to be lower at 80 Kt, assuming average yields. Supply is expected to rise marginally with large carry-in stocks, to 250 Kt. Exports are forecast to increase and carry-out stocks are forecast to rise. The average price is forecast to fall marginally from 2022-23 despite expectations for a decrease in North American sunflower seed supply.

The area seeded to sunflower in the US for 2023-24 is forecast by the USDA to fall below 1.4 Mac, down 20% from 2022-23. Lower area seeded in North Dakota is expected along with a fall in area in other US states. The area seeded to oil type varieties is expected to decrease sharply to 1.2 Mac and the area seeded to confectionery type varieties is forecast to rise to 0.16 Mac.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

May 23, 2023

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested	Yield t/ha	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g) \$/t
Durum												
2021-2022	2,321	2,231	1.36	3,032	8	3,853	2,716	210	125	568	569	631
2022-2023f	2,431	2,399	2.27	5,443	25	6,038	4,800	190	354	758	480	450
2023-2024f	2,453	2,404	2.42	5,821	25	6,326	4,750	200	362	776	800	410
Wheat Except Durum												
2021-2022	7,170	6,968	2.78	19,390	153	24,683	12,351	3,250	5,183	9,238	3,093	271
2022-2023f	7,844	7,683	3.69	28,380	100	31,574	19,650	3,200	4,374	8,424	3,500	410
2023-2024f	8,460	8,291	3.61	29,931	100	33,531	20,000	3,200	4,506	8,531	5,000	375
All Wheat												
2021-2022	9,492	9,199	2.44	22,422	161	28,536	15,067	3,460	5,309	9,807	3,663	
2022-2023f	10,274	10,082	3.35	33,824	125	37,611	24,450	3,390	4,728	9,181	3,980	
2023-2024f	10,914	10,695	3.34	35,751	125	39,856	24,750	3,400	4,868	9,306	5,800	
Barley												
2021-2022	3,368	3,011	2.32	6,984	228	7,923	2,673	284	4,178	4,707	543	432
2022-2023f	2,851	2,636	3.79	9,987	30	10,559	3,720	218	5,647	6,109	730	410
2023-2024f	2,867	2,608	3.66	9,542	30	10,302	3,330	318	5,609	6,172	800	350
Corn												
2021-2022	1,488	1,462	10.00	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	1,850	5,800	9,119	14,934	2,500	305
2023-2024f	1,507	1,477	9.70	14,320	2,000	18,820	1,750	5,500	9,254	14,770	2,300	255
Oats												
2021-2022	1,502	1,214	2.39	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	2,605	100	1,528	1,729	1,250	335
2023-2024f	1,237	1,030	3.53	3,642	15	4,907	2,550	100	1,156	1,357	1,000	320
Rye												
2021-2022	194	116	3.22	372	1	464	151	25	183	229	84	320
2022-2023f	237	152	3.42	520	2	606	190	39	239	295	120	270
2023-2024f	190	108	3.24	350	2	472	165	39	170	226	80	260
Mixed Grains												
2021-2022	203	116	1.88	218	0	218	0	0	218	218	0	
2022-2023f	138	72	2.82	203	0	203	0	0	203	203	0	
2023-2024f	90	43	2.71	116	0	116	0	0	116	116	0	
Total Coarse Grains												
2021-2022	6,754	5,917	4.24	25,083	6,395	35,105	6,876	6,205	17,903	24,524	3,705	
2022-2023f	6,286	5,705	5.34	30,475	2,057	36,236	8,365	6,157	16,736	23,271	4,600	
2023-2024f	5,892	5,266	5.31	27,970	2,047	34,616	7,795	5,957	16,306	22,641	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	8,400	9,500	537	10,088	650	805
2023-2024f	8,740	8,630	2.13	18,400	100	19,150	8,800	9,500	199	9,750	600	700
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	125	140	275	575
2023-2024f	279	261	1.44	375	10	660	400	N/A	76	95	165	550
Soybeans												
2021-2022	2,154	2,134	2.92	6,224	552	7,072	4,256	1,858	450	2,529	287	678
2022-2023f	2,135	2,118	3.09	6,543	500	7,330	4,500	1,900	380	2,480	350	700
2023-2024f	2,230	2,227	3.01	6,700	450	7,500	4,700	1,900	350	2,450	350	600
Total Oilseeds												
2021-2022	11,585	11,486	1.77	20,313	669	23,113	9,726	10,413	1,442	12,153	1,234	
2022-2023f	11,108	11,026	2.28	25,190	610	27,034	13,050	11,400	1,043	12,709	1,275	
2023-2024f	11,249	11,118	2.29	25,475	560	27,310	13,900	11,400	625	12,295	1,115	
Total Grains And Oilseeds												
2021-2022	27,831	26,602	2.55	67,818	7,224	86,754	31,669	20,078	24,654	46,484	8,601	
2022-2023f	27,669	26,814	3.34	89,489	2,792	100,881	45,865	20,947	22,507	45,161	9,855	
2023-2024f	28,054	27,079	3.29	89,196	2,732	101,783	46,445	20,757	21,799	44,243	11,095	

(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 and seeded area for 2023-24 which are STC

CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

May 23, 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	1,560	1,505	1.49	2,244	29	2,831	1,911	580	339	14%	590
2022-2023f	1,363	1,348	2.54	3,423	26	3,788	2,700	688	400	12%	460
2023-2024f	1,300	1,270	2.56	3,250	30	3,680	2,600	705	375	11%	400
Lentils											
2021-2022	1,700	1,675	0.95	1,594	51	2,083	1,601	259	223	12%	970
2022-2023f	1,749	1,715	1.34	2,301	75	2,599	2,250	249	100	4%	825
2023-2024f	1,609	1,585	1.51	2,400	75	2,575	2,100	275	200	8%	800
Dry Beans											
2021-2022	172	162	2.25	364	71	540	323	77	140	35%	1,210
2022-2023f	120	117	2.67	313	75	528	360	78	90	21%	1,165
2023-2024f	104	102	2.45	250	75	415	310	75	30	8%	1,140
Chickpeas											
2021-2022	90	88	1.04	91	30	395	176	64	155	65%	975
2022-2023f	95	95	1.35	128	45	328	235	68	25	8%	1,000
2023-2024f	105	105	1.62	170	45	240	145	70	25	12%	980
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	135	22	20	13%	2,140
2023-2024f	258	250	0.86	215	7	242	130	22	90	59%	1,370
Canary Seed											
2021-2022	122	121	1.05	127	0	201	139	8	54	37%	1,125
2022-2023f	118	117	1.36	159	0	213	145	10	58	37%	900
2023-2024f	126	125	1.44	180	0	238	165	8	65	38%	800
Sunflower Seed											
2021-2022	37	37	2.04	75	37	228	41	68	118	108%	900
2022-2023f	38	38	2.24	84	40	242	33	74	135	126%	825
2023-2024f	36	36	2.22	80	35	250	40	70	140	127%	815
Total Pulse And Special Crops (c)											
2021-2022	3,798	3,698	1.23	4,555	227	6,407	4,297	1,074	1,035		
2022-2023f	3,707	3,649	1.80	6,570	270	7,875	5,858	1,189	828		
2023-2024f	3,538	3,473	1.88	6,545	267	7,640	5,490	1,225	925		

(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 and seeded area for 2023-24 which are STC