

# Commodity Intelligence Report

July 20, 2018

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## Canada: 2018/19 Early Season Conditions

Analysts from the USDA Foreign Agricultural Service (FAS) and FAS Ottawa conducted crop-assessment travel in Ontario Canada the last week of June, meeting with government officials, cooperatives, farmers and attending a regional farmer breakfast with representatives from major agribusinesses. The trip also included a visit to the largest port in Ontario (Hamilton Port) and the 8<sup>th</sup> largest Co-op in Canada (Hensall Cooperative), to gather market intelligence on broader production and trade issues.

Analysts were able to sit with two separate groups within Canada's agricultural statistics agency, Statistics Canada, to learn their statistical survey methods, receive an update on their remote sensing applications, and to discuss the revised structure for their surveys, which began in March of 2018. For several of their five agricultural surveys, Statistics Canada is moving towards zero contact with respondents, meaning more access to electronic surveys and less person-to-person follow-up. In addition to the agricultural meetings, FAS analysts used the National Geospatial Intelligence Agency's mobile application, MAGE, to collect field data that will enable in-season crop masks to improve area-estimation methods, similar to the pilot case conducted last year in Ontario, Saskatchewan, and Manitoba, Canada (See Figure 1).

In Canada, planting for the spring crops began in May and was generally complete by June. The entire spring Canadian growing season is relatively short due to the constraints of winter and normally runs from May to November.

### Oilseeds:

Another larger-than-average rapeseed and soybean crop is expected for 2018/19. Canada recently became the world's largest rapeseed producer, outpacing the European Union, with the 2018/19 production forecast at 21.1 million metric tons (mmt) slightly behind last year's record of 21.5 mmt but still the second highest production on record. Conditions in the Prairies were dry for planting as compared to last year but early monitoring of vegetation indices suggest a well developing crop (See Figure 2). Soybean area has, in the last five years, expanded from the traditional growing region of Eastern Canada further into the Prairie Provinces (See Figure 3). The 2018/19 soybean crop is currently forecast at 7.3 mmt, about 9 percent below last year's record crop. Both area and production are the second highest on record. Canada also grows sunflowers but the crop is relatively small, limited only to Manitoba and is grown for both confectionary seeds and sunflower oil.

### Grains:

Canada's 2018/19 wheat production forecast is expected to be the second highest production on record at 32.5 mmt, which is mainly due to a year-to-year increase in harvested area. Harvested area increased because of more favorable prices for wheat. Canada's 2018/19 corn crop is currently forecast at a record 14.8 mmt owing to continued favorable prices and stable demand. Canada also grows oats, mixed grains, rye and barley. Out of these crops, barley in particular is expected to be larger than last year's crop due to higher returns on investment. Production is forecast at 8.8 mmt compared to last year's 7.9 mmt.



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## **Ontario Crop Conditions:**

Winter wheat conditions in Ontario are generally favorable (winter wheat accounts for approximately 6% of Canada's total wheat production). Grain heads have filled in, the crop is drying down, and harvest operations began in July (See Figure 4). Soybeans and corn have emerged well in Ontario with corn being "knee high on the 4<sup>th</sup> of July", which is commonly cited by local farmers. In southern Ontario no till agriculture is practiced for soybeans (See Figure 5), which saves the farmers time and money. At the end of June, much needed rain in southern Ontario benefited the corn and soybean emergence and growth (See Figure 6). Currently, there are some localized issues with pests and diseases, but nothing of major concern. The spraying for thrips is ongoing for the corn crop (See Figure 7).

Since Ontario is a more urban province that is locked into a corn, soybean, winter wheat crop rotation, the Prairie Provinces have the most potential for expanding soybean area. Growth in Ontario for corn and soybeans, however, will be from increases in yield, especially considering the long-term yield trend for both crops. The absence of an early fall frost in Ontario in the past few years (stretching the harvest into December in some places) has also benefited yields, giving the crop more time to develop before harvest.

The contributions of Harvey Bradford, Erin Danielson, Evan Mangino and Holly Higgins at the USDA Office of Agricultural Affairs in Ottawa are gratefully acknowledged.

Figure 1

## Crop distribution around Winnipeg, Manitoba

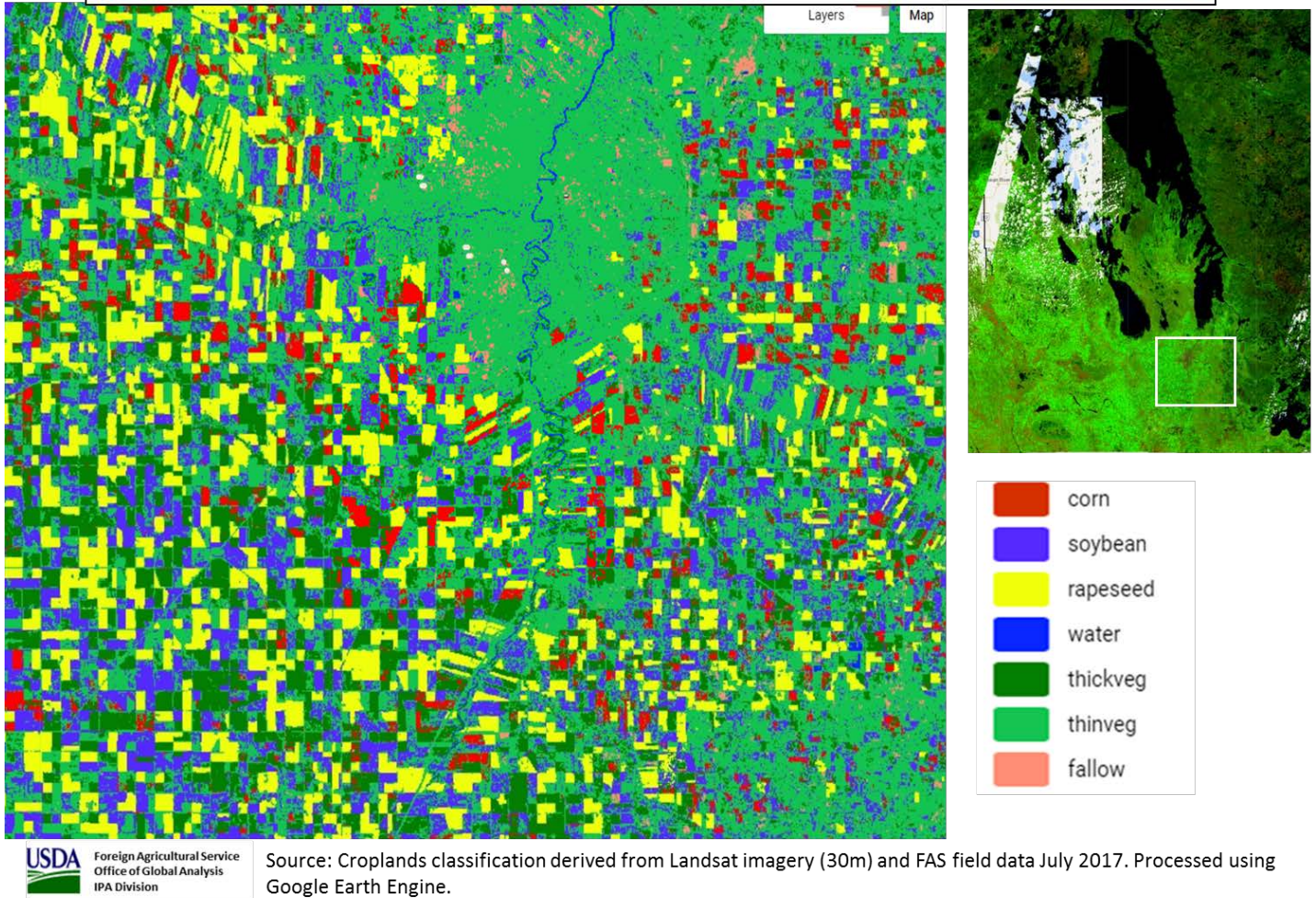




Figure 2

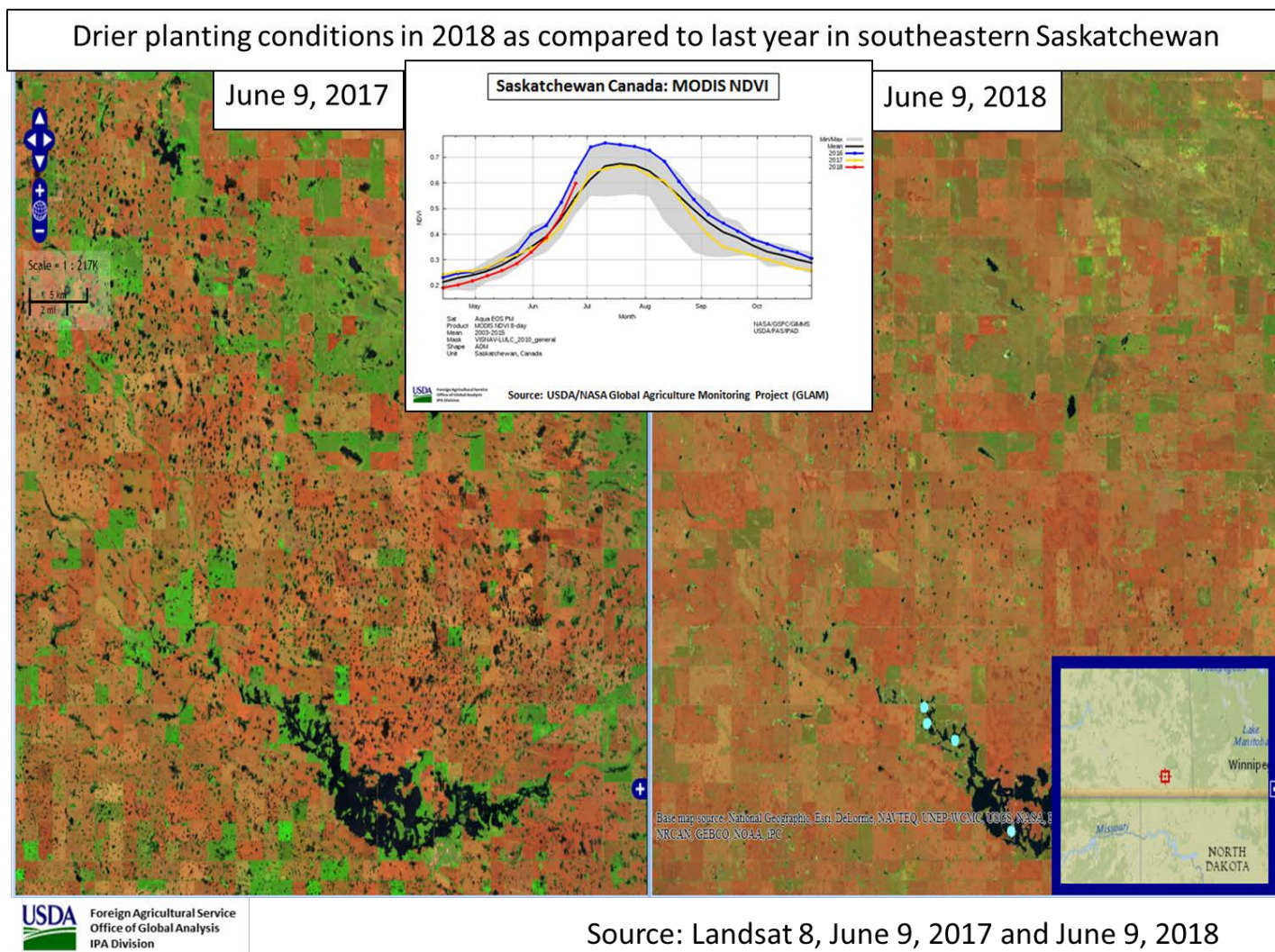


Figure 3

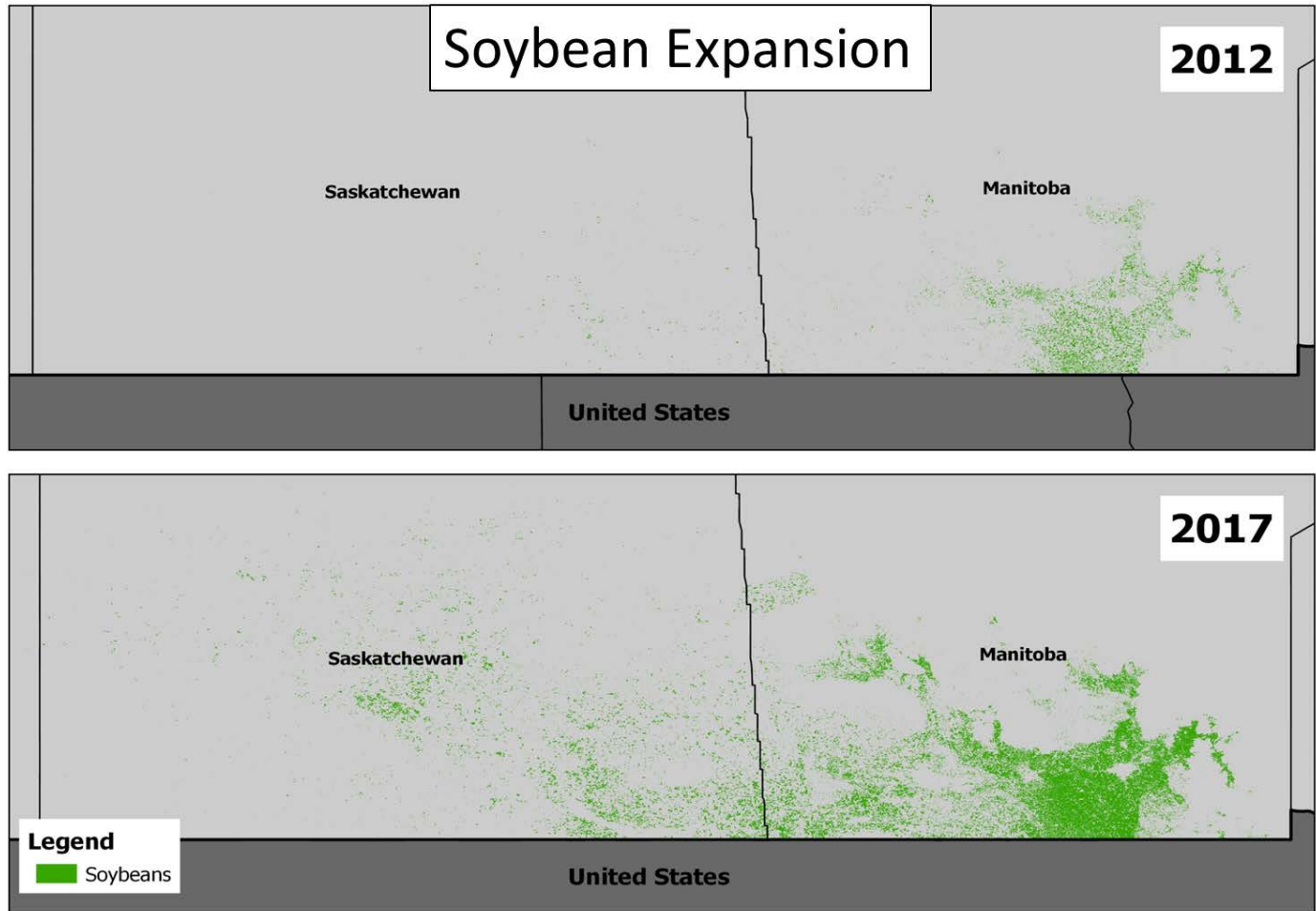




Figure 4



Winter wheat field outside London, Ontario



Figure 5

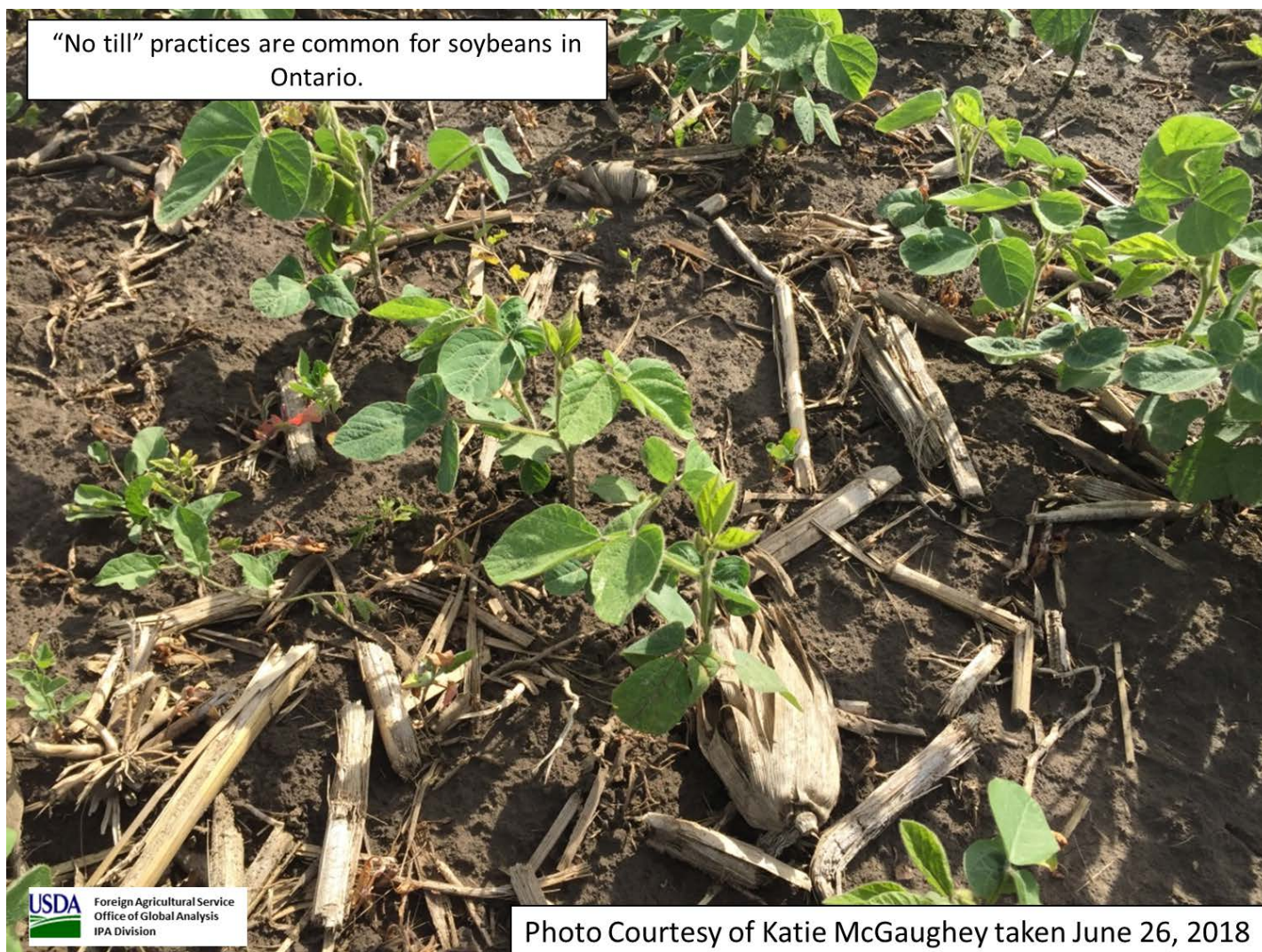




Figure 6





Figure 7



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Current area and production estimates for grains and other agricultural commodities are available on IPAD's Agricultural Production page:

[Crop Explorer https://apps.fas.usda.gov/cropeexplorer/](https://apps.fas.usda.gov/cropeexplorer/) or

Production, Supply and Distribution Database (PSD Online):

<http://apps.fas.usda.gov/psdonline/psdHome.aspx>

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