



Thriving on Chaos -Agriculture Outlook Winter 2022

World Events



Canada: Production of principle field crops, November 2021

(source: Statistics Canada (3 December 2021; final production estimates for 2021)

These final production estimates are based on the November Field Crop Survey, which included about 27,200 farmers and are subject to revision for two years.

thousands tonnes	2019/20	2020/21	2021/22	2021/22 vs 2020/21
All wheat production	32 670	35 183	21 652	-38,5%
Spring wheat production	25 952	25 842	16 009	-38,0%
Winter wheat production	1 701	2 770	2 989	7,9%
spring wheat as of total (%)	79.4%	73.5%	70.6%	
Durum production	5 017	6 571	2 654	-59,6%
durum as of total (%)	15.4%	18.7%	16.3%	
Oats production	4 227	4 576	2 606	-43,0%
Maize production	13 404	13 563	13 984	3,1%
Barley production	10 383	10 741	6 948	-35,3%
Soya beans production	6 145	6 359	6 272	-1,4%
Canola production	19 912	19 485	12 595	-35,4%

Global confirmed new COVID-19 cases

Daily change, thousands, five-day average



Stringency of government restrictions for G7 countries





2022 GROWTH OUTLOOK

Real GDP growth, %



4.8% World 4.1% Developed

5.3% Emerging



Source: EDC Global Economic Outlook, January 2022

2023 GROWTH OUTLOOK

Real GDP growth, %



4.3% World 3% Developed

> 5% Emerging



* India's 2024 FY = Q2 2023 – Q1 2024 Source: EDC Global Economic Outlook, January 2022

REAL GDP GROWTH

Global Economic Outlook (Annual % change)	2021	2022*	2023*
Developed countries	5.2	4.1	3.0
Canada	4.6	4.2	2.4
United States	5.4	4.5	3.6
Eurozone	5.1	4.0	2.7
Germany	2.9	4.4	2.4
France	6.7	3.5	1.7
Japan	1.7	2.6	1.8
Emerging countries	5.4	5.3	5.0
China	8.1	6.8	7.1
India	9.7	12.7	7.0
Brazil	4.8	1.0	2.7
Mexico	5.5	3.2	2.6
Total World	5.3	4.8	4.3

Note: * denotes the forecast period. India's forecast based on fiscal year (2023 FY = Q2 2022 – Q1 2023, 2024 FY = Q2 2023 – Q1 2024) Source: EDC Global Economic Outlook, January 2022

GLOBAL GOODS TRADE STILL ABOVE PRE-PANDEMIC LEVELS

Despite supply bottlenecks, global merchandise trade volumes continue to trend above pre-pandemic levels. However, the latest surge in COVID-19 cases could further tighten already stretched supply chains.

Global merchandise trade volumes

Annual % change





China

China

Economic growth will reach 8.1% this year as the economy rebounds, but will slow to 5.1% in 2022 and 2023. The swift recovery, driven by strong exports on the back of re-opening of overseas economies and robust investment, has stalled in the second half of the year.

A large real estate company's default is shaking financial markets and confidence in the sector, thereby weakening real estate investment, an important engine of growth. Prospects for manufacturing investment have also worsened due to temporary power cuts in a large number of provinces. Consumption growth is stable, but adverse confidence effects coupled with inadequate social protection still hold it back. Consumer price inflation is low as there is only limited pass-through from surging prices in upstream industries.

Following a strong initial rebound, GDP growth slowed in the second half of 2021, reflecting weak domestic demand B. GDP growth

(y/y percent; q/q sa percent)



US Economy

- U.S. economic activity continues to rise after reaching multiyear lows in the second quarter of 2020 (2Q20).
- U.S. gross domestic product (GDP) declined by 3.4% in 2020 from 2019 levels.
- U.S. GDP will grow by 6.0% in 2021 and by 4.4% in 2022.
- Our forecast assumes continuing economic growth and increasing mobility.
- Any developments that would cause deviations from these assumptions would likely cause energy consumption and prices to deviate from our forecast.

\$DOWI - Dow Jones Industrials Average - Weekly OHLC Chart



FEDERAL RESERVE POLICY

The Fed has a dual mandate of both stable prices and maximum employment. With the unemployment reaching its lowest level since the pandemic began and persistent high inflation becoming a headline issue for the U.S., the Federal Reserve decided to move on unwinding quantitative easing and accelerate the interest rate hikes schedule.

U.S. Inflation



Year-over-year % change in consumer prices

Sources: Haver, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

U.S. labour market conditions

U.S. CONSUMER SPENDING LEADING G7 COUNTRIES

As the global economy reopens and government transfers are gradually scaled back, spending has increased. The U.S. consumer accounts for most of G7 spending on durable goods, which is pushing supply chains to the brink.

G7 durable goods expenditure

Contributions to percent change on Q4 2019, percentage points



Sources: Bank of England, OECD

Personal income, spending and savings

Trillions of dollars



Note: Relative to the five-year, pre-pandemic averages



CONSUMER DYNAMICS IN ADVANCED ECONOMIES

After a quick spending recovery following the initial decline, consumer spending continued to remain strong in the third quarter of 2021. Savings have dipped from their pandemic highs, but remain elevated compared to pre-pandemic trends. This could potentially boost consumer spending in 2022.



SHIPPING COSTS REMAIN ELEVATED

As consumer demand rises, the global shipping industry has been trying to keep pace. Stretched port capacity and container shortages have resulted in inflated shipping costs. The *Baltic Exchange Dry Index* (an index of expenditures related to international shipping) suggests that the rise in price in 2021 has been due to supply. These effects will likely keep price pressures elevated for some time.

Percent 200 Demand Supply 150 Total 100 50 0 -50 -100 202001 2021Q1 202102 202002 202003 2020Q4

Supply and demand drivers of shipping expenditure growth

Baltic Exchange Dry Index





U.S & China – Trade

US-China phase one tracker: China's purchases of US goods in 2021

US exports and China's imports of all goods covered by the phase one deal, January 2021 through November 2021

a. US exports and China's imports of all covered goods as of November 2021, billions USD



Figure 3

US agricultural exports to China have recovered, though they remain below the phase one targets

US agricultural exports to China covered by the phase one deal, billions USD



All agricultural exports















Canadian Economy



Key Canadian Economy Takeaway's

- Canada's economic recovery will be robust thanks to the good financial situation of households and the performance of capital markets, but the challenges are mounting.
- The pandemic is not over.
- Supply chain disruptions and logistics challenges will persist through 2022 and possibly beyond.
- The energy transition will lead to higher energy prices and episodes of market volatility.
- Labour force issues will continue to constrain the supply of workers.
- Inflation remains transitory in nature, although it will last longer than initially expected.
- Financing conditions will tighten in 2022, although they will remain affordable.

22,000.00 Op:21,367.82, Hi:21,550.10, Lo:21,193.00, Cl:21,274.57 21,274.57 21,000.00 Head Winds - Inflation will Move Costs -20,500.00 1⁴⁴h1Han **Reducing Profits – Reducing Dividends –** 20,000.00 **Slowing Economy** 19,500.00 19,000.00 IH 18,500.00 18,000.00 ╄╪╄╬╹_{╘┱┝╪}╢╢╢_{╋┿╿}╢╢╢_{╋┿╿}╢╢╢_{╄┿}╋ └╍┝┿_{┺┺} └_╋╎_┺ [14][1 17,500.00 17,000.00 r_{t_1} 16,500.00 ^ththt^{tht}ht 16,000.00 thth 15,500.00 11/11 15,000.00 14,500.00 14,000.00 13,500.00 13,000.00 12,500.00 12,000.00 11,500.00 © Barchart.com - 11,000.00

Jul

Jan 20

Apr

Jul

Oct

Jan 21

Oct

Jul

Apr

Jan 22

Oct

\$TXCX - TSX Composite Index - Weekly OHLC Chart

lan 17

Apr

Jul

Oct

Jan 18

Apr

Jul

Oct

Jan 19

Apr

Inflation will remain above 3%

Growth in the Consumer Price Index, annual change



Source: Statistics Canada via Refinitiv.



Effective interest rate - business
Effective interest rate - bousehold

CANADIAN DOLLAR STAYS STRONG

Rising demand for commodities and strong jobs data helped the Canadian dollar stay high. The loonie has declined slightly since then, but remains at par with pre-pandemic levels.

Daily exchange rate

\$USD per CAD



Sources: Bank of Canada, EDC Economics

Growth continued in the fourth quarter

105

Share of GDP recovered from pre-pandemic peak (February 2020=100)

99.9% 100 Percentage 95 90 85 80 July Sep Sep May Nov Jan Mar May July Mar Nov Jan 2020 2020 2020 2020 2020 2021 2021 2021 2021 2021 2021 2020

Source: Statistics Canada via Refinitiv, BDC Economics.

D6*0 - Canadian Dollar - Daily OHLC Chart





OIL PRICES HAVE PROMPTED ACTION FROM SUPPLIERS

Oil prices enjoyed a period of sustained growth in 2021, as a result of an increase in demand and restraints on supply. However, the rising prices pressures prompted action from the U.S. government. That, in addition to the increase in supply from key producers expected early 2022, will likely help prices settle.

November-20

March-21

Julv-21



July-20

CDC

Nov. 23: The U.S.

December: OPEC+ reaffirms intent to

increase supply in

January

November-21

reserves

announces its release

of oil from strategic

November-19

March-20

-40

July-19

- Uncertainty in global oil markets has increased heading into 2022.
- The way in which the Omicron variant of COVID-19 will affect economic activity and oil consumption this year is still unknown.
- In late 2021, some restrictions to mitigate the spread of COVID-19 began to return in many regions, notably Europe, even before the Omicron variant surfaced.
- These restrictions, in combination with increased measures to combat the Omicron variant, raised the possibility that global oil consumption could decline in the coming months and added downward pressure to oil prices.

- EIA forecast that global oil production will outpace global oil consumption during both 2022 and 2023, resulting in rising global oil inventories.
- EIA expect global oil inventories will rise by an average of 0.5 million b/d in 2022 and by 0.6 million b/d in 2023 and that these inventory builds will generally put downward pressure on crude oil prices.
- Brent prices average \$75/b in 2022 and \$68/b in 2023 in our forecast.
- However, oil market balances are subject to significant uncertainties during the forecast period, notably, the way in which the ongoing pandemic affects economic growth, oil demand, and the production decisions of OPEC+ members.
- These factors, among others, could keep oil prices volatile.

- EIA forecast global oil consumption will grow by 3.6 million b/d in 2022 and by 1.8 million b/d in 2023, reaching 100.5 million b/d in 2022 and 102.3 million b/d in 2023.
- If realized, the 2022 global liquid fuels consumption level would surpass the pre-pandemic 2019 level and represent a new record for world liquid fuels consumption.

CL*0 - Crude Oil WTI - Daily OHLC Chart



100



Factors Driving Fertilizer Prices Higher and Higher

- Background:
 - Fertilizer costs account for approximately 15% of total <u>Crop</u> cash costs
 - Strong Demand Corn Acres /Wheat Acres in the US
 - Low Fertilizer Inventories
 - Inability to adjust production levels
 - In 1960 US accounted for 25% of global nutrient use – Today the US accounts for only 10%
- Fertilizer is a global commodity influenced by multiple factors
 - 44% of all domestic fertilizer is exported
 - Price is related to export demand & transportation rates
- Two-Thirds of Global demand is driven primarily six crops
 - 16% Corn
 - 15% Wheat
 - 14% Rice
 - 9% Vegetables
 - 7% Fruits
 - 5% Soybeans



- Ammonia Production by County
 - China 24.6%
 - US 11.6%
 - India 11.3%

• Phosphate Production by Country

- China 37.7%
- US 9.9%
- India 9.8%
- Potassium Production by Country
 - Canada 31.9%
 - Belarus 16.5%
 - Russia 16.1%

- Key Nitrogen Exporters
 - Russia 16.5%
 - China 11.2%
 - Saudi Arabia 6.4%

Key Phosphate Exporters

- China 25.2%
- Morocco 17.5%
- Russia 12.7%
- Key Potassium Exporters
 - Canada 32.2%
 - Belarus 18.5%
 - Russia 16.5%

- Production Costs are Rising
 - Energy Costs
 - E.g. Anhydrous Ammonia 33 million metric British thermal units (MMBtu) per material ton of ammonia
 - This accounts for 70% to 90% of the production variable costs
 - Natural Gas costs have risen dramatically especially in Europe which has caused many EU Nitrogen plants to close
 - Plants typically cost \$3 \$5 Billion and 5 years to build
 - U.S. Production of Ammonia
 - Production Oklahoma, Texas & Louisiana = 60% of total production
 - Production in Feb 2021 shifted to Residential due to cold temperatures
 - Hurricane Ida caused production within theses states to be paused
 - During this time Covid reduced workforce and idled plants

E.U. Natural Gas (MMBtu)



NG*0 - Natural Gas - Daily OHLC Chart



Urea – Can \$



IFA Fertilzer Demand Estimates

Global A	Global Mineral Fertilizer Demand				
(Mt nutrients)					
	Ν	P_2O_5	K ₂ O	Total	
2018/19	104.1	45.5	37.5	187.1	
2019/20 (e)	105.7	46.3	36.3	188.3	
2020/21 (f)	110.0	49.6	38.5	198.2	
Change	+4.1%	+7.0%	+6.2%	+5.2%	
2021/22 (f)	110.8	50.0	39.1	199.9	
Change	+0.7%	+0.8%	+1.5%	+ 0.9 %	
2025/26 (f)	114.5	52.5	41.2	208.3	
CAGR*	+1.2%	+1.8%	+1.6%	+1.4%	
(a) Estimato					

(e) Estimate

(f) Forecast

(*) Compound annual growth rate compared to the average of 2018/19 to 2020/21





Average Farmland Value Increases					
	Average % change Jan 2021 - June 2021	Average % change July 2020 - June 2021			
	(6 months)	(12 months)			
BC	8.8	13.6			
AB	3.7	5.6			
SK	1.8	3.5			
MB	3.5	6.3			
ON	11.5	15.4			
QC	8.1	13.7			
NB	0.9	1.8			
NS	4.5	5.8			
PEI	0.4	1.5			
Canada	3.8	6.1			



Weather on the Prairies

Moisture Shortfall – Winter 2022

International Weather Outlook Mid Jan 2022

- •EUROPE: Warm but wet weather maintained overall favorable conditions for winter crops across the region.
- •MIDDLE EAST: Locally heavy rain in southern and eastern Iran contrasted with dry weather in central growing areas.
- •NORTHWESTERN AFRICA: Warm, dry weather exacerbated drought in Morocco, while showers favored winter grains across central and eastern growing areas.
- •SOUTHEAST ASIA: Downpours continued in southern portions of the region, locally halting oil palm harvesting but generally maintaining abundant moisture for rice.
- •AUSTRALIA: Soaking rain disrupted fieldwork in New South Wales, while winter crop harvesting neared completion elsewhere.
- •SOUTH AFRICA: Mild, showery weather continued, benefiting corn and other predominantly rain-fed summer crops.
- •ARGENTINA: Showers brought some relief from heat and dryness, although pockets of dryness persisted.
- •BRAZIL: Rain helped to stabilize drought-stressed corn and soybeans in southern farming areas, as widespread rain maintained favorable crop prospects farther north.



Canadian Drought Monitor

Conditions as of December 31, 2021





Precipitation – Argentina



CLIMATE PREDICTION CENTER, NOAA Computer generated contours Based on preliminary data

Precipitation – Brazil



Ocean freight rates in 2019 and 2020





Figure 1. Intended Total Planted Crop Acreage in the U.S. and the Price of Corn in the Previous Year















Thriving on Chaos -Agriculture Outlook Winter 2022

Wheat

Situation & Outlook Winter 2022

Highlights of USDA's 2021/22 Wheat S&D Estimates

2021/22 global wheat production forecast to reach a record 778.6 MMT

- Production in Argentina forecast at 20.5 MMT, 500,000 MT more than USDA's December estimate
- EU wheat production is forecast at 138.9 MMT, up 20,000 MT from the December estimate
- U.S. production is unchanged from last month at 44.79 MMT, down 10% compared to 2020/21

Global consumption forecast at 787.47 MMT, nearly 2 MMT less than December

- Domestic consumption in Egypt forecast at 21 MMT, 400,000 MT more than 2020/21
- Domestic consumption in Iraq is forecast at 7.8 MMT, up 6% from the 10-year average
- U.S. domestic consumption forecast to 30.9 MMT, 680,000 MT less than December

World wheat trade adjusted down 1 MMT from last month to 204.4 MMT

- Russian exports are trimmed 1 MMT to 35 MMT, after the government set export quota
- European Union exports are projected at 37.5 MMT, up 500,000 MT from December and up 26% from 2020/21
- U.S. 2021/22 exports expected to be 22.45 MMT, down 410,000 MT from December

US Wheat Associates

Highlights of USDA's 2021/22 Wheat S&D Estimates

Global ending stocks projected at 279.95 MMT, up 1.77 MMT compared to USDA's December estimate

- Expected Russian ending stocks forecast at 10.63 MMT, 400,000 MT up from December
- Ukrainian ending stocks forecast at 1.61 MMT, 200,000 MT up from last month
- U.S. ending stocks are revised up 810,000 MT from last month to 17.09 MMT, still the lowest level since 2013/14

World beginning stocks estimated down 2% from 2020/21 to 288.82 MMT

- Chinese beginning stocks estimated at 144.7 MMT, down nearly 1 MMT from December
- Indian beginning stocks estimated at 27.8 MMT, up 13% compared to 2020/21
- U.S. 2021/22 beginning stocks expected to drop 18% compared to 2020/21 to 23.0 MMT

U.S. wheat farm gate price to increase from last year

• The average farm gate price of U.S. wheat in 2021/22 is forecast to increase to \$7.15/bu (\$262.69/MT), up \$2.57 from last year's \$4.58/bu (\$168/MT), a 56% jump year-over-year

WHEAT OUTPUT IN MAJOR COUNTRIES FALL



Global Wheat Production & Use



US Wheat Associates

Supplies of Top Exporting Countries



*Includes U.S., Canada, Australia, Argentina, EU, Russia, Ukraine and Kazakhstan

US Wheat Associates

World Wheat Supply and Demand (MMT)

<u>19/20</u> <u>20/21</u> <u>21/22</u> SUPPLY: 296 289 **Beginning Stocks** 281 Production 762 776 779 Supply Total 1043 1072 1067 **Ending Stocks** 296 289 280 TRADE: Exports/Imports 202 204 194 **DEMAND:** Food & Seed 608 625 628 Feed & Residual 158 160 139 **Use Total** 783 787 747

US Wheat Associates

World Ending Stocks by Position (MMT)





International Daily FOB Export Bids



Russia Wheat Exports Tempered by Restrictive Export Policies



Russia Exports



Russia Wheat Export Tax

- Russia's 2021/22 wheat export forecast has been trimmed to 35.0 million tons as the country continues to announce and implement policies designed to ensure sufficient domestic supplies and stabilize domestic food prices by constraining exports.
- The government announced an 11.0-million-ton grain export quota from February 15 to June 30, 2022, of which wheat will account for 8.0 million tons.
China – Wheat

- About one-half of global stocks are held by China and generally have not played a significant role in the global market.
- But over the past year, high feed demand prompted China to offload some of the multiyear-old government-held stocks into the domestic market via auctions.
- Wheat stocks in China declined in 2020/21 for the first time in over a decade.
- Meanwhile, China import demand for millingquality wheat soared, propelling it to become the second-largest importer.
- Imports are forecast at high levels again in 2021/22, with China forecast as the fourth-largest importer.





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Major Exporter v. India Wheat Stocks



Global Exports

- The major exporters' stocks are set to decline in 2021/22, representing tighter supplies available to the global market.
- Owing to drought-affected production, U.S. and Canada stocks are expected to draw down to the lowest level since 2007/08, despite lower exports from both countries.
- While Ukraine stocks remain steady, Russia stocks are set to decline with its smaller crop and strong exports to the Middle East.
- EU and Australia stocks are also expected to decline due to exceptionally high exports.

Canadian Wheat

- For 2021-22, Canadian wheat production declined by 34% from 2020-21 to just under 19 Mt, as the lower seeded area was compounded by poor yields as a result of the dry hot spring and summer.
- Production by class of wheat, with 2020-21 production in brackets, is estimated at:
 - Winter (hard red, soft red and soft white) 2.99 Mt (2.77 Mt);
 - Canada Western Red Spring (CWRS), premium quality hard wheat, 13.20 Mt (21.93 Mt);
 - Canada Prairie Spring (CPS) 1.30 Mt (1.82 Mt),
 - Canada Northern Hard Red Spring (CNHR) 0.64 Mt (.83 Mt);
 - Soft white spring (CWSWS) 0.20 Mt (0.52 Mt), other western spring wheat 0.33 Mt (0.44 Mt),
 - Eastern spring wheat, mainly hard red spring (CERS), 0.28 Mt (0.24 Mt).
- For 2021-22, the Canadian winter wheat area, seeded in the fall of 2021, declined by 6.6% from fall 2020 to 547,000 hectares.

Canadian Wheat

- Total supply is forecast at 24.3 Mt, up 4% from last month's forecast, with a slight increase in imports, currently pacing above last year's levels.
- This however remains 28% less than in 2020-21 and 24% less than the last five-year average.
- Exports are forecast to fall roughly 32% to 14 Mt, domestic use by 8% to 7.2 Mt, due to lower feed use as a result of high wheat prices.
- Carry out stocks are forecast to drop to 3 Mt, the lowest on record since 2007-08.
- Exports were revised up 8% versus last month's report due to the upward revision in production by STC.
- The 2021-22 forecasted average price for CWRS 1 13.5% is unchanged at \$400 per tonne.

Canadian Wheat Outlook

- For 2022-23, Canadian area seeded to wheat is forecast to increase 5% year over year supported by strong prices and tight stocks.
 - Spring wheat is projected at 7,051 thousand acres (+6%).
 - Total area seeded to wheat (ex. durum) is projected at 7,598 thousand ha., with production projected at 25.6 Mt, 35% higher than in 2021-22 and in line with average volumes over the last five years.
 - Total supply is projected to increase 19% to 28.7 Mt.
- With domestic use remaining relatively in line with average levels, and higher supplies, exports are projected to increase to 17 Mt, up 21% year over year, but still 7% less than the last five-year average, due to a recovery in stocks.
- Carry-out stocks are projected at 4 Mt, 33% more than carry-in, but still 10% below the last five-year average.
- With larger seeding for wheat worldwide in 2022-23, and an increase in yields in North America, world all wheat
 production is expected to increase in 2022-23, but weather will be the deciding factor given current dry
 conditions continuing across much of North America's plains. Large harvests coming out of the southern
 hemisphere will help the supply/demand complex, but it will remain constrained given low stocks, especially in
 key exporting nations. IGC's 5 year projections forecast demand increasing in line with population growth, about
 2% per annum.
- USDA's long term outlook puts total wheat seeding at 19.8 million hectares in 2022-23. On January 10, 2022 the USDA reported that the area seeded to winter wheat, the major wheat type in the US, was 13.9 million hectares, 2% higher than last year and up 12% from 2020.
- The average SK spot price for CWRS 1, 13.5% is forecast to come down from current highs, but still remain relatively strong at \$350/tonne.

Global Outlook

- With larger seeding for wheat worldwide in 2022-23, and an increase in yields in North America, world all wheat production is expected to increase in 2022-23 Weather dependent.
- IGC's 5 year projections forecast demand increasing in line with population growth, about 2% per annum.
- USDA's long term outlook puts total wheat seeding at 19.8 million hectares in 2022-23.
- On January 10, 2022 the USDA reported that the area seeded to winter wheat, the major wheat type in the US, was 13.9 million hectares, 2% higher than last year and up 12% from 2020.
- The average SK spot price for CWRS 1, 13.5% is forecast to come down from current highs, but still remain relatively strong at \$350/tonne.

Wheat Except Durum						
Crop Year (a)	2020-2021	2021-2022f	2022-2023f			
Area seeded (kha)	7,892	7,255	7,598			
Area harvested (kha)	7,723	7,090	7,446			
Yield	3.7	2.68	3.44			
Production (kt)	28,612	18,998	25,636			
Imports (b)	100	200	100			
Total supply (kt)	33,474	24,152	28,736			
Exports (kt) [c]	20,634	14,000	17,000			
Food and Industrial Use (kt) [d]	3,190	3,000	3,200			
Feed, Waste & Dockage (kt)	3,942	3,427	3,761			
Total Domestic Use (kt) [e]	7,886	7,152	7,736			
Carry-out Stocks (kt)	4,954	3,000	4,000			
Average Price (\$/t) [g]	271	410	350			

Canadian Primary Elevator Bids

				Date:	24-01-2022
Marke 1	S	pot	annua d	Def	erred
NW Sask	(bu.)	(mt)	NW Sask	Apr. '22 (bu.)	Apr. '22 (mt)
1 CWRS 13.5	\$11.68	\$429.17	1 CWRS 13.5	\$11.74	\$431.37
1 CWAD 13.0	\$19.21	\$705.85	1 CWAD 13.0	\$19.53	\$717.61
1 CPSR 11.5	\$10.68	\$392.43	1 CPSR 11.5	\$10.77	\$395.73
SW Sask			SW Sask		
1 CWRS 13.5	\$11.47	\$421.45	1 CWRS 13.5	\$11.56	\$424.76
1 CWAD 13.0	\$19.24	\$706.95	1 CWAD 13.0	\$19.54	\$717.98
1 CPSR 11.5	\$10.42	\$382.87	1 CPSR 11.5	\$10.44	\$383.61
NE Sask			NE Sask		-
1 CWRS 13.5	\$11.43	\$419.98	1 CWRS 13.5	\$11.48	\$421.82
1 CWAD 13.0	\$19.26	\$707.69	1 CWAD 13.0	\$19.42	\$713.57
1 CPSR 11.5	n/a		1 CPSR 11.5	n/a	
SE Sask			SE Sask		
1 CWRS 13.5	\$11.29	\$414.84	1 CWRS 13.5	\$11.35	\$417.04
1 CWAD 13.0	\$19.24	\$706.95	1 CWAD 13.0	\$19.45	\$714.67
1 CPSR 11.5	\$10.46	\$384.34	1 CPSR 11.5	\$10.49	\$385.44



March 2022

MWH22 - Spring Wheat - Daily OHLC Chart

HARD RED SPI	RING WHEAT						
CROP	8	80th percentile					
Soil Zone	Brown	Dark Brown	Black	RETURNS PER ACRE			
REVENUE PER ACRE							
Estimated Yield (bu./ac) (A)	42.0	50.0	58.0				
Est. On Farm Market Price \$/bu. (B)	9.75	9.75	9.75	Return over Variable Expenses (C-D)	84.86	125.07	169.35
Estimated Gross Revenue/ac (AxB)=C	409.50	487.50	565.50				
EXPENSES PER ACRE							
/ariable Expenses/acre				Return over Total Expenses (C-G)	-26.99	10.64	51.24
Seed	24.37	26.92	30.60				
-Seed Treatments/Inoculants	0.67	0.74	0.84				
⁻ ertilizer -Nitrogen	105.19	126.50	141.15				
-Phosphorous (P2O5)	26.43	31.55	35.81				
-Sulphur and Other	0.00	0.00	0.00				
Plant Protection -Herbicides	56.43	59.95	63.33				
-Insecticides	21.89	21.89	21.89	DREAR-EVEN TIEED (DU./ac.)			
-Fungicides	19.35	19.35	19.35				
<i>I</i> achinery Operating -Fuel	12.25	15.31	19.14	To Cover Veriable Expenses	22.20	27 47	40.62
-Repair	8.85	9.98	11.29	To Cover variable Expenses	33.30	37.17	40.03
Custom Work and Hired Labour	22.30	22.05	23.05				
Crop Insurance Premium	5.05	4.59	4.78		44.77	40.04	50 74
lail Insurance Premium	12.25	12.25	12.25	To Cover Total Expenses	44.//	48.91	52.74
Jtilities and Miscellaneous	3.23	4.23	4.88				
nterest on Variable Expenses	6.39	7.13	7.79				
Fotal Variable Expenses (D)	324.64	362.43	396.15				
ncome Over Variable Expenses	84.86	125.07	169.35				
Other Expenses/acre		-					
3uilding Repair	0.52	0.69	0.95	BREAK-EVEN PRICE (\$ per bu.)			
Property Taxes	4.24	5.55	8.42				
3usiness Overhead	2.09	3.19	3.74				
_iving Expenses	30.00	30.00	30.00	To Cover Variable Expenses	7.73	7.25	6.83
Debt Payment	75.00	75.00	75.00				
Fotal Other Expenses (E)	111.85	114.43	118.11				
Total Expenses (D+E+F)=(G)	436.49	476.86	514.26	To Cover Total Expenses	10.39	9.54	8.87



Corn

Situation & Outlook Winter 2022









ZCH22 - Corn - Daily OHLC Chart





Barley

Situation & Outlook Winter 2022

Canadian Barley

- For 2021-22, Canadian barley supply is revised lower from last estimate, reflecting a decline in total production.
- Total supply is now projected at 7.81 million tonnes (Mt), down sharply from 2020-21 and a record low level, primarily due to production issues in Canada's Prairie provinces, as well as record low carryin stocks.
- Final production report for 2021 that the 2021 barley crop is the smallest on record in Canada.
- Set at 6.95 million tonnes (Mt), the final Canadian barley production for 2021 well below 10.74 Mt a year earlier.

Global Barley

- Worldwide, total barley production for 2022-23 is expected to increase from 2021-22, as a result of good prices and expected sharply lower beginning stocks.
- For the 2022-23 US barley supply and demand situation, the USDA's November Baseline Projections to 2031 indicate higher acres, production, imports, supply, total domestic use (notably for food, seed, and industrial use) and ending stocks.
- The farm price for 2022-23 is projected at US\$5.15/bushel, 3% lower than in 2021-22.

Canadian Barley

- For 2022-23, Canadian barley supply is projected to increase to a comfortable level, mainly reflecting the expected recovery in production on the Prairies.
- This is based on the assumption of a return to normal weather conditions and trend yields for the 2022 growing season on the Prairies.
- Tight old crop supplies, robust demand and high spot prices will prevent the 2022 barley area from shrinking too much, despite strong competition for acres from other crops.
- Total barley area on the Prairies in 2021 was a twelve-year high and is expected to decrease slightly in 2022, resulting in the national barley area decreasing by only 2% in 2022.
- With a return to average levels for abandonment and yield, Canadian barley production is expected to increase by 52%.

Canadian Barley

- Domestic feed use and exports are expected to increase significantly from 2021-22, given the tight domestic supply in 2021-22 rationing demand to very low levels.
- Carry-out stocks for 2022-23 are projected at 1.0 Mt, increasing sharply from that projected for 2021-22 and well above the previous three- and five-year averages.
- Based on expectations for a recovery in domestic barley supplies and lower US corn prices for 2022-23, the Lethbridge feed barley price for 2022-23 is forecast at \$310/t, considerably lower than the price forecast for 2021-22.

Comparison of 2021/22 May and Sept Forecasts



China & Saudi Arabia are the 2 largest buyers of feed barley (50% of world sales)

Average Global Feed Barley

Export Price

	Barley							
Crop Year (a)	2020-2021	2021-2022f	2022-2023f					
Area seeded (kha)	3,060	3,357	3,300					
Area harvested (kha)	2,809	3,002	2,960					
Yield (t/ha)	3.82	2.31	3.58					
Production (kt)	10,741	6,948	10,590					
Imports (kt) [b]	295	150	60					
Total supply (kt)	11,992	7,809	10,950					
Exports (kt) [c]	4,572	2,550	3,350					
Food and Industrial Use (kt) [d]	291	319	319					
Feed, Waste & Dockage (kt)	6,131	4,360	6,001					
Total Domestic Use (kt) [e]	6,709	4,959	6,600					
Carry-out Stocks (kt)	711	300	1,000					
Average Price (\$/t) [g]	294	420	310					

		FEED BARLE	ΞY	Income Over Variable Costs	85.82	100.21	90.45
				Other Expenses/acre			
CROP		80th		Property Taxes	4.24	5.55	8.42
CROP		percentile		Business Overhead	2.09	3.19	3.74
Soil Zone	Brown	Dark Brown	Black	Living Expenses	30.00	30.00	30.00
REVENUE PER ACRE				Debt Payment	75.00	75.00	75.00
Estimated Yield (bu /ac) (A)	67.5	74 5	82 5	Lobour and Management (E)*	111.33	113./4	117.16
Est On Form Market Price \$/bu (B)	5 25	5 25	5 25	Total Expenses (D+F+F)=(G)	379.89	404 66	459 84
Estimated Grass Bayanua/aa (AxB)=C	J.2J 251 20	201 12	J.2J	RETURNS PER ACRE	070.00	404.00	400.04
EVDENSES DED ACDE	354.30	391.13	433.13	Return over Variable Expenses (C-D)	85.82	100.21	90.45
				Return over Total Expenses (C-G)	-25.51	-13.53	-26.71
variable Expenses/acre	05 50	00.40	04.00				
Seed	25.52	28.13	31.90	BREAK-EVEN YIELD (bu /ac.)			
-Seed Treatments/Inoculants	0.68	0.75	0.85	To Cover Variable Expenses	51 15	55 41	65 27
Fertilizer -Nitrogen	98.54	110.52	127.83		72.26	77 00	05.27
-Phosphorous (P2O5)	27.28	30.69	35.81		12.30	//.00	07.39
-Sulphur and Other	0.00	0.00	0.00				
Plant Protection -Herbicides	23.93	23.93	23.93	BREAK-EVEN PRICE (\$ per bu.)			
-Insecticides	21.89	21.89	21.89	To Cover Variable Expenses	3.98	3.90	4.15
-Fungicides	0.00	0.00	19.35	To Cover Total Expenses	5.63	5.43	5.57
Machinery Operating -Fuel	12.25	15.31	19.14		1		
-Repair	8.85	9.98	11.29	YIELD SENSITIVITY (same expenses but			
Custom Work and Hired Labour	20.80	21.05	21.05	Provincial Average Yield (bu./ac)	52.82	65.58	77.16
Crop Insurance Premium	8.06	6.46	5.76	Return over Variable Expenses	8.75	53.38	62.41
Hail Insurance Premium	12.25	12.25	12.25	Return over Total Expenses	-102.58	-60.36	-54.75
Utilities and Miscellaneous	3.23	4.23	4.88				
Interest on Variable Expenses	5.28	5.72	6.74				
Total Variable Expenses (D)	268.56	290.92	342.68				

		MALT		Income Over Variable			
		BARLEY		Costs	83.81	114.03	127.62
		80th		Other Expenses/acre			
СКОР		percentile		Building Repair	0.52	0.69	0.95
Soil Zone	Brown	Dark Brown	Black	Property Taxes	4.24	5.55	8.42
REVENUE PER ACRE				Business Overhead	2.09	3.19	3.74
Estimated Yield (bu./ac) (A)	60.0	68.0	75.0	Living Expenses	30.00 75.00	30.00	30.00 75.00
Est. On Farm Market Price \$/bu. (B)	6.50	6.50	6.50	Total Other Expenses (E)	111 85	114 43	118 11
Estimated Gross Revenue/ac (AxB)=C	390.00	442.00	487.50	Total Expenses	111.05	114.45	110.11
EXPENSES PER ACRE				(D+E+F)=(G)	418.04	442.39	477.98
Variable Expenses/acre				RETURNS PER ACRE			
Seed	32.61	35.69	40.61	Return over Variable			
-Seed Treatments/Inoculants	0.82	0.90	1.02	Expenses (C-D)	83.81	114.03	127.62
Fertilizer -Nitrogen	79.89	90.55	103.86	Return over Total			
-Phosphorous (P2O5)	22.17	25.58	28.99	Expenses (C-G)	-28.04	-0.39	9.52
-Sulphur and Other	0.00	0.00	0.00	BREAK-EVEN YIELD			
Plant Protection -Herbicides	59.45	59.45	63.78	(bu./ac.)			
-Insecticides	21.89	21.89	21.89	To Cover Variable			
-Fundicides	19.35	19.35	19 35	Expenses	47.11	50.46	55.37
Machinery Operating -Fuel	12 25	15 31	19 14	Io Cover Iotal Expenses	64.31	68.06	73.54
-Repair	8 85	9.98	11 29				
Custom Work and Hired Labour	20.80	21.05	21.05	per bu)			
Crop Insurance Premium	6.61	5 29	4 68	To Cover Variable			
Hail Insurance Premium	12 25	12 25	12 25	Expenses	5.10	4.82	4.80
Litilities and Miscellaneous	3 23	4 23	4 88	To Cover Total Expenses	6.97	6.51	6.37
Interest on Variable Expenses	6.02	4.20 6.45	7.08				
Total Variable Expenses (D)	306.19	327.97	359.88				

le coats

Situation & Outlook Winter 2022

Oats

- The 2021 oat crop in Canada is the smallest since 2010.
- At 2.61 Mt, the final Canadian oat production for 2021 is up slightly from STC's September estimate of 2.58 Mt but still far below the 4.58 Mt of a year earlier.
- This largely reflects a much smaller 2021 oat crop in Western Canada, compared to 2020, due to severe drought on the Prairies.
- The final 2021 production report shows oat output in Western Canada for this year at 2.28 Mt, down from the September estimate of 2.30 Mt and far below 4.27 Mt for last year.
- The average price of oats for 2021-22 is revised higher from the last estimate and projected at a new record of \$500/t, up sharply from the old record set in 2020-21, due to severe production problems in North America and stronger prices of other grains.

Canadian Oats

- For 2022-23, Canadian oat supply is projected to increase by 40% to 4.6 Mt, mainly reflecting the expected recovery of production in the Prairie provinces, despite record low carry-in stocks.
- Total area seeded to oats in 2022 is expected to increase by 8% from 2021, the second-highest level since 2009, largely reflecting higher oat acres in the Prairie provinces.
- Tight old crop supplies, robust demand and strong prices are the major factors encouraging producers to grow more oats, but the increase will be limited by strong competition for acres from other crops.
- Total oat production on the Prairies is expected to increase by 67% to 4.4 Mt, on expectations of a return to average abandonment rates and trend yields.

Canadian Oats

- Total demand in 2022-23, including domestic feed use and exports will increase significantly from 2021-22 when tight domestic supply rationed demand to a very low level.
- Carry-out stocks for 2022-23 are projected at 0.5 Mt, a decent level, despite increasing sharply from the record low forecast for 2021-22.
- The CBOT oat futures price for 2022-23 is projected at CAD\$400/t, notably lower than in 2021-22, due to expectations for a recovery in oat production for North America in 2022-23.
- Compared to 2021-22, the 2022-23 US oat supply and demand situation includes expanded acres, higher production, imports and supply, greater total domestic use (notably for feed consumption) and larger ending stocks, according to the USDA's Baseline Projections to 2031.
- The farm price for 2022-23 is projected at US\$3.30/bushel, 8% lower than in 2021-22.

	0a	ats	
Crop Year (a)	2020-2021	2021-2022f	2022-2023f
Area seeded (kha)	1,554	1,385	1,500
Area harvested (kha)	1,314	1,112	1,230
Yield (t/ha)	3.48	2.34	3.54
Production (kt)	4,576	2,606	4,360
Imports (kt) [b]	16	15	15
Total supply (kt)	5,018	3,279	4,575
Exports (kt) [c]	2,928	2,270	2,700
Food and Industrial Use (kt) [d]	141	140	145
Feed, Waste & Dockage (kt)	1,175	544	1,104
Total Domestic Use (kt) [e]	1,431	809	1,375
Carry-out Stocks (kt)	659	200	500
Average Price (\$/t) [g]	301	550	400

ZOH22 - Oats - Daily OHLC Chart



		OATS					
CROP		80th percentile					
Soil Zone	Brown	Dark Brown	Black	Other Expenses/acre			
REVENUE PER ACRE					0.52	0 69	0.95
Estimated Yield (bu./ac) (A)	63.6	90.1	115.0	Property Taxes	4.24	5.55	8.42
Est. On Farm Market Price \$/bu. (B)	6.00	6.00	6.00	Business Overhead	2.09	3.19	3.74
Estimated Gross Revenue/ac (AxB)=C	381.30	540.78	690.00	Living Expenses	30.00	30.00	30.00
				Debt Payment	75.00	75.00	75.00
EXPENSES PER ACRE							
Variable Expenses/acre							
Seed	50.35	50.35	50.35				
-Seed Treatments/Inoculants	1.04	1.04	1.04				
Fertilizer -Nitrogen	57.26	81.23	119.84	Total Other Expenses (E)	111.85	114.43	118.1 [°]
-Phosphorous (P2O5)	15.35	21.32	31.55	Total Expenses (D+E+F)=(G)	351.96	391.88	470.5
-Sulphur and Other	0.00	0.00	0.00				
Plant Protection -Herbicides	24.78	24.78	24.78	RETURNS PER ACRE			
-Insecticides	21.89	21.89	21.89	Poturn over Variable Expanses (C.D.)	111 10	263.33	227 E
-Fungicides	0.00	0.00	19.35		141.19	203.33	337.5
Machinery Operating -Fuel	12.25	15.31	19.14	Return over Total Expenses (C-G)	<u>29.34</u>	<u>148.90</u>	<u>219.4</u>
-Repair	8.85	9.98	11.29				
Custom Work and Hired Labour	20.80	21.05	21.05	BREAK-EVEN YIELD (bu./ac.)			
Crop Insurance Premium	7.35	8.56	8.11	To Cover Variable Expenses	40.02	46.24	58.74
Hail Insurance Premium	12.25	12.25	12.25	To Cover Total Expenses	58.66	65.31	78.43
Utilities and Miscellaneous	3.23	4.23	4.88	· · · · · ·			
Interest on Variable Expenses	4.72	5.46	6.93				
Total Variable Expenses (D)	240.11	277.45	352.46				
Income Over Variable Costs	141.19	263.33	337.54				



Soybeans

Situation & Outlook 2021



Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.



South America

- Oil World estimates the combined soybean harvests in the current 2021/2022 season in Brazil, Argentina, Paraguay, and Uruguay will fall to about 186.3 million tonnes, down by 7.4 million tonnes from the last season, and a four-year low.
- "U.S. farmers will benefit, as buyers in the importing countries will increasingly shift to U.S. soybeans from June or July onward, with the biggest increase on the year likely to occur in September/December 2022," Oil World said.
- "But already in the next few weeks, export sales of U.S. soybeans are likely to pick up for shipment in the second half of this season as well as for next season."
- Oil World forecasts Brazil's soybean crop will fall to about 135 million tonnes from 138.5 million tonnes last year.
- It estimates Argentina's crop at around 42 million tonnes from 43.8 million tonnes last year.
- <u>Reduced world soybean harvests will also result in lower-than-expected global soybean</u> <u>imports and crushings this year, it said.</u>

U.S. set to win new soybean sales due to small South American crops, say Oil World analysts | Successful Farming (agriculture.com)




World Soybean Export Shares U.S., Brazil, Argentina



Center for Commercial Agriculture

UNIVERSITY

Soybean Exports So Far Are Down 23% vs. Last Year...China Running 28% Below Last Year







Global soybean stocks Million tons



Note: Stocks of September 1 for the United States and October 1 for Brazil and Argentina. Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.



Marketing year

Source: USDA, National Agricultural Statistics Service, *Crop Production* and World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Prices received by farmers



Source: USDA, Economic Research Service and USDA, National Agricultural Statistics Service, *Agricultural Prices.*

U.S. Total Soybean Supply













March 2022 – Futures

ZSH22 - Soybean - Daily OHLC Chart



		SOYBEAN	
CROP		80th percentile	
Soil Zone	Brown	Dark Brown	Black
REVENUE PER ACRE			
Estimated Yield (bu./ac) (A)	20.0	26.0	38.0
Est. On Farm Market Price \$/bu. (B)	13.50	13.50	13.50
Estimated Gross Revenue/ac (AxB)=C	270.00	351.00	513.00
EXPENSES PER ACRE			
Variable Expenses/acre			
Seed	86.21	86.21	86.21
-Seed Treatments/Inoculants	14.00	14.00	14.00
Fertilizer -Nitrogen	4.79	6.26	6.79
-Phosphorous (P2O5)	14.49	18.76	20.46
-Sulphur and Other	0.00	0.00	0.00
Plant Protection -Herbicides	65.33	65.33	65.02
-Insecticides	15.22	15.22	15.22
-Fungicides	0.00	0.00	0.00
Machinery Operating -Fuel	13.69	17.12	21.39
-Repair	8.85	9.98	11.29
Custom Work and Hired Labour	22.30	22.05	23.05
Crop Insurance Premium	6.12	5.05	4.82
Hail Insurance Premium	12.25	12.25	12.25
Utilities and Miscellaneous	3.23	4.23	4.88
Interest on Variable Expenses	5.35	5.55	5.73
Total Variable Expenses (D)	271.84	282.00	291.13
Income Over Variable Expenses	-1.84	69.00	221.87

1 1		
84.86	125.07	169.35
0.52	0.69	0.95
4.24	5.55	8.42
2.09	3.19	3.74
30.00	30.00	30.00
75.00	75.00	75.00
111.85	114.43	118.11
436.49	476.86	514.26
84.86	125.07	169.35
-26.99	10.64	51.24
22.20	07 47	40.00
33.30	37.17	40.63
44.//	48.91	52.74
7.73	7.25	6.83
10.39	9.54	8.87
	84.86 0.52 4.24 2.09 30.00 75.00 111.85 436.49 84.86 -26.99 33.30 44.77 7.73 10.39	84.86 125.07 0.52 0.69 4.24 5.55 2.09 3.19 30.00 30.00 75.00 75.00 111.85 114.43 436.49 476.86 84.86 125.07 -26.99 10.64 33.30 37.17 44.77 48.91 7.73 7.25 10.39 9.54



Situation & Outlook Winter 2022

World export prices for rapeseed – (USD/tonne)



Source: International Grains Council Latest prices referring to: 10/12/2021

EU oilseeds 2021/22 forecast

EU OILSEEDS AREA

(million hectares)

	5-year trimmed	2020/24	2021/22			
	average	2020/21	December	vs. 2020/21 (%)	vs. 5-y AVG (%)	
Rapeseed	5.82	5.32	5.33	0.0	-8.5	
Sunflower	4.26	4.45	4.49	1.0	5.4	
Soya Beans	0.94	0.95	0.93	-1.7	-0.5	
TOTAL	11.02	10.72	10.75	0.3	-2.4	

EU OILSEEDS PRODUCTION

(million tonnes)

	5-year trimmed	2020/24	2021/22				
	average	2020/21	December	vs. 2020/21 (%)	vs. 5-y AVG (%)		
Rapeseed	17.68	16.70	17.03	2.0	-3.7		
Sunflower	9.76	9.08	10.62) 17.1	8.8		
Soya Beans	2.68	2.63	2.81	7.1	5.0		
TOTAL	29.58	28.40	(30.47	7.3	1.1		

Sources : EC - DG AGRI.

Oilseeds balance sheet (EU)

OILSEEDS SUPPLY & DEMAND

(thousand metric tonnes)

		2020/21 est.			2021/22 fc			
last updated: 16/12/2021	Rapeseed	Soya beans	Sunflower	TOTAL	Rapeseed	Soya beans	Sunflower	TOTAL
Beginning stocks	1 500	1 500	1 000	4 000	500	1 100	700	2 300
Usable production	16 699	2 628	9 076	28 403	17 026	2 815	10 625	30 465
Area (thousand ha)	5 324	948	4 449	10 721	5 327	932	4 493	10 751
Yield (tonnes/ha)	3.14	2.77	2.04	2.65	3.20	3.02	2.36	2.83
Imports (from third countries)	5 797	14 957	818	21 571	5 300	14 707	550	20 557
Total supply	23 995	19 085	10 894	53 974	22 826	18 622	11 875	53 322
Domestic use	23 322	17 788	9 523	50 633	22 226	17 191	10 362	49 779
of which crushing	(22 513)	(15 700)	(8 416)	(46 629)	(21 451)	(15 161)	(9 168)	(45 781)
Exports (to third countries)	173	197	671	1 041	100	231	610	941
Total use	23 495	17 985	10 194	51 674	22 326	17 422	10 972	50 719
Ending stocks	500	1 100	700	2 300	500	<mark>/ 1</mark> 200	903	2 603
Change in stocks	-1 000	-400	-300	-1 700	- /	100	203	303
Sources : EC – DG AGRI								

E.U. Canola

- Bullish fundamentals of the EU rapeseed complex are currently outweighing bearish outside factors, viz. the expected recovery of world supplies of vegetable oils, keeping prices of rapeseed and rapeseed oil well supported and at sizeable premiums over other oilseeds and vegetable oils in the near to medium term.
- However, it will be interesting to see how the market will manage the transition from extreme tightness in Jan/July 2022 to prospective more ample supplies in the 2022/23 season.
- Comparatively high rapeseed prices and excellent returns per hectare achieved in 2021 have reportedly boosted winter rapeseed sowings in the EU-27.
- In our first tentative forecast we project the total area (incl. spring rapeseed) to be harvested in 2022 to increase to 5.6-5.7 Mn ha, a 4-year high and up 0.3 Mn ha or 6% on the year.
- This is setting the stage for a pronounced recovery in EU-27 rapeseed production by 1.0-1.3 Mn T to an estimated 18.3-18.6 Mn T next year, a 5-year high but still trailing the 19.8 Mn T registered in 2017.
- Of course, weather developments, viz. potential winter killing as well as moisture supplies in spring, will be the key swing factor to watch in coming months.
- But the total EU rapeseed area is still sharply below the level of 5.8-6.3 Mn ha planted in the six years to 2018. The reasons for this are manifold.
- Legislative changes regarding seed treatments, viz. the use of neonicotinoids, as well as limits on fertilizer application have reportedly curbed the yield potential in recent years, while creating a bureaucratic burden for farmers.

Canola Production by Country



Global Canola – Ending Stocks

- World stocks of canola are currently low, contributing to tight supply and recent price volatility.
- Stocks declined substantially over 2020–21 in response to tight supply and strong demand.
- For Canada, stocks fell by 65% to 1.1 million tonnes. <u>Similarly, stocks in the European Union</u> <u>declined by 41%. Overall, world stocks of canola</u> <u>fell by 24% in 2020–21.</u>
- In 2021–22, world stocks are expected to decrease by a further 20%, to the lowest level in over a decade.
- This reflects a further drawdown on canola stocks due to reduced global canola production.







USDA Foreign Agricultural Service U.S. DEPARTMENT OF AGRICULTURE

Sources: Statistics Canada, Estimated Production by Small Area Data Region (SADR); AAFC, Annual Crop Inventory 2018

- For 2021-22, production was estimated by Statistics Canada at a 13 year low of 12.6 Mt on a seeded and harvested area of 9.1 Mha and 9.0 Mha, respectively.
- This post-harvest, survey-based, estimate is slightly below Statistic Canada's mid-harvest production estimate of 12.8 Mt.
- The Prairie-wide drought affected the province of Saskatchewan the most with canola yields 54% of the 5 year average.
- By contrast canola yields in Alberta were 67% of the 5 year normal, while Manitoba had yields 71% of the 5 year average, while overall Canadian canola yields averaged 60% of the 5 year average.

- The canola oil content is significantly lower than normal at an average of 41.9%, versus 44.1% last year, with the western grown crop averaging 41.9% while eastern Canadian canola possessed an average oil content of 44.2%.
- Canadian supplies are estimated at 14.5 Mt, the lowest since 2008-09 on tight carryin stocks, reduced output and modest imports.
- Canola supplies were 23.0 Mt in 2020-21 and the 5-year average is 23.1 Mt.
- Canadian exports are forecast to fall 49% from last year to 5.4 Mt as tight Canadian supplies offset strong world demand.
- Domestic crush is forecast to decline from last year's record of 10.4 Mt to 8.5 Mt as tight domestic supplies are rationed among users.
- Ending stocks are forecast to tighten to 0.50 Mt, with 0.3 Mt in commercial position and 0.2 Mt stored on farm, for a stockstouse ratio of 4%.

Tight canola stocks combined with strong US soyoil prices are forecast to support a canola price of \$1,000/t for 2021-22, compared to \$730/t in 2020-21 and the 5-year average of \$556/t.

This outlook contains higher than normal uncertainty given the expansion in world vegetable oil consumption and the adverse growing conditions experienced across various growing regions over the past year.

Volatility for canola prices is expected to remain high with the market vulnerable to sharp corrections from either demand or supply shocks.

CANOLA Outlook

- The accuracy of the 2022-23 outlook is sensitive to several key factors.
 - The first is the anticipated rate of growth in the renewable diesel sector as the world seeks to reduce its dependence on mineral oils as part of its climate change mitigation strategy.
 - A second factor affecting the forecast will be the production of alternate oilseed crops worldwide.
 - The outlook currently assumes a minimal shift in seeded area for most oilseed crops, normal temperatures and moisture across most growing regions, and normal yields for most oilseeds.
 - The outlook is also sensitive to the strength of food demand for oilseeds, particularly in China.
 - China is the world's largest importer of oilseeds but remains a volatile purchaser, which can have either a positive or negative impact on the canola market.

CANOLA Outlook

- For 2022-23, seeded area in Canada is forecast to decrease by 3% to 8.8 million hectares (Mha) as farmers shift into alternate cereal crops.
- Harvested area is forecast at 8.7 Mha while yields are forecast at 2.31 tonnes per hectare (t/ha) up from the 1.4 t/ha achieved in 2021-22.
- Production is forecast to rise by 60% to 20.2 Mt, the third highest on record.
- Total supply is forecast to rise sharply to 20.9 Mt as higher output offsets the drop in carry-in.

CANOLA Outlook

- Exports are forecast to rebound by 85% to 10.0 Mt on strong world demand and a rebuilding of domestic supplies, assuming a return to normal yields.
- Domestic crush is forecast to rise by 18% to 10.0 Mt with the industry operating at near full capacity to serve the strong world demand for canola oil and canola meal.
- Carry-out stocks are forecast to rise by 40% to a still very tight 0.7 Mt for a stocks-to-use of 3%.
- Canola prices are forecast to decline sharply, falling 33% from the record highs in 2021-22, to \$800/t track Vancouver.
- If realized, this would be the second highest canola price on record.

Canola						
Crop Year (a)	2020-2021	2021-2022f	2022-2023f			
Area seeded (kha)	8,410	9,097	8,800			
Area harvested (kha)	8,325	9,002	8,732			
Yield (t/ha)	2.34	1.4	2.31			
Production (kt)	19,485	12,595	20,200			
Imports (kt) [b]	123	150	150			
Total supply (kt)	23,042	14,512	20,850			
Exports (kt) [c]	10,534	5,400	10,000			
Food and Industrial Use (kt) [d]	10,410	8,500	10,000			
Feed, Waste & Dockage (kt)	265	61	99			
Total Domestic Use (kt) [e]	10,741	8,612	10,150			
Carry-out Stocks (kt)	1,767	500	700			
Average Price (\$/t) [g]	730	1,050	800			

RSH22 - Canola - Daily OHLC Chart



		Canola				l	1
CROP		80th		Income Over Variable Expenses	254.10	284.08	356.13
CROP		percentile	1	Other Expenses/acre			
Soil Zone	Brown	Dark Brown	Black	Building Repair	0.52	0.69	0.95
REVENUE PER ACRE				Property Taxes	4.24	5.55	8.42
Estimated Viold (by (as) (A)	20.00	40.00	10.00	Business Overhead	2.09	3.19	3.74
Estimated field (bu./ac) (A)	30.00	42.00	40.00	Living Expenses	30.00	30.00	30.00
Est. On Farm Market Price \$/bu. (B)	17.00	17.00	17.00	Debt Payment	75.00	75.00	75.00
Estimated Gross Revenue/ac (AxB)=C	646.00	714.00	816.00				
EXPENSES PER ACRE							
Variable Expenses/acre				Total Other Expenses (E)	111.85	114.43	118.11
Seed	75.73	75.73	75.73	Labour and Management (F)*			
-Seed Treatments/Inoculants	9.00	9.00	9.00	Total Expenses (D+E+F)=(G)	503.75	544.35	577.98
Fertilizer -Nitrogen	118.51	133.16	143.81				
-Phosphorous (P2O5)	40.93	46.04	49.45	RETURNS PER ACRE			
-Sulphur and Other	7.89	8.42	9.21	Return over Variable Expenses (C-D)	254.10	284.08	356.13
Plant Protection -Herbicides	58.24	58.24	66.28	Return over Total Expenses (C-G)	142.25	169.65	238.02
-Insecticides	2.46	2.46	2.46				
-Fungicides	0.00	14.18	14.18	BREAK-EVEN YIELD (bu./ac.)			
Machinery Operating -Fuel	12.97	16.21	20.27	To Cover Variable Expenses	23.05	25.29	27.05
-Repair	8.85	9.98	11.29	To Cover Total Expenses	29.63	32.02	34.00
Custom Work and Hired Labour	21.05	21.05	21.05				
Crop Insurance Premium	13.09	10.51	10.96	BREAK-EVEN PRICE (\$ per bu.)			
Hail Insurance Premium	12.25	12.25	12.25	To Cover Variable Expenses	10.31	10.24	9.58
Utilities and Miscellaneous	3.23	4.23	4.88	To Cover Total Expenses	13.26	12.96	12.04
Interest on Variable Expenses	7.71	8.46	9.05				
Total Variable Expenses (D)	391.90	429.92	459.87				
Income Over Variable Expenses	254.10	284.08	356.13				



Flax

Situation & Outlook Winter 2022

Flax

- For 2021-22, flaxseed production is estimated at 0.35 Mt, a 19-year low, on seeded and harvested areas of 0.42 Mha and 0.40 Mha, respectively.
- Yields are estimated at 0.86 t/ha compared to 1.56 t/ha for 2020-21 and the 5-year average of 1.5 t/ha. By province, Manitoba flaxseed yields were 1,095 kilograms per hectare (kg/ha), Saskatchewan 792 kg/ha and Alberta 1,059 kg/ha.
- The grade distribution for flaxseed is near normal with 99% of the crop grading No.1. T
- he mean oil content is 44.2%, ranging from a minimum of 40.6% to a maximum of 47.3%. Flaxseed supplies are estimated at 0.41 Mt due to a decline in carry-in stocks and production, combined with modest imports.
- Supplies are 38% below last year and 42% under the 5-year average.
Flax

- Exports are forecast down 37% from 2020-21, to 0.33 Mt, as Canada is forced to ration sales to its traditional Chinese, European and United States customers.
- Total domestic use is forecast to fall by 37% to 58,000 tonne (t) on lower feed, waste and dockage.
- Carry-out stocks are forecast to decrease by 48% to 30,000 t, with 15,000 t remaining on farm and 15,000 t in commercial position. The outlook for flaxseed prices strengthened sharply on tight supplies and inelastic world demand, increasing to \$1,350/t from \$693/t in 2020-21 and the 5-year average of \$526/t.
- If realized, this would be a record price for flaxseed; this price forecast carries a high degree of uncertainty and remains vulnerable to a sharp downwards correction

Flax Outlook

- For 2022-23, the area seeded to flaxseed in Canada is forecast to fall slightly to 0.41 Mha, vs the 5-year average of 0.39 Mha, as support from the near doubling of prices in 2021-22 is offset by concerns over low soil moisture and attractive prices for alternate crops.
- Flaxseed production is forecast at 0.58 Mt, assuming an area loss of 2% prior to harvest and near normal yields of 1.5 t/ha.
- Total supply is forecast to increase by 50%, to 0.62 Mt, due to the increase in output.

Flax Outlook

- Exports are forecast to rebound to 0.45 Mt on steady to stronger Chinese, European and United States consumption.
- Total domestic use is forecast to rise by about 90% to 0.11 Mt, on higher feed, waste and dockage.
- Carry-out stocks are forecast to double to 0.06 Mt.
- Flaxseed prices are forecast to decline by 41%, to a still very strong \$800/t for 2022-23.

Flaxseed						
Crop Year (a)	2020-2021	2021-2022f	2022-2023f			
Area seeded (kha)	377	416	405			
Area harvested (kha)	371	404	399			
Yield (t/ha)	1.56	0.86	1.45			
Production (kt)	578	346	580			
Imports (kt) [b]	26	10	10			
Total supply (kt)	668	413	620			
Exports (kt) [c]	519	325	450			
Food and Industrial Use (kt) [d]	N/A	N/A	N/A			
Feed, Waste & Dockage (kt)	73	38	90			
Total Domestic Use (kt) [e]	92	58	110			
Carry-out Stocks (kt)	57	30	60			
Average Price (\$/t) [g]	693	1,350	800			

		FLAX					
		80th					
CROP		percentile					
Soil Zone	Brown	Dark Brown	Black		1		1
REVENUE PER ACRE		11		Income Over Variable Expenses Other Expenses/acre	235.99	245.09	
Estimated Yield (bu./ac) (A)	24.0	26.0	30.0	Building Repair	0.52	0.69	
Est On Farm Market Price \$/bu_(B)	20.50	20 50	20 50	Property Taxes	4.24	5.55	
Estimated Gross Revenue/ac	20.00	20.00	20.00	Business Overhead	2.09	3.19	
	102 00	533 00	615 00	Debt Payment	75.00	75.00	
	492.00	333.00	015.00	Total Other Expenses (E)	111.85	114.43	1
				Labour and Management (F)*			
EXPENSES PER AGRE				Total Expenses (D+E+F)=(G)	367.86	402.33	4
variable Expenses/acre	00.07	20.00	20 54				
Seed	33.87	36.69	39.51	RETURNS PER ACRE	235.00	245 09	2
-Seed				Return over Total Expenses (C-G)	124.14	243.09 130.67	2
I reatments/Inoculants	0.00	0.00	0.00				
Fertilizer -Nitrogen	81.23	91.88	102.53	BREAK-EVEN YIELD (bu./ac.)			,
-Phosphorous (P2O5)	15.35	17.91	19.61	To Cover Variable Expenses	12.49	14.04	1
-Sulphur and Other	0.00	0.00	0.00	To Cover Total Expenses	17.94	19.63	1
Plant Protection -Herbicides	51.53	48.27	29.88		Ι		
-Insecticides	2.46	2.46	2.46				
-Fungicides	0.00	14.18	14.18				
Machinery Operating -Fuel	12.25	15.31	19.14				
-Repair	8.85	9.98	11.29				
Custom Work and Hired Labour	20.80	21.05	21.05				
Crop Insurance Premium	9.17	8.04	8.96				
Hail Insurance Premium	12.25	12.25	12.25				
Utilities and Miscellaneous	3.23	4.23	4.88				
Interest on Variable Expenses	5.04	5.66	5.73				
Total Variable Expenses (D)	256.01	287.91	291.48	1			
Income Over Variable Expenses	235.99	245.09	323.52	-			



Peas

Situation & Outlook Winter 2022



Source: Mercantile Consulting Venture Inc.

Peas



Global Pea

- Mercantile Consulting Venture estimates that the global pea production to be down by 15% from last year to 12.6 M tonnes, again driven by the shortfalls in Canada (-51%) and in the U.S. (-40%). European Union (EU) and Black Sea production of peas is up by a combined 6% (+300,000 tonnes), but this is not enough to offset the combined 48% North American shortfall (-2.7 M tonnes).
- However, Russia has become the biggest producer of peas in 2021/22, and Russian pea export shipments so far during the calendar year amount to 838,000 tonnes, up 59% on last year.

Pea Exports

- YTD export movement (August to October 2021) of Canadian peas amounted to 823,000 tonnes compared to 1.3 M tonnes last year.
- Of that, China has taken 611,000 tonnes, 74% of total pea exports.
- This is important, as China bought 81% of total last year's exports during that period.
- The difference is that China stopped buying additional peas for feed this fall. So, YTD exports to China are down by 484,000 tonnes.
- Notably, the next biggest importer of Canadian peas to date is the U.S. (92,000 tonnes; a fivefold increase and testimony to their production shortfall), followed by Cuba with 92,000 tonnes.
- We expect the U.S. to buy as much as 380,000 tonnes of peas this crop year.
- Overall imports of peas other than to China are only down by 21,000 tonnes from last year, but because China is so dominant that it seems exports are almost at a standstill.

Peas

- For 2021-22, production decreased 51% to below 2.3 million tonnes (Mt) due to lower yields and harvested area. Yields were 44% lower than the previous year due to drought conditions.
- Yellow and green pea types are expected to account for about 1.9 Mt and 0.3 Mt, respectively, with the remainder spread across other varieties.
- Supply has decreased by only 43% to 2.8 Mt, due to higher carryin stocks. Exports are forecast to fall to 2.1 Mt, due to a rationing of exports.
- This is expected to result in lower imports by China.
- Carryout stocks are forecast to fall sharply due to the decreased supply.
- The average price is expected to rise by 76% from 2020-21, with record dry pea prices for all types at \$600/t.

Peas

- During November, the on-farm price of yellow peas and green peas in Saskatchewan was unchanged.
- This was largely due to solid export demand from China, which was offset by expectations for a larger Indian winter pulse crop.
- For the crop year todate, yellow dry pea's prices have been maintaining a premium of \$25/t above green dry peas. Last year, green peas were at a \$5/t premium to yellow peas.
- In the US, area seeded to dry peas for 2021-22 is estimated by the USDA to have fallen by 3% to 0.97 million acres.
- This is largely due to a decrease in area in North Dakota.
- With estimates of below average yields, due to drought conditions, US dry pea production is estimated by USDA to fall by 44% to over 0.55 Mt.
- US dry peas compete, on a smaller scale, in Canadian export markets such as China and the Philippines.

Pea Outlook

- For 2022-23, seeded area is forecast to rise marginally from 2021-22 to 1.65 million hectares (Mha), because of good returns relative to other crops.
- Dry peas continue to be recognized as a beneficial part of a crop rotation plan.
- Production is expected to rise by 68% to 3.8 Mt, with an expectation of trend yields.
- Supply is forecast to rise sharply to 3.9 Mt despite lower carry-in stocks.
- With the expectation of a substantial increase in exportable supply, exports to other countries are expected to be higher than 2021-22 and carry-out stocks are expected to rise.
- The average price is expected to be lower than 2021-22, due to lower all type pea prices and increased world supply.

Dry Peas						
Crop Year (a)	2020-2021	2021-2022f	2022-2023f			
Area seeded (kha)	1,722	1,546	1,650			
Area harvested (kha)	1,685	1,491	1,610			
Yield (t/ha)	2.73	1.51	2.36			
Production (kt)	4,594	2,258	3,800			
Imports (kt) [b]	83	35	85			
Total supply (kt)	4,910	2,771	3,935			
Exports (b)	3,580	2,100	3,000			
Total Domestic Use (c)	851	621	785			
Carry-out Stocks (kt)	479	50	150			
Stocks-to-Use Ratio	11%	2%	4%			
Average Price (d)	340	610	450			

FIELD PEAS S/O/N		SPOT I	MARKI	ET	AVERAGE			
(CDN \$ per plant)	bushel farr	mers dr	esse	d quality	delivered			
Green	No 1	11.50	to	15.50	13.83	11.40	to	12.00
	No 2	11.50	to	15.50	13.83	11.40	to	12.00
	10% bleach	11.00	to	11.50	11.50			
	15% bleach	10.50	to	11.00	11.00			
	20% bleach	10.00	to	10.50	10.50			
Med Yellow 13.00	No 1	14.50	to	17.50	16.00			
	No 2	14.50	to	17.50	16.53	11.00	to	13.00
Albe	erta No 2	16.84	to	17.06	16.93	10.00	to	10.06
Sm Yellow N	No 2	14.50	to	17.00	15.75			
Maple Peas		14.75	to	17.50	16.69			
Marrowfat		10.90	to	11.50	11.50			
FEED PEAS S/O/N		SPOT	MARI	KET	AVERAGE			
(CDN \$ per	bushel farm	mers dr	esse	d quality	delivered)			
Feed Pea (S	SK)	12.80	to	13.49	13.49			
Feed Pea (A	AB)	12.90	to	13.59	13.59			
Natural Spl	lits							

		YELLOW PEAS	
CROP		80th	
Soil Zone	Brown	Dark Brown	Black
REVENUE PER ACRE			
Estimated Yield (bu./ac) (A)	36.0	46.0	52.0
Est. On Farm Market Price \$/bu. (B)	10.50	10.50	10.50
Estimated Gross Revenue/ac (AxB)=C	378.00	483.00	546.00
EXPENSES PER ACRE			
Variable Expenses/acre			
Seed	55.20	63.20	71.20
-Seed Treatments/Inoculants	9.54	10.93	12.31
Fertilizer -Nitrogen	8.39	10.39	11.85
-Phosphorous (P2O5)	25.58	31.55	35.81
-Sulphur and Other	0.00	0.00	0.00
Plant Protection -Herbicides	69.34	66.08	72.41
-Insecticides	15.22	15.22	15.22
-Fungicides	14.18	14.18	14.18
Machinery Operating -Fuel	13.69	17.12	21.39
-Repair	8.85	9.98	11.29
Custom Work and Hired Labour	20.30	20.30	20.30
Crop Insurance Premium	5.70	5.14	6.01
Hail Insurance Premium	12.25	12.25	12.25
Utilities and Miscellaneous	3.23	4.23	4.88
Interest on Variable Expenses	5.25	5.63	6.20
Total Variable Expenses (D)	266.72	286.19	315.31
Income Over Variable Expenses	111.28	196.81	230.69

Income Over Variable Expenses	111.28	196.81	230.69
Other Expenses/acre			
Building Repair	0.52	0.69	0.95
Property Taxes	4.24	5.55	8.42
Business Overhead	2.09	3.19	3.74
Living Expenses	30.00	30.00	30.00
Debt Payment	75.00	75.00	75.00
Total Other Expenses (E)	111.85	114.43	118.11
Labour and Management (F)*			
Total Expenses (D+E+F)=(G)	378.57	400.61	433.42
RETURNS PER ACRE			
Return over Variable Expenses (C-D)	111.28	196.81	230.69
Return over Total Expenses (C-G)	-0.57	82.39	112.58
BREAK-EVEN YIELD (bu./ac.)			
To Cover Variable Expenses	25.40	27.26	30.03
To Cover Total Expenses	36.05	38.15	41.28
BREAK-EVEN PRICE (\$ per bu.)			
To Cover Variable Expenses	7.41	6.22	6.06
To Cover Total Expenses	10.52	8.71	8.33



Mustard

Mustard

- For 2021-22, production fell by 50% to 50 Kt, due to poor yields. Production of all types of mustard seed fell.
- Supply, decreased by 41% to 97 Kt, the lowest in modern times.
- Exports are expected to be rationed at 70 Kt. Due to lower supply, carryout stocks are forecast to fall by 75% to 10 Kt.
- The US and the EU are expected to remain the main export markets for Canadian mustard seed.
- The average price is forecast to more than double to a record \$2,080/t due to lower North American supply and carryout stocks.

Mustard Seed						
	2019-2020	2020-2021	2021-2022[f]			
Area seeded (kha)	161	104	125			
Area harvested (kha)	155	101	113			
Yield (t/ha)	0.87	0.98	0.44			
Production (kt)	135	99	50			
Imports (kt) [b]	7	6	7			
Total supply (kt)	214	166	97			
Exports (b)	112	111	70			
Total Domestic Use (c)	42	15	17			
Carry-out Stocks (kt)	61	40	10			
Stocks-to-Use Ratio	39%	32%	11%			
Average Price (d)	700	885	2,080			

MUSTARDSEED SPOT MARKET AVERAGE S/O/N (CDN cents per pound farmers dressed quality delivered plant)

Yellow	No 1	150.00 to 175.00	156.75	75.00 to 78.00
	No 2	141.00 to 146.00	143.50	70.30 to 74.00
	No 3	131.00 to 136.00	133.50	65.60 to 69.00
	No 4	121.00 to 126.00	123.50	62.70 to 66.00
Brown	No 1	150.00 to 175.00	158.00	70.00 to 75.00
	No 2	141.60 to 149.00	149.00	65.60 to 69.00
	No 3	119.00 to 121.00	120.00	60.80 to 64.00
	No 4	114.00 to 116.00	115.00	58.00 to 61.00
Oriental	No 1	100.00 to 101.00	100.67	62.00 to 75.00
	No 2	97.00 to 99.00	98.00	65.60 to 69.00
	No 3	84.00 to 86.00	85.00	60.80 to 64.00

CROP	Yellow
	Mustard
Soil Zone	Brown
REVENUE PER ACRE	
Target Yield (lb./ac.) (A)	948.00
Est. Farm Gate Price \$/lb. (B)	0.45
Estimated Gross Revenue/ac (AxB)=C	426.60
EXPENSES PER ACRE	
Variable Expenses/acre	
Seed	44.50
-Seed Treatments/Inoculants	0.90
Fertilizer -Nitrogen	47.94
-Phosphorous (P2O5)	17.05
-Sulphur and Other	7.89
Plant Protection -Herbicides	46.86
-Insecticides	3.28
-Fungicides	0.00
Machinery Operating -Fuel	18.92
-Repair	8.85
Custom Work and Hired Labour	20.30
Crop Insurance Premium	11.36
Hail Insurance Premium	12.25
Utilities and Miscellaneous	3.23
Interest on Variable Expenses	4.88
Total Variable Expenses (D)	248.20
Income Over Variable Expenses	178.40

Income Over Variable Expenses	178.40
Other Expenses/acre	
Building Repair	0.52
Property Taxes	4.24
Business Overhead	2.09
Living	30.00
Debt	75.00
Total Other Expenses (E)	111.85
Labour and Management (F)*	
Total Expenses (D+E+F)=(G)	360.05
RETURNS PER ACRE	
Return over Variable Expenses (C-D)	178.40
Return over Total Expenses (C-G)	66.55
BREAK-EVEN YIELD (Ibs./ac.)	
To Cover Variable Expenses	551.56
To Cover Total Expenses	800.12
BREAK-EVEN PRICE (\$/Ib.)	
To Cover Variable Expenses	0.26
To Cover Total Expenses	0.38

Canary Seed



Canary Seed

- For 2021-22, production fell by 39% to 109 Kt due to the lowest yields since 2002-03.
- Exports are expected to be lower than last year at 120 kt, due to the lower supply.
- The EU and Mexico are forecast to remain the main export markets, followed by Brazil and the US.
- The average price is forecast to nearly double from the 2020-21 level, to a record \$1,200/t due to tight supply and carryout stocks.

•

Canary Seed							
	2019-2020	2020-2021	2021-2022[f]				
Area seeded (kha)	118	111	127				
Area harvested (kha)	115	110	125				
Yield (t/ha)	1.52	1.62	0.87				
Production (kt)	175	178	109				
Imports (kt) [b]	0	0	0				
Total supply (kt)	186	193	135				
Exports (b)	161	158	120				
Total Domestic Use (c)	10	9	10				
Carry-out Stocks (kt)	15	26	5				
Stocks-to-Use Ratio	9%	16%	4%				
Average Price (d)	630	690	1,200				



BIRDSEED SPOT MARKET AVERAGE S/O/N (CDN cents per pound farmers dressed quality delivered plant) Canaryseed 45.00 to 49.00 57.50 35.00 to 36.00



Canary Seed	
	80th percentile
Soil Zone	DkBrown
REVENUE PER ACRE	
Target Yield (lb./ac.) (A)	1,719.60
Est. Farm Gate Price \$/lb. (B)	0.35
Estimated Gross Revenue/ac (AxB)=C	601.86
EXPENSES PER ACRE	
Variable Expenses/acre	
Seed	28.00
-Seed Treatments/Inoculants	0.00
Fertilizer -Nitrogen	75.90
-Phosphorous (P2O5)	40.93
-Sulphur and Other	38.38
Plant Protection -Herbicides	51.41
-Insecticides	9.49
-Fungicides	7.15
Machinery Operating -Fuel	18.02
-Repair	9.98
Custom Work and Hired Labour	22.05
Crop Insurance Premium	7.76
Hail Insurance Premium	12.25
Utilities and Miscellaneous	4.23
Interest on Variable Expenses	6.53
Total Variable Expenses (D)	332.07
Income Over Variable Expenses	269.79

Income Over Variable Expenses	269.79
Other Expenses/acre	
Building Repair	0.69
Property Taxes	5.55
Business Overhead	3.19
Living Costs	30.00
Debt	75.00
Total Other Expenses (E)	114.43
Labour and Management (F)*	
Total Expenses (D+E+F)=(G)	446.50
RETURNS PER ACRE	
Return over Variable Expenses (C-D)	269.79
Return over Total Expenses (C-G)	155.36
BREAK-EVEN YIELD (Ibs./ac.)	
To Cover Variable Expenses	948.77
To Cover Total Expenses	1275.71
BREAK-EVEN PRICE (\$/lb.)	
To Cover Variable Expenses	0.19
To Cover Total Expenses	0.26



Cattle

Situation & Outlook Winter 2022



Figure 1. Cattle and beef cow inventories 1970-2021

Source: USDA, Economic Research Service calculations using USDA, National Agricultural Statistics Service data.

Figure 2. U.S. beef trade, 1990-2020



Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.



Figure 3. U.S. beef export markets: Percent of U.S. export volume in 2020

Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.

Figure 4. U.S. beef import markets: Percent of U.S. import volume in 2020



Source: USDA, Economic Research Service calculations using data from U.S. Department of Commerce, Bureau of the Census.



Cattle on Feed Inventory on 1,000+ Capacity Feedlots – United States

Million head



US Cattle on Feed

- Cattle and calves on feed for the slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 12.0 million head on January 1, 2022.
- The inventory was 1 percent above January 1, 2021. This is the second highest January 1 inventory since the series began in 1996.
- The inventory included 7.36 million steers and steer calves, down 1 percent from the previous year.
- This group accounted for 61 percent of the total inventory. Heifers and heifer calves accounted for 4.68 million head, up 2 percent from 2021.



US Cattle on Feed

- Placements in feedlots during December totaled 1.96 million head, 6 percent above 2020.
- Placements were the highest for December since the series began in 1996.
- Net placements were 1.91 million head.
- During December, placements of cattle and calves weighing less than:
 - 600 pounds were 510,000 head,
 - 600-699 pounds were 470,000 head,
 - 700-799 pounds were 450,000 head,
 - 800-899 pounds were 333,000 head,
 - 900-999 pounds were 105,000 head,
 - and 1,000 pounds and greater were 95,000 head.
- Marketings of fed cattle during December totaled 1.86 million head, slightly above 2020.
- Marketings were the second highest for December since the series began in 1996.

Weekly Average 350 340 2020 330 P 2021 290 5 Yr Avg 280 270 C 260 e 250 240 230 , en 1997, e 220 \$ 200 190 180 C. W .70 L<u>60</u> 50 .40 130 -----01/05 02/16 03/30 05/11 06/22 08/03 09/14 10/26 12/07

Choice Boxed Beef Cutout Values

Week Ending Date
Average 500-600 lb. Steer Prices





Week Ending Date



Week Ending Date

Canadian Cow Herd – July 2021

The Canadian livestock sector continued to cope with challenges brought on by the COVID-19 pandemic.

Meat processing facilities faced temporary closures to control COVID-19 outbreaks, disrupting supply chains as the third wave of the pandemic emerged in the spring.

Labour disputes presented further challenges, particularly in the pork processing sector.

Despite disruptions to the beef sector, cattle slaughter was up in the first half of 2021 compared with the same period in 2020.

Overall, cattle ending inventories were just above July 1, 2020, levels, because of more births, coupled with higher imports.

Canadian cattle inventories have typically declined year over year since peaking on July 1, 2005.



Total cattle inventories, July 1, 2020 and 2021, thousands of head				
	2021	2020		
Canada	12,285.0	12,265.0		
Atlantic provinces	213.5	213.8		
Quebec	1,155.0	1,145.0		
Ontario	1,611.5	1,596.2		
Manitoba	1,070.0	1,050.0		
Saskatchewan	2,690.0	2,610.0		
Alberta	4,860.0	4,970.0		
British Columbia	685.0	680.0		

Canadian Cattle

- Canadian farmers held 12.3 million cattle on their farms on July 1, 2021, up 0.2% from the same date a year earlier.
- This was the first year-over-year increase since July 2017.
- Inventories were up 0.8% to 3.0 million head in Eastern Canada, but declined 0.1% to 9.3 million head in Western Canada.
- Alberta maintained the largest cattle inventories among the provinces on July 1, contributing 39.6% to the Canadian total, followed by Saskatchewan (21.9%) and Ontario (13.1%).
- The number of cattle farms in Canada has generally been decreasing since 2004, largely because of business consolidations.
- As of July 1, 2021, 72,925 farms reported inventories of cattle and calves, down 0.1% from July 1, 2020.

Canadian Cattle

As of July 1, 2021, cattle producers retained 0.1% less breeding stock compared with the same date in 2020, as the number of beef cows on Canadian farms fell 1.7% to 3.6 million head.

This more than offset year-over-year increases in the number of dairy cows (+2.0% to 991,300 head), beef heifers for breeding (+3.8% to 654,700 head), dairy heifers for breeding (+0.8% to 445,500 head) and bulls (+4.2% to 226,800 head).

The inventory of calves on July 1 grew 1.4% to 4.1 million head, as births were up 2.8%, and imports of live calves from January to June more than doubled year over year to meet increased demand from feedlots in Western Canada.

Canadian farmers held 1.4 million dairy cows and heifers on their farms on July 1, 2021, up 1.6% from the same date a year earlier.

Canadian Cattle

- Producers held fewer feeder heifers (-0.6%) and steers (-1.8%) compared with July 1, 2020.
- Total cattle and calf slaughter from January to June was up 9.9% from the same period in 2020, when temporary plant closures attributable to COVID-19 disrupted the processing sector.
- Slaughter for the first half of 2021 was also 2.5% above pre-pandemic levels observed over the same period in 2019, because of strong export demand for Canadian beef.
- International exports of cattle and calves from January to June were down by one-quarter (- 25.8%) year over year to 274,300 head.
- This is the lowest level since the bovine spongiform encephalopathy crisis of 2003 to 2005, which brought Canadian exports of live cattle to a halt.
- In the first half of 2021, drought conditions and herd reductions in the United States decreased the need for Canadian cattle imports.
- Average prices for Canadian slaughter cattle were generally higher in the first half of 2021 compared with the same period in 2020.
- Feeder cattle prices were mixed as drought and feed costs became concerns in May and June 2021, particularly across Western Canada



Weekly F.I. Canadian Cattle Slaughter



S. Alberta, Canada 500-600 Lb. Steers



Weekly Average Cash Prices





April 2022 – Contract

LEJ22 - Live Cattle - Daily OHLC Chart



Cow-Calf Production Costs - September, 2021 Based on a 150 Cow Herd				
1. Feed Costs				
Grain and				
Concentrates	\$45.20	\$6,780		
Forages	\$603.67	\$90,550		
Salt & Minerals	\$37.55	\$5,632		
Extended Grazing Forages	<u>\$41.52</u>	<u>\$6,228</u>		
Total Feed Cost	\$727.93	\$109,190		
2. Other Operating Costs				
Straw	\$60.00	\$9,000		
Veterinary Medicine & Supplies	\$24.35	\$3,653		
Breeding Costs	\$49.34	\$7,401		
Fuel, Maintenance & Repairs	\$39.83	\$5,975		
Utilities	\$11.20	\$1,681		
Marketing & Transportation	\$37.35	\$5,602		
Death Loss	\$19.69	\$2,953		
Manure Removal	\$7.23	\$1,084		
Insurance	\$13.30	\$1,995		
Herd Replacement	\$81.54	\$12,231		
Pasture Rental	\$56.12	\$8,418		
Pasture Operating	\$33.10	\$4,965		
Labour - Hired	\$0.00	\$0		
Miscellaneous	<u>\$6.67</u>	<u>\$1,001</u>		
Subtotal Operating Costs	\$1,167.65	\$175,149		
Operating Interest	\$29.19	\$4,379		
Total Operating Costs	\$1,196.84	\$179.528		

Weight	Price/Lb	
600	\$2	\$1200
Expenses		\$1200
Less:		
Living		\$200
Debt		\$200
Net Income		\$-400

