Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

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

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

A/Executive Director: Brett Norton — **A/Deputy Director: Chris Beckman**

This report updates Agriculture and Agri-Food Canada's (AAFC) May outlook 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. Volatility in the world's grain markets remains above normal on generally unseasonably warm Northern Hemisphere temperatures and mixed moisture conditions along with the disruptions caused by Russia's war against Ukraine.

The outlook incorporates current information from (i) Statistics Canada's (STC) Seeding Intentions of Principal Field Crops released on April 26, 2023, and 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, supplies of all principal field crops rebounded to near-normal levels, up 17% from last year, following the return to normal growing conditions and production across Canada. The combination of increased domestic supplies and strong world demand is supporting an increase in exports for most crops with shipments through licensed facilities up 58% for the crop year to-date compared to the same time last year. In contrast, total domestic use is forecast to decrease marginally to slightly over 46 million tonnes. Carry-out stocks (ending-year inventories) for all principal field crops are forecast to end the year up slightly but are not considered burdensome. In general, prices for field crops are forecast to decline except for wheat, soybeans and chickpeas which are projected to increase.

For 2023-2024, 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 crops, based on STC's Seeding Intentions of Principal Field Crops report. Seeding of major field crops proceeded rapidly and was largely completed by the beginning of June. Growing conditions are mixed across Canada following an extended heat wave across Western Canada and near-normal temperatures across Eastern Canada. Moisture conditions are variable with significantly drier than normal regions in Alberta, Manitoba and parts of Quebec (AAFC Current AgroClimate Maps).Total field crop production is forecast to decrease slightly, assuming trend yields. Supplies are projected to rise slightly as higher carry-in more than offsets the slight drop in output; consequently, exports are forecast to rise slightly while total domestic use falls on lower feed, waste and dockage. In general, prices are projected to decrease as higher global supplies pressure prices lower, with underlying support provided by continued strong world demand.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on July 21, 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	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	thousand hectares		*t/ha*	*thousand tonnes*					
Total Grains And Oilseeds									
2021-2022	27,831	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	2,942	101,031	46,065	45,211	9,755
2023-2024f	28,054	27,079	3.29	89,196	2,732	101,683	46,445	44,243	10,995
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	3,212	108,907	51,923	46,401	10,583
2023-2024f	31,593	30,552	3.13	95,741	2,999	109,323	51,935	45,468	11,920

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

All Wheat

Durum

For 2022-23, Canadian durum production increased by 80% to 5.4 million tonnes (Mt), thanks to an increase in seeded area and a recovery in yields; total supply increased by 57% to 6.0 Mt, restrained by tight carry-in stocks. Exports are forecast to increase to 4.8 Mt, with an increase in demand from Italy, Algeria, Morocco and the United States. According to Statistics Canada (STC), exports of durum for this crop year to the end of April 2023, are 4.2 Mt, 118% more than in 2021-22 and 26% above the five-year average. Total domestic use is pegged at just under 0.8 Mt and carry-out stocks to fall to 0.48 Mt, 16% less than in 2021-22 and 56% lower than average levels.

According to the International Grains Council (IGC), the durum supply in 2022-23 is estimated at 39.2 Mt, down 1% compared to the previous year and 10% less than the five-year average. Trade is expected to reach 8.6 Mt, +43% over 2021-22, and stocks to close the year at 5.8 Mt, down 11% compared to opening levels.

The average Saskatchewan spot price for Canadian Western Amber Durum, no.1, 13% protein (CWAD 1, 13%) is forecast at $450/tonne for 2022-23.

For 2023-24, the area seeded to durum in Canada is projected to increase 1% according to STC's seeding intentions survey released last month. Production is forecast to rise to 5.8 Mt on the assumption that trend yields will be realized. Total supply is currently projected up 5% to 6.3 Mt despite tight carry-in stocks. Seeding of durum wheat has progressed well over the course of May with 88% planted in Saskatchewan and 99% planted in Alberta as of May 30.

Domestic use is relatively steady and near average levels of 0.7 Mt or 9-10% of total supply in Canada. Exports are pegged at 4.75 Mt, marginally down from 2022-23 with an increase in competition from France, where durum production is seeing positive growth. Carry-out stocks are forecast to rebound to 0.8 Mt, a decrease from last month's report but 67% above 2022-23 and 15% below average.

The IGC forecasts world durum production to drop to 32.4 Mt, down 1% year-on-year due to drought in North Africa and Spain. Exacerbated by tight inventories, global supply is projected to drop 3% to 38.2 Mt. Total world use is forecast to remain relatively stable at 33.5 Mt, with any increase in food use balanced by a reduction in feed. Trade is expected to expand 4% to 9.0 Mt on higher import needs from the drought-stricken regions and an expansion in trade from the EU, particularly France. Carry-out stocks are forecast to tighten, as the share of major exporters tumbles 24% to 1.8 Mt with the largest drawdowns in the EU and North Africa.

The Saskatchewan spot price for CWAD 1, 13% is forecast to decrease from current levels, but still remain strong at an average $400/tonne for 2023-24.

Wheat (excluding durum)

For 2022-23, Canadian wheat production increased by 46% to 28.4 Mt thanks to an increase in seeded area and a recovery in yields following the drought of 2021. Total supply increased 28% to 31.6 Mt, restrained by tight stocks. Total exports are forecast at about 19.65 Mt and domestic use at 8.4 Mt. According to STC, exports of wheat from August 2022 to April 2023 are 15.7 Mt, 76% more than the same time period last year and 22% above average. Carry-out stocks are pegged at 3.5 Mt, up 13% from the previous year, but 22% below average.

According to the United States Department of Agriculture (USDA), world all wheat (including durum) production increased by 8.3 Mt to 788.5 Mt, while supply decreased by 4.0 Mt to 1,059.4 Mt because of low carry-in stocks. Total use expands by 0.3 Mt to 792.8 Mt and exports rise to 215.6 Mt, +6% more than the previous year. Estimates for world all-wheat carry-out stocks are down by 4.3 Mt, to 2,667 Mt, with over 47% held in China.

US all wheat supply dropped by 3 Mt to 67.3 Mt. Domestic use is estimated at 29.9 Mt, up 0.3 Mt versus the previous year. Carry-out stocks are pegged at 16.3 Mt, down from 19.0 Mt for 2021-22.

The average 2022-23 Saskatchewan spot price for

Canadian Western Red Spring Wheat No. 1, 13.5% protein (CWRS 1, 13.5) is reduced to $400/tonne under pressure from large global supply and steady export movement.

For 2023-24, Canadian area seeded to wheat is expected to increase by 8% from 2022-23, with a 7% increase in the spring wheat area and 13% increase in the area seeded to winter wheat (mainly in Ontario). Production is projected to rise 5% to 29.9 Mt and supply to rise by 6% to 33.5 Mt with a forecasted return to average yields. Domestic supply will be revised next month following STC's revision to the seeded area estimates, to be released June 28. Seeding is progressing well across the Prairies with 91% of spring wheat seeded in Saskatchewan as of May 30 and virtually complete in both Manitoba and Alberta.

Domestic use in 2023-24 is forecast to remain at current levels, around 8.5 Mt, and exports to expand to 20 Mt to complement shortcomings expected from the Black Sea region and Australia next year.

The USDA's world all wheat supply forecast was raised 10.8 Mt to 1,066.9 Mt this month due to larger production forecasts for Russia, India, the EU and Ukraine, on favourable weather which is expected to boost yields in these regions. Global consumption was also revised up this month to 796.1 Mt on higher feed use in China, Russia and India. Total trade is anticipated at 212.6 Mt, down 1% year-on-year while carry-out stocks close the year out at 270.71 Mt, up 6.4 Mt compared to last month's report, and about 4 Mt over 2022-23.

US all wheat production is forecast to rise 0.4 Mt to 45.3 Mt; total US supply is projected at 65.28 Mt. Trade is forecast to fall by 1.4 Mt to 19.73 Mt, while domestic use is projected to rise by 0.3 Mt to 30.2 Mt. Carry-out stocks are projected to fall to 15.28 Mt.

Saskatchewan spot price for CWRS 1, 13.5% is forecast to decline from current high levels under pressure from expected growing global supplies but remain historically strong at $370/tonne.

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

Barley

For 2022-23, Canadian barley supply is around 10.6 million tonnes (Mt), up sharply from last year's record low of 7.92 Mt, supporting demand from both domestic and international market. Total domestic use is forecast at 6.11 Mt, up 30% from last year, on higher feed use. Feed use accounts for over 90% of total domestic use. Total exports are projected at 3.72 Mt, up 39% from last year. Carry-out stocks are projected at 730 thousand tonnes (Kt), rising sharply from last year's record low but more than 10% below average.

Regarding Canadian barley exports, Statistics Canada (STC) reported that, for the first nine months (August – April) of the current crop year, total exports reached 3.14 Mt with grain exports at 2.60 Mt and product exports at 0.55 Mt (in grain equivalent). Major international destinations include China (accounting for approximately 70% of total exports), the US (20%), Japan (5%), and Mexico (2%), with the majority of the rest being shipped to Colombia, South Korea, Peru, and some African countries.

The Lethbridge feed barley price reached an all-time high of around $465/tonne (t) in June 2022, then it fell sharply to about $365/t in August 2022, the first month of the current crop year. After that, it increased sharply to almost $455/t in November 2022. Since then, the Lethbridge feed barley price has trended lower but remains at a historical high. Over the past month, it declined to a range from $400/t to $415/t. For the crop year to-date, the Lethbridge feed barley price averaged around $417/t, versus $434/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 seeding intentions survey for the 2023 growing season. This is only slightly above the 2.85 Mha seeded in 2022-23 and 4% below the previous five-year average. Of the total area, approximately 97% is located in the three Prairie provinces: Alberta (54%), Saskatchewan (37%) and Manitoba (5%). The rest is mainly located in Prince Edward Island, Quebec, Ontario, and British Columbia.

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 be significantly 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, primarily under the pressure from lower 2023-24 US corn prices.

Worldwide, the United States Department of Agriculture (USDA)'s June projections point to a smaller 2023-24 barley crop. This is due to an expected drop in barley production in the world's major barley exporting countries, led by Australia posting a 29% (4.1 Mt) decline, followed by Russia to decline by 9% (1.9 Mt), despite a 2% increase (1.06 Mt) in the EU and a 4% increase (0.22 Mt) in Ukraine. Global demand for feed barley is projected to soften due to large world corn supplies while industrial demand is expected to remain flat. Ending stocks are projected to decline by 5% y/y to 18.2 Mt, the lowest on record.

Corn

For 2022-23, Canadian corn supply is forecast at 19.4 Mt, down sharply from last year's record high, as an expected sharp drop in imports more than offsets larger opening inventories. Nevertheless, 2022-23 supply remains the second highest on record. Total domestic use is predicted at 15.0 Mt, down considerably from last year, primarily on lower feed use on Canadian Prairies. Exports are forecast at 2.05 Mt, up by 17% from last year and a record high. Carry-out stocks are projected at 2.4 Mt, down 13%

from last year's record high but on par with the previous five-year average.

Regarding imports and exports, STC reports for the first eight months (September – April) of the current crop year, Canada imported 1.76 Mt of corn, nearly 100% from the US. Imports in March were exceptionally high at 0.66 Mt, compared to less than 0.20 Mt in most months. More than half of the imports were destined for Western Canada with the rest for Eastern Canada. Exports remain strong during the same period totaling 1.39 Mt, almost an all-time high. Major international destinations include Ireland (representing 39% of Canadian corn exports), United Kingdom (20%), Spain (20%), the US (15%), with the majority of the remainder being shipped to Portugal and Netherlands.

The Chatham corn price has trended lower over the past four months and recently sat around $270/t. For the crop year to-date, the Chatham corn price averaged nearly $312/t, versus $307/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 seeded acreage of 1.47 Mha in 2022-23 and an all-time high. Of the total, about 98% is located in the three major corn growing provinces: Ontario (61%), Quebec (25%) and Manitoba (12%).

Assuming an average abandonment rate and yield, Canadian corn production for 2023-24 is projected at 14.3 Mt, slightly below the 2022-23 level. Combined with lower carry-in stocks, total supply for 2023-24 is projected to decrease by 4%, to 18.7 Mt. Total domestic use is forecast to decline from 2022-23 on decreased industrial use, which is on par with the average level, despite increased feed use. Exports are projected to decline, on prospects for a larger global corn crop, but remain above average. Carry-out stocks are projected at 2.2 Mt, down 8% from 2022-23.

The 2023-24 Chatham average price is projected to fall by $50/t from the current crop year to $255/t, due to the anticipated lower 2023-24 US corn price.

According to the USDA, 2023-24 world corn production is anticipated to increase by 6% y/y to 1,223 Mt, a record high. Corn production in South America, the EU, and the US, the major corn exporting regions and countries, will see a notable increase which will more than offset the decline in production in Ukraine. For the rest of the world, production will also increase and reach a record level. Global demand for feed use and, to a lesser extent, for industrial use, is predicted to grow but lag the increasing pace in production. World ending stocks are expected to rise to the highest in recent five years. The US corn price for 2023-24 is forecast at US$4.80/t, unchanged from the May projection but down sharply from 2021-22 and 2022-23.

Oats

For 2022-23, Canadian oat supply is estimated at 5.58 Mt, up sharply from last year's nineteen-year low and the highest on record. Total domestic use is forecast at 1.73 Mt, up sharply from last year on higher feed use. Feed use represents over 80% of total domestic use. Total exports are projected at 2.61 Mt, up 13% from last year. Carry-out stocks are projected at 1.25 Mt, sharply above last year's record low, and will be the second highest on record.

Regarding Canadian oat exports, STC reported that, for the first nine months (August – April) of current crop year, total exports reached 1.99 Mt with grain exports at 1.26 Mt and product exports at 0.73 Mt (in grain equivalent). Major international destinations include the US (accounting for about 91% of total exports), South Africa (2%), Mexico (2%), and Peru (2%), with the majority of the rest being shipped to Ecuador and Asian markets, such as Japan, China, South Korea Viet Nam, and Philippines.

Over the past month, the oat price averaged around $250/t on Canadian Prairies, pushing the crop year to-date average around $265/t. In the CBOT market, oat futures over the past month averaged about $310/t, with the crop year to-date average at $343/t. For the entire crop year, the CBOT oat price is projected at $340/t, down over $200/t from the record high in 2021-22. The significant drop in oat prices reflects abundant oat supplies in North America along with a declined demand, as well as 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 and will be 16% below the previous five-year average. Of the total, approximately 88% are located in the three Prairie provinces: Alberta (24%), Saskatchewan (43%) and Manitoba (21%). The rest are mainly located in Quebec, Ontario, and British Columbia.

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 by 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$325/t, $15/t below the predicted 2022-23 level, due to ample North American oat supplies and lower row crop prices expected for 2023-24.

According to the USDA, 2023-24 world oat production is anticipated to decline by 9% y/y to 23.3 Mt, the lowest in the recent four years. In addition to a sharp y/y decline predicted for Canada, oat production in other oats-exporting countries will also see a decline, with the EU and Australia hitting their lowest in the recent four years. Global feed demand for oats is projected to decline, reflecting large world corn supply. Demand for human consumption is expected to shrink but remain strong. Ending stocks are projected to decline by 23% and 14%, respectively, from 2022-23 and the previous five-year average, to 2.17 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.

Regarding Canadian rye exports, STC reported that, for the first nine months (August – April) of the current crop year, exports reached 162 Kt. Major international destinations include the US (accounting for about 99% of total exports), with the majority of the rest being shipped to South Korea, Japan, and South Africa.

The 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. Of the total, approximately 55% is located in Western Canada and 44% in Eastern Canada.

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$240/t, $30/t below the predicted 2022-23 level.

Worldwide, rye production for 2023-24 is projected to decline slightly from 2022-23 to 12.0 Mt, according to the USDA. Contrary to an expected sharp decline in Canada, EU rye production is set to rise. Global demand for rye for feed use and industrial use is projected to decline. Ending stocks are projected to decline only slightly from 2022-23 but would be the lowest on record.

Mei Yu: Coarse Grains Analyst
Mei.Yu@agr.gc.ca

Canola

For 2022-23, Canadian canola supplies are up 22% from last year based on last summer's increase in production, a stable import pace 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 for the crop year to-date is returning to more normal levels on a 60% rise in exports, to 8.4 Mt, while domestic crush increases to 9.5 Mt versus 8.6 Mt for 2021-22. These estimates are supported by the current usage pace, with exports and domestic disappearance up 57% and 11% from the same time last year based on Canadian Grain Commission data. Carry-out is estimated at 0.65 Mt, down from 0.87 Mt for 2021-22, generating a stocks-to-use ratio of 4%. Canola prices are estimated at $840/tonne (t) with the market pressured by higher world vegetable oil supplies, a record Brazilian soybean crop and estimates of a large upcoming US soybean crop.

Factors to watch are: (i) weather forecasts across Canada and the US, (ii) potential insect, disease and weed challenges, (iii) The Environmental Protection Agency's June 14 decision establishing Renewable Fuel Standard volumes for 2023, 2024 and 2025, and (iv) world supply and demand fundamentals for rapeseed and other oilseed crops.

For 2023-24, canola area is forecast to rise slightly, to 8.7 million hectares (Mha), as farmers maintain cropping rotations despite attractive prices for wheat and peas and the late 2022-23 crop year deterioration in canola prices. Production is forecast at 18.4 Mt, assuming normal area abandonment and trend yields. Weather conditions across Western Canada early in the growing season continue to be volatile as cold and dry March and April was followed by a near-record hot May. Seasonal forecasts call for a hotter-than-normal summer. Supplies are forecast to increase marginally as tighter carry-in offsets the rise in output.

Stable demand for canola is forecast with domestic crush and exports projected at 9.5 Mt and 8.8 Mt, respectively, on strong world demand for oilseeds, vegetable oils and protein meals. Current crush plant capacity is assumed for the upcoming crop year, if a major canola plant comes on stream in 2023-24, domestic crush is expected to rise to about 10.0 Mt while exports drop to around 8.3 Mt.

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 $680/t versus the five-year average of $725/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 61% 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 $640/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 versus the five-year average of about $710/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 9%. 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 0.2 Mt with soybeans up 0.1 Mt. Domestically, the USDA raised US oilseed production by 0.4 Mt from last month, with supplies up 0.8 Mt, on higher beginning stocks. The USDA left its farm-gate price for soybeans unchanged from May at US$14.20/bushel (bu).

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 compared to last month in its second release of the 2023-24 World Agriculture Supply and Demand Estimates outlook. Soybean production is unchanged from last month at 4.51 billion bushels (Bbu) versus 4.28 Bbu for 2022-23, on steady planted area and higher yields. The yield estimates are based on a weather-adjusted model and assume normal weather. Supplies are up 15 million bushels (Mbu) from last month on increased beginning stocks. US soybean crush and exports are forecast at 2.31 Bbu and 1.98 Bbu, respectively. Ending stocks rise to 0.35 Bbu. The USDA projects the farm-gate price for soybeans at US$12.10/bu, versus US$14.20/bu in 2022-23 and the five-year average of US$11.07/bu.

The Canadian simple average price for soybeans, track Chatham, is forecast to fall by $160/t to $540/t, slightly below the five-year average of $562/t.

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

Dry Peas

For 2022-23, Canada's exports are expected to be sharply higher from 2021-22 at 2.7 million tonnes (Mt) with higher imports from China and Bangladesh. For the August to April period, Canadian exports to the US are at 0.2 Mt, mostly due to a larger US dry pea crop. Carry-out stocks in Canada are expected to be higher than the previous year, despite larger domestic use and improved export demand. The average dry pea price is expected to fall sharply from the record levels in 2021-22, for all dry pea types.

The price premium for green dry pea prices above yellow dry peas has been $45/tonne (t), compared to the $60/t green pea discount observed in 2021-22. During the month of May, the yellow pea farmgate prices fell $35/t while green pea farmgate prices rose $10/t, with expectations for a similar Canadian yellow pea supply in 2023-24.

For 2023-24, Canadian dry pea seeded area is expected to fall 5% from 2022-23 to 1.3 million hectares (Mha) despite good returns from the previous year. By province, Saskatchewan is expected to account for 53% of the dry pea area, Alberta 40%, with the remainder spread across Canada.

Production is expected to decrease to 3.25 Mt due to lower area. Supply is forecast to fall by 3% due to the lower production estimate. Exports are forecast to decrease, due to the lower supply, with China and Bangladesh as Canada's top markets. Carry-out stocks are forecast to fall to 0.38 Mt, similar to the long-term average. The average price is expected to be lower than in 2022-23 due to expectations for higher world supply.

In the US, area seeded to dry peas is forecast by the United States Department of Agriculture (USDA) to increase by 9% to 1.0 million acres. This is largely due to an expected rise in North Dakota area. Assuming normal yields and abandonment, US dry pea production is forecast by AAFC to rise by 13% to 0.77 Mt. The US has been successful in exporting small amounts of green dry peas to Canada, the Philippines, China and Yemen. It is expected the US will maintain its market share in 2023-24.

Lentils

For 2022-23, lentil exports are forecast to be sharply higher than 2021-22 at 2.3 Mt. The main markets are India, Turkey and the United Arab Emirates. Carry-out stocks are forecast to decrease. The average price, for all types and grades, is forecast to fall from the record levels in the previous year. This is due to higher carry-out stocks and weaker prices for all types, particularly red types. For the crop year, large green lentil prices are expected to maintain a premium of C$370/t over red lentil prices. During May, Saskatchewan large green lentil prices rose $15/t and red lentil farm gate prices decreased by $5/t.

For 2023-24, area seeded to lentils in Canada is expected to be 8% lower than the previous year at 1.6 Mha, due the sharp fall in farmgate lentil prices in the 2022-23 crop year. Saskatchewan is expected to account for 87% of the lentil area, with the remainder in Alberta and Manitoba. Production is forecast by AAFC to rise by 4% to 2.4 Mt. Supply is expected to fall to 2.6 Mt, as a result of increased production partly offset by lower carry-in stocks. Exports are expected to be lower than in 2022-23 at 2.1 Mt. Carry-out stocks are forecast to rise to 0.2 Mt. The average price is forecast to fall from 2022-23 due to higher world supply with lower prices for the top grades and the assumption of an average grade distribution.

In the US, the area seeded to lentils for 2023-24 is forecast by the USDA at 0.52 million acres, down 21% from 2022-23 due to lower area seeded in Montana. Assuming normal yields and abandonment, US lentil production is forecast by AAFC to rise marginally to 253 thousand tonnes (Kt). The main US export markets for lentils continue to be the EU, Canada and Mexico.

Dry Beans

For 2022-23, dry bean exports are expected to rise to 360 Kt, up 11% from the previous year. The US and the EU remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Mexico. The larger North American supply has resulted in lower prices. This is expected to pressure US and Canadian dry bean prices for the remainder of 2022-23 crop year.

For 2023-24, the area seeded in Canada is forecast to decrease by 14% from 2022-23, mainly because of better potential returns for other crops. By province, Ontario is expected to account for 39% of the dry bean area, Manitoba 45%, Alberta 9%, with the remainder seeded in Saskatchewan, Quebec and the Maritimes. Production is expected to fall to 0.25 Mt. Supply is expected to fall sharply with lower carry-in stocks. Exports are forecast to decrease due to the lower supply. Carry-out stocks are expected to fall. The average Canadian dry bean price is forecast to fall marginally despite lower expected supply in North America, particularly for the white pea bean and pinto types.

In the US, area seeded to dry beans is forecast by the USDA to fall by 2% to 1.23 million acres due to a decrease in area seeded in Nebraska and Minnesota. Assuming normal yields and abandonment, 2023-24 US total dry bean production (excluding chickpeas) is therefore forecast to fall to 1.0 Mt, down 13% from 2021-22.

Chickpeas

For 2022-23, Canadian chickpea exports are expected to rise sharply to a record 235 Kt due to increased export demand from the US, Turkey and the EU. Carry-out stocks are expected to fall sharply. The average price is forecast to be marginally higher when compared to the previous year despite an increase in world chickpea supply.

For 2023-24, the area seeded is expected to increase from 2022-23 due to strong producer returns in the previous year. By province, Saskatchewan is expected to account for the majority of the chickpea area, with the remainder in Alberta. Production is forecast to rise significantly to 170 Kt, with higher yields. Supply is forecast to decrease, as higher production will be buffered by lower carry-in stocks. Exports are forecast to be lower but carry-out stocks are expected to remain unchanged and tight. The average price is forecast to be lower due to higher world supply, with the expectation of an average grade distribution in 2023-24.

US chickpea area for 2023-24 is forecast by the USDA to decrease to just over 0.3 million acres, down 4% from the previous year. Assuming normal yields and abandonment, 2023-24 US chickpea production is therefore forecast by AAFC at 0.2 Mt, up 25% from 2022-23. The US is expected to continue to improve its market share in the EU, Pakistan and Canada.

Mustard Seed

For 2022-23, Canadian mustard exports are forecast to rise sharply to 135 Kt. The US and the EU have been the main export markets for Canadian mustard seed. Carry-out stocks are forecast to increase to 20 Kt. Prices are forecast to fall from the record levels in 2021-22 due to increased carry-out stocks and larger domestic supply for all types but remain historically high.

For 2023-24, the area seeded is expected to rise by 15%, to the highest area since 2004-05, due to high prices from the previous year. By province, Saskatchewan is expected to account for 75% of the mustard seeded area, with 23% seeded in Alberta. Production is forecast by AAFC to rise by 33% to 215 Kt due to higher area and improved yields. Supply is expected to be up sharply, due to higher production and larger carry-in stocks. Exports are expected to fall to 130 Kt and carry-out stocks are forecast to increase and become burdensome. The average price is forecast to be lower than that observed for the previous three years but still historically high.

Canary Seed

For 2022-23, exports are expected to be higher than 2021-22 at 145 Kt. The EU and Mexico have remained the main markets. Carry-out stocks are expected to rise. The average price is forecast to decrease due to rising stocks levels compared to 2021-22.

For 2023-24, the area seeded is expected to increase due to strong returns for competing crops. Production is forecast to rise by 13% and supply is expected to increase as well. Exports are expected to increase from 2022-23 due to the increased supply. Carry-out stocks are expected to rise for the third consecutive year. The average price is forecast to be lower than the 2022-23 level.

Sunflower Seed

For 2022-23, sunflower seed exports are forecast to decrease to 33 Kt due to lower demand from the US. The US and Japan have been Canada's main export markets for sunflower seed. Carry-out stocks are expected to rise as a result. The average Canadian price for sunflower seed is forecast to decrease from 2021-22, with lower oil but higher confectionary type sunflower seed prices.

For 2023-24, the area seeded is expected to fall from 2022-23, due to lower potential returns compared to other crops. Production is forecast to be lower at 80 Kt, assuming average yields, but supply is expected to increase to 250 Kt with higher carry-in stocks. Exports are expected to rise and carry-out stocks are forecast to continue to increase. The average price is forecast to fall from 2022-23 despite expectations for lower North American sunflower seed supply. Weaker oil and confectionery type prices in the US and Canada are expected with lower US soyoil prices.

US sunflower seed area for 2023-24 is forecast by the USDA at 1.36 million acres, down 20% from 2022-23 due to decreased area in North and South Dakota. The area seeded to oil type varieties is expected to fall to 1.20 million acres and the area seeded to confectionery type varieties is forecast to increase to just below 0.16 million acres. Assuming normal yields and abandonment, 2023-24 US sunflower seed production is forecast by AAFC to fall by 26% to below 1.0 Mt.

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

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

June 20, 2023

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g)
	thousand ha		*t/ha*	*thousand tonnes*								*$/t*
Durum												
2021-2022	2,321	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	400
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	400
2023-2024f	8,460	8,291	3.61	29,931	100	33,531	20,000	3,200	4,506	8,531	5,000	370
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	2,150	19,434	2,050	5,800	9,169	14,984	2,400	305
2023-2024f	1,507	1,477	9.70	14,320	2,000	18,720	1,750	5,500	9,254	14,770	2,200	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	340
2023-2024f	1,237	1,030	3.53	3,642	15	4,907	2,550	100	1,156	1,357	1,000	325
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	240
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	2,207	36,386	8,565	6,157	16,786	23,321	4,500	
2023-2024f	5,892	5,266	5.31	27,970	2,047	34,516	7,795	5,957	16,306	22,641	4,080	
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	840
2023-2024f	8,740	8,630	2.13	18,400	100	19,150	8,800	9,500	199	9,750	600	680
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	640
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	540
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	2,942	101,031	46,065	20,947	22,557	45,211	9,755	
2023-2024f	28,054	27,079	3.29	89,196	2,732	101,683	46,445	20,757	21,799	44,243	10,995	

(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

June 20, 2023

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to-Use Ratio	Average Price (d)
	------- *thousand ha* -------		*t/ha*	---------- *thousand metric tonnes* ----------						*%*	*$/t*
Dry Peas											
2021-2022	1,560	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%	450
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%	815
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%	800
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