

**CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS***August 21, 2019***Market Analysis Group / Crops and Horticulture Division
Sector Development and Analysis Directorate / Market and Industry Services Branch****Executive Director: Nathalie Durand****Acting Deputy Director: Chris Beckman**

This report is an update of Agriculture and Agri-Food Canada's (AAFC) July outlook for the 2018-19 and 2019-20 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.

For 2018-19, total exports of all field crops increased slightly from the previous crop year to 52.8 million tonnes (Mt), based on preliminary estimates, 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 represent about 47, 40, and 13 percent of total supply, respectively. For G&O, carry-out stocks decreased to 13.1 Mt, on significantly lower carry-out stocks of wheat and coarse grains, which more than offset an increase in carry-out stocks of oilseeds. For P&SC, carry-out stocks decreased due to lower carry-out stocks of peas and lentils. In general, abundant world supplies of grains are pressuring world crop prices but the discounted Canadian dollar is providing strong support to prices in Canada. Ongoing Canada-China trade issues continue to create market uncertainty for Canadian field crops.

For 2019-20, the estimates for areas seeded are based on Statistics Canada's June 26 release of the Seeded Area Survey, indicating a slight decline in the total area seeded to field crops in Canada compared to 2018-19. AAFC's forecasts for areas harvested are based on historical trends. For all crops, average or trend yields are assumed based on a mid-summer improvement in growing conditions as moisture conditions improved in Western Canada on scattered rains while Eastern Canada dried up on a warming of temperatures. AAFC forecasts total production to increase by one percent while supplies fall by 1.4 percent on lower carry-in stocks and imports. Carry-out stocks are forecast to increase by about 9.2% due to the increase in carry-out of coarse grains and dry peas. World grain prices will continue to be pressured by abundant supplies at the global level but the impact on grain prices in Canada will continue to be mitigated by the low value of the Canadian dollar.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded --- <i>thousand hectares</i>	Area Harvested --- <i>thousand hectares</i>	Yield <i>t/ha</i>	Production	Imports	Total Supply <i>thousand tonnes</i>	Exports	Total Domestic Use	Carry-out Stocks
Total Grains And Oilseeds									
2017-2018	27,149	26,336	3.26	85,794	2,504	102,577	45,408	43,420	13,750
2018-2019f	27,820	26,861	3.20	86,002	3,870	103,622	46,775	43,792	13,055
2019-2020f	27,561	26,361	3.29	86,686	2,247	101,987	45,320	42,612	14,055
Total Pulse And Special Crops									
2017-2018	3,927	3,897	1.90	7,419	211	8,373	5,365	1,342	1,665
2018-2019f	3,629	3,552	1.88	6,674	250	8,589	6,001	1,499	1,114
2019-2020f	3,841	3,755	1.97	7,380	160	8,654	5,620	1,614	1,420
All Principal Field Crops									
2017-2018	31,076	30,233	3.08	93,213	2,715	110,950	50,773	44,762	15,415
2018-2019f	31,449	30,413	3.05	92,676	4,120	112,212	52,776	45,291	14,169
2019-2020f	31,402	30,116	3.12	94,066	2,407	110,641	50,940	44,226	15,475

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

All Wheat

Durum

For 2018-19, Canadian durum exports are forecast to increase by 4% from 2017-18 to 4.5 million tonnes (Mt). Carry-out stocks are forecast to rise by 12% to 1.6 Mt, 13% higher than the past five year average of 1.42 Mt.

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

For 2019-20, the area seeded to durum decreased by 21% from 2018-19, according to Statistics Canada's survey. Saskatchewan accounts for 84% of the seeded area and Alberta for 16%.

Production is forecast to decrease by 11% to 5.1 Mt, as the lower area is partly offset by a return to average yields from the well below average yields of 2018-19. Supply is expected to decrease by 7%, as the lower production is partly offset by higher carry-in stocks. Exports are forecast to increase by 4% to 4.7 Mt due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 25% from 2018-19 to 1.2 Mt. The production forecast is 0.1 Mt higher than in the July report, because of improved crop conditions, and the carry-out stocks forecast is 0.1 Mt higher.

World durum production is forecast by IGC to fall by 1.6 Mt from 2018-19 to 36.5 Mt, while supply decreases by 1.4 Mt to 45.9 Mt. Use is expected to fall by 0.3 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 1.2 Mt to 8.2 Mt, the lowest since 2014-15. The United States Department of Agriculture (USDA) is forecasting US durum production at 1.56 Mt, down 0.54 Mt from 2018-19.

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 exports are forecast to rise by 9% from 2017-18 to 19.2 Mt. Carry-out stocks are forecast to fall by 20% to 3.6 Mt, 37% lower than the past five year average of 5.72 Mt and the lowest since 2007-08.

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

For 2019-20, the area seeded to wheat in Canada increased by 7.5% from 2018-19, according to Statistics Canada. Saskatchewan accounts for 44% of the wheat area, Alberta 33%, Manitoba 16%, Ontario 5%, Quebec 1%, with the remaining 1% in the Maritimes and BC.

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, 6,679 Kha (5,963); Canada Prairie Spring (CPS) 366 Kha (377), Canada Northern Hard Red Spring (CNHR) 210 Kha (302); soft white spring (CWSWS) 134 Kha (119), other western spring wheat 78 Kha (121), eastern spring wheat, mainly hard red spring (CERS), 129 Kha (124).

Production is projected to rise by 5% to 27.4 Mt, as the higher seeded area is partly offset by higher abandonment for winter wheat because of winter damage. Supply is forecast to increase by only 2%, as lower carry-in stocks partly offset the increase in production. Exports are forecast to decrease by 2% to 18.9 Mt, as more competition is expected from other exporters because of higher production. Carry-out stocks are forecast to increase by 19% to 4.3 Mt. The production forecast is 0.4 Mt higher than in the July report, because of improved crop conditions, and the carry-out stocks forecast is 0.3 Mt higher.

World all wheat (including durum) production is forecast to increase by 37 Mt to 768 Mt, while the supply increases by 32 Mt to 1,044 Mt, according to USDA. Total use is expected to increase by 22 Mt to

758 Mt. Carry out stocks are forecast to rise by 10 Mt to 285 Mt. Excluding China, world all wheat stocks are expected to increase by 5 Mt to 140 Mt.

US all wheat production is forecast to rise by 2.6 Mt from 2018-19 to 53.9 Mt, according to USDA. Supply is expected to increase by 1.9 Mt to 86.7 Mt. Domestic use is forecast to increase by 2.4 Mt, while exports increase by 1 Mt. Carry out stocks are forecast to decrease by 1.6 Mt to 27.6 Mt.

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

Stan Skrypetz: Wheat Analyst
stan.skrypetz@canada.ca

Barley

For 2018-19, Canadian barley exports are expected to increase from 2017-18 and reach an all-time high since 2008. China is the main destination for Canadian barley grain exports, although it has reduced barley imports from Canada in 2018-19. However, the decline in exports to China is expected to be more than offset by higher exports to other countries as Canada diversified its destination countries. Malt exports are expected to show a slight decline but remain stable. Total domestic use is expected to decrease, primarily due to reduced feed use. Carry-out stocks are expected to fall to the lowest level ever. The average feed barley price in Lethbridge feedlots is finalized at \$260/t, an increase of 15% from 2017-18. The average Prairie malt barley prices are 19-23% higher than in 2017-18.

For 2019-20, the area seeded to barley in Canada increased by 14% from 2018-19 to almost 3.0 million hectares (Mha), according to Statistics Canada. The provinces of Alberta and Saskatchewan accounted for most of the increase. Using average yields and average abandonment rate for harvested area, production is expected to increase and largely offset the decline in carry-in stocks. A large barley supply is expected for this year, which will support exports, ease domestic feed supply tightness and replenish carry-out stocks.

The average price of feed barley in Lethbridge feedlots for 2019-20 is forecast to decrease from 2018-19 on an abundant domestic and world supply expected for 2019-20. Supportive factors include strong US corn prices expected for 2019-20 and uncertain production prospects for new barley and hay crops, as well as worries about pasture development across the Prairie Provinces.

World barley production for 2019-20 is projected to rise to its highest level in ten years, largely due to improved output from the world's major exporters, according to USDA. World trade is projected to rise. Deliveries to Saudi Arabia, China and Morocco are expected to increase. World carry-out stocks are expected to increase to the highest level in the recent three years but remain low.

Corn

For 2018-19, corn imports are expected to increase significantly from 2017-18. Eastern Canada and Western Canada increased imports by 13% and 81% respectively in the first ten months of 2018-19. Exports are expected to reach record high due to increased deliveries to the EU. An increase in total domestic use, combined with strong export demand, is expected to drag down carry-out stocks from 2017-18. The average price of corn in Chatham elevators is estimated to be up from last year due to higher US corn prices and the weak Canadian dollar.

For 2019-20, the planted area for corn in Canada increased slightly from 2018-19 with the provinces of Ontario and Manitoba contributing most of the increase, according to Statistics Canada. Production is expected to rise slightly assuming normal yields and abandonment rate for harvested area. Imports are expected to decrease significantly due to higher domestic production of corn and barley. Combined with lower carry-in stocks, supply is forecast to decrease. Exports are forecast to decrease on lower deliveries to the EU. Total domestic use is forecast to decrease slightly on lower feed use. Carry-out stocks are forecast to decline on smaller supply.

The average price of corn in Chatham elevators for 2019-20 is forecast to remain at the same level as in 2018-19. Uncertainties about new crop production prospects in the US and Canada are still a concern, which will support prices.

US corn production for 2019-20 is projected to decrease by 3.6% from 2018-19 owing to a decline in yields, according to USDA's August supply and demand report. The average farmgate price of corn in the US is projected at US\$3.60/bu, unchanged from US\$3.60/bu for 2018-19. Corn production in other major world exporters remains abundant in Argentina and Brazil and is expected to increase in Russia and Ukraine, which should weigh on corn prices.

Oats

For 2018-19, Canadian oat exports are expected to increase by 6% on stable exports of raw oats and products. Carry-out stocks are expected to be near record low as a result of declined domestic supply and strong exports. Oat price in Canada is estimated to increase by 16% from 2017-18.

For 2019-20, the area seeded to oats in Canada increased by 18% from 2018-19 to 1.46 Mha, according to Statistics Canada. The Prairie Provinces, especially Saskatchewan, accounted for most of the increase. Total supply is expected to increase, mainly due to higher production. Exports are projected to remain strong, as larger shipments to the US are expected to be partly offset by smaller exports overseas - assuming larger oat output from the competing oat exporting countries. Carry-out stocks are expected to increase from 2018-19 on higher supply. Canadian oat prices for 2019-20 are projected to decrease from 2018-19 on increased supplies. Uncertainties about 2019 oat production prospects in Canada should provide support to prices.

US oat production for 2019-20 is forecast to increase by 4% over 2018-19, mainly due to higher expected yields, although crop condition for oat in major states has not been ideal. US oat imports are projected to increase by 23%.

Rye

For 2018-19, Canadian rye exports are estimated to decrease by 26% from a year ago, based on the current export pace. Carry-out stocks are expected to fall to the lowest level in three years, mainly due to decreased supply. Rye prices in Canada are estimated to increase significantly from last year, mainly because of the tightness of supply for this year. The average price of rye in Saskatchewan elevators for 2018-2019 increased sharply from last year to \$236/t, the highest level ever recorded.

For 2019-20, the area seeded to rye in Canada increased significantly from 2018-19, according to Statistics Canada. Production and supply are forecast to increase, respectively. Rye exports are forecast to decrease due to lowered estimates of rye delivered to the US and offshore markets, as rye production in the world's major exporters is forecast to increase and world trade is expected to decline. Total domestic use is forecast to increase, mainly due to higher industrial use. Carry-out stocks are forecast to rise on increased supply. The average price of rye in Saskatchewan elevators for 2019-20 is forecast to decrease from 2018-19.

Mei Yu: Coarse Grains

mei.yu@canada.ca

Canola

For 2018-19, Canada's canola crush is preliminarily estimated at 9.25 million tonnes (Mt) with production of canola oil and canola meal estimated at 4.0 Mt and 5.2 Mt, respectively. Canada's initial export estimate is 9.5 Mt, up slightly from last month, versus 10.7 Mt for 2017-18, based on the pace of movement through licensed facilities to-date combined with STC's estimates of canola exports by country.

Carry-out stocks are estimated at 3.7 Mt, down 0.2 Mt from last month, with approximately 1.0 Mt in commercial position and 2.7 Mt stored on farm. Canola prices are tentatively estimated at \$497/t compared to \$539/t last year and the five year average of \$512/t.

For 2019-20, the area seeded to canola fell by 8%, according to Statistics Canada's Seeded Area Survey to the lowest level in 3 years. 55% of the canola area is in Saskatchewan, 28% in Alberta and 15% is located in Manitoba. Production is forecast at 18.6 Mt, assuming a normal rate of crop abandonment and normal yields. After a cool and dry spring, growing conditions improved mid-summer across much of the Prairies on improved moisture and warmer temperatures. Statistics Canada releases its first production estimate for Canadian canola on August 28 largely based on producer surveys.

Total supplies of canola are forecast to fall to 22.4 Mt, down 0.4 Mt from last month and almost 0.6 Mt from last year, as lower output is mostly offset by sharply higher carry-in stocks. Domestic processing of canola is forecast steady at about 9.3 Mt with the industry expected to continue operating at near full capacity. Canola exports are forecast at 9.0 Mt, versus the 5 year average of 10.1 Mt.

Carry-out stocks are forecast to rise marginally, to 3.8 Mt with about 2.8 Mt remaining on farm. Canola prices are forecast to fall slightly to \$460-500/t, with the discounted Canadian dollar providing underlying support.

At the world level, canola-rapeseed production is forecast to fall to a four year low based on an amended USDA outlook. World output is estimated at 68.5 Mt, compared to 70.4 Mt for 2018-19 and 73.2 Mt grown in 2017-18. Australian production is expected to rebound slightly from 2018-19, to 2.6 Mt as the country recovers from drought but output is expected to remain well below the high of 4.3 Mt set in 2016-17. USDA's canola production estimate of 20.1 Mt was amended to bring it in line with AAFC's estimate of 18.6 Mt due to the drop in seeded area north of the 49th parallel. Chinese and Indian rapeseed production is expected to remain roughly steady, at 13.1 Mt and 7.7 Mt, respectively. Rapeseed production in Kazakhstan remains minimal at about 0.3 Mt this year, but production has increased sharply in Russia and Ukraine with output doubling and tripling respectively within the past four years. Canola production in the US is forecast steady at 1.6 Mt for 2019-20.

Flaxseed

For 2018-19, exports are estimated at 0.40 Mt while total domestic use declines to 0.14 Mt on lower feed, waste and dockage versus last year. Carry-out stocks are expected to fall to 0.09 Mt. Flaxseed prices are estimated at \$496/t compared to \$463/t for 2017-18.

For 2019-20, seeded area is estimated at 0.38 Mha, based on Statistics Canada's survey. 84% of the flaxseed area is in Saskatchewan with Alberta and Manitoba, respectively, accounting for 12% and 9% of total area. Production is forecast to rise to 0.56 Mt, assuming normal abandonment 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 to decline by 12% to 0.08 Mt. Flaxseed prices are forecast at \$460-500/t.

Soybeans

For 2018-19, exports are estimated at 5.2 Mt, versus the 4.9 Mt shipped in 2017-18. Soybean crush is expected to increase marginally from last year to 2.0 Mt. Carry-out stocks are estimated at 0.67 Mt, up slightly from last year. Soybean prices declined to \$406/t versus \$434/t for 2017-18.

For 2019-20, planted area is estimated down by 10% from last year, to 2.3 Mha based on Statistics Canada's Seeded Area survey. Production is forecast down by 8% to 6.7 Mt on lower area. Growing conditions improved across the major growing regions in Eastern Canada as a warm and drier July moderated the cold and wet spring. Corn heat units across Ontario are running slightly behind the 30 year average.

Total supply is forecast to decrease by 14% to 7.7 Mt, which is expected to pressure exports by 10%, to 4.7 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 and a shortfall in domestic soy meal supplies filled by imports of US product.

Carry-out stocks of soybeans are forecast to tighten to 0.58 Mt. Soybean prices are forecast to rise to \$380-420/t while a stable Canadian/United States currency exchange rate is forecast.

For 2019-20, the USDA resurveyed farmers and revised its soybean planted area estimate to 76.7 million acres, (mln ac) down from the earlier estimate of 80 mln ac and a sharp drop from the 89.2 mln ac planted in 2018-19. Production is estimated at 3.7 billion bushels, (bln bu) versus the July estimate of 3.9 bln bu and last year's output of 4.5 bln bu. US ending stocks are estimated at 0.76 bln bu, compared to 0.82 bln bu in July and 1.07 bln bu for 2018-19, assuming a slight rise in domestic crush and exports. US soybean prices are projected at US\$8.40/bu, versus July at US\$8.40/bu and US\$8.50/bu for 2018-19 and US\$9.33/bu for 2017-18.

Factors to watch are: (1) state of US-China trade negotiations, (2) US crop ratings, (3) Canadian crop development, and (4) US and Canada export pace.

Chris Beckman: Oilseeds Analyst

Chris.beckman@agr.gc.ca

Dry Peas

For 2018-19, exports are estimated at 3.2 million tonnes (Mt), 4% higher than the 2017-18 level, with record exports to Bangladesh offset by lower exports to China and the US. This combines with stronger domestic use, which is expected to result in a decrease in carry-out stocks. For yellow peas, the crop year average price fell sharply from 2017-18. Green and feed pea prices were higher than the previous year. With lower carry-out stocks, the average dry pea price was higher than last year.

For 2019-20, Canadian dry pea production in Canada is forecast to rise by 20% from 2018-19, to 4.3 Mt. This is largely due to an increase in harvested area. Saskatchewan is estimated to account for 50% of the dry pea production, with 45% in Alberta, 3% in Manitoba, and the remainder in British Columbia and Eastern Canada. Supply is forecast to rise by only 5% to 4.5 Mt due to lower carry-in stocks. Exports are forecast to fall to 3.1 Mt, with China, Bangladesh and the US expected to be Canada's top markets. Carry-out stocks are forecast to increase. The average price is expected to be similar to 2018-19.

In the US, area seeded to dry peas for 2019-20 is forecast by USDA to rise by 18% from 2018-19, to over 1.0 million acres. This is largely due to an expected rise in area in North Dakota and Montana. Assuming a return to normal yields and abandonment, US dry pea production is forecast by AAFC to rise to over 0.8 Mt. The US has been successful in exporting small amounts of dry peas to markets in Canada and the Philippines. It is expected the US will continue to try increasing its share in these markets in 2019-20.

Lentils

For 2018-19, lentil exports rose to 2.0 Mt, up nearly 30% from the previous year. Exports of red lentils were 1.3 Mt while 0.7 Mt were green lentils. The main markets were India, the United Arab Emirates, Bangladesh and Turkey. Total domestic use was lower than 2017-18 at 0.4 Mt. Carry-out stocks decreased to below 0.6 Mt. The average Canadian lentil price was significantly lower than it was for

2017-18. No.1 large green lentil prices maintained an average crop year premium of \$80/t over No.1 red lentil prices.

For 2019-20, lentil production is forecast to rise by 5% to 2.2 Mt, the fifth largest Canadian lentil crop on record. Similar seeded area is expected to be offset by higher yields than the previous year. Total green lentil area fell while red lentil area increased. Saskatchewan is expected to account for 89% of the lentil production, with the remainder in Alberta. Supply, however, is forecast to decrease by 7% due to lower carry-in stocks. Exports are forecast to fall to 1.8 Mt. Carry-out stocks are forecast to fall compared to the previous year. The average price is forecast to rise from 2018-19 due to lower carry-out stocks.

In the US, the area seeded to lentils for 2019-20 is forecast by the USDA to fall by over 30% to 0.5 mln ac, due to lower area seeded in Montana and North Dakota. Assuming a return to average yields and abandonment, 2019-20 US lentil production is therefore forecast by AAFC at below 0.3 Mt, down sharply from last year. The main US export markets for lentils are expected to continue to be Canada, India, China, Mexico and the EU.

Dry Beans

For 2018-19, dry bean exports were similar to 2017-18 despite the higher Canadian supply and higher world prices. The US and the EU remained the main markets for Canadian dry beans, with smaller volumes exported to Japan and Mexico. A favorable exchange rate provided the majority of the support for Canadian dry bean prices in 2018-19.

For 2019-20, Canadian production is forecast to decrease to nearly 0.33 Mt, as mostly unchanged seeded area combines with lower yields. By province, Ontario is expected to account for 36% of the dry bean production, Manitoba 43%, Alberta 16%, with the remainder in Quebec and the Maritimes. Supply is expected to rise with higher carry-in stocks. Exports are forecast to be unchanged from the previous year. Canada is expected to maintain its market share in the US, Europe and

Japan. Despite this, carry-out stocks are expected to rise. The average Canadian dry bean price is forecast to be unchanged due to similar expected supply in North America.

In the US, area seeded to dry beans is forecast by the USDA to rise marginally to 1.3 million acres, largely due to increased area seeded in Michigan and Minnesota. Total US dry bean production for 2019-20 (excluding chickpeas) is forecast by AAFC at 1.1 Mt, unchanged from 2018-19.

Chickpeas

For 2018-19, Canadian chickpea exports have risen from the previous year to 150 thousand tonnes (Kt). This was largely due to record exports to Pakistan. However, the higher supply was not offset enough by increased exports, so carry-out stocks are expected to rise significantly. The average price decreased sharply due to higher world supplies.

For 2019-20, production is forecast to fall to 260 Kt, due to lower area and yields. By province, Saskatchewan is expected to account for 88% of the chickpea production, with the remainder in Alberta. Supply is also forecast to be higher than last year. Exports are forecast to be lower than in 2018-19 and carry-out stocks are expected to rise sharply. The average price is forecast to be similar to 2018-19.

US chickpea area for 2019-20 is forecast by the USDA at 0.56 million acres, down 35% from the previous year. Assuming normal yields and abandonment, 2019-20 US chickpea production is therefore forecast by AAFC at 0.36 Mt, down nearly 40% from last year.

Mustard Seed

For 2018-19, Canadian mustard exports rose marginally to 120 Kt from the previous year due to higher export demand from the US. Carry-out stocks rose due to the increased supply. Prices fell from the previous year for all types, particularly for brown mustard seed types. This was largely due to pressure from the larger Canadian and US domestic stocks.

For 2019-20, production is estimated at 140 Kt, sharply lower than that of last year on a large fall in seeded area and expectations for similar yields. Supply, however, is only expected to decrease by

11%, to 210 Kt, as larger carry-in stocks moderate the fall in output. Exports are expected to be unchanged at 120 Kt, with the US and the EU being the main markets for Canadian mustard seed. Despite this, carry-out stocks are forecast to fall. The average price is forecast to be similar to 2018-19 with a range of \$665-695/t.

Canary Seed

For 2018-19, exports were higher at 155 Kt, up from the previous year. The average producer price increased from a year earlier.

For 2019-20, production is estimated at 105 Kt, down 11% from last year, due to lower area. Supplies are likewise forecast to decrease. Exports are forecast to decrease from 2018-19 due to the fall in supply, with the EU and Mexico continuing to be the main markets, followed by the US and Brazil. The average price is forecast to be similar to 2018-19.

Sunflower Seed

For 2018-19, sunflower seed exports increased to 26 Kt due to increased demand from the US. Despite this, carry-out stocks rose. The total average Canadian price for sunflower seed decreased marginally from the previous year despite higher oilseed and confectionery type prices. This occurred as a result of an increase in the percentage of oilseed type production and a decrease in the percentage of confectionery type production in Canada.

For 2019-20, production is estimated at 48 Kt, down 16% from last year, because area seeded decreased from 2018-19, to 23 thousand hectares. Yields are expected to be higher than last year. Exports are forecast to fall to 20 Kt due to expectations for decreased US demand. The US remains Canada's main export market for sunflower seed, with small amounts moving to the Middle East and South America. Carry-out stocks are forecast to remain unchanged at 40 Kt. Sunflower seed prices are forecast to rise marginally to \$575-605/t, due to higher prices for confectionery seed.

US sunflower seed area is forecast by the USDA at 1.38 million acres, up marginally from 2018-19 due to higher area in North Dakota, the second largest sunflower seed growing state. The total US 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 rise to 0.16 million acres. Assuming normal yields and abandonment, 2019-20 US sunflower seed production is forecast by AAFC to be relatively unchanged at just under 1.0 Mt.

For 2019-20, global supply of sunflower seed is estimated by the USDA at 56.1 Mt, marginally lower than last year. This is due to lower expected production in Russia. World exports are expected to

rise marginally to 2.4 Mt and domestic use is expected to rise marginally to a record 51 Mt. As a result, world carry-out stocks are expected to fall 20% to 2.6 Mt, the lowest since 2011-12. This is expected to be supportive for Canadian oil type sunflower seed prices in 2019-20.

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

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

August 21, 2019

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												
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	4,500	205	688	1,085	1,600	235
2019-2020f	1,980	1,940	2.63	5,100	15	6,715	4,700	205	394	815	1,200	235-265
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	19,200	3,500	3,438	7,778	3,600	245
2019-2020f	8,141	7,845	3.49	27,400	70	31,070	18,900	3,500	3,524	7,870	4,300	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	23,700	3,705	4,126	8,863	5,200	
2019-2020f	10,121	9,785	3.32	32,500	85	37,785	23,600	3,705	3,918	8,685	5,500	
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	3,130	86	5,339	5,684	850	260
2019-2020f	2,996	2,698	3.58	9,654	40	10,544	3,000	111	5,740	6,094	1,450	230-260
Corn												
2017-2018	1,447	1,406	10.02	14,095	1,699	18,291	1,936	5,146	8,776	13,938	2,417	174
2018-2019f	1,468	1,431	9.71	13,884	2,500	18,801	2,200	5,300	9,185	14,501	2,100	190-200
2019-2020f	1,495	1,461	9.77	14,264	1,600	17,964	1,900	5,200	8,848	14,064	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	4,225	2,500	115	1,087	1,325	400	254
2019-2020f	1,459	1,155	3.41	3,938	10	4,348	2,480	115	1,033	1,268	600	225-255
Rye												
2017-2018	144	101	3.39	342	1	507	195	58	119	188	124	162
2018-2019f	136	79	2.99	236	2	362	145	27	125	167	50	236
2019-2020f	175	121	2.90	352	2	403	140	49	120	183	80	210-240
Mixed Grains												
2017-2018	123	54	2.77	149	0	149	0	0	149	149	0	
2018-2019f	144	69	2.83	195	0	195	0	0	195	195	0	
2019-2020f	145	59	2.82	168	0	168	0	0	168	168	0	
Total Coarse Grains												
2017-2018	5,342	4,726	5.55	26,210	1,773	33,469	7,318	5,375	15,853	21,587	4,564	
2018-2019f	5,610	4,979	5.25	26,132	2,552	33,247	7,975	5,528	15,931	21,872	3,400	
2019-2020f	6,270	5,494	5.16	28,376	1,652	33,427	7,520	5,475	15,909	21,777	4,130	
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	9,500	9,250	466	9,767	3,700	497
2019-2020f	8,479	8,413	2.21	18,575	100	22,375	9,000	9,250	299	9,600	3,775	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	496
2019-2020f	379	373	1.50	560	10	655	500	0	60	80	75	460-500
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	1,100	9,018	5,200	2,000	898	3,148	670	406
2019-2020f	2,313	2,296	2.91	6,675	400	7,745	4,700	1,900	370	2,470	575	380-420
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	1,233	32,612	15,100	11,250	1,490	13,057	4,455	
2019-2020f	11,171	11,082	2.33	25,810	510	30,775	14,200	11,150	729	12,150	4,425	
Total Grains And Oilseeds												
2017-2018	27,149	26,336	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	3,870	103,622	46,775	20,483	21,547	43,792	13,055	
2019-2020f	27,561	26,361	3.29	86,686	2,247	101,987	45,320	20,330	20,556	42,612	14,055	

(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

August 21, 2019

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested ----- thousand ha -----	Yield t/ha	Production ----- thousand tonnes -----	Imports (b)	Total Supply ----- thousand tonnes -----	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (d) \$/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	55	4,284	3,200	884	200	5	270
2019-2020f	1,754	1,715	2.51	4,300	15	4,515	3,100	915	500	12	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	25	2,990	2,000	415	575	24	390
2019-2020f	1,530	1,500	1.47	2,200	20	2,795	1,800	495	500	22	400-430
Dry Beans											
2017-2018	135	131	2.45	322	86	409	351	28	30	8	760
2018-2019f	143	137	2.49	341	90	461	350	27	85	22	815
2019-2020f	142	138	2.37	327	80	492	350	32	110	29	800-830
Chickpeas											
2017-2018	68	68	1.49	102	48	151	116	21	13	10	950
2018-2019f	179	176	1.77	311	50	375	150	75	150	67	480
2019-2020f	155	150	1.73	260	18	428	130	78	220	106	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	8	235	120	50	65	38	690
2019-2020f	161	156	0.90	140	5	210	120	45	45	27	665-695
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	155	N/A	N/A	N/A	505
2019-2020f	76	74	1.42	105	0	105	100	0	5	5	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	22	114	26	49	40	53	585
2019-2020f	23	22	2.18	48	22	110	20	50	40	58	575-605
Total Pulses and Special Crops (c)											
2017-2018	3,927	3,897	1.90	7,419	211	8,373	5,365	1,342	1,665	25	
2018-2019f	3,629	3,552	1.88	6,674	250	8,589	6,001	1,499	1,114	15	
2019-2020f	3,841	3,755	1.97	7,380	160	8,654	5,620	1,614	1,420	20	

(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