Agriculture and Agri-Food Canada / Agriculture et Agroalimentaire Canada

CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS *March 19, 2024*

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) February outlook report for the 2023-24 and 2024-25 crop years, based on information available up to March 12, 2024. 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 and other ongoing geopolitical risks.

For 2023-24, the outlook incorporates the latest estimates of Statistics Canada's (STC) stocks of principal field crops in Canada as of December 31, 2023, which was released on February 8, 2024. According to STC estimates, most field crops experienced a considerable reduction in stock levels year-over-year, which can be attributed in large part to a significant decline in yield and production caused by the drought experienced in large parts of Western Canada. As a result, carry-out stocks (ending-year inventories) for all principal field crops are expected to decline marginally as the downturn in total production and supply offsets a decrease in total exports, an increase in imports and a marginal decline in total domestic use. Prices for most crops are projected to decrease from their 2022-23 levels, pressured by growth in world stock levels.

For 2024-25, the outlook incorporates Statistics Canada's (STC) Seeding Intentions of Principal Field Crops released on March 11, 2024, which was based on a survey of Canadian farmers conducted from December 14, 2023, to January 22, 2024. The area seeded to field crops in Canada is projected to decrease slightly, although remaining marginally above the 2019-2023 average. Total wheat area is estimated to increase a bit, with an expansion in durum area offsetting reductions in both spring and winter wheat areas. The area seeded to coarse grains is estimated to increase marginally, due to a significant increase in area for oats and a slight increase in corn area offsetting the decline in barley area. Pulse area is expected to rise considerably, with significant area increases for chickpeas, dry beans and to a lesser extent lentils, in addition to pea area up marginally. Oilseeds area is estimated to decrease, with canola area falling and soybeans area down slightly. Assuming normal weather conditions during the growing season, production and supply for most crops is expected to rise and return to more normal levels based on a return to trend yields, consequently allowing for exports to rise while also contributing to an increase in carry-out stocks.

The next AAFC Outlook for Principal Field Crops is scheduled to be released on April 19, 2024. The next major STC report is scheduled to be released on May 7, 2024, publishing estimates of stocks of principal field crops in Canada as of March 31, 2024.

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									
2022-2023	27,668	26,814	3.38	90,521	2,991	102,577	47,652	45,600	9,325
2023-2024f	28,255	27,253	3.11	84,654	3,642	97,620	42,847	45,312	9,461
2024-2025f	28,054	27,081	3.26	88,254	2,887	100,601	44,533	45,628	10,440
Total Pulse And Special Crops									
2022-2023	3,707	3,649	1.80	6,570	284	7,900	5,616	1,285	999
2023-2024f	3,376	3,309	1.55	5,137	333	6,469	4,785	1,064	620
2024-2025f	3,511	3,443	1.78	6,118	267	7,005	4,950	1,135	920
All Principal Field Crops									
2022-2023	31,376	30,462	3.19	97,091	3,276	110,476	53,268	46,885	10,324
2023-2024f	31,631	30,563	2.94	89,791	3,975	104,089	47,632	46,376	10,081
2024-2025f	31,566	30,524	3.09	94,372	3,154	107,606	49,483	46,763	11,360

Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada (AAFC)
f: forecasts by AAFC except for area, yield and production for 2023-24 and seeded area for 2024-25 which are STC

Durum

For 2023-24, production of durum is estimated at 4.0 million tonnes (Mt) by Statistics Canada (STC), 30% less than the previous year due to a reduction in yields caused by drought across the Prairies. Total supply is forecast at 4.5 Mt, down 30% year-on-year. On the demand side, total exports of durum as of the end of week 31 (March 3, 2024) continue to lag last year's shipments by 41%, according to the Canadian Grain Commission (CGC). Exports for 2023-24 remain projected at 3.2 Mt. Domestic use is expected to be down 8% year-over-year on lower feed use; carry-out stocks are forecast at 0.45 Mt, 10% more than the previous year, but 48% below average.

The International Grain Council (IGC) expects 2023-24 global durum production to be 31.4 Mt, down 9% compared to the previous year and the smallest since 2001-02 due to smaller yields in some of the largest durum producing countries. Total consumption was expanded marginally this month to 33.8 Mt but remains 2% below last year's levels with declining use in North Africa. World trade is forecast to remain relatively steady at 9 Mt with increased import demand from Europe and expanded exports from non-traditional suppliers such as Turkey and Russia. Closing stocks were raised to 5.1 Mt but remain 32% below opening levels and the lowest since 1997-98. Stocks for the largest durum exporters are pegged at 2.1 Mt, down 17% year-on-year.

The 2023-24 average spot price for Saskatchewan (SK) Canadian Amber Durum (CWAD) 1, 13% protein is lowered to $465/tonne on continued market pressure from competitive global exports.

For 2024-25, the area seeded to durum is forecast at 2.6 million hectares (Mha), according to STC's release of farmers' seeding intentions on March 11. This estimate reflects a 5% increase year-over-year with increased area in the major durum producing provinces, Saskatchewan (+5% y/y) and Alberta (+4% y/y). Assuming a return-to-normal yields and weather conditions, production is forecast to rise to 5.7 Mt, bringing total supplies 37% ahead of last year at 6.1 Mt. Canadian exports of durum are forecast at 4.5 Mt, relatively in line with the average export program of the last five years, driven by increased import demand for high quality durum from North Africa and Europe. Total domestic use is projected up slightly year-over-year at 0.88 Mt while carry-out stocks are expected to rebound sharply to 0.75 Mt.

The world balance sheet for durum in 2024-25 is expected to remain tight due to low inventories and reduced supplies from Europe and North Africa. According to the IGC, European durum production in 2024-25 was trimmed another 0.2 Mt to 7.5 Mt. In France, one of the largest durum producing European countries, the crop is rated at only 74% good/excellent condition, down from 92% last year. Drought conditions in Italy and Spain could result in additional yield losses and a smaller harvest. Additionally, poor weather in North Africa, in particular Morocco and Algeria, are negatively impacting the durum crops in the region. On the other hand, the Tunisian crop has benefitted from timely rains, with yields now expected to be in line with the five-year average, according to the EU's Monitoring Agricultural Resources. Ultimately, the weather will be the deciding factor in crop prospects in those regions.

The average SK spot price for CWAD 1, 13% for 2024-2025 is lowered to $375/tonne, under pressure from the expectation of a rebound in Canadian production.

Wheat (excluding durum)

For 2023-24, total supply of wheat is estimated at 31.1 Mt, 2% less than the previous year due to the lower yields on the Prairies as a result of dry weather. On the demand side, exports of wheat are pegged at 20.3 Mt, down 2% year-on-year, but 10% above the five-year average. According to the CGC, shipments of wheat through the licensed elevator system have been moving swiftly, 8% above last year's, as of the end of week 31 (March 3, 2024). Domestic use is forecast at 7.8 Mt, down 3% y/y due to a reduction in feed use. Carry-out stocks are currently pegged at 3.1 Mt, relatively on par with 2022-23.

According to the United States Department of Agriculture's (USDA) March supply and disposition report, world production of wheat is estimated to rise 0.3% year-over-year to 786.7 Mt. Total use globally is projected at 799 Mt, outpacing production by 12.3 Mt. On positive production outlooks for Australian, Russian, and Argentinean wheat, total global supplies were raised from last month to 1,057.8 Mt. Global trade is projected at 212.1 Mt, down 4% year-over-year. Global stocks are forecast 5% tighter than the previous year at 258.8 Mt.

For the 2023-24 crop year, the average price for Saskatchewan Canadian Western Red Spring (CWRS) 1, 13.5% protein is forecast at $330/tonne.

For 2024-25, area seeded to wheat (excluding durum) is estimated by STC at 8.4 Mha, down slightly year-over-year, with the largest declines forecast for Saskatchewan (down 99.1 thousand hectares) and Ontario (down 54.4 thousand hectares). Total supply is forecast up 3% year-over-year at 32.1 Mt, assuming a return-to-trend yields raising production to 28.9 Mt. The export program for wheat (excluding durum) is forecast at 63% of supply (20.1 Mt), falling slightly below the previous year's estimate but 9% ahead of the five-year average. Total domestic use is forecast at 8.4 Mt, up 8% year-on-year and carry-out stocks are forecast to climb to 3.7 Mt from the previous year on raised farm and commercial stocks. Despite rising 18% from the previous year, stocks remain tight as they trail the five-year average by 5%.

According to the IGC, early forecasts for 2024-25 call for an increase in production despite lower seeded area. Production is currently pegged at 799 Mt thanks to increased yields in major producing regions. Consumption is forecast to increase only slightly to 804 Mt with an increase in food use balanced by a decrease in feed. Total trade is forecast to contract 2% year-on-year to 96.4 Mt with reduced imports from the EU. Global stocks are anticipated to drop to an eight-year low of 260 Mt.

In the US, according to the USDA, total supply for 2024-25 is forecast to increase to 73.5 Mt, up 6% year-on-year despite lower seeded area, thanks to improved weather conditions and higher yields expected in Kansas, Texas, Oklahoma, and Colorado. Total consumption in the US is expected to remain relatively steady, and exports are forecast to rise to 21.1 Mt, up 7% from current levels. Closing stocks are also expected to expand 17% year-on-year to just under 21 Mt. In the 2024-25 outlook released February 15, average US farm price for all wheat is projected at $US6.00/bushel ($220.46/tonne).

The average SK spot price for CWRS 1, 13.5% for the 2024-25 crop year is lowered to $320/tonne. This price forecast is reduced on ongoing market pressure and the anticipation of a well-supplied market into the new crop year.

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Coarse Grains

Barley

For 2023-24, Canadian barley supply is estimated at 9.7 million tonnes (Mt), down 8% year-over-year (y/y) and 6% below the previous five-year average, largely due to production issues in 2023. Total domestic use is forecast at 5.9 Mt, down slightly y/y and 4% below the average, as a result of a decline in feed use. Exports are predicted at 2.8 Mt, down noticeably from last year and the average, primarily reflecting lower expected exports of barley grain, with China, the US, Japan, and Mexico as the main destinations. Carry-out stocks are projected at 1.0 Mt, up sharply from 2022-23's low of 0.7 Mt and the average of 0.8 Mt.

The feed barley cash price in the Lethbridge, Alberta, feedlot region has experienced a downtrend since the start of the crop year and continued to decline in February, averaging below $280/tonne (/t) at the time of writing, representing a three-year low. This has consequently brought the crop year to-date average down to below $335/t. For the entire 2023-24 crop year, the average Lethbridge barley price is projected at $310/t, lower than the highs seen in the previous two years.

Worldwide, global barley supply for 2023-24 will be the lowest in five years, according to the United States Department of Agriculture (USDA). Global demand for animal feed is also expected to fall to a five-year low, but demand for food, seed and industrial (FSI) use will rebound y/y and be slightly above the five-year average. World ending stocks are projected to close to an all-time low. Compared to the February projections, the USDA's March projections include downward forecasts for global production and feed consumption and upward forecasts for trade, FSI, and ending stocks.

For 2024-25, Canadian barley area is projected at 2.9 million hectares (Mha), according to STC's March 11 seeding projections for the 2024-25 growing season. This represents a drop of 3% in area y/y and 5% below the previous five-year average, possibly because of lower exports and strong competition from other crops. By province, Alberta, the largest barley production province, is projected to seed 1,494 thousand hectares (Kha) of barley (-4% y/y), Saskatchewan 1,127 Kha (-1% y/y), Manitoba 160 Kha (-4% y/y), with the remainder seeded across Canada.

Production is forecast to increase by 7% y/y to 9.5 Mt, supported by an assumed return to normal yields. The expected increases in production and carry-in stocks will more than offset lower imports and push supply up by 9% to 10.5 Mt, which is 2% above the average. 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, despite an expected increase in supply. Carry-out stocks are projected at 1.3 Mt, up 30% y/y and 66% above the average.

The Lethbridge cash feed barley price is forecast at $295/t, down $15/t y/y and the lowest in four years.

Corn

For 2023-24, Canadian corn supply is projected at 19.4 Mt, down slightly from last year and the previous five-year average, as a result of a sharp decrease in carry-in stocks, which is partly offset by increases in production and imports. Due to an expected increase in domestic animal feed consumption, as well as human food and industrial use, total domestic use is forecast at 15.7 Mt, up 4% y/y and 1% above the average. Given ample global corn supplies, exports are projected at 1.85 Mt, decreasing significantly y/y, but remaining above the five-year average, with Ireland, the US, and the United Kingdom as the main destinations. Carry-out stocks are projected at 1.9 Mt, up 17% from 2022-23's low but significantly below the average.

The Chatham corn spot price has experienced a downtrend since the start of the crop year and continued to decline in February, averaging below $195/t at the time of writing, representing the lowest in over three years. As a result, the crop year to-date average has dropped to around $220/t. For the entire 2023-24 crop year, the average Chatham corn price is projected at $210/t, a four-year low.

The 2023-24 US corn supply and demand features ample supply, rebounding exports and record high

domestic demand, according to the USDA. Ending stocks will reach 55 Mt, up sharply from 35 Mt last year and 42 Mt for the five-year average, and the highest in five years. Compared to the February projections, USDA's March supply and demand projections are unchanged. The average farm price for 2023-24 is projected at US$4.75/bushel (bu) or US$187/t, down slightly from the February projection of US$4.80/bu (US$189/t) and down sharply from 2022-23 and 2021-22, but higher than from 2013-14 to 2020-21.

The 2023-24 world corn supply and demand features record high levels of production, supply, animal feed use, and FSI use. Compared to the February projections, the USDA's March projections include a downward global production forecast, primarily linked to reduced production forecasts for Mexico and Ukraine, despite an increase in the production forecast for Argentina. World ending stocks are projected at 320 Mt, down more than 2.0 Mt (-1%) from the February projection, but up nearly 20 Mt (6%) from last year and the highest in five years.

For 2024-25, Canadian corn acreage is projected at 1.6 Mha, up 2% y/y and 6% above the previous five-year average. By province, Ontario, the largest corn producing province, is projected to seed 917 Kha of corn (up slightly y/y), Quebec 383 Kha (+5% y/y) and Manitoba 237 Kha (+6% y/y), with the remainder seeded across Canada.

Despite the increase in area, production is projected to decrease slightly y/y to 14.9 Mt due to a projected average yield, which is lower than the 2023-24 level. Supply is projected to fall by 2% y/y to 19.0 Mt as the expected decline in production and imports is only partly offset by the expected 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 at 2.2 Mt, up significantly y/y but in line with the average.

The Chatham corn price for 2024-25 is projected at $225/t, up $15/t y/y, but under pressure primarily from the expected decline in 2024-25 US corn prices.

The US is expected to experience another year of ample corn supplies for 2024-25, according to the USDA's 100th Agricultural Outlook Forum. Production is projected by the USDA to decline y/y as a result of reduced area, despite record-high yields. However, due to large beginning stocks, supply for 2024-25 will reach an all-time high of 438 Mt. Total demand is projected to increase y/y and be above the average, supported by the feed sector, ethanol production, and exports. Ending stocks are projected at 64 Mt, up sharply from the 2023-24 level and the average, also a record high. Price is projected at US$4.40/bu (US$173/t), down from US$4.75/bu (US$187/t) projected for 2023-24.

Oats

For 2023-24, Canadian oat supply is estimated at 3.94 Mt, down sharply from last year and the previous five-year average, due to a significant decline in production more than offsetting plentiful carry-in stocks. Domestic use, the majority of which is for animal feed, is projected at 1.09 Mt, declining significantly y/y due to sharply decreased supply. Total exports are projected at 2.45 Mt, vs 2.67 Mt last year and 2.61 Mt for the five-year average, with the US, Mexico, Chile, and Japan as the main destinations. Carry-out stocks are projected at 0.40 Mt, down sharply y/y and significantly below the average.

The Chicago Board of Trade (CBOT) oat nearby futures experienced an overall decline during the harvest period and have remained relatively stable since then. It was about CAN$345/t in the first week of March vs over CAN$315/t a year ago. For 2023-24, the average CBOT oat futures price is projected at CAN$360/t, up from CAN$346/t in 2022-23 due to tight Canadian oat supplies, despite lower row crop prices predicted for 2023-24. In comparison, the average oat cash price on the Prairies in the first week of March was around $305/t, vs $265/t a year ago. The to-date average was about $310/t vs less than $275/t last year.

For 2024-25, Canadian oat acreage is projected at 1.24 Mha, up 22% y/y, mainly due to expected tight carry-in stocks and relatively attractive returns compared to other field crops. However, this level is 13% below the previous five-year average. By province, Saskatchewan, the largest oat production province, is projected to seed 630 Kha of oats (+51% y/y), Alberta 309 Kha (+9% y/y) and Manitoba 181 Kha (-6% y/y), with the remainder seeded across Canada.

Production is forecast to increase by 33% y/y to 3.51 Mt due to increased area and an expected return to normal yields. The increase in production is expected to more than offset the sharp decline in carry-in stocks, causing supply to decrease only slightly to 3.93 Mt. Projections for total domestic use, exports and carry-out stocks remain steady y/y.

The average CBOT oat futures value is projected at CAN$320t, down CAN $45/t y/y and the lowest in four years.

Rye

For 2023-24, Canadian all rye supply is pegged at 464 Kt, down 23% y/y due to a 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 at 140 Kt, falling sharply y/y following smaller supply. Exports are expected to stay stable y/y at slightly below 200 Kt, with almost all exports going to the US. Carry-out stocks are projected at 70 Kt, down sharply y/y but in-line with the five-year average.

The 2023-24 average rye price on the Canadian Prairies is projected at $220/t, down y/y due to lower row crop prices predicted for the year.

For 2024-25, Canadian rye acreage is projected at 183 Kha, up by 3% y/y but 11% lower than the five-year average. Production is projected to decrease by 2% y/y to 350 thousand tonnes (Kt), assuming average abandonment rates and yields. The declines in carry-in stocks and production will push supply to drop by 9% y/y to 422 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 average rye price on the Canadian Prairies is projected at $210/t, down $10/t from 2023-24, based on lower row crop prices predicted for the crop 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. 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 oil content of the Western Canadian canola crop is averaging 43.6% based on the Canadian Grain Commission's Harvest Sample survey. By province, the oil content of Alberta- and British Columbia-grown canola has a mean of 44.2% while Saskatchewan and Manitoba are averaging 43.3% and 43.1%, respectively.

Supplies for the crop year are estimated at 20.1 Mt, down marginally from 20.2 Mt for 2022-23 and the five-year average of 21.5 Mt, as a slight increase in both carry-in stocks and imports moderates the decline in production. Imports are estimated at a 20-year high of 0.25 Mt.

Total domestic use of canola is estimated up by 3% 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.

Exports for 2023-24 are scaled back from previous crop years to 7.0 Mt in response to 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, Japanese, and United Arab Emirates demand for canola and co-products a key factor to monitor.

Carry-out stocks are estimated at 2.0 Mt, up sharply from last year but below the five-year average, which is expected to support a strong early season crush pace for the 2024-25 crop year. The simple average price, No. 1, track Vancouver, is estimated at $685/tonne (/t) (versus $857/t in 2022-23 and 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 8.7 million hectares (Mha) due to declining prices, steady input costs, low late-fall soil moisture, and competitive wheat prices. Normal yields are assumed, supporting the forecast for a slightly lower canola output of 18.1 Mt. Supplies are forecast to rise marginally to 20.2 Mt as higher carry-in more than offsets the drop in output and smaller 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 the speed at which crush plants under construction become operational. Exports are projected to rise to 7.7 Mt with the projection highly sensitive to the size of the domestic canola crop, the strength of domestic crush demand, and competition from world supplies of oilseeds and vegetable oils. Carry-out stocks are forecast to fall slightly to 1.65 Mt vs 2.0 Mt for 2023-24 and the five-year average of 2.50 Mt. The simple average price, No.1 track Vancouver is forecast lower at $625/t for the upcoming crop year.

Factors to watch are; (i) Canadian early spring temperature and moisture forecasts, (ii) US weather conditions and planting progress, (iii) Brazil harvest and export pace, (iv) strength of Chinese, Japanese and United Arab Emirates buying, (v) domestic crush and export pace.

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 502 Kt (versus 567 Kt for 2022-23 and the 568 Kt average over the previous five years), as lower output was moderated by sharply higher carry-in stocks. Total domestic use is forecast to decline marginally on lower 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 120 Kt for a stocks-to-usage ratio of 31%. The simple average price for flaxseed No.1, in-store, Saskatoon cash is forecast at $575/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 0.21 Mha with a harvested area of slightly over 0.20 Mha. Production is projected at 260 Kt as the drop in seeded area is partly offset by higher yields. Supplies are forecast to fall to 390 Kt on a combination of lower carry-in and lower production.

Total domestic use is forecast to decline to 90 Kt while exports are estimated unchanged at 250 Kt. Carry-out stocks are projected to fall to 50 Kt for a stock-to-use ratio of 15%. The simple average price for flaxseed No.1 in-store Saskatoon cash is forecast at $600/t, up from 2023-24 but below the five-year average of $710/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 average yields were 3.09 t/ha. Total supplies are estimated up 7% from last year to 7.8 Mt and 2% above the five-year average of 7.62 Mt as larger carry-in and stable imports supported the rise in output.

Total domestic use is forecast to fall slightly on a decrease in crush to 1.75 Mt and a drop in feed, waste, and dockage to about 0.53 Mt. Exports are up 16% from 2022-23 to 4.90 Mt and are 10% above the five-year average. Carry-out stocks are forecast at 0.42 Mt for a stocks-to-use ratio of 6%.

The Canadian simple average price for soybeans, track Chatham, is forecast to fall by $131/t from last year to $570/t, versus the five-year average of $562/t.

For March 2023, the USDA retained its bearish outlook for the American soybean market, leaving ending stocks and farm-gate price estimates unchanged. 2023-24 ending stocks are steady with last month at 7.2 Mt while the farm-gate price is estimated at US$465/t vs US$522/t for 2022-23. For the current crop year, domestic crush remains strong at 60.2 Mt, a rise of 0.2 Mt from 2022-23 while exports fall 7.4 Mt year-on-year to 46.8 Mt.

The US situation mirrors the world oilseed market as total production fell by 0.7 Mt from last month on reduced Brazilian soybean output to 658.7 Mt vs 637.3 Mt for 2022-23. World oilseed usage is estimated at 541 Mt in contrast to the 525 Mt consumed in 2022-23 while world ending stocks are estimated at 131.4 Mt compared to the February prediction of 133.4 Mt and the 120.8 Mt ending inventory for 2022-23.

For 2024-25, soybean area in Canada is forecast to fall marginally to 2.26 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 6.90 Mt while supplies fall slightly to 7.77 Mt, but remains the third highest on record, on slightly higher carry-in.

Total domestic use is forecast to fall marginally on a projected drop in feed, waste, and dockage to 0.35 Mt. Domestic crush is optimistically projected 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 to fall to 0.38 Mt for a stocks-to-use ratio of 5%. The Canadian simple average price for soybeans, track Chatham, is forecast to fall by $40/t from last year to $530/t, versus the five-year average of $562/t.

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Pulse and Special Crops

Dry Peas

For 2023-24, exports are forecast to fall to 2.4 million tonnes (Mt), with China and India ranking as Canada's top two markets. Through August to January of this crop year, Canadian dry pea exports totaled 1.6 Mt, 0.2 Mt higher than the same period in 2022-23. Carry-out stocks are expected to fall largely due to lower supply from the reduced yields in Western Canada. The average price is expected to be higher than 2022-23, with higher prices for all types of dry peas.

During the month of February, the on-farm price of yellow peas in Saskatchewan rose by $25/tonne (/t) and the price of green peas was unchanged. Monthly dry pea exports were higher than the five-year average in the month of January. The remaining yellow pea stocks are lower than the previous year at this time. Indications are that there will be a smaller winter pulse crop in India. If a below average pulse crop in India is realized, Canadian dry pea export demand is expected to remain similar through the remainder of the crop year. Bullish factors include lower exportable supply and increased demand from India. Green dry peas prices are expected to maintain a premium of $200/t to yellow pea prices, compared to the $65/t premium yellow pea prices had to green peas in 2022-23.

US dry pea production is estimated by the United States Department of Agriculture (USDA) at over 0.8 Mt, up sharply from 2022-23. This is largely due to above-average yields and higher area. As a result, Canadian exports to the US are forecast to be lower than the previous year. For the 2023-24 crop year to-date (August to January), Canadian dry pea exports to the US totaled 100 thousand tonnes (Kt), lower than at this time in 2022-23.

For 2024-25, seeded area is forecast to be marginally higher than 2023-24 at 1.26 million hectares (Mha) because of good returns relative to other crops. Production is forecast at 3.0 Mt, up 15%, due to the increase in area seeded and similar yields. Supply, however, is expected to rise only marginally, due to lower carry-in stocks. Exports are expected to be unchanged from the current crop year and carry-out stocks are expected to rise. The average price in 2024-25 is expected to be lower than the previous year.

Lentils

For 2023-24, exports are forecast to fall to 1.6 Mt. India, Turkey and the United Arab Emirates are currently the top three export markets. Through August to January of this crop year, Canadian lentil exports totaled nearly 1.0 Mt, down 21% from the same period in 2022-23.

Carry-out stocks are forecast to decrease to 0.1 Mt. The overall average price is forecast to rise sharply from last year due to decreased world supply to a record $1,000/t.

During the month of February, the on-farm price of large green lentils rose by $140/t and the price of red lentils decreased by $15/t in Saskatchewan. Canadian lentil export demand has been steady and stocks are beginning to tighten, particularly for green lentil types. The price premium for large greens over red lentils is forecast to increase to a record $690/t versus $400/t in 2022-23.

US lentil production, dominated by the green types, is estimated by the USDA at 261 Kt, up marginally from 2022-23. Despite this, Canadian lentil exports to the US to-date (August to January) are higher than last year at this time at 46 Kt.

For 2024-25, area seeded in Canada is expected to be higher at 1.55 Mha, due to record returns last year relative to other crops. A higher average yield is forecast and production is expected to rise to 2.13 Mt. Supply is expected to increase to 2.31 Mt, with smaller carry-in stocks. Exports are forecast to be higher at 1.8 Mt. Carry-out stocks are expected to increase. The average price is forecast to decrease from 2023-24, with the assumption of an average grade distribution and discounts for lower grades.

Dry Beans

For 2023-24, exports are expected to be higher than the 2022-23 crop year despite a reduced supply. The EU and the US continue to be the main markets for Canadian dry beans, with smaller volumes exported

to Mexico and Japan. Canadian carry-out stocks are expected to decrease. The average Canadian dry bean price is forecast to rise to a record $1,220/t, due to expectations for lower carry-out stocks in North America. To-date (August-February), Canadian white pea bean prices are 4% lower, pinto bean prices are 9% higher, and black bean prices are 3% higher than were realized in 2022-23.

US total dry bean production (excluding chickpeas) is estimated by the USDA at nearly 1.1 Mt, down 7% from 2022-23. US dry bean production fell for pinto, white pea (navy) and kidney types, while production increased for Great Northern, pink, black, small red and cranberry types. This is expected to continue to support US and Canadian dry bean prices in 2023-24.

For 2024-25, the area seeded is forecast to rise from 2023-24 to 145 thousand hectares (Kha) because of higher potential returns compared to other crops. Production is expected to increase to 355 Kt due to higher area. Exports are forecast to be lower with steady demand from the EU and the US. Carry-out stocks are forecast to rise. The average Canadian dry bean price is forecast to fall due to expectations for higher supply in North America.

Chickpeas

For 2023-24, exports are expected to fall from 2022-23 due to decreased import demand from the US and Pakistan. Despite the fall in exports, carry-out stocks are expected to fall sharply due to lower supply. The average price is expected to be higher than last year at a record $1,080/t, due to smaller world supplies of chickpeas.

US chickpea production is estimated by USDA at 214 Kt, a 28% increase from 2022-23. As a result, US import demand for Canadian chickpeas is expected to reach 50 Kt, slightly lower than last year.

For 2024-25, the area seeded is expected to rise by 34 Kha from 2023-24 because of lower carry-in stocks and higher potential returns relative to other crops. As a result, production is expected to increase to 225 Kt. Supply is forecast to rise from 2023-24 despite lower carry-in stocks. Exports are forecast to be unchanged and carry-out stocks are expected to increase. The average price is forecast to be lower, due to expectations for larger world chickpea supplies.

Mustard Seed

For 2023-24, exports are forecast to be unchanged at 110 Kt, and carry-out stocks are forecast to rise significantly. The US and the EU are the main export markets to-date for Canadian mustard seed. The average price is forecast to fall due to expectations for increased Canadian carry-out stocks but remain historically high for all types of mustard seed.

For 2024-25, the area seeded is forecast to be 7% lower than the previous year. Production is forecast to be higher at 180 Kt, with decreased area but improved yields when compared to the previous year. Supply is expected to rise by 34 Kt from the previous year as higher carry-in stocks combine with increased production. Exports are expected to be unchanged but carry-out stocks are forecast to rise sharply. The average price is forecast to be lower than 2023-24.

Canary Seed

For 2023-24, exports are expected to be lower than 2022-23 due to limited domestic supply. Carry-out stocks are expected to be tight. The average price is forecast to rise from 2022-23 to $935/t.

For 2024-25, the area seeded is forecast to rise due to competitive returns relative to other crops. Production is expected to increase, assuming improved yields. Supply is forecast to rise by 9% to 185 Kt. Exports are expected to be higher than 2023-24 and carry-out stocks are expected to rise for the first time in four years. The average price is expected to be lower than the 2023-24 level but remain historically high.

Sunflower Seed

For 2023-24, exports are forecast to be higher than last year assuming the faster export pace to the US continues. Carry-out stocks are forecast to rise, due to higher supply. The US remains Canada's main export market for sunflower seed. The average price is forecast to fall from 2022-23 to $565/t due to lower sunflower oil and confectionery prices.

For the US, sunflower seed production is estimated by the USDA to have decreased significantly to nearly 1.03 Mt. With a larger US confectionery crop however, this has pressured Canadian confectionery sunflower seed prices.

The world supply of sunflower seed is estimated by the USDA at 61.7 Mt. This is 4% lower than last year, as higher production in Russia and Ukraine is offset by lower carry-in stocks. World exports are expected to fall sharply to 2.8 Mt, with domestic use expected to decrease to 55.9 Mt. Global carry-out stocks are expected to fall by 21% to 3.0 Mt.

For 2024-25, area seeded is anticipated to be lower than 2023-24 due to lower returns compared with other crops. Production is forecast to fall to 73 Kt but supply is expected to rise to 288 Kt. Exports are expected to be higher and carry-out stocks are forecast to continue to increase. The average price is forecast to rebound from 2023-24 due to similar prices for confectionery sunflowers in Canada and the US combined with higher prices for oil types.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

March 19, 2024

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												
2022-2023	2,431	2,399	2.41	5,790	1	6,360	5,054	194	470	898	409	445
2023-2024f	2,442	2,375	1.70	4,045	25	4,479	3,200	200	416	829	450	465
2024-2025f	2,567	2,516	2.25	5,655	25	6,130	4,500	200	467	880	750	375
Wheat Except Durum												
2022-2023	7,844	7,683	3.72	28,545	64	31,702	20,612	3,258	3,858	7,987	3,103	401
2023-2024f	8,496	8,307	3.36	27,909	100	31,112	20,250	3,300	3,635	7,762	3,100	330
2024-2025f	8,377	8,210	3.52	28,937	100	32,137	20,100	3,300	4,260	8,387	3,650	320
All Wheat												
2022-2023	10,274	10,082	3.41	34,335	65	38,063	25,666	3,453	4,328	8,885	3,512	
2023-2024f	10,938	10,682	2.99	31,954	125	35,591	23,450	3,500	4,051	8,591	3,550	
2024-2025f	10,945	10,726	3.23	34,593	125	38,268	24,600	3,500	4,727	9,268	4,400	
Barley												
2022-2023	2,851	2,636	3.79	9,987	26	10,556	3,889	106	5,598	5,958	709	417
2023-2024f	2,963	2,699	3.30	8,896	80	9,685	2,750	319	5,368	5,935	1,000	310
2024-2025f	2,887	2,630	3.61	9,496	30	10,526	2,750	319	5,913	6,476	1,300	295
Corn												
2022-2023	1,466	1,444	10.00	14,539	2,227	19,512	2,848	5,327	9,693	15,036	1,628	300
2023-2024f	1,548	1,519	9.93	15,076	2,700	19,403	1,850	5,400	10,238	15,653	1,900	210
2024-2025f	1,572	1,540	9.69	14,929	2,150	18,979	1,650	5,400	9,713	15,129	2,200	225
Oats												
2022-2023	1,593	1,402	3.73	5,227	25	5,584	2,670	90	1,462	1,639	1,275	346
2023-2024f	1,023	823	3.20	2,636	25	3,936	2,450	90	893	1,086	400	360
2024-2025f	1,243	1,023	3.43	3,510	20	3,930	2,450	90	889	1,080	400	320
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	34	147	196	70	220
2024-2025f	183	112	3.13	350	2	422	183	34	123	174	65	210
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	101	45	2.60	117	0	117	0	0	117	117	0	
Total Coarse Grains												
2022-2023	6,286	5,705	5.34	30,475	2,280	36,460	9,606	5,565	17,200	23,138	3,716	
2023-2024f	5,855	5,217	5.20	27,118	2,807	33,640	7,247	5,843	16,799	23,023	3,370	
2024-2025f	5,986	5,349	5.31	28,402	2,202	33,973	7,033	5,843	16,754	22,975	3,965	
Canola												
2022-2023	8,659	8,596	2.17	18,695	151	20,174	7,950	9,961	692	10,718	1,506	857
2023-2024f	8,936	8,855	2.07	18,328	250	20,084	7,000	10,500	533	11,084	2,000	685
2024-2025f	8,658	8,547	2.12	18,100	100	20,200	7,700	10,500	299	10,850	1,650	625
Flaxseed												
2022-2023	315	312	1.52	473	12	567	214	N/A	122	133	220	635
2023-2024f	247	239	1.14	273	10	502	250	N/A	113	132	120	575
2024-2025f	207	200	1.30	260	10	390	250	N/A	71	90	50	600
Soybeans												
2022-2023	2,135	2,118	3.09	6,543	483	7,313	4,216	1,768	722	2,726	372	701
2023-2024f	2,279	2,261	3.09	6,981	450	7,802	4,900	1,750	532	2,482	421	570
2024-2025f	2,259	2,258	3.06	6,900	450	7,771	4,950	1,900	346	2,446	375	530
Total Oilseeds												
2022-2023	11,108	11,026	2.33	25,711	646	28,054	12,380	11,729	1,536	13,577	2,097	
2023-2024f	11,461	11,354	2.25	25,581	710	28,388	12,150	12,250	1,178	13,698	2,541	
2024-2025f	11,123	11,006	2.30	25,260	560	28,361	12,900	12,400	716	13,386	2,075	
Total Grains And Oilseeds												
2022-2023	27,668	26,814	3.38	90,521	2,991	102,577	47,652	20,746	23,064	45,600	9,325	
2023-2024f	28,255	27,253	3.11	84,654	3,642	97,620	42,847	21,593	22,027	45,312	9,461	
2024-2025f	28,054	27,081	3.26	88,254	2,887	100,601	44,533	21,743	22,197	45,628	10,440	

(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 and seeded area for 2024-25 which are STC

CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

March 19, 2024

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (c)	Carry-out Stocks	Stocks-to-Use Ratio	Average Price (d)
	thousand ha		*t/ha*	*thousand metric tonnes*						*%*	*$/t*
Dry Peas											
2022-2023	1,363	1,348	2.54	3,423	35	3,797	2,563	737	498	15%	440
2023-2024f	1,233	1,200	2.17	2,609	80	3,186	2,400	576	210	7%	460
2024-2025f	1,264	1,235	2.43	3,000	30	3,240	2,400	600	240	8%	375
Lentils											
2022-2023	1,749	1,715	1.34	2,301	87	2,610	2,209	255	147	6%	820
2023-2024f	1,485	1,460	1.14	1,671	95	1,913	1,600	213	100	6%	1,000
2024-2025f	1,550	1,525	1.40	2,130	75	2,305	1,800	265	240	12%	800
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%	1,220
2024-2025f	145	142	2.50	355	75	460	335	75	50	12%	1,140
Chickpeas											
2022-2023	95	95	1.35	128	42	325	198	99	28	9%	1,000
2023-2024f	128	127	1.12	142	45	215	135	75	5	2%	1,080
2024-2025f	162	160	1.41	225	45	275	135	75	65	31%	900
Mustard Seed											
2022-2023	225	219	0.74	162	11	189	110	40	40	26%	2,140
2023-2024f	258	251	0.68	171	8	218	110	43	65	42%	1,310
2024-2025f	240	232	0.78	180	7	252	110	42	100	66%	930
Canary Seed											
2022-2023	118	117	1.36	159	0	213	147	9	57	36%	900
2023-2024f	104	103	1.09	112	0	169	125	14	30	22%	935
2024-2025f	118	116	1.34	155	0	185	135	10	40	28%	770
Sunflower Seed											
2022-2023	38	38	2.24	84	40	242	22	70	151	165%	800
2023-2024f	40	40	2.32	92	30	273	25	68	180	193%	565
2024-2025f	34	33	2.21	73	35	288	35	68	185	180%	630
Total Pulse And Special Crops (c)											
2022-2023	3,707	3,649	1.80	6,570	284	7,900	5,616	1,285	999		
2023-2024f	3,376	3,309	1.55	5,137	333	6,469	4,785	1,064	620		
2024-2025f	3,511	3,443	1.78	6,118	267	7,005	4,950	1,135	920		

(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 and seeded area for 2024-25 which are STC