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CANADA: OUTLOOK FOR PRINCIPAL FIELD CROPS

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This report provides an update on AAFC's July outlook report with a brief review of the situation at the close of the previous crop year and a preview of the current crop year. For the 2013-14 crop year, information has been incorporated from Statistics Canada's (STC) September 5, 2014 survey-based results for "stocks of principal field crops as of July 31" and the other components related to demand. For the 2014-15 crop year, information has been incorporated from the STC August 21 report on area, yield and production, which was based on a survey of 12,850 farmers, conducted during the July 23 to August 4 period.

In Canada, the **2013-14** crop year ended on July 31 for most crops. The crop year was marked by extremely favorable growing conditions and total production in Canada increased by 26% to 97 million tonnes (Mt) with 76 Mt produced in western Canada and 21 Mt in eastern Canada. However, the increase in the supply of all crops in Canada was less dramatic because of low carry-in stocks. The large supply, late harvest and a very cold winter created a number of issues for grain transportation and storage. However, exports of all crops in western Canada increased by 13%, to more than 42 Mt, representing 55% of production. Due to record supplies, and lower international prices, grain prices in Canada, especially on-farm, averaged significantly lower than for the 2012-13 crop year. Carry-out stocks for all crops increased significantly.

For most crops in Canada, the **2014-15** crop year started on August 1. The STC area seeded report indicated that the total area seeded in Canada decreased slightly, partly due to wet conditions during seeding. In western Canada, the area seeded to wheat and coarse grain decreased while the area seeded to canola and soybeans increased. In eastern Canada, the area seeded to corn decreased and was offset by higher area seeded to soybeans.

Across all crops, average yields are expected to decline, on trend, by 17% to a more normal level than occurred in 2013. Due to the decline in yields, total crop production in Canada is forecast to decrease by about 20% to 76.4 Mt, which is still 3.5% above the 5-year average production 2008/2012 (73.8 Mt). Despite high carry-in stocks, supply is also forecast to decrease significantly which will reduce the demand on the infrastructure and transportation system. Carry-out stocks are expected to decrease by 43% from the 2013-14 level. In general, abundant world grain supplies are expected to continue to pressure world prices, but a weak Canadian dollar, which is anticipated to remain at a discount of about 10% to the US dollar, is expected to provide some support to prices in Canada. Milling wheat and durum prices in Canada are forecast to increase while coarse grain and oilseed prices are expected to decrease due to large corn and soybean crops in the US.

Statistics Canada will release the estimates from its early September survey of yield and production on October 3, 2014.

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 metric tonnes*					
Total Grains And Oilseeds									
2012-2013	26,455	25,693	2.76	71,040	1,018	82,455	36,949	36,555	8,951
2013-2014f	26,798	26,066	3.46	90,133	988	100,073	42,347	39,813	17,913
2014-2015f	25,755	24,291	2.88	70,013	1,356	89,282	41,620	37,817	9,845
Total Pulse And Special Crops									
2012-2013	3,047	2,990	1.90	5,677	141	7,066	4,954	1,472	640
2013-2014f	2,844	2,816	2.44	6,880	141	7,661	5,233	1,811	628
2014-2015f	3,418	3,196	2.01	6,409	118	7,155	5,105	1,390	660
All Principal Field Crops									
2012-2013	29,502	28,682	2.67	76,716	1,159	89,521	41,903	38,027	9,591
2013-2014f	29,642	28,882	3.36	97,013	1,130	107,734	47,580	41,624	18,541
2014-2015f	29,173	27,487	2.78	76,421	1,474	96,437	46,725	39,207	10,505

Source: Statistics Canada, f: forecast by Agriculture and Agri-Food Canada

ALL WHEAT

DURUM

For **2013-14**, exports increased by 14% from 2012-13 to 4.84 Mt due to strong world demand and Canada's higher share of world durum production. Carry-out stocks increased by 57% to 1.81 million tonnes (Mt). Crop year average Canadian producer prices for durum fell from 2012-13 due to the higher world and Canadian supply and carry-out stocks. Durum spot prices started falling in August 2013 and reached a low point in February 2014. There had been a 30% increase in prices from February to July 31due to strong demand and an improvement in shipments, especially since the re-opening of the St. Lawrence Seaway to Thunder Bay in early April. More recently, prices had been supported by concerns about the durum crop in the European Union.

For **2014-15,** Canadian durum production is estimated to decrease by 24% from 2013-14 as a result of a 4% lower seeded area and a 20% decrease in average yields. Saskatchewan accounts for 86% of the Canadian estimated production and Alberta for 14%. Supply is estimated to decrease by 12% as higher carry-in stocks partly offset the fall in production. Exports are forecast to increase by 1% as industry's ability to respond to strong demand in export markets will be limited by the lower Canadian supply. Carry-out stocks are forecast to decrease by 45% to a low 1.0 Mt. Crop year average Canadian producer prices for durum are forecast to increase from 2013-14 due to lower world and Canadian supply and carry-out stocks, and the forecast for a weaker Canadian dollar. Prices have increased since the end of July.

World durum production is forecast to decrease by 4 Mt from 2013-14 to 33.7 Mt, the lowest since 2001-02, primarily due to lower production for Canada. Supply is forecast to decrease by 3.1 Mt to 41.2 Mt as the lower production is partly offset by higher carry-in stocks. Use is expected to fall by 0.2 Mt as higher food use is more than offset by lower feed use. Carry-out stocks are forecast to fall by 2.5 Mt to 5 Mt, the lowest since 1999-2000. US durum production is estimated to fall by 2% to 1.65 Mt due to lower yields.

WHEAT (excluding durum)

For **2013-14**, exports increased by 16% from 2012-13 to 17.85 Mt due to growing world demand in the food market and larger Canadian supply. Domestic use increased by 17%, mostly in the feed market. Carry-out stocks rose by 105% to 7.98 Mt. Crop year average Canadian producer prices for wheat decreased from 2012-13 due to higher world and Canadian supply. Canadian wheat prices started falling in June 2013 and reached a low point in January-February 2014. Prices started recovering in March 2014 in line with the higher Minneapolis futures prices, which were supported mainly by strong demand and a second year of drought in the US southern plains. However, prices fell again in late May as spring wheat seeding progress improved in the northern US plains and in Canada, and the world winter wheat crop, outside the US southern plains, was in mostly good condition.

For **2014-15,** Canadian wheat production is estimated to decrease by 27% from 2013-14 to 22.8 Mt due to 8% lower seeded area and a 17% decline in average yields. Canadian winter wheat production is estimated to fall by 24% to 2.8 Mt, with a 30% decrease for eastern Canada and a 21% decline for western Canada. Spring wheat production is estimated to fall by 27% to 20 Mt, with a 29% decrease for Saskatchewan, 22% for Alberta and 33% for Manitoba. Spring wheat production is estimated to fall only marginally for British Columbia and rise by 15% for eastern Canada. Saskatchewan accounts for 40% of the total wheat production, Alberta for 36%, Manitoba for 15%, Ontario for 7.5% and other provinces for 1.5%.

Statistics Canada did not provide production estimates for classes of spring wheat, but based on an analysis of the area seeded by class and provincial yield estimates, the decreases in production were as follows: 27% for hard red spring wheat, 8% for Canada Prairie Spring wheat, 42% for soft white spring wheat, 18% for general purpose wheat and 11% for extra strong wheat.

The winter wheat production, mostly hard red winter and soft red winter with some soft white winter, is estimated to account for 12% of the total wheat production. The production of hard red spring wheat is expected to account for 72% of the total wheat production, similar to 2013-14, Canada Prairie Spring for 8%, soft white spring for 5.5%, general purpose for 1.5% and extra strong for 2.5%.

Supply is expected to decrease by 8%, as the decrease in production is partly offset by higher carry-in stocks. Domestic use is expected to fall by 19% due to lower feed use resulting from the lower supply. Exports are forecast to rise by 1% to 18 Mt as growing demand in the food market is expected to be mostly offset by the lower Canadian supply. Carry-out stocks are forecast to fall by 44% to a relatively low 4.5 Mt. Crop year average Canadian producer prices for higher quality milling wheat are forecast to increase from 2013-14 due to lower US and Canadian supply, and the forecast weaker Canadian dollar. Price premiums for protein are expected to be higher than for 2013-14 due to lower supply of high protein wheat. Prices have increased since the end of July. However, crop year average producer prices of lower quality milling wheat and feed wheat are expected to be pressured by the higher world wheat supply and by lower corn prices, respectively.

World all wheat (including durum) production is forecast to increase by 6 Mt to a new record of 720 Mt. Supply is forecast to rise by 17 Mt to 906 Mt, as higher carry-in stocks compound the increase in production. Total use is forecast to rise by 7 Mt to 710 Mt. Carry-out stocks are forecast to increase by 10 Mt to 196 Mt.

US wheat production is estimated to decrease by 2.8 Mt to 55.2 Mt, as a 2% higher harvested area is more than offset by lower yields due to drought in the southern plains. Production is estimated to fall for hard red winter, soft red winter and white wheat, but increase by 8% for hard red spring wheat. Domestic use is expected to fall because of lower feed use. Exports are forecast to decrease due to lower supply and more competition in world markets. Carry-out stocks are forecast to increase by 3 Mt to 19 Mt.

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COARSE GRAINS

BARLEY

For **2013-14**, exports are forecast to increase by 7% to 2.3 million tonnes (Mt) despite strong world competition in the world malting barley market. Domestic use increased by 15% due mainly to increased feed use. Carry-out stocks increased sharply from the record low of 2012-13 and were higher than both the previous five and ten-year averages. Domestic feed barley prices fell from 2012-13 due to lower US coarse grain prices.

For **2014-15,** production is forecast to fall by 30% to 7.2 Mt, compared to 10 Mt for the 10 year average. Due to high carry-in stocks, supply is forecast to fall by only 19%. Total domestic use is forecast to fall, mostly due to lower feed use. Exports are forecast to remain fall to 2.1 Mt. Carryout stocks are forecast to fall sharply to a record low of 0.9 Mt due to lower supply. Despite forecasts for lower North American and world barley production, world barley prices are expected to be pressured by the burdensome large world supplies of coarse grains.

The USDA has forecast a decline in US barley production, as lower area is expected to more than offset higher expected yields. With higher beginning

stocks and imports, US supply will decrease only 4% from 2013-14. With the prospect for a large US corn crop and subsequent price decline, the USDA is projecting the average US barley price to decrease by over 20%. However, Canadian prices will be supported by a much sharper decrease in Canadian barley carry-out stocks and forecasts for strong North American cattle and hog prices into 2014-15. The Lethbridge price is forecast to decrease only slightly from 2013-14. With tighter domestic barley supplies, local feed barley prices should increase to a level similar to the average of the previous five-year average.

The Lethbridge cash barley price fell C$15/t in August mirroring US corn prices. Cool, wet weather in western Canada continues to delay harvest.

CORN

For 2013-14, exports are expected to rise by 7% to a record 1.85 Mt, due to record exports to the EU-27, mostly to Spain, Ireland, Netherlands and Portugal. Imports are forecast to fall due to the record production and large carry-in stocks. Total domestic use is forecast to rise following trend increases to livestock feeding and industrial demand. Carryout stocks are expected to rise sharply to a record 2.5 Mt. The Chatham in-store elevator price fell due to lower US corn prices. This is largely the result of the large US and world corn crops.

For 2014-15, production is forecast to fall by nearly 20% to 11.4 Mt due to the lower area and yield. However, due to record high carry-in stocks, supply is forecast to fall by only 9%. Total domestic use remained relatively unchanged as ethanol production, industrial use and livestock feeding remain relatively flat. Exports are forecast to fall by sharply to 1.0 Mt due to lower supply. Carry-out stocks are expected to decrease sharply but remain historically high at 1.8 Mt. Prices are forecast to decrease due to lower US corn prices related to large total supplies of North American and world coarse grains.

US corn crop conditions at this time are sharply better than they were at this time last year with 74% of the US corn crop rated good or excellent. With the prospect for a large US corn crop and subsequent price decline, the USDA is projecting the average US corn price to fall 12%.

OATS

For 2013-14, exports rose marginally due to relatively flat US food and industrial demand. Total oat exports, grain and oat products, were above the previous five-year average despite a slow start to the shipping season in August and September caused by the near record low oat carry-in stocks.
Total domestic use increased 23% mainly due mainly to higher feed use with lower food and industrial use. Carryout stocks rose sharply to 1.0 Mt, near record levels, and remain well above both previous five and ten-year carryout averages.

For 2014-15, production is forecast to fall by 32% to 2.65 Mt. However, supply is forecast to fall only 17% due to large carry-in stocks. Total domestic usage is forecast to fall due to lower expected feed use. Exports are forecast to fall by 4% to 2.1 Mt. Carryout stocks are expected to fall sharply to 0.6 Mt below the five and ten year averages. Canadian oat prices are forecast to fall as the tighter Canadian oat supply situation is offset by pressure from US corn and other coarse grain prices.

For the US, the USDA has forecast a 17% rise in oat production but a marginal increase in supply due to lower carry-in stocks. US oat prices are expected to decrease by over 20% from 2013-14. With lower North American oat supply there is still the potential for strong exports at the beginning of the crop year, which will help smooth out the month-to-month predictability of supply to US end users. The better movement should reduce the basis volatility seen in local cash prices across the Canadian prairies in 2013-14.

Since the beginning of August, the US new-crop oat futures prices have risen about C$15/t due to expectations for lower North American supplies and despite expectations of a large US corn crop.

RYE

For 2013-14, exports fell by 38% due to the lower exportable supply. Total domestic usage fell by 19% to near record low levels, as the smaller total supply limited both feed and industrial use. As a result, rye carryout stocks rose to 49 thousand tonnes (kt). Despite lower exports and increased stocks, Canadian rye prices finished the crop year higher than in 2012-13.

Despite the low Canadian rye supplies, movement to the continental US remains steady albeit at a much slower pace than the previous five-year average. There are also small container-sized loads that are being exported offshore to a few countries with Korea being the main destination. Rye pricing remains steady across the prairies and the market has priced in a premium for off-farm movement to encourage farm storage.

According to Statistics Canada, **for 2014-15**, Canadian production is forecast by STC to decrease by 13% due

According to Statistics Canada, **for 2014-15**, Canadian production is forecast by STC to decrease by 13% due to the lower harvested area and yields. With the high carry-in stocks combining with lower production, total supply is forecast to fall by only 10% to the lowest level since 2002-03. Exports are forecast to be unchanged. Total domestic use is forecast to rise marginally due the very tight total supply situation limiting both feed and industrial use. Rye carryout stocks are forecast to fall to a record low 20 kt.

Rye prices are forecast to increase from 2013-14 due to the near record low total supply and similar export demand.

Saskatchewan rye harvest was 65% complete to-date compared to 89% a year ago at this time due to excess moisture and standing water. The late start to the spring growing season has meant that the rye harvest has been later than average. Despite the general decrease in expected prices for coarse grains, rye prices are expected to increase due to the near record low supply and strong domestic and world demand.

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OILSEEDS

CANOLA

For **2013-14**, canola usage set new records based on a record crush and export pace, which resulted in lower carry-out stocks than previously forecast. The Canadian crush of canola increased by 11% compared to last year, to almost 7.0 Mt, on a combination of large domestic supplies, strong demand for canola oil and canola meal and attractive crush margins. The production of canola oil slightly exceeded 3.0 Mt, vs 2.9 Mt last year, while the output of canola meal slipped by about 0.02 Mt, to just under 4.0 Mt. The crush pace accelerated as the crop year progressed with July, normally a slow month for processing, setting a new record of almost 0.7 Mt.

Canadian exports of canola are a record 9.0 Mt, up 23% from last year, versus the previous record of 8.7 Mt set in 2011-12. While the export pace started off slow due to the later than normal harvest, followed by the record cold winter, it picked up with warmer temperatures and the opening of the St Lawrence Seaway. Export movement was strong during the normally quiet summer months of the crop year. The major markets for Canadian canola were China, Mexico, Japan and the United States.

Carry-out stocks are estimated at 2.4 Mt vs. the previous record of 2.8 Mt set in 2009-10. The stocks-to-use ratio is estimated at 15%, well below the previous highs of 23% set in 2009-10, 2004-05 and 2001-02.

For **2013-14**, the simple average price for canola, track Vancouver was $503/t, down sharply from the $650/t of a year ago on pressure from lower world oilseed and edible oil prices.

For 2014-15, production is forecasted at 13.9 Mt, down sharply from 2013-14, but similar to the output of 2012-13. The decline is largely due to a sharp rise in abandonment, resulting in a 3% drop in harvested area despite a slight rise in seeded area for 2013-14. Regionally, the largest impact on canola area from the excessive moisture was in Saskatchewan with planted area down by 61,000 ha from the area seeded survey.

Nationally, yields are estimated 20% below last year as late season warm temperatures and a lack of rain shortened the blooming period and sped up pod development. Although crop development is delayed it is considered far enough advanced that an early frost would result in only relatively minor damage.

Supplies of canola are forecast 12% below last year, at 16.4Mt as large carry-in stocks moderate the drop in output. Exports are forecast to be down to 8.4 Mt, on tighter domestic supplies and increased world supplies of palm and soyoil. Domestic crush is forecast to rise slightly, to 7.1 Mt, largely on a steady pre-harvest crush pace supported by ample carry-in inventories of seed. Carry-out stocks are forecast to decrease sharply and at 0.8 Mt are tight in comparison to last year.

Despite the tighter carry-out, canola prices are forecast to decline under pressure from record large US soybean

supplies combined with large world stocks of soyoil and palm oil. Prices are forecast to decline by about $25/t from last year to average $460-500/t.

FLAXSEED (excluding solin)
For **2013-14**, exports increased to 0.59 Mt on steady Chinese buying and available domestic stocks. Domestic use is estimated up slightly while carry-out stocks rise to 0.10 Mt. As a result, average flaxseed prices fell sharply from 2012-13 to $510/t.

For **2014-15**, total production of flaxseed is estimated at 0.91 Mt, up 28% from 2013-14 as the area seeded in Canada increased by about 50% from last year due to relatively attractive net returns.

Supply increased by 12% to over 1.0 Mt as higher carry-in stocks supplemented higher production. Exports are forecast to rise by 39% to a 17 year high of 0.80 Mt, while crop year average prices fall to $480-520/t under pressure from lower world oilseed prices.

SOYBEANS
For **2013-14**, exports are estimated at a record 3.6 Mt on strong world demand and ample domestic supplies. Domestic crush fell marginally to 1.54 Mt, on competition from imported soyoil and the swing by eastern crushers to processing canola. Carry-out stocks, mostly in commercial position, are 0.15 Mt. Prices were similar to 2012-13 at $530/t.

For **2014-15**, production is estimated at a record 5.9 Mt, up 14% from last year, on a 22% rise in planted area, to a record 2.2 mln ha. Yields are estimated slightly below 2012-13 on poorer growing conditions across Ontario and western Canada.

The supply of soybeans is forecast at a record 6.4 Mt due to higher production and slightly higher imports. Exports are forecast to rise to a record 4.2 Mt, up 0.6 Mt from last year, despite the expected increase in competition from burdensome US supplies. Forecasts for a record US soybean production are supported by the extremely good crop ratings with about 70% or more of the crop is rated good-to- excellent. Domestic processing is forecast to remain comparatively steady at 1.6 Mt. Carry-out stocks are forecast unchanged at 0.15 Mt.

Prices are forecast to decline by 10% to $460-500/t under pressure from lower US prices and burdensome world supplies. The USDA is forecasting a farmgate price of US$9.35-11.35/bu versus the US$13.00/bu in 2012-13.

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PULSES AND SPECIAL CROPS

DRY PEAS
For **2013-14**, Canada's exports were marginally higher than the 2012-13 level at 2.8 Mt. Lower exports to India, Bangladesh and the EU-27 were offset by an increase in exports to China and the US. This was largely due to the large domestic pulse crop in India and increased export competitiveness from the US. Carry-out stocks in Canada increased to burdensome levels despite record domestic use. The average dry pea price fell from 2012-13, due to the large carry-out stocks in 2013-14.

Green dry peas prices held a crop year premium of $165/t over yellow dry peas, well above the historical average, but below the record $200/t premium green peas had over yellow peas in 2012-13. During the month of August, Saskatchewan green pea farmgate prices fell about C$10/t while yellow pea farmgate prices were unchanged. This was largely because a significant portion of the Canadian dry pea crop is in good to excellent condition and an expectation that there will be an increase in Canadian green pea production for 2014-15.

For **2014-15**, dry pea production in Canada is forecast by STC to fall by 10% from 2014-15, to 3.6 Mt. However, if realized, this will be the second largest dry pea crop on record. This is largely due to a return to average yields which is expected to more than offset the rise in area. Saskatchewan accounts for 60% of the dry pea production, Alberta nearly 38%, with the remainder of the production in Manitoba and British Columbia. However, supply is forecast to fall by only 6% to 3.9 Mt due to the large carry-in stocks. Exports are forecast to increase to 2.8 Mt, with India, China and Bangladesh continuing to be Canada's top markets. Carry-out

stocks are also forecast to fall. The average price is expected to fall from 2013-14, despite lower supply and carry-out stocks in Canada.

In the US, area seeded to dry peas for 2014-15 is forecast by the USDA to rise by 8% from 2013-14. This is largely due to an expected rise in area in Montana and North Dakota. Assuming normal yields and abandonment, US dry pea production is forecast by AAFC to rise by 8% to a near record 0.78 Mt. The US has been successful in exporting small amounts of dry peas to common Canadian exports markets in China and India and it is expected the US will continue to its expand its market share in 2014-15.

LENTILS

For **2013-14**, lentil exports at 1.75 Mt were higher than 2012-13. Of this total, 1.0 Mt were red lentil types with the remaining 0.75 Mt consisting of the green lentil types. The main markets were India, Turkey, EU-27 and South America. Total domestic use rose to a record 0.57 Mt. Carry-out stocks decreased to the lowest levels since 2009-10.

The average Canadian lentil price was marginally higher than 2012-13 as carry-out stocks tightened sharply for the second straight year. Red lentil prices maintained a crop year premium of C$10/t over large green lentil prices for the first time since 2008-09. During the month of August, Saskatchewan large green lentil farm gate prices and red lentil farm gate prices were unchanged. This was largely due to the uncertainty in the lentil crop due to below normal temperatures which have slowed development of the 2014 crop.

For **2014-15**, lentil production is forecast by STC to fall by 11% to 1.9 Mt, but still the third largest Canadian lentil crop. Lower yield estimates have partly offset the near record seeded area. There was a 20% rise in seeded area from 2013-14, with the majority of the increase in red lentil types. By province, Saskatchewan is expected to account for 95% of the lentil production, with the remainder in Alberta. Supply, however, is forecast to fall by 15% due to lower carry-in stocks and production. Exports are forecast to be slightly lower than last year at 1.6 Mt. Carry-out stocks are forecast to tighten to 125 kt. The average price is forecast to be higher than 2013-14 if Canadian export demand continues to remain strong for the third consecutive year.

In the US, the area seeded to lentils for 2014-15 is forecast by the USDA at 0.3 mln acres, down 12% from 2013-14 due to lower area seeded in Montana. Assuming normal yields and abandonment, 2014-15 US lentil production is therefore forecast by AAFC at 0.2 Mt, down 19% from this year. The main US export markets for lentils are expected to continue to be India and the EU-27.

DRY BEANS

For **2013-14**, dry bean exports were higher than 2012-13 despite the limited Canadian supply. The US and the EU-27 remained the main markets for Canadian dry beans, with smaller volumes exported to Japan, the Middle East and countries in Africa. Smaller North American supply provided the majority of the support for the near record US and Canadian dry bean prices in 2013-14.

For **2014-15**, production is expected to rise by 31% to 0.31 Mt, largely due to a 40% rise in seeded area, mostly in Ontario. This has been moderated by lower yield estimates in western Canada compared to the previous year. By province, Ontario is expected to account for 45% of the dry bean production, Manitoba 35%, Alberta 19% with the remainder in Quebec. Supply is expected to increase by only 11%, due to tight carry-in stocks. Exports are forecast to fall marginally. Canada is expected to continue to expand its market share in the Middle East while import demand from the US falls due to expectations for a large US crop. As a result, carry-out stocks are also expected to increase. The average Canadian dry bean price is forecast to decrease due to higher expected supply in North America, particularly for white pea, pinto and black bean types.

In the US, area seeded to dry beans is forecast by the USDA to rise by 27% to 1.5 mln acres, largely due to higher area seeded in North Dakota. 2014-15 US total dry bean production (excluding chickpeas) is forecast by the USDA at 1.1 Mt, up 20% from 2013-14. The largest increase is expected to be the pinto bean types, followed by white pea and black types.

CHICKPEAS

For **2013-14**, Canadian chickpea exports fell sharply to 48 kt. Increased export competition from India and Mexico reduced demand from the Middle East. The EU-27 and the US were the main markets for Canadian chickpeas. As a result of the increase in supply and lower exports, carry-out stocks increased sharply to the second highest level on record. The average price decreased sharply, due to higher Canadian and world supply.

For **2014-15,** production is forecast to fall by 15% to 151 kt, due to lower yields and a small reduction in area. By province, Saskatchewan is expected to account for 95% of the chickpea production, with the remainder in Alberta. Supply, however, is forecast to rise from last year by 20% due to the burdensome carry-in stocks. Exports are forecast to be rise sharply from 2013-14, however, carry-out stocks are expected to continue to rise. The average price is forecast to increase, due to lower world supply and expectations of improved import demand from the Middle East.

US chickpea area for 2014-15 is forecast by the USDA at a record 0.22 mln acres, up marginally from 2013-14. This is largely due to an expected rise in area in Montana. Assuming normal yields and abandonment, 2014-15 US chickpea production is therefore forecast by AAFC at 0.16 Mt, similar to the record crop from last year.

MUSTARD SEED

For **2013-14**, Canadian mustard exports rose to 138 kt, up from 2012-13. The US and the EU-27 were the main markets for Canadian mustard seed. Carry-out stocks were lower for the second consecutive year. Prices fell below 2012-13 under pressure from increased competition from the Black Sea region.

For **2014-15**, production is forecast at 0.22 Mt, up sharply from last year on a rise in seeded area, to a four year high of 188,000 ha, and expected higher yields. Supply is expected to rise, to 0.23 Mt, as lower carry-in stocks moderate the rise in output. Exports are expected to fall marginally to 130 kt and carry-out stocks are forecast to rise sharply. The average price is forecast to fall from 2013-14 to a range of $750-780/t.

CANARY SEED

For **2013-14**, exports increased sharply from 2012-13 on higher EU-27 demand, mostly from Italy and Belgium. The EU-27 and Mexico remained the main markets, followed by the US. The average price decreased despite tight carry-out stocks.

For **2014-15**, production is estimated at 146 Kt, up 15 Kt from last year, on a sharp rise in area which offsets an expected drop in yields. Supplies are forecast to tighten marginally on the lower carry in stocks. Exports are forecast to fall to 135 Kt due to the limited supply, and carry-out stocks are expected to tighten. The average price is forecast to increase from 2013-14.

SUNFLOWER SEED

For **2013-14**, sunflower seed exports increased to 49 kt on increased demand from the US. Consequently, carry-out stocks tightened. The US and the Middle East remain Canada's main export market for sunflower seed. The average Canadian price for sunflower seed increased from 2012-13 as lower oilseed prices were more than offset by higher prices for confectionery types.

For **2014-15**, production is estimated at 78 kt, on the increase in seeded area and higher yields. Sunflower area increased by 46% from 2013-14, to 41,000 ha, but is similar to 2012-13 levels. Yields are estimated at 2.04 t/ha vs 1.89 t/ha last year. Exports are forecast to be relatively unchanged at 50 kt on steady world demand while total domestic use falls marginally. Carry-out stocks are forecast to rise sharply to 20 kt. Despite this, sunflower seed prices are forecast to rise, to $645-675/t as higher prices for confectionery more than offset lower oilseed prices.

For **2014-15**, US sunflower seed area is forecast by the USDA at 1.7 mln acres, up 8% from 2013-14 as higher area in North Dakota more-than offsets lower area in South Dakota. These are the two largest sunflower seed growing states. The area seeded to oil type varieties is expected to increase marginally to 1.34 mln acres and the area seeded to confectionery type varieties is forecast to rise significantly. Assuming normal yields and abandonment, 2014-15 US sunflower seed production is forecast by AAFC to rise by 18% to 1.1 Mt.

For **2014-15**, global supply of sunflower seed is estimated by the USDA at a near record 45.5 Mt, 2% lower than last year. High carry-in stocks from Ukraine and the EU-27 are expected to offset lower production in these two countries. World exports are expected to rise by 7%, but domestic use is expected to fall marginally. As a result, world carry-out stocks are expected to fall significantly to 2.7 Mt and support world sunflower seed prices.

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CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

September 18, 2014

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 metric tonnes*								*$/t*
Durum												
2012-2013	1,894	1,878	2.46	4,627	36	6,149	4,245	232	325	751	1,152	290
2013-2014	2,009	1,997	3.26	6,505	5	7,661	4,840	243	578	1,008	1,813	220
2014-2015f	1,932	1,890	2.62	4,953	5	6,771	4,900	245	432	871	1,000	235-265
Wheat Except Durum												
2012-2013	7,736	7,619	2.96	22,579	38	27,063	15,333	3,224	3,724	7,830	3,900	285
2013-2014	8,616	8,444	3.67	31,025	49	34,974	17,850	3,330	5,003	9,142	7,982	205
2014-2015f	7,886	7,482	3.04	22,757	40	30,779	18,000	3,400	4,031	8,279	4,500	200-230
All Wheat												
2012-2013	9,630	9,497	2.86	27,205	74	33,211	19,578	3,456	4,049	8,581	5,052	
2013-2014	10,626	10,441	3.59	37,530	53	42,635	22,690	3,573	5,581	10,150	9,795	
2014-2015f	9,818	9,372	2.96	27,710	45	37,550	22,900	3,645	4,463	9,150	5,500	
Barley												
2012-2013	2,997	2,751	2.91	8,012	19	9,227	2,184	127	5,683	6,059	983	279
2013-2014	2,866	2,652	3.86	10,237	7	11,228	2,343	182	6,569	6,961	1,924	188
2014-2015f	2,408	2,124	3.37	7,164	18	9,106	2,100	154	5,703	6,106	900	165-195
Corn												
2012-2013	1,434	1,418	9.21	13,060	507	14,933	1,728	5,315	6,325	11,655	1,549	257
2013-2014f	1,493	1,480	9.59	14,194	485	16,228	1,800	5,400	6,512	11,928	2,500	169
2014-2015f	1,262	1,238	9.23	11,431	800	14,731	1,000	5,400	6,515	11,931	1,800	150-180
Oats												
2012-2013	1,165	985	2.86	2,812	18	3,635	2,134	84	804	995	506	263
2013-2014	1,284	1,113	3.51	3,906	29	4,441	2,183	66	1,069	1,226	1,031	281
2014-2015f	1,096	866	3.06	2,649	13	3,693	2,100	65	827	993	600	215-245
Rye												
2012-2013	140	123	2.73	337	0	362	193	46	68	123	46	155
2013-2014	109	87	2.57	223	0	269	120	39	53	100	49	170
2014-2015f	107	79	2.45	193	0	243	120	38	56	103	20	165-195
Mixed Grains												
2012-2013	101	58	2.93	170	0	170	0	0	170	170	0	
2013-2014	105	54	2.87	156	0	156	0	0	156	156	0	
2014-2015f	103	49	3.07	149	0	149	0	0	149	149	0	
Total Coarse Grains												
2012-2013	5,836	5,334	4.57	24,391	545	28,325	6,239	5,571	13,050	19,002	3,085	
2013-2014f	5,857	5,386	5.33	28,715	521	32,321	6,446	5,687	14,358	20,371	5,505	
2014-2015f	4,976	4,355	4.96	21,586	831	27,922	5,320	5,657	13,249	19,282	3,320	
Canola												
2012-2013	8,912	8,799	1.58	13,869	128	14,704	7,305	6,717	35	6,810	588	650
2013-2014	8,068	8,007	2.24	17,966	65	18,619	9,020	6,979	198	7,236	2,363	503
2014-2015f	8,095	7,754	1.79	13,908	125	16,396	8,400	7,100	95	7,246	750	460-500
Flaxseed												
2012-2013	397	384	1.27	489	15	640	481	n/a	n/a	89	71	580
2013-2014	419	412	1.76	724	14	809	591	n/a	n/a	118	100	510
2014-2015f	635	604	1.50	908	5	1,013	800	n/a	n/a	88	125	480-520
Soybeans												
2012-2013	1,680	1,678	3.03	5,086	257	5,575	3,346	1,541	351	2,074	156	532
2013-2014f	1,829	1,820	2.86	5,198	335	5,689	3,600	1,537	227	1,939	150	530
2014-2015f	2,231	2,206	2.67	5,901	350	6,401	4,200	1,600	276	2,051	150	460-500
Total Oilseeds												
2012-2013	10,989	10,861	1.79	19,444	400	20,919	11,132	8,258	385	8,973	814	
2013-2014f	10,315	10,238	2.33	23,888	414	25,117	13,211	8,516	425	9,292	2,613	
2014-2015f	10,961	10,564	1.96	20,717	480	23,810	13,400	8,700	371	9,385	1,025	
Total Grains and Oilseeds												
2012-2013	26,455	25,693	2.76	71,040	1,018	82,455	36,949	17,284	17,484	36,555	8,951	
2013-2014f	26,798	26,066	3.46	90,133	988	100,073	42,347	17,776	20,364	39,813	17,913	
2014-2015f	25,755	24,291	2.88	70,013	1,356	89,282	41,620	18,002	18,083	37,817	9,845	

(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, while excluding oilseed products.
(d) Food and Industrial Use for soybeans is based on data from the Canadian Oilseed Processors Association. Total number excludes food and industrial use for flaxseed due to data confidentiality.
(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 and are not comparable to CWB pool returns for previous years. Barley (No. 1 feed, cash, I/S Lethbridge), Corn (No.2 CE, cash, I/S Chatham), Oats (US No. 2 Heavy, CBOT nearby futures); Rye (No. 1 CW, cash, I/S Saskatoon); Canola (No. 1 Canada, cash, Track Vancouver); Flaxseed (No. 1 CW, cash, I/S Saskatoon); Soybeans (No. 2 CE, cash, I/S Chatham).
f: forecast, by Agriculture and Agri-Food Canada
Source: Statistics Canada

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

September 18, 2014

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											
2012-2013	1,509	1,475	2.26	3,341	16	3,622	2,650	798	174	5	340
2013-2014f	1,345	1,329	2.98	3,961	26	4,161	2,780	1,071	309	8	260
2014-2015f	1,588	1,488	2.40	3,577	15	3,901	2,800	826	275	8	230-260
Lentils											
2012-2013	1,018	1,004	1.53	1,538	9	2,407	1,638	461	307	15	440
2013-2014f	1,060	1,052	2.07	2,173	10	2,489	1,750	570	169	7	445
2014-2015f	1,267	1,161	1.66	1,930	10	2,109	1,600	384	125	6	500-530
Dry Beans											
2012-2013	127	125	2.26	281	79	365	297	38	30	9	835
2013-2014f	100	100	2.32	232	70	332	304	23	5	2	995
2014-2015f	140	138	2.21	305	60	370	300	30	40	12	840-870
Chickpeas											
2012-2013	81	80	2.02	161	9	181	69	59	54	42	690
2013-2014f	77	76	2.33	177	9	240	48	62	130	118	500
2014-2015f	73	73	2.07	151	8	289	90	64	135	88	525-555
Mustard Seed											
2012-2013	136	135	0.88	119	1	203	120	47	36	22	790
2013-2014f	148	146	1.06	155	2	193	138	45	10	5	775
2014-2015f	188	186	1.19	222	0	232	130	42	60	35	750-780
Canary Seed											
2012-2013	136	132	1.14	150	0	167	137	8	22	15	585
2013-2014f	85	85	1.54	131	0	153	164	N/A	N/A	N/A	500
2014-2015f	121	111	1.31	146	0	146	135	6	5	4	510-540
Sunflower Seed											
2012-2013	41	40	2.19	87	27	121	44	60	17	16	635
2013-2014f	28	28	1.89	52	25	94	49	40	5	6	645
2014-2015f	41	38	2.04	78	25	108	50	38	20	23	645-675
Total Pulses and Special Crops (c)											
2012-2013	3,047	2,990	1.90	5,677	141	7,066	4,954	1,472	640		
2013-2014f	2,844	2,816	2.44	6,880	141	7,661	5,233	1,811	628		
2014-2015f	3,418	3,196	2.01	6,409	118	7,155	5,105	1,390	660		

(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. Total domestic use is calculated residually.
(d) Producer price, FOB plant, average over all types, grades and markets.
f: forecast, by Agriculture and Agri-Food Canada
Source: Statistics Canada and industry consultations.