

CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS

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

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This report is an update of Agriculture and Agri-Food Canada's (AAFC) December outlook report for the 2023-2024 crop year and provides AAFC's preliminary look at the upcoming 2024-2025 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. Uncertainty in the world's grain markets remains above normal as a result of Russian aggression against Ukraine.

For 2023-2024, the outlook incorporates the results of Statistics Canada's (STC) November Farm Survey of crop production, which was released on December 4, 2023, and are the last official estimates for the year. Production of all principal field crops is estimated to have decreased 7.5% from 2022, 2.3% below the 2018-2022 average. The decrease in production can be mostly attributed to drought conditions resulting in a reduction in yields in Western Canada. Prices are projected to decrease for most crops from their 2022-23 levels, as world stocks are expected to improve.

For 2024-2025, rotation considerations, moisture conditions, expected prices and input costs/availability are expected to be the main factors determining seeding decisions in the spring. Based on current market conditions and historical trends, the area seeded to field crops in Canada is forecast to increase marginally in 2024-25. The area seeded to wheat, excluding durum, and oilseeds is expected to decrease by 2.9% and 1.6%, respectively. The area seeded to coarse grains is forecast to increase 2% (largely due to a significant increase in oat hectares), while pulse and special crops acres are expected to increase by 5.3% (mostly on increases in pea and lentil hectares). The average yield and production for most crops is forecast to increase year-over-year based on a return to trend yields, assuming normal weather conditions. As a result, total field crop production and supply are expected to rebound to more normal levels. The projected increase in supply allows for exports to bounce back to average levels, while also contributing to an increase in carry-out stocks.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on February 16, 2024. STC is scheduled to release stocks of principal field crops in Canada as of December 31, 2023, on February 8, 2024. Looking ahead, STC is scheduled to release their first estimates of principal field crop area in Canada for the 2024-25 crop year on March 11, 2024.

Canada: Principal Field Crops Supply and Disposition

	Area Seeded --- thousand hectares ---	Area Harvested	Yield t/ha	Production	Imports	Total Supply ----- thousand tonnes -----	Exports	Total Domestic Use	Carry-out Stocks
Total Grains and Oilseeds									
2022-2023	27,668	26,814	3.38	90,521	2,863	102,448	47,453	45,520	9,475
2023-2024f	28,255	27,253	3.11	84,654	3,292	97,420	43,378	44,747	9,295
2024-2025f	27,950	26,769	3.24	86,666	2,887	98,848	44,433	44,860	9,555
Total Pulse and Special Crops									
2022-2023	3,707	3,649	1.80	6,570	284	7,900	5,637	1,262	1,001
2023-2024f	3,376	3,309	1.88	5,137	297	6,435	4,585	1,200	650
2024-2025f	3,556	3,484	1.79	6,233	267	7,150	4,865	1,225	1,060
All Principal Field Crops									
2022-2023	31,376	30,462	3.19	97,091	3,147	110,347	53,090	46,782	10,476
2023-2024f	31,631	30,563	2.94	89,791	3,589	103,855	47,963	45,947	9,945
2024-2025f	31,506	30,253	3.07	92,899	3,154	105,998	49,298	46,085	10,615

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

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

All Wheat

Durum

For 2023-24, Canadian durum production reached 4.0 million tonnes (Mt), 30% less than the previous year, and 23% less than the five-year average due to persistent dryness in the southwest Prairies. Crop quality, however, is very good with the bulk of the crop graded in the top two grades and testing with an average protein content. According to the Canadian Grain Commission (CGC), as of December 20, 2023, 51% of samples graded as No. 1 CWAD and another 31% as No. 2 CWAD; average protein content is 14.9%, above the long-term average of 14.1%.

Total supply is forecast at 4.5 Mt, down 30% compared to the previous year, constrained further by tight carry-in stocks, which at 0.41 Mt, were 28% lower than the prior year and the lowest since 1985-86. Exports are forecast at 3.2 Mt, 37% less than the previous year, due to the decline in supply and increased competition from Turkey. For the period of August to November 2023, Statistics Canada (STC) puts Canadian durum exports at just under 1.0 Mt, 38% less than the same period last year with decreased shipments to Italy (-75%), the US (-24%) and Algeria (-5%) outweighing increased volumes to Morocco and Nigeria. CGC puts durum shipments, from August to December 31, 2023, at 1.2 Mt, 36% less than for the same period last year. Domestic use is pegged at 0.8 Mt, down 8% year-on-year, and closing stocks are projected at 0.45 Mt, 10% more than opening levels, but still 48% below average levels.

World durum production fell by 9% from 2022-23 to 31.44 Mt while supply decreased 8% to 38.7 Mt, according to the International Grains Council (IGC). Trade is forecast to expand by only 1% to 9.12 Mt and total demand to drop 3% to 33.8. Closing stocks, at 5.0 Mt, are 32% less than in 2022-23 and the lowest in over 30 years.

According to the United States Department of Agriculture (USDA), total supply of durum in the US in 2023-24 is 3.5 Mt, 9% less than the previous year. Domestic use is expected at 2.3 Mt, and exports at 0.7 Mt. Carry-out stocks remain

steady with December's estimate at 0.5 Mt, down from 0.8 Mt last year.

The average 2022-23 Saskatchewan (SK) spot prices for No.1 CWAD, 13% protein, is raised to \$475/tonne.

For 2024-25, the area seeded to durum in Canada is forecast to increase slightly to 2.5 million hectares (Mha) and yields are expected to improve from 2023 levels. Total production is expected to grow to 5.4 Mt and supply to reach 5.9 Mt. Exports are projected to increase to 4.35 Mt, still 1% less than average levels due to increased competition from replenished supplies in Europe and North Africa. Domestic use is pegged at 0.86 Mt and carry-out stocks forecast to expand to 0.7 Mt.

The world balance sheet for durum is expected to remain tight into 2024-25. Over the last five years, global demand for durum has averaged 34.3 Mt, outweighing production by 1.2 Mt. Production is forecast to increase in 2024. At the time of writing, the EU is expected to produce 7.7 Mt, up from 7.1 Mt last year. The December rain with the long-term forecast for more precipitation in North Africa in 2024 is expected to help durum yields in that region. Russia is expected to increase their durum output to 2 Mt in 2024-25, according to the IGC. The USDA's January seeding report also shows an increase in the US durum acreage for 2024. At 65 thousand acres (26.3 thousand hectares), it is up 16% from 2023 levels, albeit still less than 2022 levels.

The average SK CWAD No. 1, 13% spot price for 2024-25 is forecast to decline to \$400/tonne, but with upward pressure in the event of any major supply shocks.

Wheat (excluding durum)

For 2023-24, Canadian wheat (excluding durum) production decreased 2% from 2022-23 to 27.9 Mt, despite an 8% increase in seeded area. However, crop quality is excellent with almost all of the crop grading in the top two tiers and testing at slightly above-average protein content. According to the CGC, as of December 20, 2023, 67% of samples

graded as No. 1 CWRS and another 30% at No. 2; average protein content is 13.8%, just marginally above the long-term average of 13.7%.

Total supply is forecast at 31.3 Mt, down 1% compared to the previous year, constrained further by tight carry-in stocks, which at 3.2 Mt, were 28% lower than average levels. The export forecast remains pegged at 20.0 Mt. According to STC, exports of wheat (excluding durum) from August to the end of November totaled 6.9 Mt, 10% more than for the same period last year with an increase in shipments to Indonesia (+48%), the US (+58%), Japan (+11%) and Mexico (+39%), outweighing the decline to China (-31%). The CGC puts wheat shipments at 9.1 Mt for the period of August to December 31, 12% more than for the same time frame in 2022 and 23% above the last five-year average.

Domestic use is forecast at 7.8 Mt, just 1% less than in 2022 and stocks are pegged at 3.5 Mt, 14% less than average levels.

The latest World Agricultural Supply and Demand Estimates (WASDE) report released by the USDA calls for increased supplies, exports, consumption, and stocks. The global wheat supply was raised 3.6 Mt to 1,056.5 Mt, on account of higher stocks in Ukraine and increased production in Russia, Ukraine, and Saudi Arabia. Total use was raised 1.8 Mt to 796.5 Mt with higher feed use and residual use in India and the EU. Projected trade for 2023-24 is expanded 2.4 Mt to 209.5 Mt and stocks are set to close at 260 Mt, down from 271.6 Mt last year.

For the US alone, all wheat supply was reduced 0.3 Mt to 68.8 Mt due to a downward revision to opening stocks. Trade remains steady at 19.73 Mt, down 5% year-on-year, and domestic use is trimmed 0.02 Mt to 31.41 Mt. Ending stocks are tightening another 0.3 Mt, still up 13% compared to 2022-23 levels.

The average SK Canadian Western Red Spring Wheat (CWRS) 1, 13.5% protein, spot price for 2023-24 is reduced to \$345/tonne.

For 2024-25, Canadian area seeded to wheat is forecast to decline to 8.2 Mha, pressured by lower prices and relatively ample global supplies. This represents a decline of 3% year-on-year but remains 5% above the last five-year average; by comparison, the area sown to wheat (excluding durum) was the largest in over two decades in 2023 at 8.4 Mha. Area seeded to winter wheat is estimated at 593.3 thousand hectares while that for spring wheat projected at 7.7 Mha.

With yields expected to recover, assuming normal weather conditions, total production is projected at 27.9 Mt, and total supply at 31.5 Mt, up 1% year-on-year and 3% more than average levels. Exports are pegged at 20 Mt, constrained by increased global supplies, domestic use is forecast at 7.96 Mt, just under average levels, and carry-out stocks to remain tight at 3.5 Mt.

Early projections from the IGC indicate an increase in output in 2024-25 with improvement in yields. Stocks, however, are projected to tighten as demand for food consumption grows worldwide. Total consumption is projected to remain relatively steady in 2024-25 with increased food use matching the decrease in feed use. Trade is pegged 1% lower at 195.6 Mt and stocks to decline to a six-year low.

Area sown to wheat is forecast to drop 1% worldwide, but production is pegged 1% higher at 799 Mt. Seeded area in the EU is down 2% due to severe rain, but production is forecast at 125.6 Mt, relatively steady with 2023-24. Winter wheat crops in Russia entered dormancy in good conditions under plenty of moisture. The USDA puts winter US wheat plantings at 34.4 million acres (13.9 Mha), down 6% year-on-year, but 3% more than in 2022. Recent rain has also improved the conditions of winter wheat in the US, in particular in the southern plains. Nationally, drought coverage dropped from 36% to 32%. Kansas, where drought has stubbornly persisted over the last two years, saw a significant improvement to their wheat ratings in just five weeks. As of January 12, the percentage of the winter wheat crop rated in “good to excellent”

condition increased by 11 points to 43%. Ultimately, the weather will be the decisive factor in production outcomes.

The average SK spot price for CWRS 1, 13.5% is forecast to come down slightly, but remain relatively strong in historical terms. It is currently pegged at \$340/tonne on average for the 2024-25 crop year.

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Coarse Grains

Barley

For 2023-24, Canadian barley production is estimated by Statistics Canada (STC) at 8.9 million tonnes (Mt). This is down 11% year-over-year (y/y) and 4% below the previous five-year average, mainly reflecting notable output declines in Alberta and Saskatchewan, as a result of significantly reduced yields. As a result, supply is estimated at 9.7 Mt, down 8% y/y and 6% below average. Total domestic use is forecast at 6.2 Mt, up by 3% y/y due to higher industrial use along with stable feed use. Exports are predicted at 2.8 Mt, down 28% y/y and 17% below average, primarily reflecting expected lower exports of barley grain. Carry-out stocks are projected at 0.75 Mt, up by 6% y/y and in line with the average.

In the first four months (August – November) of the current crop year, Canada exported 786 thousand tonnes (Kt) of barley. This volume is significantly lower than those exported in the same period for the past three years and below the previous five-year average. It is worth noting that exports in November were strong and reached 390 Kt, accounting for almost half of the total exports. The main destination was China, accounting for more than 90% of the volume. The majority of the remaining exports went to the US with a small amount to Japan. Malt exports during the four-month period were 184 Kt, which is up by 11% and 4% from last year and the five-year average, respectively. The major destinations have been the US (accounting for 55% of total product exports), Japan (24%), Mexico (12%), and South Korea (7%).

The feed barley cash price in the Lethbridge, Alberta, feedlot region continued to decline in December and was slightly below \$320/tonne (t) in the first week of 2024, the lowest level since the end of April 2020. For 2023-24, the average Lethbridge barley price is projected at \$335/tonne (t), lower than the highs seen in the previous two years. Nevertheless, this level remains historically high.

Worldwide, the United States Department of Agriculture (USDA) January supply and demand report shows an approximate 1.0 Mt (2%) decrease in the 2023 barley production estimate for the EU and an increase of 0.2 Mt (3%) for Ukraine, with the

export outlook unchanged for the world's major barley exporting countries and an increase of 0.1 Mt (5%) for Ukraine. The global demand estimate was lowered by 0.8 Mt to 145 Mt, vs 150 Mt for last year and the five-year average. The global ending stocks estimate was raised by 0.3 Mt to 18 Mt, vs 20 Mt for last year and the five-year average.

For 2024-25, Canadian barley area is projected at 2.8 million hectares (Mha), down 5% y/y and the lowest in six years, primarily based on assumptions of a decline in returns, gloomy export prospects, and strong area competition from other crops. Production is forecast to increase by 4% to 9.3 Mt, supported by a return to normal yield potential. The expected increases in production and carry-in stocks will compensate lower imports and push supply up by 4% to 10.1 Mt. Total domestic use is forecast to rise due to increased supply and higher feed use. Exports are projected to remain stable due to strong competition from major barley exporting countries. Due to larger supply, carry-out stocks are projected to increase by 7% to 0.8 Mt, which is also 9% above the previous five-year average.

The Lethbridge cash feed barley price is forecast at \$310/t, down \$25/t y/y and the lowest in four years, although it is still above the levels seen before 2021-22.

Worldwide, 2024 barley production in the EU, the world's largest barley exporter, is expected to see a sharp recovery from 2023. For the US, the USDA projects a stable barley supply for 2024-25, as a result of expected declines in production and imports offset by an increase in beginning stocks. Additionally, a large 2024-25 barley output in Australia and the Black Sea region is also anticipated.

Corn

For 2023-24, Canadian corn production is estimated by STC at 15.1 Mt, up by 4% y/y and 8% above the previous five-year average. This primarily reflects good output in Manitoba and Ontario as a result of expanded seeded area in Manitoba and improved average yields for Ontario. Due to a sharp decrease in carry-in stocks completely offsetting the increase in production and imports, supply, projected at 19.2 Mt,

is down slightly from last year and average. Total domestic use is forecast to increase slightly y/y due to an expected increase in feed and industrial use. Exports are projected at 1.85 Mt, decreasing significantly y/y on prospects for larger global corn output, but remaining above the five-year average. Carry-out stocks are projected at 2.0 Mt, up 23% from 2022-23's low but would be 10% below average.

Corn imports in November reached 430 Kt, up significantly from October and September, bringing the total in the first three months of the current crop year to 905 Kt, a substantial increase from 136 Kt imported in the same period for last year and 225 Kt for the five-year average. Of the total imports, more than 99% came from the US and over 95% were destined for the Western provinces. Canadian corn exports in November also increased markedly from October and September, pegged at 205 Kt, bringing the total in the three months to 290 Kt, which is down 10% y/y but up 12% from average. The major destinations include Ireland (accounting for 40% of the exports), the US (38%), the United Kingdom (15%), Portugal (7%), and the Netherlands (1%).

The Chatham corn spot price continued to fall in December and settled below \$210/t at the end of first week in 2024; it is the lowest in three years. For 2023-24, the average price is projected at \$225/t, a four-year low, due to the weakness in US corn futures prices.

For 2023-24 US corn supply and demand, the USDA raised the yield and production estimates to record highs. Forecasts for domestic feed use and industrial use were raised, with the export forecast unchanged. The forecast for ending stocks was also raised to 55 Mt, vs 35 Mt last year and 42 Mt for the five-year average, and the highest in five years. The average farm price projection was lowered slightly to US\$4.80/bushel (US\$189/t), which is sharply lower from 2022-23 and 2021-22, but higher than in 2013-14 to 2020-21.

Worldwide, the 2023-24 corn production projection for China was raised by almost 12 Mt (4%) while lowered by 2.0 Mt (2%) for Brazil. The export outlook for Brazil was lowered by 1.0 Mt (2%) and the import projection for the EU was lowered by 1.0 Mt (4%). The global demand estimate was raised by

almost 4.0 Mt to 1,201 Mt, vs 1,157 Mt for last year and 1,148 Mt for the five-year average. The global ending stock estimate was raised by 10 Mt to 325 Mt, vs 301 Mt for last year and 307 Mt for the five-year average.

For 2024-25, Canadian corn acreage is projected at 1.5 Mha, down 3% y/y due to strong area competition from other crops, but 1% above the previous five-year average. The decline in area, combined with a lower yield potential (based on the five-year average) will lead production to decrease by 5% to 14.3 Mt. Supply is projected to fall by 4% to 18.5 Mt as the decline in production and imports is expected to be only partly offset by an increase in carry-in stocks. Total domestic use is forecast to decline, reflecting lower feed use. Exports are projected to decline y/y on expected ample global corn output. Carry-out stocks are projected to be unchanged but below average.

The Chatham corn price for 2024-25 is projected at \$230/t, up \$5/t y/y, primarily based on the assumption of stronger CBOT corn futures values for the new crop.

For 2024-25 US corn, the USDA projects record large supply, as an anticipated decline in production is expected to be completely compensated by an increase in beginning stocks. Total use is projected to increase only slightly. Ending stocks are predicted to be an all-time high.

Oats

For 2023-24, Canadian oat production is estimated by STC at 2.64 Mt, down 50% from last year and 35% below the five-year average. This is largely due to considerably reduced output in the Prairies provinces, as well as in Ontario and Quebec, as a result of sharply lower seeded area and a significant decline in yields. Supply is projected at 3.94 Mt, down sharply from last year and the five-year average, largely due to a significant decline in production more than offsetting plentiful carry-in stocks. Total demand, typically for feed and to a lesser extent, for exports, is expected to significantly decline y/y, following the big decline in supply. Carry-out stocks are projected at 0.45 Mt, down sharply y/y and significantly below average.

In the first four months (August – November) of the current crop year, Canada exported 595 Kt of oats, up

8% y/y but down 16% from the five-year average. Exports in August were strong but continued to decline in the following months, likely linked to tight supplies. The main destinations include the US (accounting for 77% of the exports), Mexico (10%), and Chile (9%), with the majority of the remainder going to Japan, Peru, and South Korea. Product exports in the same period reached 184 Kt, which were the lowest in four years. The major destinations for oat products have been the US (accounting for 92% of total product exports), Mexico (6%), Japan, and South Korea.

The CBOT oat nearby futures price has shown an overall decline since the start of 2023-24 crop year. However, the average futures price for the crop year to date, less than CAN\$380/t, remains about CAN\$20/t higher than a year ago. The average oat cash price on the Prairies over the same period is about \$310/t, up approximately \$30/t from a year ago. For 2023-24, the average CBOT oat futures price is projected at CAN\$365/t, up from CAN\$346/t in 2022-23 due to tight Canadian oat supplies, despite lower row crop prices predicted for 2023-24.

For 2024-25, Canadian oat acreage is projected at 1.3 Mha, up 27% y/y, mainly due to expected tight carry-in stocks and attractive returns compared to other field crops, but 9% below the previous five-year average. Production is forecast to increase by 41% y/y to 3.7 Mt, supported by increased area and an expected return to normal yield potential. The increase in production is expected to more than offset the sharp decline in carry-in stocks and cause supply to increase by 6% to 4.2 Mt. The larger supply is anticipated to support domestic feed use and exports, and build up carry-out stocks, which are projected at 0.55 Mt, up 22% y/y but 12% below average.

The CBOT oat futures value is projected at CAN\$325/t, down CAN \$40/t y/y and the lowest in four years, but it is still considerably above the levels before 2021-22.

For US oats, the USDA projects a slight increase in supply for 2024-25, as an expected decline in production is offset by an increase in beginning stocks and imports.

Rye

For 2023-24, Canadian all rye production is

estimated by STC at 358 Kt, 31% and 8%, respectively, below last year and the previous five-year average. This is due to declines in seeded area and yield. Supply is pegged at 464 Kt, down 23% y/y due to the sharp decline in production more than offsetting large carry-in stocks. Nevertheless, this is only slightly below the five-year average. Domestic feed consumption is projected to decline y/y following the smaller supply. Exports are expected to stay stable, despite a strong start to the current crop year. Carry-out stocks are projected at 70 Kt, down sharply y/y but in line with the five-year average.

Canadian rye exports in the first four months (August – November) of the current crop year saw a month-over-month decline, bringing the total to 127 Kt. However, this is drastically above those exported in the same period last year and the five-year average. The main destination is the US, which accounts for almost all exports.

The 2023-24 rye average price on the Canadian Prairies is projected at \$230/t, down y/y due to lower row crop prices predicted for the year.

For 2024-25, STC provided its estimate of fall rye area seeded in the fall of 2023, which is for the 2024-25 harvest. Fall rye represents about 98% of all rye area in Canada. Estimated at a total of 170 thousand hectares, the 2023 fall rye acreage is slightly down from last year due to a considerable decline in Eastern Canada more than offsetting an increase in Western Canada. The 2023 fall rye acreage is also the lowest in five years, reflecting a downward trend in rye area in recent years in both Eastern and Western Canada. All rye production is projected to decrease by 5% y/y to 340 Kt, assuming normal abandonment rate and average yield potential. The declines in carry-in stocks and production will push supply to drop by 11% to 412 Kt. The smaller supply is anticipated to result in lower domestic feed use and exports, and reduce carry-out stocks y/y to 65 Mt.

The 2024-25 rye average price on the Canadian Prairies is projected at \$220/t, down \$10/t from 2023-24 based on lower row crop prices predicted for the year.

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Oilseeds

Canola

For 2023-24, production is estimated by Statistics Canada (STC) at 18.3 million tonnes (Mt) down slightly from the 18.7 Mt grown in 2022-23 as a result of variable moisture conditions across the key Prairie growing regions. By province, Saskatchewan produced 9.7 Mt of canola, Alberta (5.4 Mt), and Manitoba (3.1 Mt), with 0.1 Mt grown elsewhere in Canada.

The quality of this year's canola crop appears normal to above normal with 96% of the canola submitted to the Canadian Grain Commission's Harvest Sample survey grading No.1. The remaining 4% of the harvest samples were heavily weighted towards No.2 with a small portion grading No.3 and Sample. The oil content is slightly below normal and is averaging 42.3% based on crush volumes and oil production from August to December 2023 as reported by Statistics Canada.

Supplies for the crop year are estimated at 19.9 Mt, down marginally from 20.1 Mt for 2022-23 and the five-year average of 21.5 Mt, as a slight increase in carry-in stocks moderates the decline in production. Imports are estimated at 0.1 Mt, down slightly from the prior crop year.

Total domestic use of canola is estimated up slightly on an expected record canola crush of 10.5 Mt as the sector expands to serve US demand for renewable energy. Compared to previous years, loss in handling and seed use are forecast steady at minor volumes while feed, waste and dockage declines sharply.

Exports for 2023-24 are scaled back from previous crop years to 7.7 Mt in response to the growing domestic crush and competition from large world supplies of soybeans and palm oil. Exports are concentrated in a few key markets with the strength and stability of Chinese demand for canola and co-products a key factor to monitor.

Carry-out stocks are estimated at 1.45 Mt, down marginally from last year and 58% below the five-year average, which is expected to be large enough to support a strong crush pace early in the 2024-25

crop year. The simple average price, No. 1, track Vancouver, is estimated at \$720/tonne (/t) (versus \$857/t in 2022-23 and near the five-year average of \$729/t), under pressure from declining world soybean oil prices.

For 2024-25, the area seeded to canola is forecast to drop slightly to 8.8 million hectares (Mha) under pressure from declining prices, steady input costs, low late-fall soil moisture, and an expected slight strengthening of wheat prices. Normal yields are assumed, supporting the forecast for a slightly higher canola output of 18.4 Mt. Supplies are forecast to rise marginally to 20.0 Mt as the gains from the higher output are moderated by smaller carry-in and stable imports.

Total demand is forecast to remain stable with domestic crush predicted at a conservative 10.5 Mt. This forecast may be revised significantly higher depending on how fast plants currently under construction become operational. Exports are projected to remain stable at 7.7 Mt with the projection highly sensitive to the size of the domestic canola crop, the strength of domestic crush demand, and the competition from world supplies of oilseeds and vegetable oils. Carry-out is forecast to fall to 1.40 Mt vs 1.45 Mt for 2023-24 and the five-year average of 1.90 Mt. The simple average price, No.1 track Vancouver is forecast marginally lower at \$680/t for the upcoming crop year.

Factors to watch are; (i) volatility of world vegetable oil prices, (ii) South American weather (iii) pace of domestic crush and exports (iv) strength of Chinese import demand.

Flaxseed

For 2023-24, production is estimated at 273 thousand tonnes (Kt), down 42% from 473 Kt in 2022-23 and the lowest since 1967-68 due to lower seeded area and reduced yields. Farmers seeded a modern-day, record-low of 0.25 Mha with a harvested area of 0.24 Mha. Yields were 1.14 tonnes per hectare (t/ha) versus 1.52 t/ha for 2022-23 and the five-year average of 1.36 t/ha.

Total supplies are estimated at 503 Kt (versus 567 Kt for 2022-23 and the 568 Kt average over the previous five years), as the lower output was moderated by sharply higher carry-in stocks. Total domestic use is forecast to decline by 23% on a sharp drop in feed, waste, and dockage, and stable other usage. Exports are forecast to increase to 0.25 Mt on stronger world demand and lower prices.

Carry-out stocks are forecast to fall to 150 Kt for a stocks-to-usage ratio of 43%. The simple average price for flaxseed No.1, in-store, Saskatoon cash is forecast at \$570/t versus \$635/t for 2022-23 and the five-year average of \$710/t.

For 2024-25, the area seeded to flaxseed is forecast to fall to 0.20 Mha with a harvested area of slightly below 0.20 Mha. Production is projected at 250 Kt as the drop in seeded area is partly offset by higher yields. Supplies are forecast to fall to 410 Kt on a combination of lower carry-in and lower production.

Total domestic use is forecast to decline marginally to 95 Kt while exports are estimated at 250 Kt. Carry-out stocks are projected to fall to 65 Kt for a stock-to-use ratio of 19%. The simple average price for flaxseed No.1 in-store Saskatoon cash is forecast at \$570/t, steady with the 2023-24 estimate but below the five-year average of \$724/t.

Soybeans

For 2023-24, soybean production is estimated at 7.0 Mt, up 0.4 Mt from last year and the five-year average output of 6.5 Mt. Planted and harvested areas were 2.28 Mha and 2.26 Mha, respectively, while yields were 3.09 t/ha. Total supplies are estimated up 7% from last year to 7.8 Mt and 3% above the five-year average of 7.61 Mt as larger carry-in and stable imports supported the rise in output.

Total domestic use is forecast to fall slightly despite a slight forecasted rise in crush to 1.9 Mt as feed, waste, and dockage falls sharply to about 0.33 Mt. Exports are up 16% from 2022-23 to 4.90 Mt and are 17% above the five-year average. Carry-out stocks are forecast at 0.48 Mt for a stocks-to-use ratio of 6%.

The Canadian simple average price for soybeans, track Chatham, is forecast to fall by \$96/t from last year to \$605/t and be below the five-year average of \$562/t.

For 2023-24, the United States Department of Agriculture (USDA) lowered its projections for world oilseed production by 0.81 Mt from last month as increased yields across a number of oilseed-producing countries were more than offset by an expected 4.0 Mt decline in Brazilian soybean output. US soybean production was revised up by 0.98 Mt in the January World Agricultural Supply and Demand Estimates report as a 0.4 t/ha increase in yields more than offset a 0.16 Mha drop in harvested area. Ending stocks were bumped up by slightly less than 1.0 Mt, to 10.3 Mt while the farm-gate price for soybeans was lowered to US\$468/t, a drop of US\$5.50/t from last month. Soybean and soybean meal prices are estimated at US\$1,190/t and US\$418/t, respectively.

For 2024-25, soybean area is forecast to remain stable at 2.28 Mha as support from steady crusher and export buying, lower corn prices and good soil moisture offsets lower prices. Assuming average yields, production is projected to decline marginally to 6.95 Mt while supplies rise slightly to 7.88 Mt, the third highest on record, on slightly higher carry-in.

Total domestic use is forecast to rise marginally on a projected rise in feed, waste, and dockage to 0.35 Mt. Domestic crush is projected to remain stable at 1.9 Mt on steady demand for food and fuel. Exports are forecast to rise slightly to 4.95 Mt, the second highest on record compared to the 5.64 Mt shipped out of the country in 2018-19. Carry-out is forecast unchanged at 0.48 Mt for a stocks-to-use ratio of 6%. The Canadian simple average price for soybeans, track Chatham, is forecast to fall by \$35/t from last year to \$570/t versus the five-year average of \$602/t.

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Pulse and Special Crops

Dry peas

For 2023-24, Canadian dry pea exports for the August to November period were 1.0 million tonnes (Mt), 8% lower than for the same period last year. China imported the largest portion to-date at 0.7 Mt. The leading export market, after China, is the US at 0.07 Mt. Total Canadian dry pea exports for the crop year are forecast to fall by 14% to 2.2 Mt due to decreased Canadian supply and increased export competition from Russia.

Canadian dry pea supply is estimated to fall by 17% as lower production is partly offset by higher carry-in stocks. With the decreased supply, carry-out stocks are expected to fall and support prices throughout 2023-24. The average price is expected to be similar to 2022-23, at \$440/tonne (/t), due to record green pea prices, despite lower yellow pea prices. Green pea prices are expected to maintain a premium of \$200/t over yellow peas for the crop year, compared to the \$65/t premium green peas had to yellow peas last year.

US dry pea production is estimated by the United States Department of Agriculture (USDA) at 0.82 Mt, up 17% from 2022-23. This was due to increased area and improved yields. As a result, Canadian dry pea exports to the US are forecast at 0.26 Mt in 2023-24, marginally lower than the previous year.

For 2024-25, seeded area is forecast to rise from 2023-24 to 1.3 million hectares (Mha), because of good returns relative to other crops. Production is expected to rise by 19% to 3.1 Mt, with an expectation of trend yields. Supply is forecast to rise to 3.4 Mt due to higher production. With the expectation of an increase in exportable supply, exports to other countries are expected to be higher than 2023-24 but carry-out stocks are expected to rise. The average price is expected to be lower than 2023-24, due to increased world supply.

Lentils

For 2023-24, Canadian lentil exports for the August to November period totaled 0.7 Mt, 17% lower than the amount exported during the same period in 2022-23. India imported the largest portion to-date at 0.3 Mt. The leading export market, after India, is Turkey, followed by the United Arab Emirates. Total Canadian lentil exports for 2023-24 are forecast to fall sharply to 1.6 Mt. The supply of lentils in Canada is estimated to be over 0.7 Mt smaller than last year as lower carry-in stocks combine with the reduced production. With the lower supply and a decrease in exports, this is still expected to lead to sharply lower carry-out stocks for the end of the 2023-24 crop year.

The overall average price is forecast to rise by 21% from last year to a record \$990/t. Record prices for all lentil types, with the exception of French green and red types have combined with an above average grade distribution. As a result, there have been lower discounts for the lower grades for all lentil types. Prices for No.1 large green lentils are expected to maintain a record premium of \$620/t above the price of No.1 red lentils over the crop year, compared to a \$405/t premium in 2022-23.

US lentil production is estimated at 261 thousand tonnes (Kt), up marginally from the previous year. As a result, Canadian lentil exports to the US are forecast at 85 Kt for 2023-24, similar to the previous year.

For 2024-25, seeded area in Canada is expected to rise by 8% to 1.6 Mha. Production is forecast to rise sharply to 2.2 Mt. With lower carry-in stocks, supply is expected to rise by 0.4 Mt to 2.3 Mt. Exports are forecast to be higher than 2023-24 at 1.8 Mt with the larger exportable supply. Carry-out stocks are expected to also rise to 260 Kt. With the assumption of an average grade distribution and grade discounts, the overall lentil price is forecast to fall sharply from 2023-24.

Dry beans

For 2023-24, exports are forecast to be higher than last year. The EU and the US are expected to remain the main markets for Canadian dry beans, with smaller volumes exported to Japan and Mexico. With the smaller supply, carry-out stocks are expected to be lower than the previous year. The average Canadian dry bean price is forecast to increase marginally to \$1,190/t, due to lower production and supply in North America.

US total dry bean production (excluding chickpeas) is estimated by the USDA at 1.09 Mt, down 7% from 2022-23. US dry bean production was lower due to a decrease in the production of white pea, pinto, and kidney bean types. This is expected to continue supporting Canadian dry bean prices for 2023-24.

For 2024-25, the area seeded is forecast to be 5% higher because of tighter carry-out stocks and favorable potential returns over other crops, particularly soybeans and corn. Production is expected to decrease marginally to 0.33 Mt despite higher area, due to expectations for lower yields on the assumption that yields return to average levels. Supply is expected to be lower at 0.44 Mt. Exports and carry-out stocks are also forecast to be lower than 2023-24. The average Canadian dry bean price is forecast to be lower than the previous year due to expectations for a larger North American supply.

Chickpeas

For 2023-24, exports are forecast to be lower than 2022-23 at 120 Kt. The US, the EU and Turkey have been the main markets for Canadian chickpeas to-date. Carry-out stocks are expected to fall from the previous year. The average price is forecast to rise to a record \$1,060/t, due to strong world demand and lower carry-out stocks.

US chickpea production is estimated by USDA to rise to 214 Kt, up 28% from 2022-23, due to improved yields and higher area.

For 2024-25, the area seeded is forecast to rise year-over-year because of expectations for good returns relative to competing crops. With a return to trend yields, production is expected to rise sharply to 210 Kt. Supply is expected to increase by 28% from

last year as the higher production is more than offset by smaller carry-in stocks. Exports are forecast to be higher than the previous year and carry-out stocks are expected to rise. The average price is forecast to be lower than 2023-24 due to expectations for an increase in world supply.

Mustard seed

For 2023-24, exports are expected to be marginally lower than 2022-23 at 115 Kt but carry-out stocks are forecast to rise sharply due to increased supply. The US and the EU are expected to remain the main export markets for Canadian mustard seed. As a result of the increase in stocks from the larger exportable supply, the average price is forecast to fall by 31% from the levels observed in 2022-23 to \$1,475/t.

For 2024-25, the area seeded is expected to fall due to lower yields and returns from the previous year. Production is forecast to be similar to 2023-24 at 170 Kt due to expectations for improved yields. Supply is expected to rise by 14%, mostly due to the larger carry-in stocks. Exports are expected to be higher at 120 Kt and carry-out stocks are forecast to increase from the previous year. The average price is forecast to be sharply lower when compared to 2022-23, but still be the fourth highest on record.

Canary seed

For 2023-24, exports are expected to be lower than the previous year. The EU and Mexico are forecast to remain the main export markets, followed by several countries in South America. Carry-out stocks are expected to tighten significantly. The average price is forecast to increase from 2022-23 to \$935/t, the second highest on record.

For 2024-25, the area seeded is forecast to be higher than the previous year due to good potential returns for canary seed compared to other crops. Production is expected to be 29% higher, mostly due to the assumption of improved yields. Supply is forecast to rise only marginally due to the tight carry-in stocks. Exports are expected to remain unchanged due to the similar supply and carry-out stocks are expected to rise slightly. The average price is forecast to be sharply lower than the previous year at \$770/t.

Sunflower seed

For 2023-24, exports are forecast to be higher compared to the previous year at 25 Kt. Carry-out stocks are expected to rise to a record high 180 Kt. To date, the US has remained Canada's main export market for sunflower seed. The average price is forecast to fall from 2022-23 to \$575/t, mostly due to lower prices for oilseed types grown in Canada this year.

For the US, sunflower seed production is estimated by the USDA to have fallen by 19% to 1.0 Mt, largely due to lower area. About 0.9 Mt of the US sunflower seed crop is estimated to be oilseed types, sharply lower than the previous year. US confectionery type production increased significantly this year to 135 Kt.

For 2023-24, the global supply of sunflower seed is estimated by the USDA at 62.3 Mt. This is 3% lower than last year. World exports are expected to decrease by 27% to 2.9 Mt and domestic use is expected to rise marginally to a record 56.3 Mt. World carry-out stocks are expected to fall by 22% to 3.1 Mt.

For 2024-25, the area seeded is projected to be lower than 2023-24 due to expectations for lower returns compared to competing crops. Production is forecast to fall to 78 Kt, assuming trend yields. Supply is expected to be higher at 293 Kt. Exports are expected to be higher at 40 Kt and carry-out stocks are forecast to remain unchanged. The average price is forecast to be higher than 2023-24 with higher oil type prices, but lower confectionery type prices in Canada.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

January 22, 2024

Grain and Crop Year (a)	Area Seeded ----- thousand ha	Area Harvested ----- thousand ha	Yield t/ha	Production ----- thousand tonnes	Imports (b)	Total Supply	Exports (c)	Food & Industrial Use (d)	Feed, Waste & Dockage	Total Domestic Use (e)	Carry-out Stocks	Average Price (g) \$/t
Durum												
2022-2023	2,431	2,399	2.41	5,790	2	6,360	5,053	192	473	898	409	445
2023-2024f	2,442	2,375	1.70	4,045	25	4,479	3,200	200	416	829	450	475
2024-2025f	2,477	2,418	2.25	5,435	25	5,910	4,350	200	447	860	700	400
Wheat Except Durum												
2022-2023	7,844	7,683	3.72	28,545	64	31,702	20,612	3,258	3,713	7,841	3,249	401
2023-2024f	8,496	8,307	3.36	27,909	100	31,257	20,000	3,200	3,730	7,757	3,500	345
2024-2025f	8,248	7,904	3.52	27,861	100	31,461	20,000	3,200	3,934	7,961	3,500	340
All Wheat												
2022-2023	10,274	10,082	3.41	34,335	65	38,063	25,666	3,450	4,185	8,739	3,658	
2023-2024f	10,938	10,682	2.99	31,954	125	35,737	23,200	3,400	4,147	8,587	3,950	
2024-2025f	10,725	10,322	3.23	33,296	125	37,371	24,350	3,400	4,381	8,821	4,200	
Barley												
2022-2023	2,851	2,636	3.79	9,987	26	10,556	3,882	115	5,596	5,965	709	417
2023-2024f	2,963	2,699	3.30	8,896	80	9,685	2,780	319	5,594	6,155	750	335
2024-2025f	2,820	2,570	3.61	9,280	30	10,060	2,750	319	5,947	6,510	800	310
Corn												
2022-2023	1,466	1,444	10.00	14,539	2,147	19,431	2,646	5,327	9,815	15,158	1,628	300
2023-2024f	1,548	1,519	9.93	15,076	2,500	19,203	1,850	5,400	9,938	15,353	2,000	225
2024-2025f	1,502	1,470	9.73	14,310	2,150	18,460	1,650	5,400	9,394	14,810	2,000	230
Oats												
2022-2023	1,593	1,402	3.73	5,226	24	5,583	2,671	91	1,460	1,637	1,275	346
2023-2024f	1,023	823	3.20	2,636	25	3,936	2,500	100	778	986	450	365
2024-2025f	1,300	1,075	3.45	3,705	20	4,175	2,600	100	824	1,025	550	325
Rye												
2022-2023	237	152	3.42	520	2	606	199	42	244	303	105	287
2023-2024f	178	116	3.09	358	2	464	198	39	140	196	70	230
2024-2025f	175	106	3.21	340	2	412	183	39	108	164	65	220
Mixed Grains												
2022-2023	138	72	2.82	203	0	203	0	0	203	203	0	
2023-2024f	145	60	2.53	153	0	153	0	0	153	153	0	
2024-2025f	149	70	2.45	171	0	171	0	0	171	171	0	
Total Coarse Grains												
2022-2023	6,286	5,705	5.34	30,475	2,199	36,378	9,397	5,574	17,318	23,266	3,716	
2023-2024f	5,855	5,217	5.20	27,118	2,607	33,440	7,328	5,858	16,602	22,843	3,270	
2024-2025f	5,946	5,291	5.26	27,805	2,202	33,277	7,183	5,858	16,443	22,679	3,415	
Canola												
2022-2023	8,659	8,596	2.17	18,695	126	20,149	7,954	9,961	663	10,689	1,506	857
2023-2024f	8,936	8,855	2.07	18,328	100	19,934	7,700	10,500	233	10,784	1,450	720
2024-2025f	8,800	8,688	2.11	18,365	100	19,915	7,700	10,500	264	10,815	1,400	680
Flaxseed												
2022-2023	315	312	1.52	473	12	567	215	N/A	121	133	220	635
2023-2024f	247	239	1.14	273	10	503	250	N/A	84	103	150	570
2024-2025f	200	196	1.28	250	10	410	250	N/A	76	95	65	570
Soybeans												
2022-2023	2,135	2,118	3.09	6,543	461	7,291	4,221	1,768	690	2,694	376	701
2023-2024f	2,279	2,261	3.09	6,981	450	7,807	4,900	1,900	332	2,432	475	605
2024-2025f	2,280	2,272	3.06	6,950	450	7,875	4,950	1,900	350	2,450	475	570
Total Oilseeds												
2022-2023	11,108	11,026	2.33	25,711	599	28,006	12,390	11,729	1,474	13,515	2,101	
2023-2024f	11,461	11,354	2.25	25,582	560	28,243	12,850	12,400	648	13,318	2,075	
2024-2025f	11,280	11,156	2.29	25,565	560	28,200	12,900	12,400	690	13,360	1,940	
Total Grains And Oilseeds												
2022-2023	27,668	26,814	3.38	90,521	2,863	102,448	47,453	20,754	22,977	45,520	9,475	
2023-2024f	28,255	27,253	3.11	84,654	3,292	97,420	43,378	21,658	21,397	44,747	9,295	
2024-2025f	27,950	26,769	3.24	86,666	2,887	98,848	44,433	21,658	21,514	44,860	9,555	

(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 2023-24 which are STC

CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

Unclassified / Non classifié

January 22, 2024

Grain and Crop Year (a)	Area Seeded ----- thousand ha -----	Area Harvested ----- t/ha -----	Yield t/ha	Production	Imports (b)	Total Supply ----- thousand metric tonnes -----	Exports (b)	Total		Stocks-to- Use Ratio %	Average Price (d) \$/t
								Domestic Use (c)	Carry-out Stocks		
Dry Peas											
2022-2023	1,363	1,348	2.54	3,423	35	3,797	2,562	737	498	15%	440
2023-2024f	1,233	1,200	2.17	2,609	40	3,146	2,200	676	270	9%	440
2024-2025f	1,300	1,270	2.44	3,100	30	3,400	2,300	700	400	13%	350
Lentils											
2022-2023	1,749	1,715	1.34	2,301	87	2,610	2,198	266	147	6%	820
2023-2024f	1,485	1,460	1.14	1,671	95	1,913	1,600	263	50	3%	990
2024-2025f	1,600	1,575	1.40	2,200	75	2,325	1,800	265	260	13%	750
Dry Beans											
2022-2023	120	117	2.67	313	70	523	368	75	80	18%	1,165
2023-2024f	129	129	2.63	339	75	494	390	74	30	6%	1,190
2024-2025f	135	131	2.52	330	75	435	335	75	25	6%	1,140
Chickpeas											
2022-2023	95	95	1.35	128	42	325	225	73	27	9%	1,000
2023-2024f	128	127	1.12	142	45	214	120	74	20	10%	1,060
2024-2025f	150	148	1.42	210	45	275	135	75	65	31%	900
Mustard Seed											
2022-2023	225	219	0.74	162	11	189	117	33	40	26%	2,140
2023-2024f	258	251	0.68	171	7	217	115	32	70	48%	1,475
2024-2025f	225	217	0.78	170	7	247	120	32	95	63%	1,275
Canary Seed											
2022-2023	118	117	1.36	159	0	213	146	8	59	39%	900
2023-2024f	104	103	1.09	112	0	172	135	7	30	21%	935
2024-2025f	110	108	1.34	145	0	175	135	5	35	25%	770
Sunflower Seed											
2022-2023	38	38	2.24	84	40	242	22	70	151	165%	800
2023-2024f	40	40	2.32	92	35	278	25	73	180	183%	575
2024-2025f	36	35	2.23	78	35	293	40	73	180	159%	630
Total Pulse And Special Crops (c)											
2022-2023	3,707	3,649	1.80	6,570	284	7,900	5,637	1,262	1,001		
2023-2024f	3,376	3,309	1.88	5,137	297	6,435	4,585	1,200	650		
2024-2025f	3,556	3,484	1.79	6,233	267	7,150	4,865	1,225	1,060		

(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, averages 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 2023-24 which are STC