



Foreign Agricultural Service

Global Market Analysis

International Production Assessment Division

Web: <https://ipad.fas.usda.gov>

March 9, 2021

Commodity Intelligence Report

Canada: Outlook for MY2021/22 and Seasonal Summary for 2020/21

Market Year 2021/22 Outlook

Agriculture and Agri-Food Canada (AAFC) forecasts area seeded for feed grains and oilseeds to increase due to tight carry-over stocks and strong prices, particularly for rapeseed, soybeans and barley. Despite positive prices and tight carry-over stocks, area for oats is expected to decrease, yielding to more profitable crops. Corn area is expected to decrease due to lower prices and preference for more profitable oilseeds.

According to AAFC, area seeded to wheat is expected to decrease slightly overall, with reductions to winter and spring wheat planting offsetting increases in durum. Although 93 percent of Canada's wheat crop is planted in the spring, a small portion is winter wheat. Overall the conditions for winter wheat have been cold and dry. Winterkill has been reported in areas of southern Manitoba and Saskatchewan following limited snowfall and a pattern of above-average temperatures in the early portion of winter with a plunge in early February temperatures (see Figure 1). This potentially affects the relatively small amount of winter wheat grown there (16 percent of the Canada's winter wheat, 1 percent of the total wheat crop) along with fall rye. Extending beyond the threat of winterkill for winter cereals, limited precipitation over the winter months could potentially affect planting and establishment of spring crops. This winter has been particularly dry in many field crop growing regions across Canada (see Figure 2).

Seasonal Summary for 2020/21

Canadian farmers enjoyed a productive season for the marketing year (MY) 2020/21. The harvest was complete by November. Ideal weather conditions boosted yield and production for several of Canada's field crops. USDA estimates a record yield for soybeans and near record yields for wheat and barley. The corn yield was also up year-over-year, while the yield for oats remained above the 5-year average.

Weather conditions throughout the 2020/21 season were favorable. Milder conditions over the winter of 2019-20, particularly in southern Ontario, reduced winterkill for winter crops. Drier conditions in May aided planting, while warm temperatures and generally adequate rainfall benefitted crops through the summer growing season (see Figure 3). In the Prairies, moisture deficits in portions of Saskatchewan and Manitoba were offset by

particularly favorable conditions throughout the summer in southern and central Alberta. In Central Canada, beneficial summer rains arrived in August, aiding the primary soybean and corn production areas in southern Ontario and Quebec. Dryness again returned in September, creating ideal conditions for harvest.

Wheat

Over 90 percent of Canada's wheat and virtually all of its durum and spring wheat is grown in the Prairie provinces (see Figures 4 and 5). Spring wheat, on average, accounts for 73 percent of the total Canadian wheat crop, while durum accounts for 19 percent. Winter wheat accounts for roughly 8 percent, on average, and is primarily grown in southern Ontario, along with a small amount in the Prairies.

For 2020/21, however, Canadian farmers planted nearly 4 percent less area to spring wheat than average, while increasing durum (up 3 percent) and winter wheat (up 2 percent) planting. The increase in durum and winter wheat area, coupled with reduced winterkill of winter wheat, more than offset the reduction in spring wheat area, boosting total wheat area, which increased to 10.0 million hectares (mha), 4 percent above last year and 6 percent over the 5-year average. Total wheat yield is expected to be a near-record 3.51 tons per hectare (t/ha), owing to the mostly ideal conditions throughout the season. USDA estimates Canada's 2020/21 wheat production at 35.1 million metric tons (mmt), 8 percent more than last year and 13 percent over the 5-year average.

Feed Grains

Barley is grown primarily in the Prairie provinces, in locations similar to that of spring wheat (see Figures 5 and 6). Like wheat, Canadian barley farmers capitalized on favorable conditions to produce the third-highest yield on record, at 3.82 t/ha (the record yield is 3.90 t/ha in 2016). Provincial reports indicated that barley farmers were particularly successful in central and northeastern Alberta and northern Saskatchewan, which received adequate seasonal precipitation, and southern Alberta where barley is heavily irrigated.

Canadian farmers also planted more area to barley in 2020/21, boosting harvested area to 2.8 mha, 3 percent more than last year, and 18 percent above the 5-year average. Commensurate with above-average yield and area, production increased 3 percent over last year to 10.7 mmt, which is 23 percent above the 5-year average.

Area planted to corn was down nearly 4 percent overall from 2019/20, particularly in Quebec (down 6 percent) and Manitoba (down 19 percent). The largest portion of Canada's corn crop is grown in Ontario (see Figure 7), however, where seeded area remained largely unchanged from last year. After a challenging start to the season, with low temperatures hampering emergence in Ontario, and abnormal dryness in early summer in Quebec, conditions improved late, to push yield for corn to an estimated 9.66

t/ha, 4 percent above last year. Harvested area, overall, only fell 3 percent from last year, to 1.4 mha, while production increased 1 percent over 2019/20 to an estimated 13.6 mmt. Harvested area, production, and yield are all estimated to be slightly below their 5-year averages.

Oats are also grown in the Prairies, primarily in Saskatchewan (see Figure 8). Canadian farmers planted nearly 7 percent more area to oats over last year. Yield is estimated at 3.48 t/ha, 4 percent lower than last year. However, harvested area increased by 13 percent over last year to 1.3 mha, owing to lower abandonment (Canada abandons roughly 19 percent of its oat area on average). Harvested area for oats in 2020/21 is 26 percent above the 5-year average. This higher area accounts for a commensurate increase in production, which USDA estimates at 4.6 mmt, 8 percent above last year, and 27 percent above the 5-year average.

Oilseeds

Canadian farmers moved away from oilseeds in 2020/21, in favor of grains. Planted area for rapeseed (canola) was down by 2 percent, while soybean planting was down 11 percent from 2019/20. For rapeseed, that reduction came in Alberta and Saskatchewan, which combined, account for over 80 percent of Canada's rapeseed production (see Figure 9). Yield held steady this year, which USDA estimates at 2.28 t/ha, virtually unchanged from last year and the 5-year average. Harvested area is estimated at 8.3 mha, down 2 percent from last year and 4 percent below the 5-year average. Rapeseed production is estimated at 19 mmt, 3 percent lower than last year and 5 percent below the 5-year average.

Reductions in soybean area were offset by an expected 15 percent increase in yield over 2019/20. USDA estimates a record yield for soybeans at 3.11 t/ha (the previous record was 3.00 t/ha in 2012). Soybeans are primarily grown in Ontario, Manitoba, and Quebec (see Figure 10). Conditions for soybeans were ideal, particularly in Ontario, where warm, dry weather early in the season aided root development, and was followed by beneficial rainfall in August. Dry conditions returned in the latter part of the season, again benefitting farmers during harvest (see Figure 11). The estimated soybean yield of 3.11 t/ha is a 15-percent increase over last year and is 10 percent above the 5-year average. Harvested area, however, is estimated at 2.0 mha, down 10 percent from last year, and 16 percent below the 5-year average. The reduced area tempered a year-to-year increase in production, estimated at 6.4 mmt, 3 percent above last year, but 8 percent below the 5-year average.

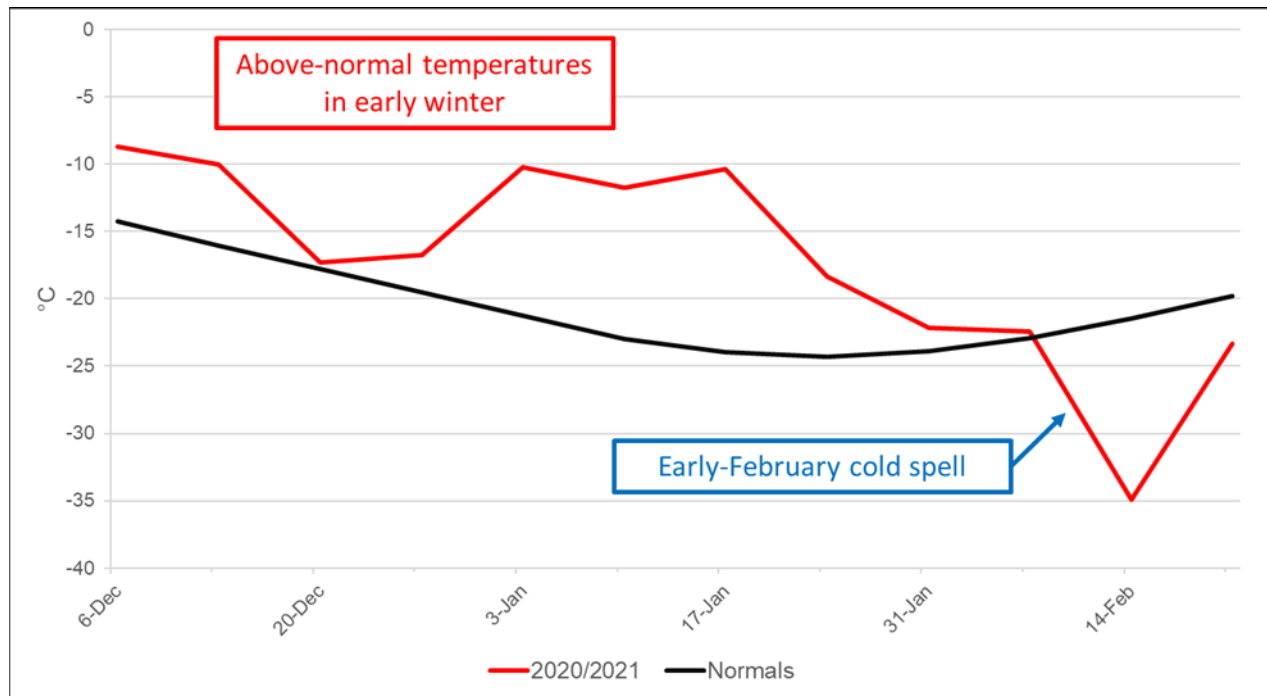
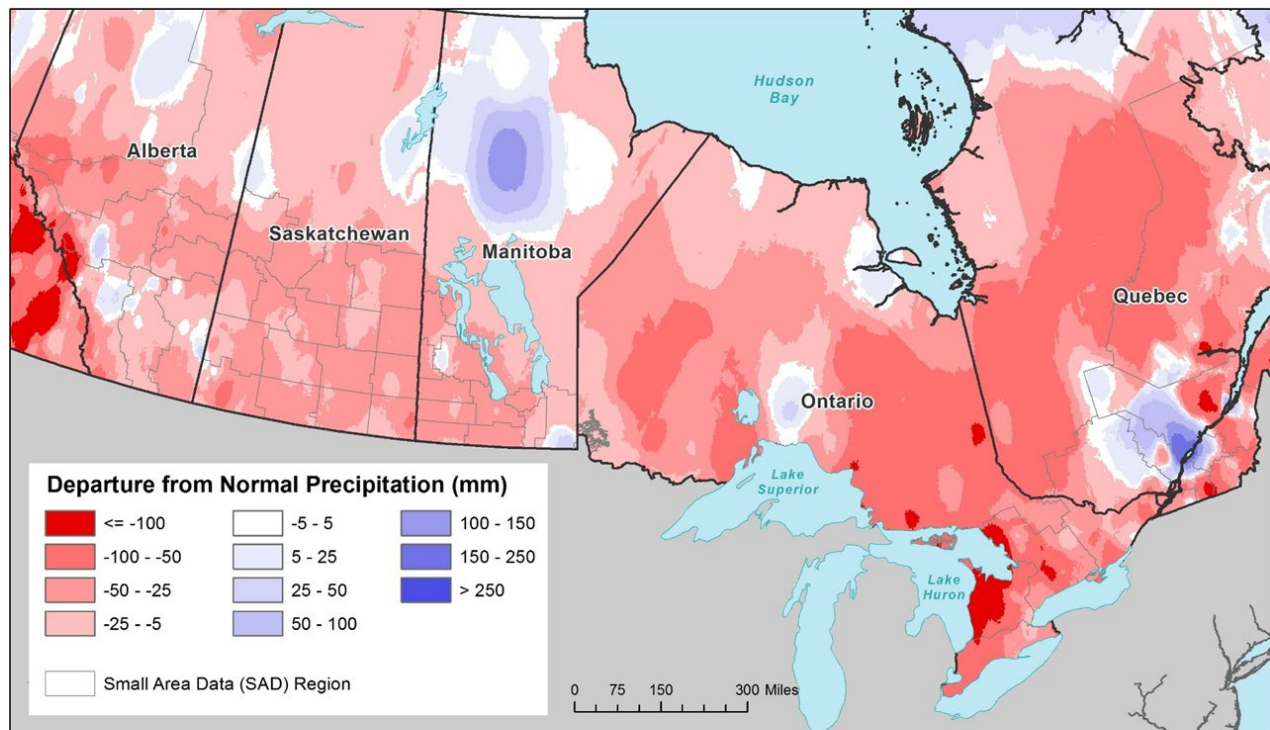
Minimum Temperatures (°C) for Southern Saskatchewan and Manitoba

Figure 1. Weekly minimum temperatures (°C) for southern Saskatchewan and Manitoba, December 6, 2020 through February 21, 2021.

Precipitation Departure – December 1, 2020 to February 28, 2021

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Source: World Meteorological Organization (WMO)

Figure 2. Three-month departure from normal precipitation (mm), December 1, 2020 through February 28, 2021.

Canada Seasonal Rainfall – May through September, 2021

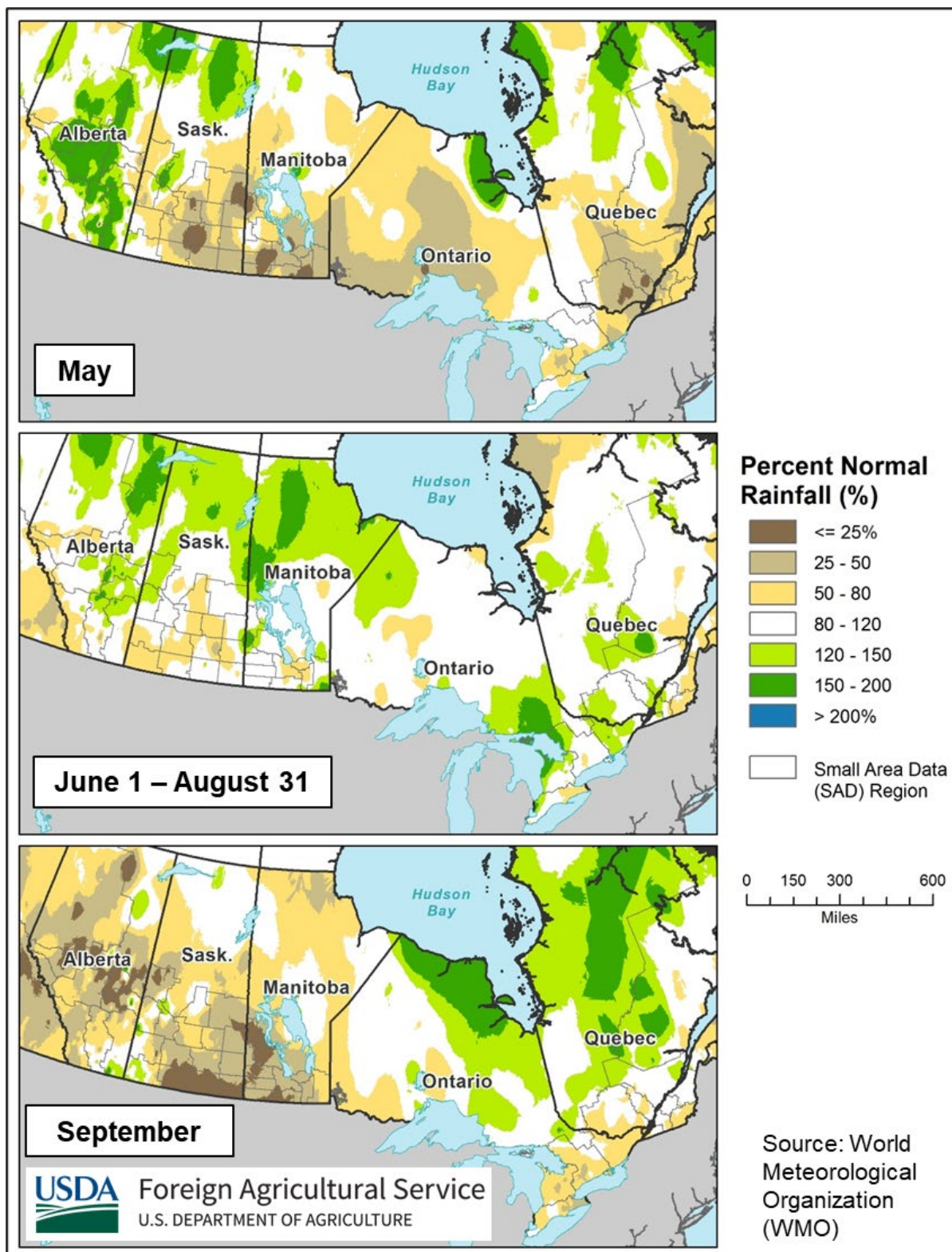


Figure 3. Percent normal rainfall during planting (1 mo., May), the growing season (3 mo., June through August), and harvest for most crops (1 mo., September). White indicates normal rainfall.

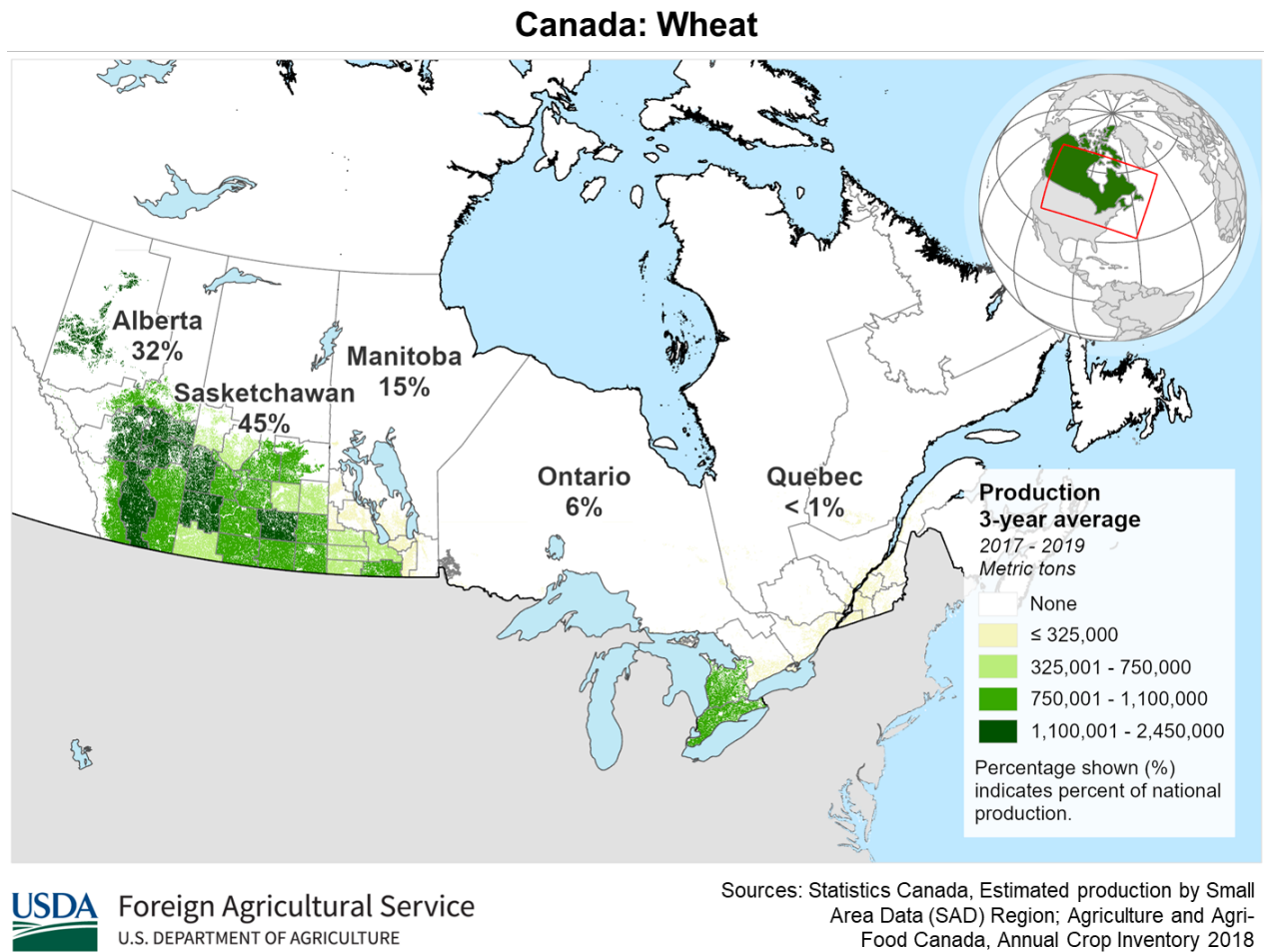
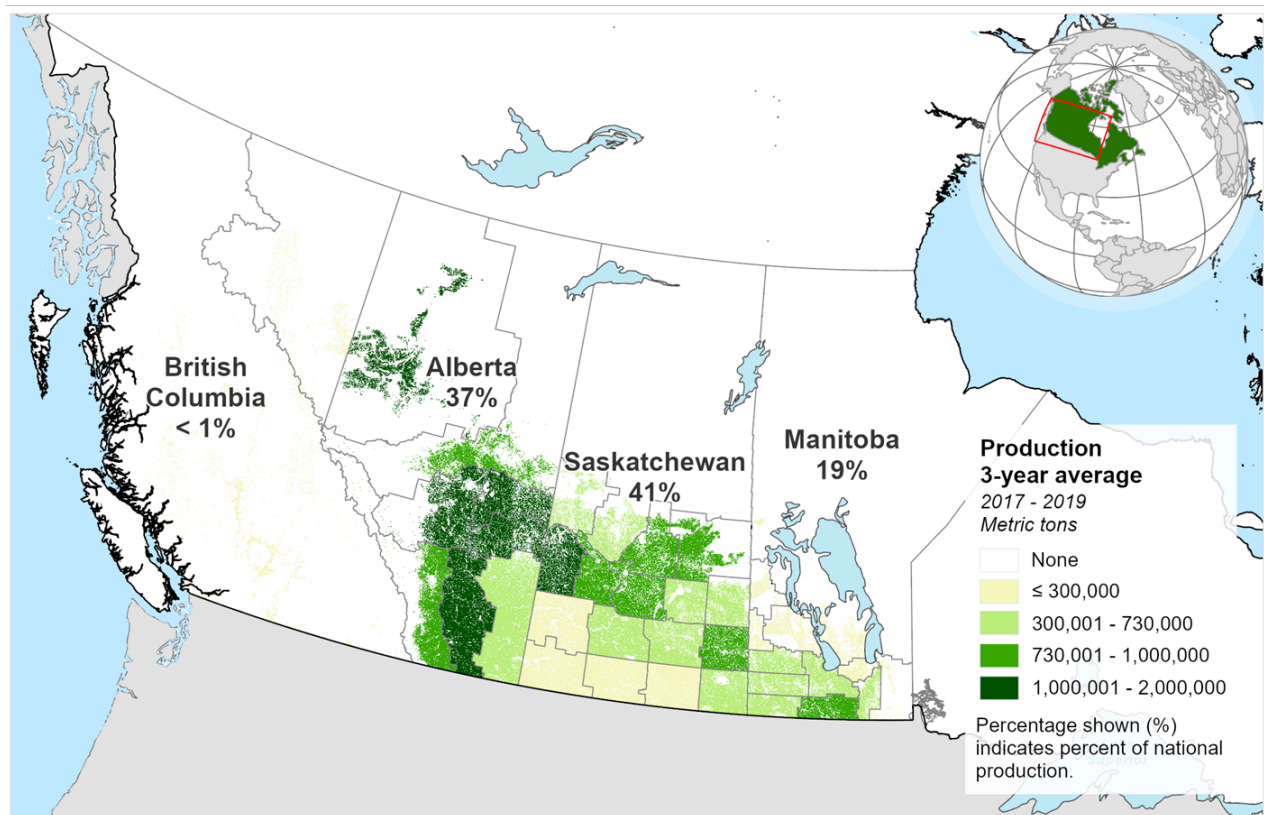


Figure 4. Average Canadian total wheat production (2017-2019).

Canada: Spring Wheat

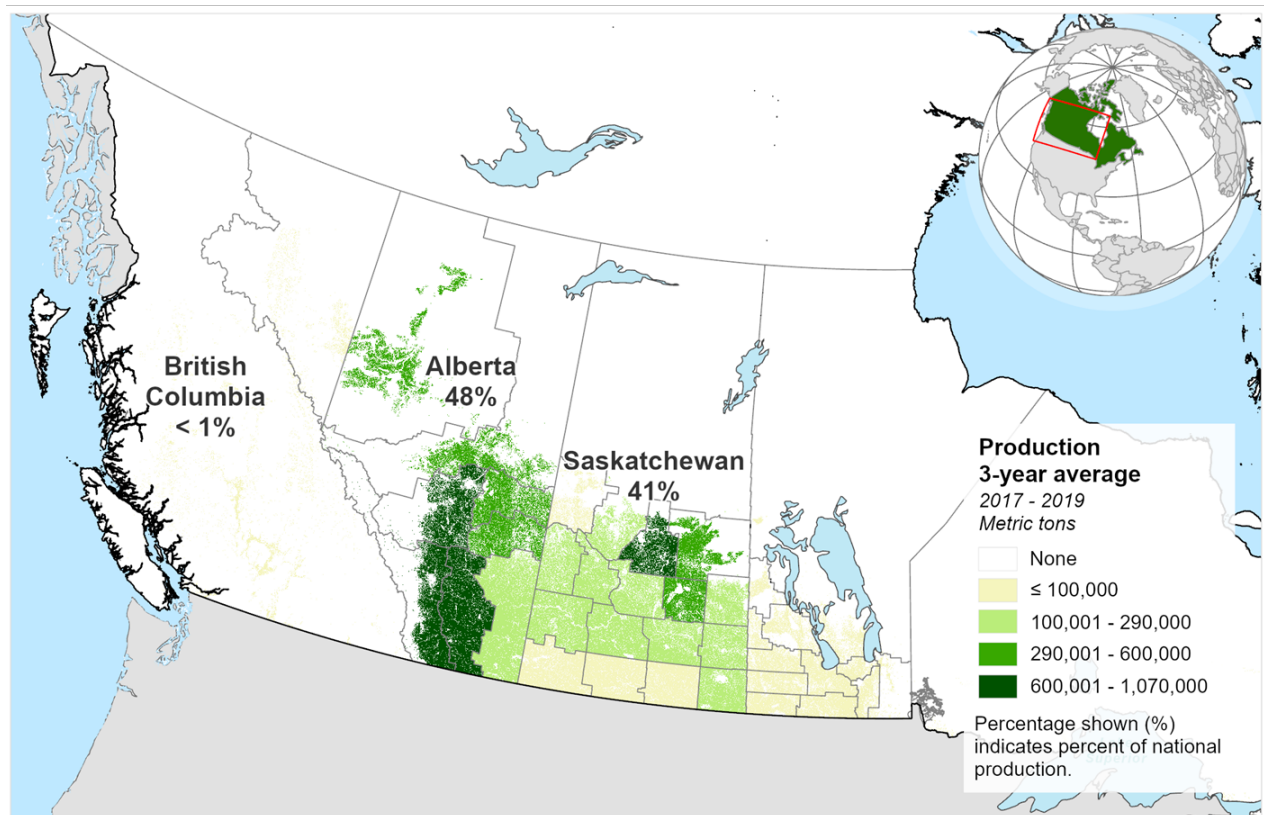


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Sources: Statistics Canada, Estimated production by Small Area Data (SAD) Region; Agriculture and Agri-Food Canada, Annual Crop Inventory 2018

Figure 5. Average Canadian spring wheat production (2017-2019).

Canada: Barley



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Sources: Statistics Canada, Estimated production by Small Area Data (SAD) Region; Agriculture and Agri-Food Canada, Annual Crop Inventory 2018

Figure 6. Average Canadian barley production (2017-2019).

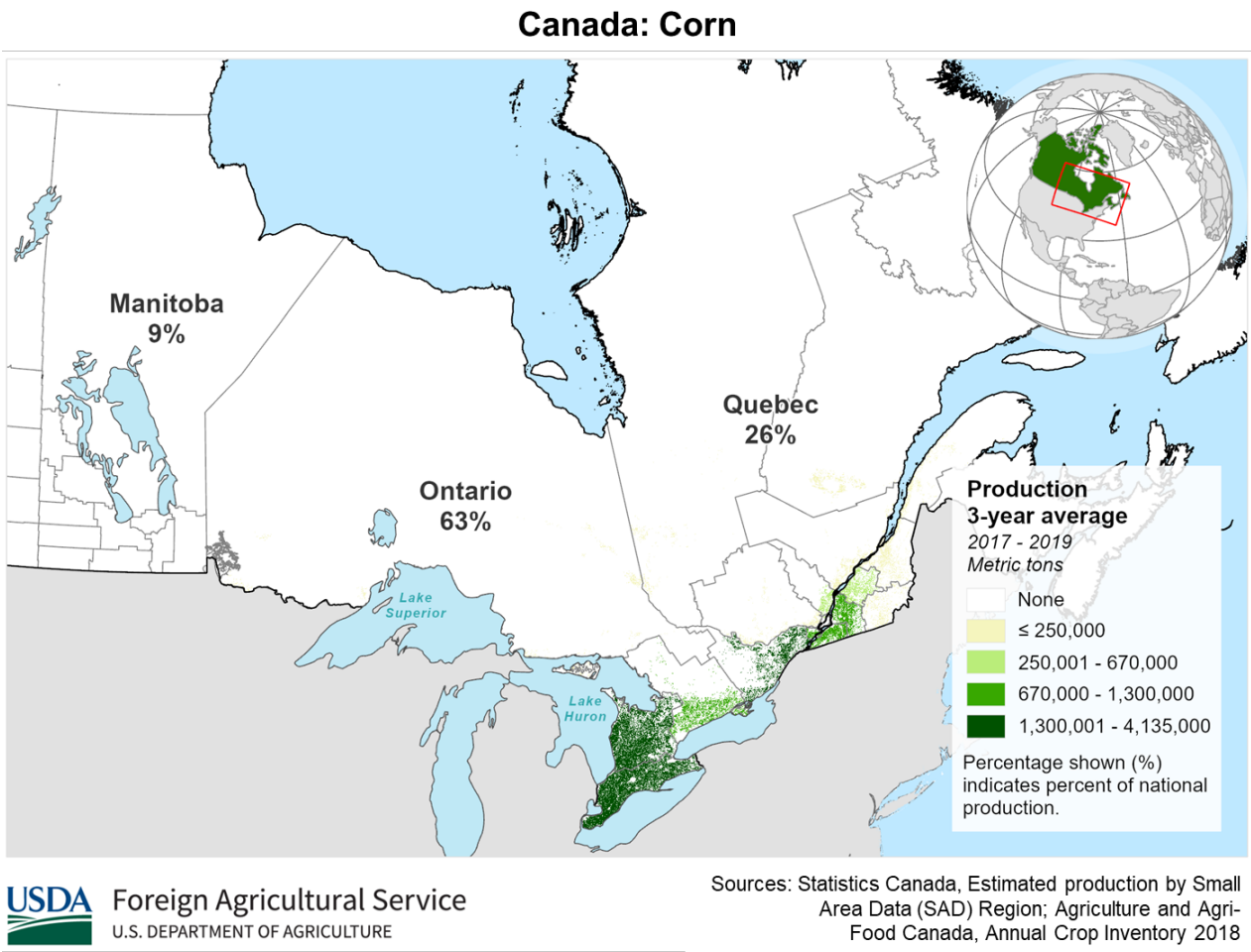
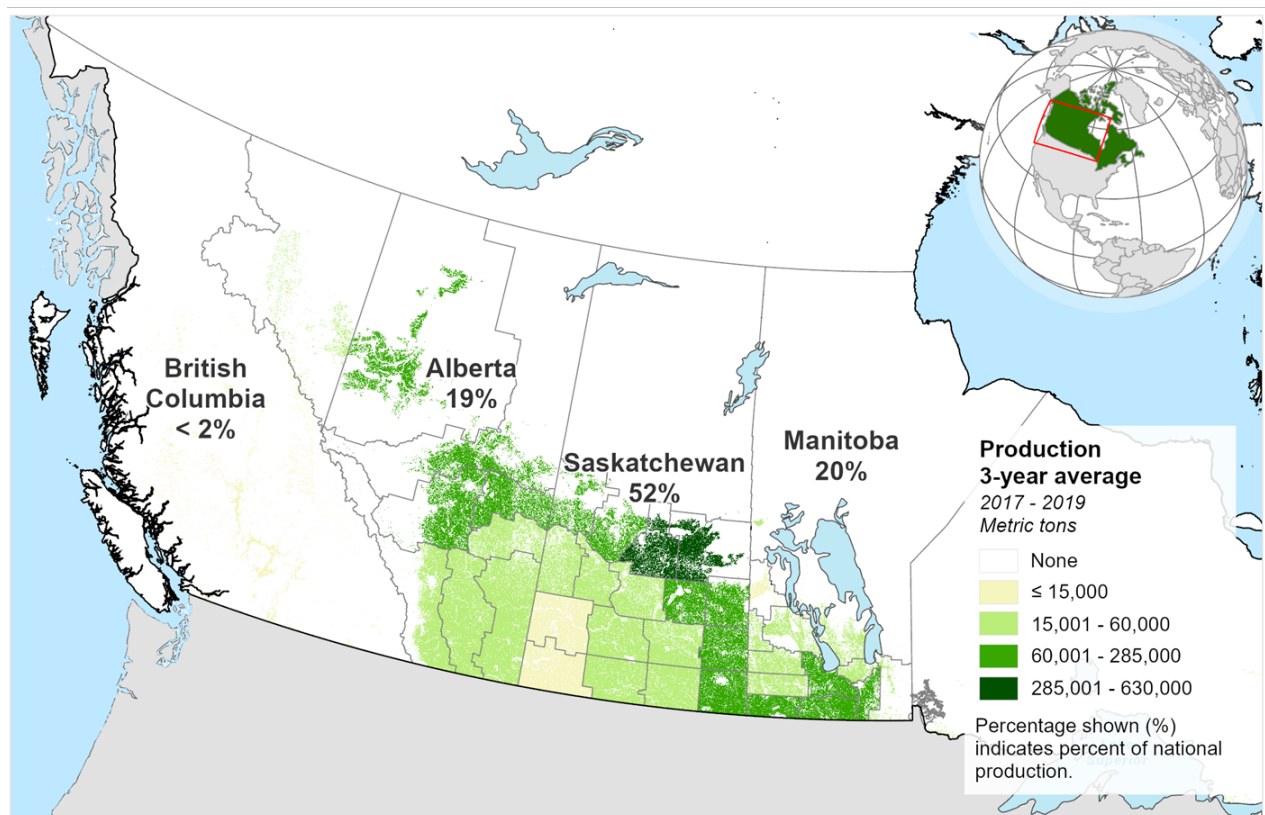


Figure 7. Average Canadian corn production (2017-2019).

Canada: Oats

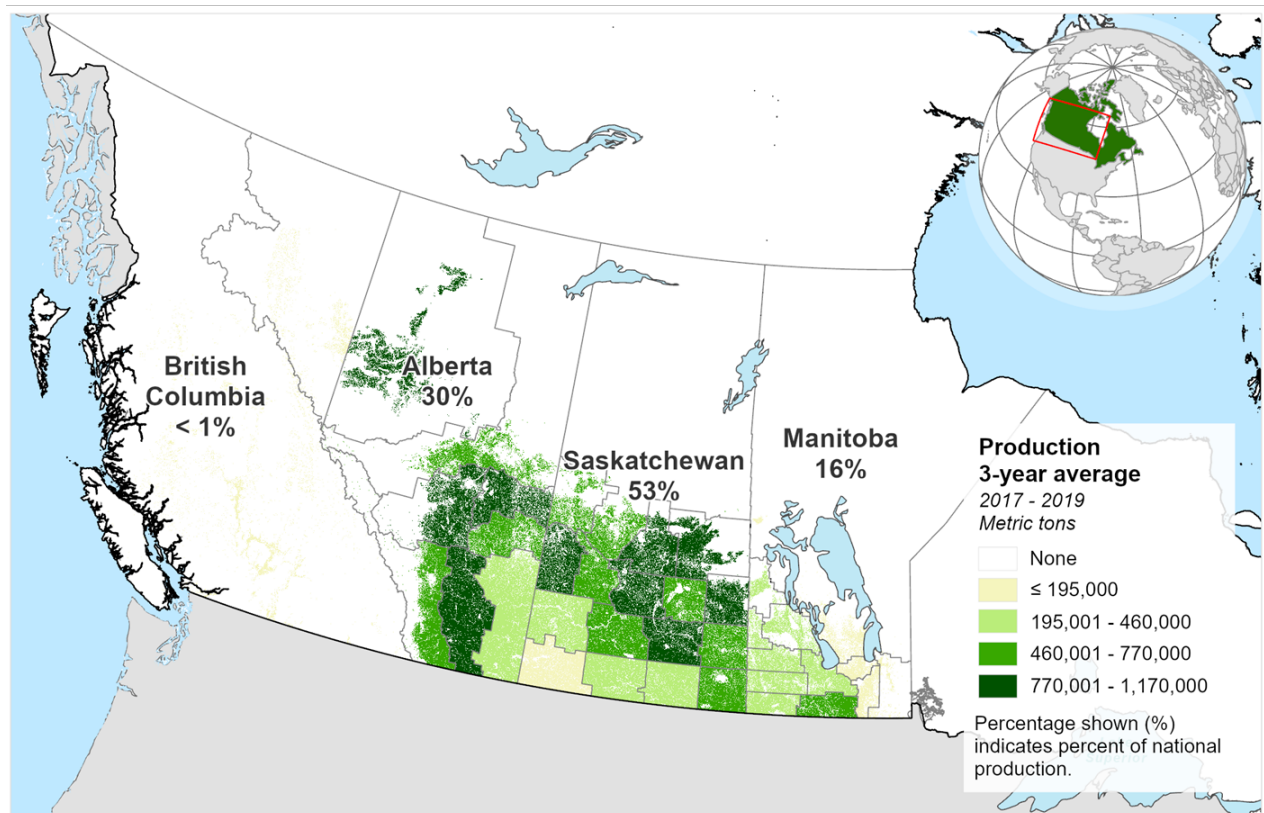


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Sources: Statistics Canada, Estimated production by Small Area Data (SAD) Region; Agriculture and Agri-Food Canada, Annual Crop Inventory 2018

Figure 8. Average Canadian oat production (2017-2019).

Canada: Rapeseed

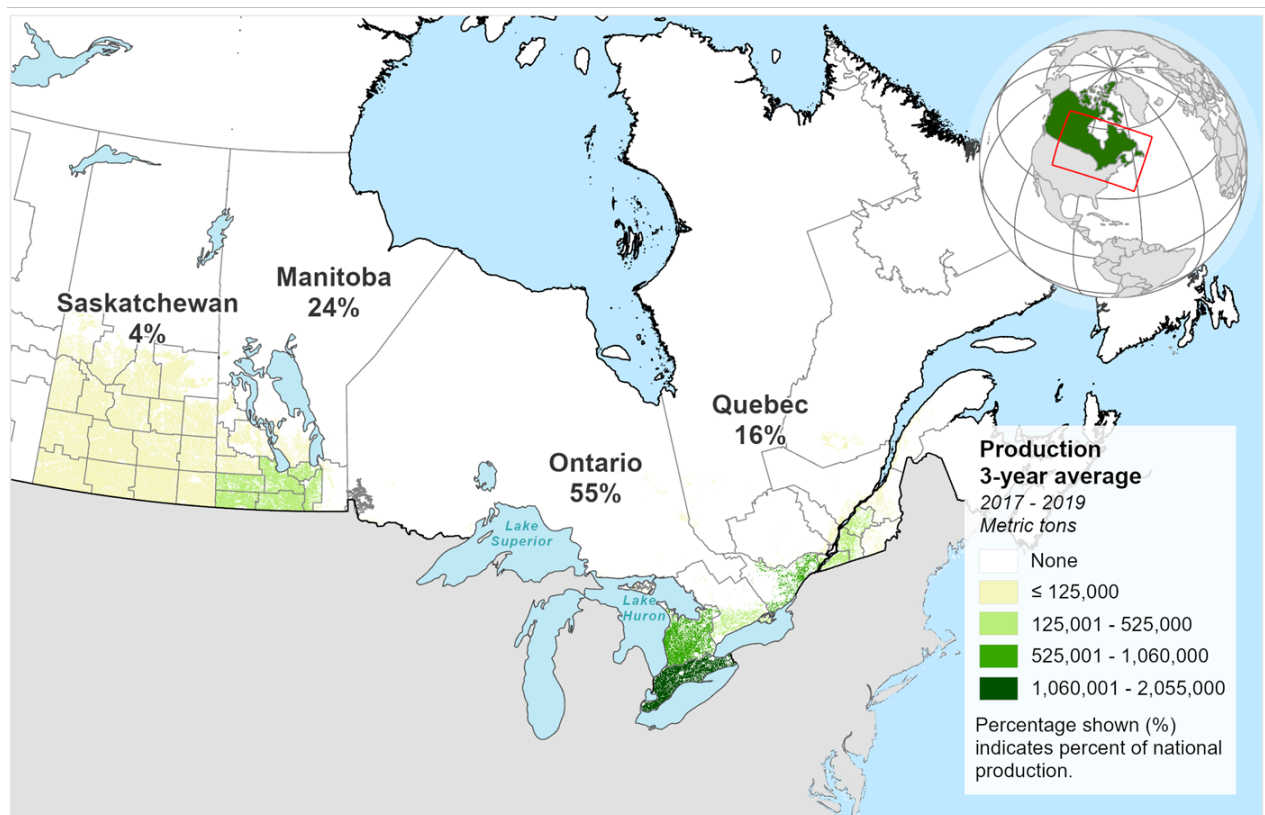


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Sources: Statistics Canada, Estimated production by Small Area Data (SAD) Region; Agriculture and Agri-Food Canada, Annual Crop Inventory 2018

Figure 9. Average Canadian rapeseed (canola) production (2017-2019).

Canada: Soybeans



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Sources: Statistics Canada, Estimated production by Small Area Data (SAD) Region; Agriculture and Agri-Food Canada, Annual Crop Inventory 2018

Figure 10. Average Canadian soybean production (2017-2019).

Central Canada Seasonal Rainfall – August and September, 2021

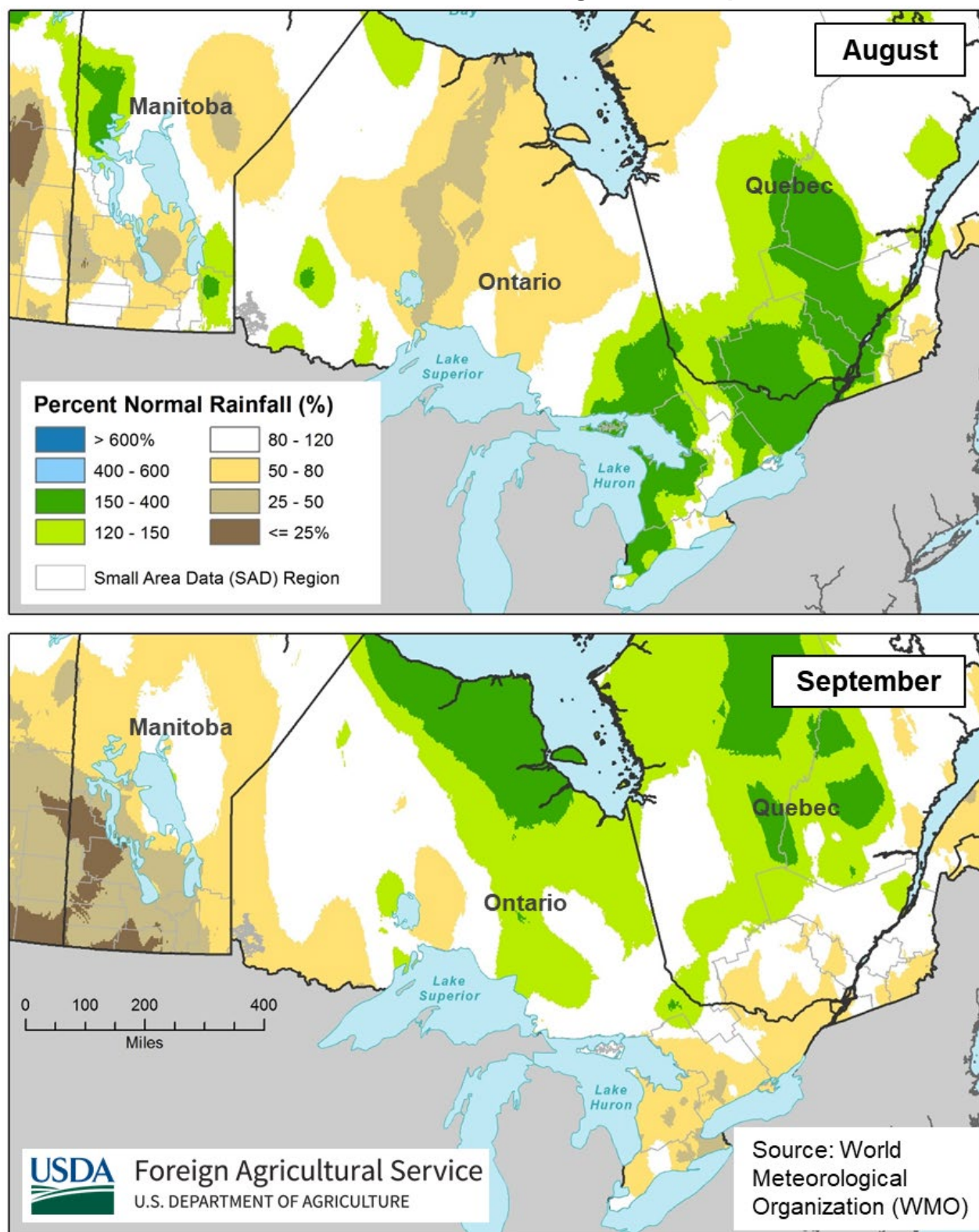


Figure 11. Percent normal rainfall (1 month) in the later portion of the growing season (August) and the beginning of harvest (September).

Author contact information:

Aaron Mulhollen
aaron.mulhollen@usda.gov

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