CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS — *June 14, 2019*

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

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) May outlook report for the 2018-19 crop year and provides a preliminary look at the upcoming 2019-20 crop year. For most crops in Canada, the crop year starts on August 1 and ends on July 31, although for corn and soybeans, the crop year starts on September 1 and ends on August 31.

For 2018-19, total exports of all field crops are expected to increase slightly from the previous crop year to 51.5 million tonnes (Mt) of which nearly 90 percent is grains and oilseeds (G&O) and 10 percent is pulses and special crops (P&SC). From a disposition point of view, exports, domestic use and carry-out stocks are expected to represent about 46, 41 and 13 percent of total supply, respectively. For G&O, carry-out stocks are forecast to decrease marginally to 13.7 Mt, as significantly lower carry-out stocks of wheat and coarse grains are more than offset by the major increase in carry-out stocks of oilseeds. For P&SC carry-out stocks are forecast to decrease due to lower carry-out stocks of peas and lentils. In general, abundant world supplies of grain have pressured world prices but the weak Canadian dollar provides strong support to prices in Canada. In addition, Canada/China trade issues are expected to continue to create uncertainty for the Canadian markets.

For 2019-20, the estimates for areas seeded are based on Statistics Canada's April 24 report on Seeding Intentions, which indicated that the total area seeded to field crops in Canada is expected to be slightly lower than 2018-19. The areas seeded to grains are expected to increase but will be more-than offset by the decrease in the area seeded to oilseeds. Seeding is finished in Western Canada but some corn and soybeans remains to be seeded in Eastern Canada. AAFC's forecasts for areas harvested are based on historical trends. For all crops, average or trend yields have been assumed since the growing season is just beginning and there will be a high degree of variability in temperature/moisture conditions before harvest. However, AAFC is currently forecasting a two percent increase in total production while supply remains fairly flat, due to the significant decrease in imports. Carry-out stocks are forecast to increase by about 13% due to the increase in carry-out stocks of wheat and canola. World grain prices will continue to be pressured by an abundant supply of grain at the global level. However, the impact on grain prices in Canada will continue to be partly mitigated by the low value of the Canadian dollar.

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									
2017-2018	27,149	26,337	3.26	85,794	2,504	102,577	45,408	43,420	13,750
2018-2019f	27,820	26,861	3.20	86,002	3,770	103,522	45,850	43,967	13,705
2019-2020f	27,808	26,768	3.28	87,888	1,962	103,554	44,710	43,119	15,725
Total Pulse And Special Crops									
2017-2018	3,927	3,897	1.90	7,419	211	8,373	5,365	1,337	1,670
2018-2019f	3,629	3,552	1.88	6,674	212	8,556	5,611	1,478	1,467
2019-2020f	3,567	3,505	1.96	6,872	160	8,499	5,510	1,604	1,385
All Principal Field Crops									
2017-2018	31,076	30,233	3.08	93,213	2,715	110,950	50,773	44,757	15,420
2018-2019f	31,449	30,413	3.05	92,676	3,982	112,078	51,461	45,445	15,172
2019-2020f	31,375	30,273	3.13	94,760	2,122	112,053	50,220	44,723	17,110

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecast by AAFC except for area, yield and production for 2018-2019 and area seeded for 2019-2020 which are STC

Durum

For 2018-19, Canadian durum supply increased by 6% from 2017-18 to 7.18 million tonnes (Mt). Exports are forecast to increase by 1% to 4.4 Mt. Carry-out stocks are forecast to rise by 19% to 1.7 Mt, 20% higher than the past five year average of 1.42 Mt. The forecast for exports was raised by 0.2 Mt and the forecast for carry-out stocks was reduced by 0.2 Mt from the May report.

World durum production increased by 1.7 Mt from 2017-18 to 38.1 Mt, according to the International Grains Council (IGC). Supply rose by 0.9 Mt to 47.3 Mt. Use is expected to increase by 0.5 Mt to 37.7 Mt. Carry-out stocks are forecast to increase by 0.4 Mt to 9.6 Mt. Durum production in the US increased to 2.1 Mt from 1.49 Mt.

The average crop year producer price for durum in Canada is forecast to fall from 2017-18 due to higher world, Canadian and US supply.

For 2019-20, the area seeded to durum is expected to decrease by 19% from 2018-19, according to Statistics Canada's survey. Saskatchewan is expected to account for 84% of the seeded area and Alberta for 16%.

Production is forecast to decrease by 10% to 5.15 Mt, as the lower area is partly offset by a return to average yields from the below average yields of 2018-19. Supply is expected to decrease by 4%, as the lower production is partly offset by higher carry-in stocks. Exports are forecast to increase by 7% to 4.7 Mt due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 24% to 1.3 Mt, 0.2 Mt lower than in the May report.

World durum production is forecast by IGC to fall by 1.5 Mt from 2018-19 to 36.6 Mt, while supply decreases by 1.1 Mt to 46.2 Mt. Use is expected to decrease by 0.1 Mt to 37.6 Mt, as higher food use is more than offset by lower feed use. Carry out stocks are forecast to fall by 1 Mt to 8.6 Mt, the lowest since 2014-15. The United States Department of Agriculture (USDA) is estimating a 31% drop from 2018-19 for US durum seeded area. This would result in a 0.6 Mt fall in production to 1.5 Mt, assuming average yields.

The average Canadian crop year producer price for durum is forecast to rise from 2018-19 due to lower world, Canadian and US supply and stronger export demand.

Wheat (excluding durum)

For 2018-19, Canadian wheat supply rose by 2% from 2017-18 to 30.6 Mt. Exports are forecast to rise by 8% to 19 Mt. Carry-out stocks are forecast to fall by 17% to 3.7 Mt, 35% lower than the past five year average of 5.72 Mt and the lowest since 2007-08. The exports forecast was raised by 0.2 Mt and the carry-out stocks forecast reduced by 0.2 Mt from the May report.

World all wheat (including durum) production decreased by 30 Mt to 732 Mt, according to USDA. Supply fell by 11 Mt to 1,013 Mt. Total use is expected to fall by 7 Mt to 736 Mt. Carry-out stocks are forecast to fall by 4 Mt to 277 Mt. Excluding China, world all wheat stocks are expected to fall by 13 Mt to 137 Mt.

In the US, all wheat production increased by 4 Mt to 51.3 Mt, according to USDA. Supply rose by 1.2 Mt to 85 Mt. Domestic use is estimated to fall by 0.2 Mt and exports are expected to increase by 1.3 Mt. Carry-out stocks are forecast to rise by 0.1 Mt to 30 Mt.

The average crop year producer prices for wheat in Canada for 2018-19 are forecast to increase from 2017-18, because of the lower world supply and strong export demand.

For 2019-20, the area seeded to wheat in Canada is expected to increase by 11% from 2018-19, according to Statistics Canada. Although the winter wheat area seeded last fall decreased by 4%, there was less damage during the winter, resulting in a 2% increase for the winter wheat area remaining in the spring. The spring wheat area is expected to increase by 12%.

Expected seeded area by class of wheat, with 2018-19 area in brackets: winter (hard red, soft red and soft white) 545 thousand hectares (Kha) (565); Canada Western Red Spring (CWRS), premium quality hard wheat, 3,925 Kha (5,963); Canada Northern Hard Red Spring (CNHR) 2,978 Kha (302); Canada Prairie Spring (CPS) 567 Kha (377); soft white spring (CWSWS) 126 Kha (119), other western spring wheat 104 Kha (121), eastern spring wheat, mainly hard red spring (CERS), 146 Kha (124).

Saskatchewan is expected to account for 44% of the wheat area, Alberta 33%, Manitoba 16%, Ontario 5%, Quebec 1%, with the remaining 1% in the Maritimes and BC.

Production is projected to rise by 10% to 28.7 Mt. Supply is forecast to increase by 6%, as lower carry-in stocks partly offset the increase in production. Exports are forecast to be unchanged at 19 Mt. Although Canada will have more wheat to export, there will be more competition from other exporters because of higher production, which is expected to limit Canadian exports. Carry-out stocks are forecast to increase by 46% to 5.4 Mt, 0.2 Mt lower than in the May report.

World all wheat (including durum) production is forecast to increase by 49 Mt to 781 Mt, while the supply increases by 45 Mt to 1,057 Mt, according to USDA. Total use is expected to increase by 27 Mt to 763 Mt. Carry out stocks are forecast to rise by 17 Mt to 294 Mt. Excluding China, world all wheat stocks are expected to increase by 11 Mt to 148 Mt.

US all wheat production is forecast to rise by 0.5 Mt from 2018-19 to 51.8 Mt, according to USDA. Supply is expected to increase by 0.6 Mt to 85.6 Mt due to higher carry-in stocks. Domestic use is forecast to increase by 1.8 Mt, while exports decrease by 1.4 Mt. Carry out stocks are forecast to decrease by 0.8 Mt to 29.2 Mt.

Average Canadian producer prices for wheat for the crop year are forecast to fall from 2018-19 because of the higher world, US and Canadian supply.

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Coarse Grains

Barley

For 2018-19, the supply of barley in Canada fell by 4% from 2017-18 to 9.7 million tonnes (Mt). Exports are forecast to increase by 5% to almost 3.0 Mt. Total domestic use is expected to decrease mainly on lower feed use, waste and dockage (FWD). Carry-out stocks are forecast to drop by 28% to 0.9 Mt, which is 44% lower than the past five year average.

World barley production for 2018-19 is estimated at the lowest level in six years, according to USDA. Carry-out stocks will be historically low, including a steep decline in major exporters. Due to lower imports by China and Saudi Arabia, world trade is expected to decrease. Amid tight supplies, world prices for feed barley have been very strong, compared to corn prices. Combined with abundant supplies of corn worldwide, corn has been used as an alternative crop for feed barley in some countries.

As a result of lower supplies and strong demand, the feed barley price at Lethbridge is forecast at $255/t, about 12% higher than last year. The average Prairie malt price is 17-24% higher than last year.

For 2019-20, the area seeded to barley in Canada is forecast to increase by 10% from 2018-19, due to high barley prices and tight carry-in stocks. Production is forecast to increase by 12% to 9.4 Mt while total supply to increase by 7% to 10.3 Mt. Exports are forecast to decrease by 7% due to the production recovery in the world major exporters and a return to normal trade patterns. Total domestic use is expected to rise due to higher feed use in cattle and hog production. Owing to higher supplies, barley carry-out stocks are forecast to increase by about 60% to 1.5 Mt. This is about 5% higher than the previous five-year average.

The Lethbridge cash feed barley price is expected to increase from the level in 2018-19 due to higher US corn prices in 2019-20.

In this spring, the seeding progress of barley on the Prairies has been well ahead of normal due to ongoing dry weather, but rain will be needed for crop germination and development.

The USDA expects world barley production for 2019-20 to increase to the highest level in most recent 10 years, largely due to higher production from the world major exporters. World trade is projected to increase, owing to lifted import forecasts for Saudi Arabia, China and Morocco. World carry-out stocks are expected to increase but remain low. Large corn inventories will put pressure on barley prices.

Corn

For 2018-19, Canadian corn supply is expected to increase by 3% from 2017-18 to 18.8 Mt, as significantly higher imports more-than offset lower production and carry-in stocks. Imports are expected to increase due to lower supplies of good quality corn crop in Eastern Canada and the tight supply of barley in Western Canada. Exports are expected to increase owing to higher deliveries to EU. Total domestic use is expected to increase mainly on higher feed use. Carry-out stocks are forecast to drop by 9% to 2.2 Mt.

The 2018-19 corn price at Chatham is forecast to average at $185/t which is 6% higher than last year. This is due to higher US corn prices and the weak Canadian dollar. However, strong competition from South America in the international export markets has been continuing to pressure US corn prices lower.

World corn production for 2018-19 is expected to be the second-largest in history, mainly due to larger production prospects from South America, according to USDA. World carry-out stocks will drop but still be high. World trade will be a new high, owing to higher import forecasts for EU, China, Mexico and Saudi Arabia.

According to USDA, US corn production and supply were slightly lower than last year. Carry-out stocks are expected to decrease but remain historically high. The average US farm price is forecast at US$3.60/bu which is equivalent to C$187/t.

For 2019-20, the seeded area for corn in Canada is forecast to increase by 5% from 2018-19. Production is expected to rise by 5% to 14.6 Mt. Imports are expected to decrease significantly due to higher domestic production of corn and barley. Owing to lower carry-in stocks and imports, total supply is forecast to decrease. Exports are forecast to decrease on lower deliveries to the EU. Total domestic use is forecast to decrease slightly. Carry-out stocks are forecast to decline on lower projection of total supply, and will be the lowest in the recent five years.

The Chatham corn price is expected to increase by 5% to $195/t due to an increase in US corn prices for 2019-20 projected by USDA. The weak Canadian dollar will continue to provide support to corn prices in Canada.

US corn area for 2019-20 is projected to increase slightly due to unfavorable seeding conditions, despite lower soybean area, according to USDA. Combined with lowered yield projection, the production is expected to reduce for four consecutive years. As a result, the average of farm prices of corn in the US is expected to increase to US$3.80/bu which is equivalent to about C$197/t. This is supportive for grain prices.

The 2019 spring in the US has been extremely wet and cold, which has severely delayed the spring crop sowing and the crop emergence. The soggy field conditions and delayed crop emergence have raised the potential for below-trend yields.

World corn production for 2019-20 is forecast to decline, mainly due to decreased production projections for the US and Ukraine, according to USDA. Total use is projected to be the highest ever, while carry-out stocks are projected to be the lowest in recent five years. World trade activity is expected to be the most active ever, with higher exports from Argentina, Brazil and Russia.

Oats

For 2018-19, Canadian oat supply decreased by 5% from 2017-18 to 4.2 Mt. Exports are forecast to decrease slightly. Mainly owing to lower supply, carry-out stocks are forecast to drop by 36% to 0.5 Mt; it is 41% lower than the previous five-year average.

Oat price in Canada is forecast to increase from last year, due to higher US oat futures prices and continuing support from weak Canadian dollars.

For 2019-20, the area seeded to oats in Canada is forecast to increase by 8% from 2018-19, due to good prices and tight carry-in stocks. Total supply is expected to decrease by 3% to 4.1 Mt, as higher production is projected to be more than offset by lower carry-in stocks.

Exports for 2019-20 are expected to remain at the same level as 2018-19. Total domestic use is forecast to decrease by 8%, largely due to lowered use for feed, waste and dockage. Carry-out stocks are forecast to be tight and remain at the same level as 2018-19.

Oat prices for 2019-20 in Canada are expected to increase from 2018-19, due to expectations for tightening domestic supply balance for 2019-20 and supports of higher US corn prices.

The dryness on the Prairies has helped oat seeding, but more precipitation will be needed for crop germination and development.

For 2019-20, the area seeded to oats in the US is projected to decrease slightly from 2018-19, according to USDA. The production is expected to increase on higher trend yield. Imports are forecast to rise significantly.

Rye

For 2018-19, Canadian rye supply decreased by 29% from 2017-18 to 362 thousand tonnes (Kt). Exports are forecast to decrease by 23%. Total domestic use is expected to decrease on lower industrial use. Because of tight supply, carry-out stocks are forecast to drop by 60% to 50 Kt, the lowest in the recent three years.

The average price of rye in Canada is forecast to be significantly higher than last year due to smaller North American rye crop. In Saskatchewan, the average price of rye is expected to average $245/t, up

almost 51% from last year and the highest level ever recorded.

For 2019-20, the area seeded to rye in Canada is forecast to increase by 28% from 2018-19. Production is expected to rise to 351 Kt. Total supply is forecast to increase on expectations for higher production. Rye exports are forecast to increase due to a bigger supply. Total domestic use is forecast to increase due to higher industrial use. Carry-out stocks are forecast to increase to 70 Kt.

Rye prices for2019-20 in Canada are forecast to decrease from 2018-19 but remain strong.

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Canola

For 2018-19, canola supplies are estimated at almost 23.0 million tonnes (Mt), up 1% from last year as higher carry-in stocks and imports moderate the drop in production. Canada's canola crush estimate is unchanged from last month, at 9.25 Mt, based on the current crush pace. Canola oil production is estimated at 4.0 Mt with canola meal output expected to reach 5.2 Mt, unchanged from 2017-18.

Canada's export estimate for canola is unchanged from the May report at 9.3 Mt, versus 10.7 Mt for 2017-18, based on the weekly export pace. Canola exports are currently about 1.0 Mt behind last year's pace, based on CGC weekly statistics and averaged about 0.18 Mt a week for the month of May.

The carry-out stocks estimate is unchanged from the May report at 3.9 Mt versus 2.5 Mt for 2017-18. The stocks-to-use ratio is estimated at 20%, up from the 12% reached in 2017-18 and the 10-year average of 13%. Canola prices were raised by $5/t from the May release and are forecast at $490/t to $510/t for 2018-19.

For 2019-20, farmers intend to seed 8.6 million hectares (Mha) to canola compared to the 9.2 Mha planted last year. Production is forecast at 18.9 Mt, assuming normal yields. Total supplies of canola are forecast to fall marginally to 22.9 Mt, as sharply higher carry-in stocks more-than offset the drop in production.

The export forecast was raised from the May report to 9.0 Mt on support from the current export pace, a seasonal weather market rally in early June 2019 and expectations of a sharp rise in prevent plantings across key US growing regions following excessive rainfall and widespread flooding. Exports are forecast to remain constrained, assuming no normalization of agricultural trade between China and Canada. The export forecast remains highly uncertain and any change directly affects the carry-out stock estimate. Domestic crush is forecast steady at 9.25 Mt as the industry continues to operate at near full capacity.

The carry-out stock forecast was lowered by 1.0 Mt from last month to 4.3 Mt, generating a stocks-to-use ratio of 23%. The record stocks-to-use ratio for Canadian canola was 30%, reached in 1988-89. Canola prices are forecast to decrease slightly to $460-500/t, with underlying support provided by the weak value of the Canadian dollar.

Flaxseed

For 2018-19, the supply estimate is unchanged from the May report at 0.63 Mt. Compared to last year, exports are forecast to fall to 0.40 Mt while total domestic use declines to 0.14 Mt on lower feed, waste and dockage. Carry-out stocks are forecast to decrease to 0.09 Mt. Flaxseed prices are estimated at $490-510/t, up from 2017-18.

For 2019-20, seeded area for flaxseed in Canada is forecast to increase to 0.40 Mha, on comparatively good prices versus alternate field crops. Production is forecast to rise to 0.60 Mt, assuming a normal abandonment and harvested area and 5-year average yields. Supply is forecast to increase slightly as higher output exceeds the slight drop in carry-in stocks.

Exports are forecast to rise to 0.50 Mt while total domestic use falls due to lower feed, waste and dockage. Carry-out stocks are forecast unchanged at 0.09 Mt. Flaxseed prices are forecast at $480-520/t.

Soybeans

For 2018-19, total supplies are estimated at 8.9 Mt, up from last year on sharply higher carry-in stocks and imports which more-than-offsets the drop in output. Exports are estimated at 5.2 Mt, higher than the 4.9 Mt shipped in 2017-18. Soybean crush is estimated up marginally from last year to 2.0 Mt. Carry-out stocks are projected at 0.67 Mt, up slightly from last year. Soybean prices are forecast to fall to $390-410/t versus $434/t for 2017-18.

For 2019-20, the planted area is estimated down by 11% from last year, to 2.29 Mha, on low prices and dry growing conditions across Western Canada. Production is forecast to fall to 6.5 Mt due to the drop in area and lower yields.

Total supply is forecast to decrease by 15% to 7.6 Mt, resulting in a 13% drop in exports to 4.5 Mt. Exports are destined for a diverse group of countries. Domestic processing is forecast to decrease slightly to 1.9 Mt, on stable domestic soyoil consumption. Carry-out stocks of soybeans are forecast to tighten to 0.62 Mt from 0.67 Mt in 2018-19. Soybean prices are forecast to fall to $370-410/t due to lower US soybean prices. A stable Canadian/United States currency exchange rate is forecast.

Factors to watch are: (1) the severity of excess rainfall and the extent of flooding across the US, (2) cool and dry growing conditions across Western Canada, cool and wet across the eastern provinces, (3) US and Canadian crop conditions and (4) weather related price volatility.

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Dry Peas

For 2018-19, Canada's exports are expected to increase marginally from 2017-18 to 3.1 million tonnes (Mt) due to increased demand from China and Bangladesh. For the August to April period, Canadian exports to the US are below last year's level, largely due to a larger US dry pea crop. Carry-out stocks in Canada are expected to fall sharply, due to increased domestic use and similar export demand. The average dry pea price is expected to increase from the price in 2017-18, as lower yellow pea prices have been more than offset by higher green and feed pea prices.

Over the crop year, the price premium for yellow dry pea prices over green dry peas is expected to average $135/t, compared to the $40/t premium observed in 2017-18. During the month of May, the yellow pea farmgate prices rose marginally, however, green pea prices fell $10/t, as dry pea seeding progress continued at an average pace.

For 2019-20, Canadian dry pea seeded area is expected to rise by 12% from 2018-19 to 1.6 Mha due to higher returns from the previous year and solid export demand. By province, Saskatchewan is expected to account for 54% of the dry pea area, Alberta 42%, with the remainder seeded across Canada.

Production is expected to increase by 12% to 4.0 Mt due to higher area and similar yields. However, supply is forecast to increase only marginally due to lower carry-in stocks. Exports are forecast to be slightly lower with China and Bangladesh as Canada's top markets. Carry-out stocks are forecast to rise to 0.4 Mt, but similar to the long-term average. The average price is expected to be unchanged from 2018-19 due to expectations for increased domestic and world supply.

In the US, area seeded to dry peas is forecast by the USDA to increase marginally to 0.9 million acres. This is largely due to an expected rise in area in Montana partly offset by a fall in North Dakota area. Assuming normal yields and abandonment, US dry pea production is forecast by AAFC to fall by 3% to 0.7 Mt. The US has been successful in exporting small amounts of green dry peas to Canada, the Philippines and Yemen, and it is expected the US will maintain its market share in 2019-20.

Lentils

For 2018-19, lentil exports are forecast to increase sharply from 2017-18 to 1.8 Mt. The main markets are India, Turkey, the United Arab Emirates and Bangladesh. Total domestic use is forecast to be lower than the previous year at 0.4 Mt. Carry-out stocks are forecast to decrease. The average price, for all types and grades, is forecast to fall sharply due to higher carry-out stocks for large green types and expectations for a large rabi Indian pulse harvest. For the crop year, large green lentil prices are expected to maintain a small premium (C$70/t) over red lentil prices. During May, Saskatchewan large green and red farm gate prices rose by $20/t.

For 2019-20, area seeded to lentils in Canada is expected to decrease by 10% to below 1.4 Mha, due to the sharp decline in farmgate lentil prices in the last half of the 2018-19 crop year. Saskatchewan is expected to account for 91% of the lentil area, with the remainder in Alberta and Manitoba. Production is forecast by AAFC to fall to 2.0 Mt. Supply is expected to fall, to 2.8 Mt, as a result of lower carry-in stocks and production. Exports are expected to be unchanged from 2018-19 at 1.8 Mt. Carry-out stocks are forecast to decrease to 0.5 Mt. The average price is forecast to rise from 2018-19 with higher prices for the top grades with the assumption of an average grade distribution.

In the US, the area seeded to lentils for 2019-20 is forecast by the USDA at 0.55 million acres, down 29% from 2018-19 due to lower area seeded in Montana and North Dakota. Assuming normal yields and abandonment, US lentil production is forecast by AAFC to decrease sharply from 2018-19 to below 300 thousand tonnes (Kt). The main US export markets for lentils continue to be the EU, Canada, India and Mexico.

Dry Beans

For 2018-19, dry bean exports are expected to be lower than the previous year. The US and the EU remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Angola. The smaller North American supply is expected to continue to support the majority of US and Canadian dry bean prices for the remainder of 2018-19.

For 2019-20, the area seeded in Canada is forecast to decrease by 8% from 2018-19 because of lower expected returns compared to other crops. By province, Ontario is expected to account for 39% of the dry bean area, Manitoba 32%, Alberta 18%, with the remainder seeded in Saskatchewan, Quebec and the Maritimes. Production is expected to fall to 0.31 Mt. Supply is still expected to increase by large carry-in stocks. Exports are forecast to rise marginally due to the increased supply. Carry-out stocks are expected to rise. The average Canadian dry bean price is forecast to be largely unchanged, due to 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 rise marginally to 1.2 million acres as a rise in area seeded in some of the smaller growing states is partly offset by lower area in Nebraska and North Dakota. Assuming normal yields and abandonment, 2019-20 US total dry bean production (excluding chickpeas) is therefore forecast to fall below 1.1 Mt, down 6% from 2018-19.

Chickpeas

For 2018-19, Canadian chickpea exports are expected to fall to 105 Kt. Increased export demand from Pakistan has been offset by lower demand from the US and Turkey. Carry-out stocks are expected to rise sharply and pressure prices. The average price is forecast to be sharply lower than that for the previous year due to expectations for an increase in world chickpea supply in the last half of the crop year and the first half of the 2019-20 crop year.

For 2019-20, the area seeded is expected to decrease sharply from 2018-19 as a result of the significantly lower farmgate prices witnessed in the previous year. By province, Saskatchewan is expected to account for 82% of the chickpea area, with the remainder in Alberta and British Columbia. Production is forecast to fall significantly to 230 Kt. Supply is forecast to increase due to higher carry-in stocks, but softened by lower imports and production. Exports are forecast to fall marginally and carry-out stocks are expected to increase and remain burdensome. The average price is forecast to fall due to larger world supply, with the expectation of an average grade distribution in 2019-20.

US chickpea area for 2019-20 is forecast by the USDA to decrease to 0.52 million acres, down 40% from the previous year. This is largely due to an expected fall in area in Idaho, North Dakota and Washington. Assuming normal yields and abandonment, 2019-20 US chickpea production is therefore forecast by AAFC at 0.33 Mt, down 43% from 2018-19. The US is expected to continue to hold on to its market share in the EU, Pakistan and Canada.

Mustard Seed

For 2018-19, Canadian mustard exports are forecast to remain unchanged at 112 Kt. The US and the EU have been the main export markets for Canadian mustard seed. Carry-out stocks are forecast to increase. Prices are forecast to fall from 2017-18 due to increased carry-out stocks, particularly for yellow and brown types.

For 2019-20, the area seeded is expected to decrease due to lower prices from the previous year. By province, Saskatchewan is expected to account for nearly 78% of the mustard seeded area, with 21% seeded in Alberta and the remainder in Manitoba. Production is forecast by AAFC to decrease by 14% to 150 Kt due to lower expected area and average yields. Supply is expected to fall only marginally, due to higher carry-in stocks. Exports are expected to rise to 120 Kt and carry-out stocks are forecast to be lower than the previous year. The average price is forecast to be lower than that observed for the previous year.

Canary Seed

For 2018-19, exports are expected to be lower than 2017-18. The EU and Mexico have remained the main markets. Carry-out stocks are expected to tighten. The average price is forecast to increase compared to 2017-18.

For 2019-20, the area seeded is expected to increase due to higher returns for canary seed relative to other crops. Production is forecast to rise by 6% but supply is expected to decrease. Exports are expected to decrease from 2018-19 due to lower supply. Carry-out stocks are expected to remain tight. The average price is forecast to be slightly lower than the 2018-19 level.

Sunflower Seed

For 2018-19, sunflower seed exports are forecast to increase to 24 Kt due to higher demand from the US. The US and Japan have been Canada's main export market for sunflower seed. Carry-out stocks are expected to rise. The average Canadian price for sunflower seed is forecast to decrease marginally from 2017-18, despite higher confectionery type and oil type sunflower seed prices. The decrease was due to a higher percentage of the lower priced oilseed types crops grown in 2018-19, compared to the previous year.

For 2019-20, the area seeded is expected to be unchanged from 2018-19 due to similar potential returns compared to other crops. Production is forecast to be similar at 57 Kt, assuming average yields. However, supply is expected to increase only marginally to 119 Kt. Exports are expected to fall and carry-out stocks are forecast to increase. The average price is forecast to rise from 2018-19 due to expectations for lower North American sunflower seed supply and stronger confectionery type prices in the US and Canada.

US sunflower seed area for 2019-20 is forecast by the USDA to rise to 1.35 million acres, up marginally from 2018-19 due to increased area in North Dakota. The area seeded to oil type varieties is expected to rise to 1.2 million acres and the area seeded to confectionery type varieties is forecast to increase to 0.15 million acres. Assuming normal yields and abandonment, 2019-20 US sunflower seed production is forecast by AAFC to fall by 4% to just above 0.8 Mt.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

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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												
2017-2018	2,106	2,088	2.38	4,962	8	6,798	4,342	201	587	1,030	1,426	265
2018-2019f	2,503	2,456	2.34	5,745	15	7,185	4,400	205	683	1,085	1,700	225-235
2019-2020f	2,032	1,990	2.59	5,150	15	6,865	4,700	205	444	865	1,300	230-260
Wheat Except Durum												
2017-2018	7,020	6,895	3.63	25,022	75	30,125	17,577	3,638	3,647	8,065	4,483	240
2018-2019f	7,570	7,425	3.50	26,024	70	30,578	19,000	3,500	3,516	7,878	3,700	240-250
2019-2020f	8,390	8,225	3.49	28,700	75	32,475	19,000	3,600	3,629	8,075	5,400	220-250
All Wheat												
2017-2018	9,126	8,983	3.34	29,984	82	36,923	21,919	3,839	4,234	9,095	5,909	
2018-2019f	10,073	9,881	3.22	31,769	85	37,763	23,400	3,705	4,199	8,963	5,400	
2019-2020f	10,422	10,215	3.31	33,850	90	39,340	23,700	3,805	4,073	8,940	6,700	
Barley												
2017-2018	2,334	2,114	3.73	7,891	59	10,072	2,823	62	5,716	6,005	1,244	227
2018-2019f	2,628	2,395	3.50	8,380	40	9,664	2,950	86	5,478	5,814	900	250-260
2019-2020f	2,895	2,605	3.59	9,352	40	10,292	2,750	111	5,756	6,092	1,450	250-280
Corn												
2017-2018	1,447	1,406	10.02	14,096	1,699	18,291	1,936	5,146	8,776	13,938	2,417	174
2018-2019f	1,468	1,431	9.70	13,885	2,500	18,802	2,100	5,200	9,285	14,502	2,200	175-195
2019-2020f	1,536	1,497	9.74	14,582	1,300	18,082	1,750	5,250	9,066	14,332	2,000	180-210
Oats												
2017-2018	1,295	1,052	3.55	3,733	14	4,450	2,365	109	1,094	1,307	778	218
2018-2019f	1,235	1,005	3.42	3,436	10	4,224	2,350	125	1,138	1,374	500	245-255
2019-2020f	1,332	1,055	3.41	3,598	20	4,118	2,350	125	1,037	1,268	500	260-290
Rye												
2017-2018	144	101	3.38	341	1	507	195	58	119	188	124	162
2018-2019f	136	79	2.99	236	2	362	150	27	120	162	50	240-250
2019-2020f	174	122	2.87	351	2	403	160	44	109	173	70	215-245
Mixed Grains												
2017-2018	123	54	2.77	149	0	149	0	0	149	149	0	
2018-2019f	144	69	2.82	195	0	195	0	0	195	195	0	
2019-2020f	134	55	2.82	155	0	155	0	0	155	155	0	
Total Coarse Grains												
2017-2018	5,342	4,727	5.55	26,210	1,773	33,469	7,318	5,375	15,854	21,587	4,564	
2018-2019f	5,610	4,979	5.25	26,132	2,552	33,247	7,550	5,438	16,215	22,047	3,650	
2019-2020f	6,071	5,334	5.26	28,038	1,362	33,049	7,010	5,530	16,122	22,019	4,020	
Canola												
2017-2018	9,313	9,273	2.30	21,328	108	22,778	10,726	9,269	216	9,552	2,499	539
2018-2019f	9,232	9,120	2.23	20,343	125	22,967	9,300	9,250	466	9,767	3,900	490-510
2019-2020f	8,625	8,558	2.21	18,900	100	22,900	9,000	9,250	299	9,600	4,300	460-500
Flaxseed												
2017-2018	421	419	1.33	555	7	802	515	0	145	160	127	463
2018-2019f	347	342	1.44	492	8	627	400	0	126	142	85	490-510
2019-2020f	405	396	1.51	600	10	695	500	0	90	110	85	470-510
Soybeans												
2017-2018	2,947	2,935	2.63	7,717	534	8,606	4,929	1,969	795	3,026	651	434
2018-2019f	2,558	2,540	2.86	7,267	1,000	8,918	5,200	2,000	798	3,048	670	390-410
2019-2020f	2,285	2,265	2.87	6,500	400	7,570	4,500	1,900	350	2,450	620	355-395
Total Oilseeds												
2017-2018	12,681	12,627	2.34	29,600	649	32,186	16,170	11,238	1,156	12,738	3,277	
2018-2019f	12,137	12,001	2.34	28,102	1,133	32,512	14,900	11,250	1,390	12,957	4,655	
2019-2020f	11,315	11,220	2.32	26,000	510	31,165	14,000	11,150	739	12,160	5,005	
Total Grains And Oilseeds												
2017-2018	27,149	26,337	3.26	85,794	2,504	102,577	45,408	20,452	21,243	43,420	13,750	
2018-2019f	27,820	26,861	3.20	86,002	3,770	103,522	45,850	20,393	21,804	43,967	13,705	
2019-2020f	27,808	26,768	3.28	87,888	1,962	103,554	44,710	20,485	20,934	43,119	15,725	

(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 (No. 1 CW, cash, I/S Saskatoon); 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: forecast by AAFC except for area, yield and production for 2018-2019 and area seeded for 2019-2020 which are STC

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

June 14, 2019

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 tonnes*						*%*	*$//t*
Dry Peas											
2017-2018	1,656	1,642	2.50	4,112	12	4,424	3,085	691	648	17	265
2018-2019f	1,463	1,431	2.50	3,581	35	4,264	3,100	864	300	8	260-280
2019-2020f	1,633	1,600	2.50	4,000	15	4,315	3,000	915	400	10	255-285
Lentils											
2017-2018	1,783	1,774	1.44	2,559	35	2,908	1,537	498	873	43	475
2018-2019f	1,525	1,499	1.40	2,092	20	2,985	1,800	410	775	35	375-395
2019-2020f	1,378	1,360	1.47	2,000	20	2,795	1,800	495	500	22	430-460
Dry Beans											
2017-2018	135	131	2.45	322	86	409	351	23	35	9	760
2018-2019f	143	137	2.49	341	90	466	345	31	90	24	805-825
2019-2020f	131	128	2.42	310	80	480	350	25	105	28	800-830
Chickpeas											
2017-2018	68	68	1.49	102	48	151	116	21	13	10	950
2018-2019f	179	176	1.77	311	40	365	105	75	185	103	480-500
2019-2020f	135	133	1.73	230	18	433	100	73	260	150	465-495
Mustard Seed											
2017-2018	156	153	0.80	122	9	211	112	45	53	34	770
2018-2019f	204	197	0.88	174	7	234	112	47	75	47	675-695
2019-2020f	169	165	0.91	150	5	230	120	45	65	39	650-680
Canary Seed											
2017-2018	103	103	1.41	145	0	165	147	6	12	8	465
2018-2019f	86	85	1.39	118	0	130	125	3	2	2	495-515
2019-2020f	93	91	1.37	125	0	127	120	2	5	4	480-510
Sunflower Seed											
2017-2018	26	26	2.26	58	22	105	17	53	35	50	590
2018-2019f	29	27	2.13	57	20	112	24	49	40	55	575-595
2019-2020f	29	28	2.07	57	22	119	20	49	50	73	575-605
Total Pulses and Special Crops (c)											
2017-2018	3,927	3,897	1.90	7,419	211	8,373	5,365	1,337	1,670	25	
2018-2019f	3,629	3,552	1.88	6,674	212	8,556	5,611	1,478	1,467	21	
2019-2020f	3,567	3,505	1.96	6,872	160	8,499	5,510	1,604	1,385	19	

(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: forecast by AAFC except for area, yield and production for 2018-2019 and area seeded for 2019-2020 which are STC