AGRI-News

Magnusson Consulting Group

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Canadian Crops: Situation & Outlook

For 2019-2020, the area seeded by province by crop in Canada is a major uncertainty. Across Eastern and Western Canada, moisture conditions remain below normal but this is not currently expected to have a significant impact on planting decisions. Expected commodity prices, input costs and perceived delivery opportunities will play a significant role in determining the mix of crops. Nonetheless, assuming trend yields, Agriculture Canada is currently forecasting a marginal increase in total area seeded and total production in Canada. ***Carry-out stocks are forecast to increase as higher supply more-than offsets the increase in exports. World grain prices will continue to be pressured by an abundant supply of grain, relative to demand, at the global level but the impact on grain prices in Canada will continue to be partly mitigated by the low value of the Canadian dollar.***

Total Grains and Oilseeds: April 16, 2019

	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	27,149	27,820	28,345
Area harvested (kha)	26,337	26,861	27,209
Yield (t/ha)	3.26	3.2	3.27
Production (kt)	85,794	86,003	89,031
Imports (kt)	2,504	3,122	1,962
Total supply (kt)	102,577	102,865	104,672
Exports (kt)	45,226	45,730	46,220
Total Domestic Use (kt)	43,520	43,454	43,317
Carry-out Stocks (kt)	13,740	13,680	15,135

f: forecasts by AAFC

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

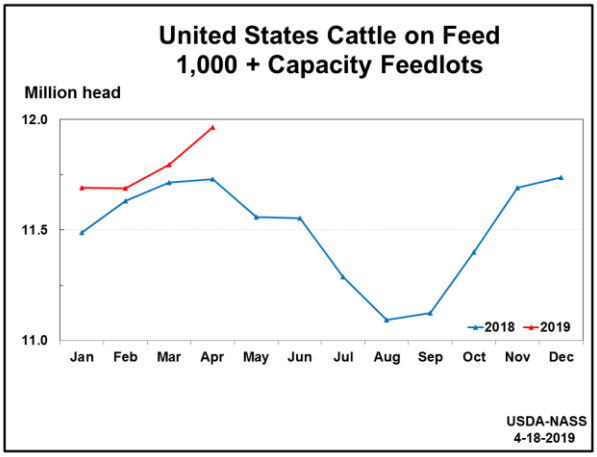
In this issue:

United States: Cattle on Feed Report April 2019

United States Cattle on Feed Up 1 Percent Cattle and calves on feed for the slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.8 million head on March 1, 2019. The inventory was 1 percent above March 1, 2018. Placements in feedlots during February totaled 1.86 million head, 2 percent above 2018.

Net placements were 1.79 million head. During February, placements of cattle and calves weighing less than 600 pounds were 340,000 head, 600-699 pounds were 345,000 head, 700-799 pounds were 530,000 head, 800-899 pounds were 442,000 head, 900-999 pounds were 135,000 head, and 1,000 pounds and greater were 65,000 head.

Marketings of fed cattle during February totaled 1.68 million head, slightly above 2018. Other disappearance totaled 66,000 head during February, 16 percent above 2018.



Durum

For 2018-2019, Canadian durum production increased by 16% from 2017-2018 to 5.745 million tonnes (Mt), according to Statistics Canada (STC). The average grade quality of the Canadian durum crop is lower than the 2017-2018 crop, with 85% grading No. 1 and 2, compared to 91%, but better than the past ten year average of 57%, based on survey data from the Canadian Grain Commission (CGC). The protein content averages 14.1%, versus 13.6% for 2017-2018 and 12.9% for the past ten year average.

Total supply increased by 6%, as the higher production was partly offset by lower carry-in stocks. Exports are forecast to decrease by 7% mainly because of weaker demand from north-western Africa which had good domestic production.

Total domestic use is forecast to increase by 10% as the low prices will encourage more use of durum for feed. Carry-out stocks are forecast to rise by 40% to 2 Mt, 41% higher than the past five year average of 1.42 Mt.

World durum production increased by 1.5 Mt from 2017-2018 to 37.9 Mt, according to the International Grains Council (IGC). Supply rose by 0.9 Mt to 47.3 Mt because of lower carry-in stocks. Use is expected to increase by 0.5 Mt to 37.5 Mt due to higher food use. Carry-out stocks are forecast to increase by 0.4 Mt to 9.8 Mt. Durum production in the US increased to 2.1 Mt from 1.5 Mt.

The average crop year producer price for durum in Canada is forecast to fall from 2017-2018 due to higher world, Canadian and US supply. The average prices are the lowest since 2013-2014.

For 2019-2020, the area seeded to durum is forecast to decrease by 20% from 2018-2019, as the low prices and high carry-out stocks for 2018-2019 are expected to encourage some shift to wheat seeding. Production is forecast to decrease by 11% to 5.1 Mt as the lower area is partly offset by a return to trend yields from the below trend yields of 2018-2019. Supply is expected to decrease by only 1% as the lower production is mostly offset by higher carry-in stocks. Exports are forecast to increase by 12% due to stronger demand resulting from a decrease in world production. Carry-out stocks are forecast to fall by 20% to 1.6 Mt.

World durum production is forecast by IGC to fall by 1.5 Mt from 2018-2019 to 36.4 Mt due mainly to lower seeded area resulting from low prices, while supply decreases by 1.1 Mt to 46.2 Mt because of higher carry-in stocks. Use is expected to increase by 0.2 Mt to 37.7 Mt and carry out stocks are forecast to fall by 1.2 Mt to 8.6 Mt, the lowest since 2014-2015. ***USDA is estimating a 31% drop from 2018-2019 for US durum seeded area. This would result in a 0.55 Mt fall in production to 1.55 Mt, assuming normal yields.***

The average Canadian crop year producer price for durum is forecast to rise from 2018-2019 due to lower world, Canadian and US supply and stronger export demand.

Durum [a]: April 16, 2019

	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	2,106	2,503	2,000
Area harvested (kha)	2,088	2,456	1,960
Yield (t/ha)	2.38	2.34	2.6
Production (kt)	4,962	5,745	5,100
Imports (kt) [b]	8	10	10
Total supply (kt)	6,798	7,181	7,110
Exports (kt) [c]	4,387	4,100	4,600
Food and Industrial Use (kt) [d]	200	200	200
Feed, Waste & Dockage (kt)	543	687	496
Total Domestic Use (kt) [e]	984	1,081	910
Carry-out Stocks (kt)	1,426	2,000	1,600
Average Price ($/t) [g]	265	220-240	235-265

f: forecasts by AAFC. For 2018-2019, area, yield and production are from
Source: Statistics Canada (STC) and Agriculture and Agri-Food Canada

Wheat (excluding durum)

For 2018-2019, Canadian wheat production increased by 4% from 2017-2018 to 26 Mt, according to STC. Canada western hard red spring (CWRS) wheat accounts for 75% of the total wheat production at 19.61 Mt. Production for other classes of wheat: winter wheat (hard red, soft red and soft white): 2.51 Mt, Canada Prairie Spring (CPS) 1.59 Mt, Canada Northern Hard Red (CNHR) 1.06 Mt, Canada Western Soft White Spring (CWSWS) 0.47 Mt, Canada Western Extra Strong (CWES) 0.12 Mt, other Canada western spring wheat 0.27 Mt and Canada eastern spring wheat (mostly CERS) 0.39 Mt.

The average grade quality of the CWRS crop is lower than for 2017-2018, with 74% grading No. 1 and 2, compared to 92%, but better than the past ten year average of 71%, based on survey data from CGC. The protein content averages 13.6%, versus 13% for 2017-2018 and 13.5% for the past ten year average.

Total supply rose by only 2% because of lower carry-in stocks. Exports are forecast to rise by 7% because of strong demand for wheat in world markets and less competition from Australia, Russia, Ukraine and the EU. Total domestic use is forecast to fall by 4% due to lower feed use. Carry-out stocks are forecast to fall by 11% to 4 Mt, 30% lower than the past five year average of 5.72 Mt and the lowest since 2012-2013.

World production of all wheat (including durum) decreased by 30 Mt to 733 Mt, according to the USDA. Supply fell by 11 Mt to 1,015 Mt. Total use is expected to fall by 4 Mt to 739 Mt as growing use for food is more than offset by lower feed consumption. Carry-out stocks are forecast to fall by 8 Mt to 276 Mt. However, China accounts for 140 Mt of the stocks, an increase of 9 Mt from 2017-2018. Wheat stocks in China are generally not exported. Excluding China, world all wheat stocks are expected to fall by 15 Mt to 136 Mt.

In the US, all wheat production increased by 4 Mt to 51.3 Mt, according to the USDA. Supply rose by only 1.3 Mt to 85.1 Mt because of lower carry-in stocks. Domestic use is forecast to rise by 0.5 Mt and exports are expected to increase by 1.2 Mt. Carry-out stocks are forecast to fall by 0.3 Mt to 29.6 Mt.

The average crop year producer prices for wheat in Canada for 2018-2019 are forecast to increase from 2017-2018, because of the lower world supply and strong export demand.

For 2019-2020, the area seeded to wheat in Canada is forecast to increase by 9% from 2018-2019 as a 4% decrease for winter wheat is more than offset by a 10% increase for spring wheat. The spring wheat area is forecast to increase because of relatively good prices for wheat and a shift out of durum, winter wheat and canola in Western Canada.

Production is projected to rise by 8% to 28 Mt. Supply is forecast to increase by 5%, as lower carry-in stocks partly offset the increase in production.

Exports are forecast to fall by 1% due to higher world production. Carry-out stocks are forecast to increase by 35% to 5.4 Mt.

World all wheat (including durum) production is forecast to increase by 26 Mt to 759 Mt due to a higher seeded area, according to IGC. The increased production would be partly offset by lower carry-in stocks, resulting in a 20 Mt rise in supply to 1,035 Mt. Total use is expected to increase by 15 Mt to 754 Mt, mostly because of growing use for food. Carry out stocks are forecast to rise by 4 Mt to 280 Mt. Excluding China, world all wheat stocks are expected to be unchanged at 136 Mt.

US all wheat seeded area is estimated to fall by 4% from 2018-2019, according to USDA, with decreases of 2% for hard red winter wheat, 9% for soft red winter wheat, 2% for hard red spring wheat and 3% for white wheat. USDA is forecasting lower abandonment, resulting in a slight increase for the harvested area, and a slight increase for average yields. Based on these assumptions, all wheat production in the US is expected to fall by 0.3 Mt to 51 Mt, while supply falls by 0.6 Mt to 84.5 Mt due to lower carry-in stocks. Domestic use is forecast to increase by 0.2 Mt, while exports increase by 0.3 Mt. Carry out stocks are forecast to decrease by 1.1 Mt to 28.5 Mt.

Average Canadian producer prices for wheat for the crop year are forecast to fall from 2018-2019 because of the higher world and Canadian supply.

Wheat Except Durum [a]: April 16, 2019

	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	**7,020**	**7,570**	**8,230**
Area harvested (kha)	6,895	7,425	8,010
Yield	3.63	3.5	3.5
Production (kt)	**25,022**	**26,024**	**28,000**
Imports (b)	75	80	80
Total supply (kt)	30,125	30,598	32,080
Exports (kt) [c]	17,438	18,700	18,500
Food and Industrial Use (kt) [d]	3,644	3,600	3,650
Feed, Waste & Dockage (kt)	3,769	3,451	3,703
Total Domestic Use (kt) [e]	8,193	7,898	8,180
Carry-out Stocks (kt)	**4,493**	**4,000**	**5,400**
Average Price ($/t) [g]	240	240-260	225-255

f: forecasts by AAFC. For 2018-2019, area, yield and production are

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

Barley

For 2018-2019, barley production increased by 6% from 2017-2018 to 8.4 million tonnes (Mt) on higher area harvested, despite a lower yield. The quality of the barley crop depended on when it was harvested. The early harvested crop was very good. There was significant quality degradation in unharvested crops in the northern grain belt. Overall, the quality of barley selected for malting was good. Total supply is lower than last year due to low carry-in stocks.

Canada is expected to export 2.7 Mt of barley for 2018-2019, which is 11% of the world trade. The exports include 2.0 Mt for grain exports and 0.7 Mt for products. The major export destinations are China, the US, Japan. According to Statistics Canada (STC), barley grain exports for the first six months in 2018-2019 were 1.2 Mt versus 1.0 Mt for the same period last year but the export pace is expected to slow-down for the remainder of the crop year. Exports of malting barley for the six months reached 258 thousand tonnes (Kt), compared with 294 Kt for the same period last year. Total domestic use for 2018-2019 is forecast to increase marginally. Carry-out stocks are forecast to decrease to a record low level of 0.9 Mt due to lower supply.

As a result of lower supplies and stronger demands for exports and domestic use, the average price of feed barley at Lethbridge for the crop year is forecast at $255/t, about 12% higher than last year. Prairie malt prices have been 16-24% higher than a year ago.

World barley production for 2018-2019 is estimated at 141 Mt, the lowest in five years, according to International Grains Council (IGC). World trade is forecast at 28 Mt. World barley stocks are expected to be historically low as nearly all of the world major producers and exporters had smaller crops and, in many cases, the quality was also lower than normal. World prices for feed barley have been very strong compared to corn prices. Lower world supplies of malting barley are pushing these prices higher. Due to the lower supply of quality feed barley, relatively high prices of feed barley and the abundant supply of corn worldwide, the demand for corn has displaced barley in some countries.

For 2019-2020, area seeded is forecast to increase by 14% compared to 2018-2019 due to high barley prices and low carry-in stocks. Production is forecast to increase by 16% to 9.7 Mt due to higher area harvested and yield. Total supply is forecast to increase by 10% to 10.6 Mt.

Exports are forecast to increase slightly due to higher domestic supplies and a return to normal trade patterns. Total domestic use is expected to rise due to higher feed use in cattle and hog production. With a higher supply, barley carry-out stocks are forecast to increase by about 60% to 1.5 Mt. This is about 5% higher than the previous five-year average.

The Lethbridge cash feed barley price is forecast to decrease by 12% from 2018-2019 to $225/t due to increased world supply.

The area seeded to barley in the US is forecast by USDA to be unchanged for 2019-20. Total barley production in North America is expected to increase due to higher production in Canada. However, due to the sharply lower carry-in stocks, total supply is forecast to increase only slightly in North America. This implies that carry-out stocks will remain low and that prices will remain relatively strong, although lower than last year.

The IGC expects world barley production for 2019-2020 to increase by 5% to 149 Mt due to higher production in the EU, Australia and some Black Sea countries. World trade is projected to increase to 27 Mt, due to the recovery in production. World barley stocks are expected to increase but remain low. Large corn inventories will put pressure on coarse grain prices.

Barley [a]: April 16, 2019

	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	**2,334**	**2,628**	**3,000**
Area harvested (kha)	2,114	2,395	2,699
Yield (t/ha)	3.73	3.5	3.59
Production (kt)	**7,891**	**8,380**	**9,697**
Imports (kt) [b]	59	50	40
Total supply (kt)	**10,072**	**9,674**	**10,637**
Exports (kt) [c]	2,823	2,700	2,750
Food and Industrial Use (kt) [d]	62	86	86
Feed, Waste & Dockage (kt)	5,716	5,738	6,126
Total Domestic Use (kt) [e]	6,005	6,074	6,437
Carry-out Stocks (kt)	**1,244**	**900**	**1,450**
Average Price ($/t) [g]	227	245-265	210-240

f: forecasts by AAFC. For 2018-2019, area, yield and production are from the STC survey but imports and dispositions are forecast by AAFC.

Source: Statistics Canada

Corn

For 2018-2019, corn production decreased from 2017-2018 to 13.9 Mt largely due to lower yield. However, total supply is expected to increase, as significantly higher imports more-than offset lower production and carry-in stocks. Imports are expected to increase due to the lower corn supply in Eastern Canada and the tight supply of barley in Western Canada. For the first five months in 2018-2019, corn imports reached 1.11 Mt (0.20 Mt for Eastern Canada and 0.91 Mt for Western Canada), compared with 0.62 Mt (0.18 and 0.44) for the same period last year, according to STC. About 98% of the imports were sourced from the US. The import pace is expected to remain high due to a higher barley price and large US corn supply available.

For the first five months in 2018-2019, corn exports have reached 759 Kt and the majority of it was from Quebec and Ontario, compared with 516 Kt for the same period last year, according to STC. About 86% of the exports went to EU countries. Total domestic use is forecast to increase to a record of 14.5 Mt due to higher feed, waste and dockage, partly related to the high vomitoxin level of the crop and trend increases in ethanol production and industrial use. Carry-out stocks are forecast to decrease by 17% to 2.0 Mt, which is close to the previous five-year average.

The 2018-2019 corn price at Chatham is forecast to average at $180/t. This is 4% higher than last year, due to higher US corn prices, lower domestic supplies of quality corn and the weak Canadian dollar.

According to the USDA, US corn production and supply were slightly lower than last year. Due to strong demand, carry-out stocks are expected to decrease by almost 14% but remain historically high at about 1.8 billion bushels (bln bu). The average US farm price is forecast at US$3.55/bu which is equivalent to about C$184/t.

For 2019-2020, seeded area for corn is forecast to increase due to continued good overall demand, especially for high quality corn. Production is expected to rise by 6% to 14.7 Mt on larger area and higher yield. Imports are expected to decrease due to higher domestic production of corn and barley.

Due to the significant decline in carry-in stocks and imports, total supply is forecast to decrease by 3%. Exports are forecast to decrease due to lower supply. Total domestic use is forecast to decrease, as the lower feed, waste and dockage is expected to more-than offset higher food and industrial use. Carry-out stocks are forecast to be the same as last year at 2.0 Mt which is below the previous five-year average.
The Chatham corn price is expected to increase slightly to $185/t due to higher US corn prices and the weak Canadian dollar.

The USDA expects US corn area for 2019-2020 to increase by 4% to 93 million acres due to lower soybean area. Production is expected to increase. However, due to the lower carry-in stocks, the supply of corn in the US should be similar to last year. This would support corn prices. As a result, the average US on-farm corn price is expected to increase slightly to US$3.65/bu which is equivalent to about C$190/t.

The IGC expects world corn production to increase for 2019-20 as higher production in the US, China, Brazil, Canada, Russia and South Africa more-than offsets lower production in Argentina, Ukraine and EU. Total carry-out stocks of corn for 2019-20 in the major exporting countries (the US, Brazil, Argentina and Ukraine) are projected to decrease by 8% due to slightly lower production and higher feed, food and industrial use.

Corn [a]: April 16, 2019

	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	**1,447**	**1,468**	**1,560**
Area harvested (kha)	1,406	1,431	1,505
Yield (t/ha)	10.02	9.7	9.75
Production (kt)	**14,096**	**13,885**	**14,674**
Imports (kt) [b]	1,699	2,200	1,300
Total supply (kt)	**18,291**	**18,502**	**17,974**
Exports (kt) [c]	1,845	2,000	1,750
Food and Industrial Use (kt) [d]	5,146	5,000	5,250
Feed, Waste & Dockage (kt)	8,776	9,486	8,958
Total Domestic Use (kt) [e]	13,938	14,502	14,224
Carry-out Stocks (kt)	**2,417**	**2,000**	**2,000**
Average Price ($/t) [g]	174	170-190	170-200

f: forecasts by AAFC. For 2017-2018, imports and dispositions are forecast by AAFC but will be available from STC on October 4 2018. For 2018-2019, area, yield and production are from the STC survey but imports and dispositions are forecast by AAFC.

Source: Statistics Canada

Oats

For 2018-2019, oat production decreased by 8% from 2017-2018 to 3.4 Mt, due to smaller area harvested and lower yield. Total supply decreased by 5%, as lower production was partly offset by higher carry-in stocks.

Oat grain and product exports for 2018-2019 are forecast to decrease marginally. For the first six months in 2018-2019, oat grain exports reached 961 Kt, compared with 933 Kt for the same period in last year, according to STC. The monthly export data is indicating a slow down in the pace. About 90% of Canadian oat exports go to the US and 10% goes to Mexico, Japan and South Korea. Total domestic use is forecast to decrease slightly due to lower feed use. Carry-out stocks are forecast to decrease by 23% to 0.6 Mt and remain the lowest level in the recent six years.

The Canadian oat price is forecast to increase from last year, due to a higher US oat futures price and continuing support from the low value of the Canadian dollar.

World oat production for 2018-2019 is estimated at 22 Mt, the lowest since 2013-2014, according to the IGC. World trade is forecast at 2.3 Mt, 4% lower than last year, but it's the second highest since 2010-2011. World oat carry-out stocks are forecast to be 24% lower than last year and it's also the lowest since 2010-2011.

For 2019-2020, the area seeded to oats in Canada is forecast to increase by 13% from 2018-2019 due to good prices and low carry-in stocks. Based on the 5-year average for abandonment and yield, Canadian oat production is forecast to increase by 10% to 3.8 Mt but, due to lower carry-in stocks, supply is expected to increase by 4% to 4.4 Mt.

Canadian exports of oat grain and products are expected to remain at the same level as 2018-2019. Total domestic use is forecast to decrease marginally due to slightly lower feed, waste and dockage as food and industrial use remains flat. ***Carry-out stocks are forecast to increase by 33% from 2018-2019, to 0.8 Mt, remaining 15% above the previous three-year averages and 7% above the previous five-year***

Oat prices in Canada are expected to be strong and similar to the level in 2018-2019. A bullish factor, which provides underlying support, is the forecast for the slightly higher average US corn futures price for 2019-20.

For 2019-20, the area seeded to oats in the US are expected to be similar to last year. However, due to sharply lower carry-in stocks, total supply will increase only slightly. As a result, carry-out stocks of oats in the US will remain tight, which will continue to support oat prices.

IGC projected world oat production for 2019-20 at 24 Mt, a 8% increase from 2018-2019, as the world's major producers and exporters, such as the EU, Canada, Australia and Russia, are expected to increase their oat production. World trade is expected to rise by 4% to 2.4 Mt, due to the recovery in production. World oat stocks are expected to increase from 2018-2019 but still close to record low.

Oats [a]: April 16, 2019

	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	**1,295**	**1,235**	**1,400**
Area harvested (kha)	1,052	1,005	1,108
Yield (t/ha)	3.55	3.42	3.4
Production (kt)	**3,733**	**3,436**	**3,771**
Imports (kt) [b]	14	20	20
Total supply (kt)	**4,450**	**4,234**	**4,391**
Exports (kt) [c]	2,365	2,350	2,350
Food and Industrial Use (kt) [d]	109	125	125
Feed, Waste & Dockage (kt)	1,094	1,054	1,010
Total Domestic Use (kt) [e]	1,307	1,284	1,241
Carry-out Stocks (kt)	**778**	**600**	**800**
Average Price ($/t) [g]	218	235-255	230-260

f: forecasts by AAFC. For 2018-2019, area, yield and production are from the STC survey but imports and dispositions are forecast by AAFC.

Source: Statistics Canada

Canola

For 2018-2019, canola supplies are estimated at 22.9 million tonnes (Mt), up 1% from last year as higher carry-in stocks moderate the decline in production. Canada's canola crush estimate is unchanged from last month, at 9.25 Mt, on support from the current crush pace. Production of canola oil is estimated at 4.0 Mt for the crop year with the output of canola meal expected to reach 5.2 Mt, unchanged from 2017-2018.

Canada's export estimate for canola is unchanged from last month at 9.8 Mt, vs 10.7 Mt for 2017-2018 with the export pace ranging between 80,000 tonnes per week to 200,000 tonnes per week. Canola exports are running about 0.6 Mt behind last year's pace as of early April, based on shipments through licensed grain handling facilities as reported by the Canadian Grain Commission.

The carry-out stocks estimate is unchanged from last month's report, at 3.5 Mt vs 2.5 Mt for the 2017-2018 crop year in reflection of stable canola supplies, a steady crush pace and a slow-down in exports between the two crop years. Canola prices are forecast at $480/t to $510/t for 2018-2019, down from last year.

For 2019-2020, seeded area in Canada is forecast to decrease to 9.0 million hectares (Mha) under pressure from the decline in prices caused by burdensome world supplies of oilseeds and the uncertainty over Chinese buying. Production is forecast to fall to 19.8 Mt in 2019-20, vs 20.3 Mt in 2018-2019 and 21.3 Mt in 2017-2018 due to the fall in area and lower yields.

Total supplies of canola are forecast to rise to a record 23.4 Mt as sharply higher carry-in stocks more than offsets the drop in production. Exports are forecast to rebound to 10.5 Mt assuming a slight increase in buying from price sensitive countries and a partial normalization of the Canada-China trade. Domestic crush is forecast steady at 9.25 Mt as the industry continues to operate at near full capacity despite heavy competition from burdensome world vegetable oil and protein meal supplies

Carry-out stocks are forecast at 3.3 Mt, for a stocks-to-use ratio of 17% as Canada works through its canola supplies. Canola prices are forecast down slightly to $460-500/t, with the discounted Canadian dollar providing underlying support to prices.

Canola [a]: April 16, 2019

	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	9,313	9,232	9,000
Area harvested (kha)	9,273	9,120	8,931
Yield (t/ha)	2.3	2.23	2.21
Production (kt)	21,328	20,343	19,750
Imports (kt) [b]	108	100	100
Total supply (kt)	22,778	22,942	23,350
Exports (kt) [c]	10,726	9,800	10,500
Food and Industrial Use (kt) [d]	9,269	9,250	9,250
Feed, Waste & Dockage (kt)	216	341	249
Total Domestic Use (kt) [e]	9,552	9,642	9,550
Carry-out Stocks (kt)	2,499	3,500	3,300
Average Price ($/t) [g]	539	480-510	460-500

f: forecasts by AAFC. For 2018-2019, area, yield and production are from the STC survey but imports and dispositions are forecast by AAFC.

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

Flaxseed (excluding solin)

For 2018-2019, the supply estimate is unchanged from last month at 0.63 Mt due to lower output and tighter carry-in stocks. Exports are forecast to fall to 0.40 Mt while total domestic use declines to 0.13 Mt on lower feed, waste and dockage. Carry-out stocks are forecast to decrease to 0.10 Mt. Flaxseed prices are estimated at $475-505/t, up from 2017-2018.

For 2019-2020, seeded area for flaxseed in Canada is forecast to increase to 0.40 Mha, on competitive returns compared to alternate field crops. Production is forecast to rise to 0.62 Mt, assuming a steady abandonment and harvested area and 5-year trend yields. Supply is forecast to increase slightly as the rise in output more than offsets the slight drop in carry-in stocks.

Exports are forecast to rise to 0.60 Mt while total domestic use falls sharply due to lower feed, waste and dockage. Carry-out stocks are forecast to tighten to 0.09 Mt. The flaxseed price forecast is unchanged, from the February forecast at $470-510/t.

Flaxseed (excluding solin) [a]: April 16, 2019			
	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	421	347	400
Area harvested (kha)	419	342	395
Yield (t/ha)	1.33	1.44	1.56
Production (kt)	555	493	615
Imports (kt) [b]	7	10	10
Total supply (kt)	802	630	725
Exports (kt) [c]	515	400	600
Food and Industrial Use (kt) [d]	0	0	0
Feed, Waste & Dockage (kt)	145	114	20
Total Domestic Use (kt) [e]	160	130	40
Carry-out Stocks (kt)	127	100	85
Average Price ($/t) [g]	463	475-505	470-510

f: forecasts by AAFC. For 2018-2019, area, yield and production are from the STC survey but imports and dispositions are forecast by AAFC.

Source: Statistics Canada

Soybeans

For 2018-2019, total supplies are estimated at 8.6 Mt, down slightly from last year as lower production is partly offset by higher carry-in stocks and increased imports. Exports are forecast at a record 5.5 Mt, up from 4.9 Mt in 2017-2018, on support from a wide basis and a discounted Canadian dollar. Domestic processing of soybeans is forecast to rise marginally from last year to 2.00 Mt. Carry-out stocks are projected at 0.55 Mt, down from last year. Soybean prices are forecast to fall to $390-420/t versus $434/t for 2017-2018.

For the remainder of the crop year, the main factors to watch are:

1. **US planting pace,**
2. **China's buying pace,**
3. **Brazilian soybean shipping pace,**
4. **the state of China-US and China-Canada trade, and**
5. **exchange rate volatility among the American, Canadian and Brazilian currencies.**

For 2019-2020, the area seeded is forecast to decrease by 3% from last year, to 2.48 Mha, mostly due to dry growing conditions in Western Canada. Production is forecast to fall to 7.0 Mt due to lower area and lower average yields, which are based on 5-year averages.

Total supply is forecast to decrease by 7% to 8.0 Mt, resulting in a 9% drop in exports to 5.0 Mt. Exports are destined for a diverse group of countries. Domestic processing is forecast to decrease slightly to 1.9 Mt, on projected stable domestic soyoil consumption. Carry-out stocks of soybeans are forecast to tighten to 0.48 Mt from 0.55 Mt in 2018-2019. Soybean prices are forecast to rally slightly to $400-440/t on support from stronger US prices and a stable Canadian dollar-US dollar exchange rate.

The USDA is projecting a 5% decline in US planted area for soybeans, to 84.6 million acres, with soybean area in the states of North and South Dakota dropping by 850,000 acres. Planted area in Iowa is also projected to fall by 600,000 acres. There was no indication from the USDA on what impact extensive flooding across the middle US will have on planting intentions. Compared to last year, planted acreage for soybeans is down in 26 out of the 29 estimating States.

For 2019-20, US ending stocks could reach a record 1.1 bln bu, up 0.2 bln from the current crop year. US soybean production is estimated at 4.3 bln bu based on the USDA's planted area estimate and assuming similar yields and abandonment as last year. Consequently supplies are expected to rise to 5.2 bln bu as the output is added to the 0.9 bln bu of beginning stocks.

Assuming steady to slightly higher exports, crush and other usage compared to the current crop year, most of the increase in supplies flows into ending stocks. ***This build up in stocks will keep a ceiling on 2019-20 soybean prices, which are not expected to rise and may decline from the March 2019 estimate of US$8.10-9.10/bu.***

Soybeans [a] : April 16, 2019			
	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	2,947	2,558	2,475
Area harvested (kha)	2,935	2,540	2,454
Yield (t/ha)	2.63	2.86	2.85
Production (kt)	7,717	7,267	7,000
Imports (kt) [b]	534	650	400
Total supply (kt)	8,606	8,568	7,950
Exports (kt) [c]	4,932	5,500	5,000
Food and Industrial Use (kt) [d]	1,969	2,000	1,900
Feed, Waste & Dockage (kt)	792	318	375
Total Domestic Use (kt) [e]	3,023	2,518	2,475
Carry-out Stocks (kt)	651	550	475
Average Price ($/t) [g]	434	390-420	400-440

f: forecasts by AAFC. For 2017-2018, imports and dispositions are forecast by AAFC but will be available from STC on October 4 2018. For 2018-2019, area, yield and production are from the STC survey but imports and dispositions are forecast by AAFC.

Source: Statistics Canada

Dry Peas

For 2018-2019, exports are forecast to increase to 3.1 million tonnes (Mt). China, Bangladesh and the US are the three main markets for Canadian dry peas. Carry-out stocks are forecast to decrease sharply, due to a stronger export demand and lower supply. The average price is expected to rise from 2017-2018, mostly due to higher prices for green peas.

Monthly exports of dry peas have been higher than the five-year average since November, mostly due to increased exports to China. Production of the winter pulse crop in India is forecast by the Government of India at 15 Mt, down only marginally from the record crop set the previous year. If this level of production is realized, Canadian dry pea export demand to India is expected to remain limited throughout the remainder of the crop year.

During the month of March, the on-farm price of yellow peas in Saskatchewan fell $20/t while the green pea price rose $25/t. Green pea prices have had a $200/t premium over yellow pea prices in the month of March. For the entire crop year, green dry peas prices are expected to maintain a $145/t premium over yellow peas, compared to a $40/t premium in 2017-2018.

For 2019-2020, seeded area is expected to increase marginally from the previous year to 1.5 Mha, due to higher returns relative to other crops and above average export demand. Trend yields and higher area are expected to cause production to increase marginally to 3.7 Mt. However, supply is forecast to fall marginally to 4.1, due to lower carry-in stocks. Exports are expected to be lower at 2.9 Mt, and carry-out stocks are expected to decrease. The average price is expected to remain unchanged from 2018-2019 due to expectations for similar world supply.

The USDA March Prospective Planting report showed that US area seeded to dry peas for 2019-20 is forecast at nearly 0.9 million acres, up marginally from 2018-2019. This is largely due to an expected increase in Montana area.

Dry Peas [a]: April 16, 2019

	2017-2018	2018-2019[f]	2019-2020[f]
Area seeded (kha)	**1,656**	**1,463**	**1,500**
Area harvested (kha)	1,642	1,431	1,475
Yield (t/ha)	2.5	2.5	2.51
Production (kt)	**4,112**	**3,581**	**3,700**
Imports (kt) [b]	12	25	15
Total supply (kt)	**4,424**	**4,254**	**4,115**
Exports (b)	3,083	3,100	2,900
Total Domestic Use (c)	693	754	865
Carry-out Stocks (kt)	**648**	**400**	**350**
Stocks-to-Use Ratio	17	10	9
Average Price (d)	265	255-285	255-285

f: forecasts by AAFC. For 2018-2019 and the years before 2018-2019, area, yield and production are from STC. For the years before 2018-2019, imports, exports, seed requirements and carry-out stocks are from STC.

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

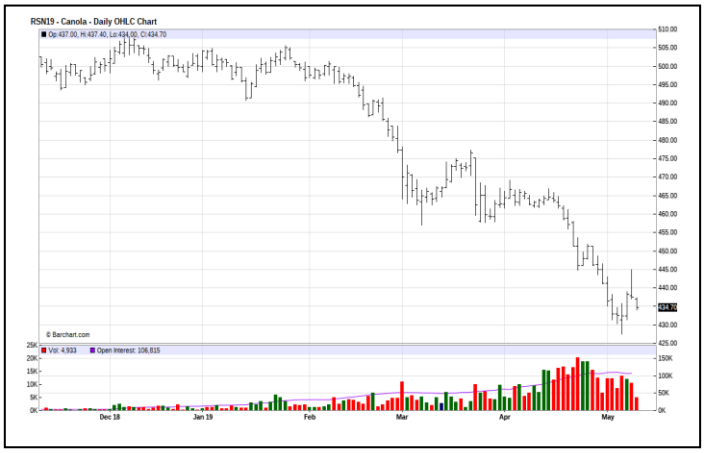
Lentils

For 2018-2019, Canadian lentil exports (August to January) total about 1.0 Mt, sharply higher than this time in 2017-2018. Crop year exports are forecast at 1.7 Mt with the United Arab Emirates, Turkey, Bangladesh and India currently the top export markets. Carry-out stocks are forecast to fall due to increased export demand. The overall average price is forecast to fall due to a burdensome carry-out stocks.

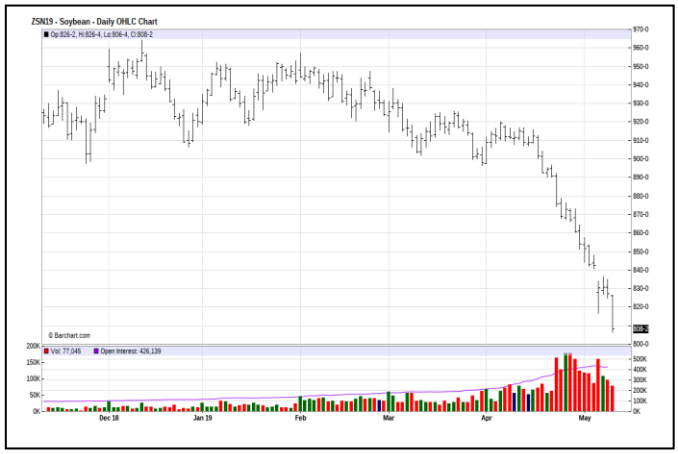
During the month of March, the on-farm price of large green and red lentils in Saskatchewan decreased by $40/t. The average price for large green lentils is forecast to maintain a $70/t premium over red lentil prices, compared to a record C$340/t premium to red lentils in 2017-2018.

For 2019-2020, area seeded in Canada is expected to decrease to 1.45 Mha, due to lower expected returns for all green lentil types compared to the previous spring. With higher yields, production is forecast to rise marginally to 2.1 Mt but supply is expected to decrease marginally to 2.9 Mt due to a decrease in carry-in stocks. Exports are forecast to be higher at 1.8 Mt. Carry-out stocks are expected to decrease sharply which will be supportive for prices. The average price for all grades is forecast to rise from 2018-2019.

July 2019 – Futures as of May 9, 2019



July 2019 – Futures as of May 9, 2019



July 2019 – Futures as of May 9, 2019

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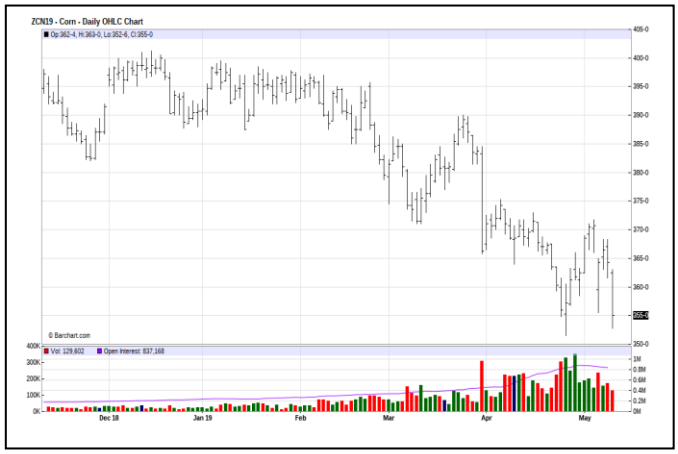

Aug 2019 – Futures as of May 9, 2019

June 2019 – Futures as of May 9, 2019