

Required Report: Required - Public Distribution

Date: March 15, 2021

Report Number: CA2021-0015

Report Name: Oilseeds and Products Annual

Country: Canada

Post: Ottawa

Report Category: Oilseeds and Products

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Report Highlights:

In marketing year (MY) 2021/22, Canada's total production of oilseeds (canola, soybean, and sunflower seeds) is expected to increase six percent over the previous year, primarily on more area planted to canola and recovery of canola yields. Nearly halfway through MY 2020/21, canola seed exports to China are strong, despite China continuing to block Canada's two largest exporters while maintaining a restrictive dockage requirement. Ending stocks of canola for MY 2020/21 are projected at 700 thousand metric tons (MT), down 2.4 million MT from the previous year, on lower production and increased exports.

Oilseeds annual

Executive Summary

In marketing year (MY) 2021/22, Canada's total production of oilseeds (canola, soybean, and sunflower seeds) is expected to increase six percent over the previous year to 26.58 million metric tons (MT), primarily on increased area planted to canola and recovery of canola yields. Soybean production is forecast to increase marginally, remaining about a third the size of canola production. Only sunflower seeds, which make up less than one percent of oilseed production, are expected to experience a reduction in production, due to some sunflower seed producers switching to soybeans to achieve higher profits.

Looking towards the spring planting season, significant precipitation is needed in the soybean-growing areas of Manitoba and the southeastern canola-growing area of Saskatchewan. Planting for soybeans typically begins in May, or when the average soil temperature has warmed up to 50° Fahrenheit. Planting for canola typically begins in late April to mid-May, in Saskatchewan.

Total beginning stocks of canola, soybeans, and sunflower seeds in MY 2021/22 (August to July) are forecast to fall 89 percent below the previous year. Beginning stocks of canola are projected down to around 700 thousand MT, 2.4 million MT below the previous year, on lower production and very strong demand in the preceding year.

Total oilseed exports in MY 2021/22 are forecast to fall seven percent on smaller exportable supplies of canola. Downside risks to the FAS/Ottawa forecast include a recovery of the E.U.'s canola production and subsequent reduction in import demand, down from the record-breaking level of demand for Canadian canola that supported Canadian exports in MY 2019/20 and 2020/21.

Total oilseed exports are forecast to finish MY 2020/21 up from the previous year on strong canola demand from the E.U. and more soybean exports going to China, Algeria, and the United Kingdom. In MY 2019/20, Iran emerged as a significant buyer of Canadian soybeans (20 percent of total Canadian exports went to Iran) and continues to be a large purchaser in MY 2020/21.

Canola seed exports to China are strong despite China continuing to block Canada's two largest canola exporters, Richardson International and Viterra, and China maintaining a restrictive dockage requirement of one percent on its canola imports. There is currently no indication that these restrictions will change in MY 2021/22.

In MY 2021/22, total imports of canola, soybean, sunflower and peanuts are forecast to remain within the five-year average range. Imports are expected to finish MY 2020/21 at a higher level than the previous year on a 52 percent increase of soybean imports.

Total canola, soybean, and sunflower oil production in MY 2021/22 is forecast to fall on reduced processing of canola seed due to lower seed supply and weaker crush margins compared to the current marketing year. Total oil production is forecast to increase in MY 2020/21 over the previous year on very strong canola crush margins, despite lower canola supply.

In MY 2020/21, U.S. sunflower producers lost market share in Canada as importers took advantage of low sunflower oil prices in Europe. This is not expected to continue into MY 2021/22, as European prices have since normalized.

This report refers to marketing years, which for oilseeds run from August to July, except for peanuts which run from October to September.

CANOLA (RAPESEED), OILSEEDS

Oilseed, Rapeseed	2019/2020		2020/2021		2021/2022	
Market Begin Year	Aug-19		Aug-20		Aug-21	
Canada	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	8,456	8,456	8,320	8,320		8,650
Beginning Stocks	4,435	4,435	3,131	3,131		700
Production	19,607	19,607	19,000	18,720		20,000
MY Imports	155	155	100	110		100
Total Supply	24,197	24,197	22,231	21,961		20,800
MY Exports	10,043	10,302	10,700	10,900		9,600
Crush	10,129	10,129	9,900	10,200		9,600
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	894	635	431	161		160
Total Dom. Cons.	11,023	10,764	10,331	10,361		9,760
Ending Stocks	3,131	3,131	1,200	700		1,440
Total Distribution	24,197	24,197	22,231	21,961		20,800
Yield	2.319	2.319	2.284	2.250		2.312

(1000 HA) ,(1000 MT) ,(MT/HA)

MY 2021/22 Canola Production

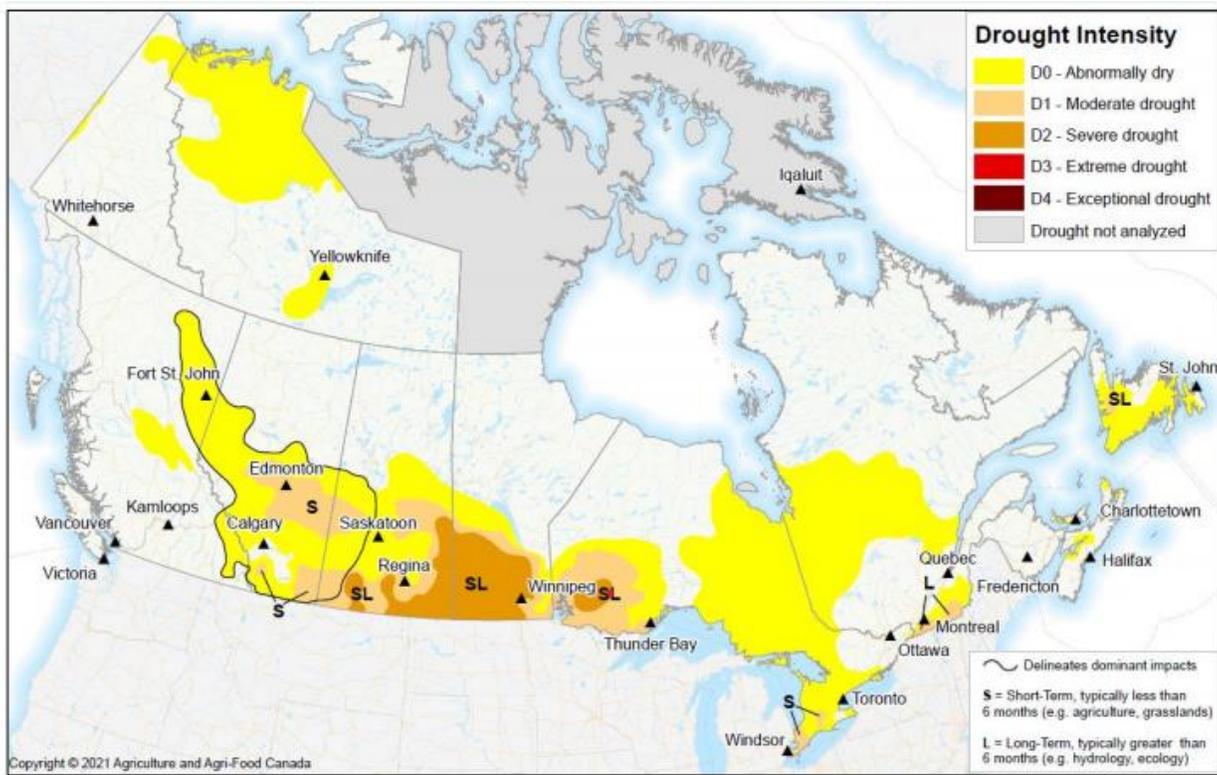
Canola production is forecast up nearly seven percent in 2021 on yield recovery and an increase in area planted.

Statistics Canada's planting intentions survey was not available at the time of this report, but relatively high canola prices and low storage stocks are expected to encourage farmers to plant more canola in 2021.

Canola continues to offer higher returns than most competing crops, despite also having higher input costs¹. Disease pressures continue to be the main reason for farmers to rotate out canola every two to four years or more, depending on the region².

Significant precipitation is needed in the canola-growing area of southeast Saskatchewan, ahead of the 2021 planting season. Planting typically occurs in late April to mid-May but can occur as late as early June, with the consequence of reduced yield.

Canadian Drought Monitor



Source: [Agriculture Agri-Food Canada](https://www.agriculture-agri-food.ca)

¹ February 2021 cash prices of canola rose 57 percent to a monthly average of \$678 CAD per MT, compared to this point last year. Variable costs of canola production in Saskatchewan increased about two percent to \$825 CAD per hectare, mainly on higher insecticide and seed costs, according to the Saskatchewan government's [2021 Crop Planning Guide](#).

² Farmers in Alberta require more frequent rotation than farmers in Saskatchewan, due to there being greater disease pressures.

MY 2020/21 Canola Production

In MY 2020/21, production declined four percent over the previous year, primarily due to a two percent reduction in area planted. Yields were marginally below the three-year average, at 2.250 MT per hectare versus 2.297 MT per hectare the year before, for [reasons](#) that varied by farm and region, including excessive moisture, dryness, and disease factors.

Canola – Consumption

The level of canola seed that goes to domestic feed, seed, and waste as a percentage of total supply is expected to be within a normal range in MY 2020/21 and MY 2021/22.

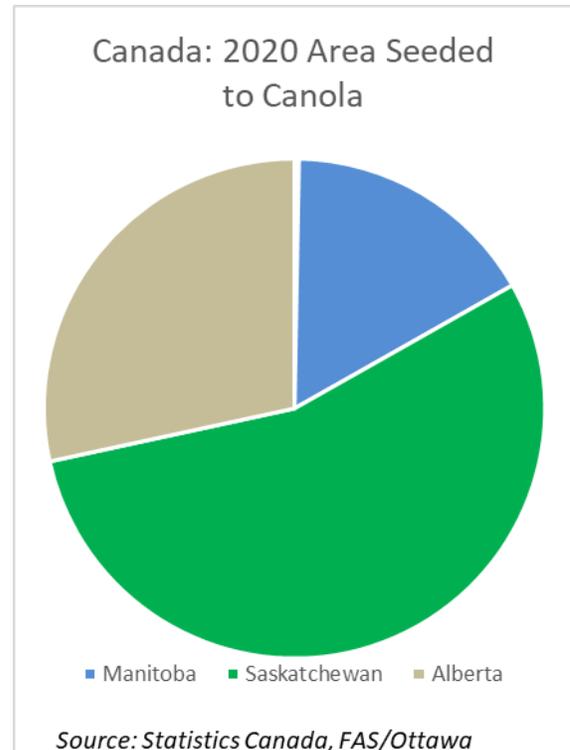
Canola Exports – MY 2021/22

Despite increased domestic production, exports in MY 2021/22 are likely to decline on limited exportable supplies. Total canola supply is forecast to fall five percent on very low carry-in stocks.

Downside risks to the FAS/Ottawa forecast include a recovery of the E.U.'s³ canola production and subsequent reduction in demand, down from the record demand levels for canola that propped up canola exports in MY 2019/20 and 2020/21.

Since March 2019, Canada's two largest canola handlers, Richardson International and Viterra, have been blocked from the Chinese canola seed market. China cancelled their export permits after it alleged that inspectors found pests in some shipments of canola. There is no indication that the permits will be restored in 2021.

In March 2020, China introduced a restrictive dockage requirement of one percent. Should Richardson and Viterra regain access to China, industry sources suggest that Canada's canola exports to China will not return to levels of around four million metric tons⁴, and will instead settle at 2 to 2.5 million MT. This is because the effort to reduce dockage to such a restrictive level is time-consuming and expensive, according to industry.



³ 'E.U.' in this report refers to E.U.27, the current E.U. Customs Union.

⁴ Between MY 2013/14 and MY 2017/18, prior to the export permits being cancelled, Canadian canola seed exports to China ranged from 3.97 million MT to 4.39 million MT.

Canola Exports – MY 2020/21

In MY 2020/21, exports are projected to increase nearly six percent over the previous year, on strong global demand.

In the first five months of MY 2020/21, canola exports increased 51 percent over the same period of the previous year. This increase was driven by a more than doubling of exports to China and a second year of strong demand from the E.U. due to low production there. Canada's market share increased in the U.A.E., Pakistan and Bangladesh over the past two years. Industry sources state that exports to the U.A.E. are largely dependent on E.U. vegetable oil demand.

Canada: Canola seed exports, MY YTD (Aug to Dec), metric tonnes

Partner Country	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2020/21
World	4,294,569	4,913,061	4,375,357	3,423,396	5,163,606
E.U.	407,101	287,592	257,291	925,960	1,272,838
China	1,022,465	1,631,684	2,112,605	538,120	1,188,423
Japan	1,032,107	1,203,027	884,018	821,558	981,604
United Arab Emirates	294,985	341,867	106,504	394,559	554,059

Source: Trade Data Monitor, LLC; calculations by FAS Ottawa

Canola Seed Imports

Canola seed imports continue to represent less than a percent of supply.

Canola Seed – Storage Stocks

As a result of increased production, MY 2021/22 ending stocks are projected to make a partial recovery, though still remain low, after falling to an eight-year low in MY 2020/21.

Ending stocks for 2020/21 are projected at 700 thousand MT, down 2.4 million MT from 2019/20 on lower production and increased exports. This will reduce the stocks-to-use ratio to 2.8 percent, possibly a historic low.⁵

⁵ Stock-to-use ratios show the balance between supply and demand for a given commodity. Higher stock-to-use ratios mean more supply is available while lower ratios suggest a tighter supply situation.

SOYBEAN, OILSEED

Oilseed, Soybean	2019/2020		2020/2021		2021/2022	
Market Begin Year	Aug-19		Aug-20		Aug-21	
Canada	USDA Official	Post	USDA Official	Post	USDA Official	Post
Area Harvested	2,271	2,271	2,040	2,041		2,290
Beginning Stocks	700	700	721	626		385
Production	6,145	6,145	6,350	6,359		6,500
MY Imports	263	263	350	400		500
Total Supply	7,108	7,108	7,421	7,385		7,385
MY Exports	3,907	3,907	4,200	4,700		4,900
Crush	1,742	1,755	2,000	1,900		1,900
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	738	820	946	400		300
Total Dom. Cons.	2,480	2,575	2,946	2,300		2,200
Ending Stocks	721	626	275	385		285
Total Distribution	7,108	7,108	7,421	7,385		7,385
Yield	2.706	2.706	3.113	3.116		2.838

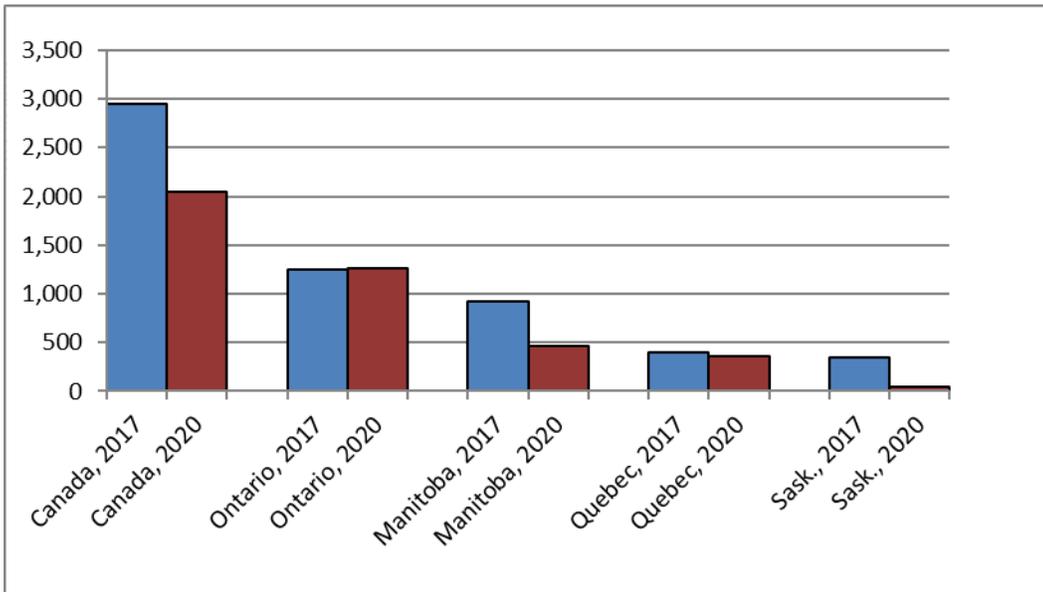
(1000 HA) ,(1000 MT) ,(MT/HA)

Soybean Production - MY 2021/22

Increased area planted is projected to push soybean production up nearly two percent from last year, driven by higher prices relative to alternative crops, and regular crop rotations to include more soybeans.

Crop rotation is the practice of planting different crops sequentially on the same plot of land to improve soil health, optimize nutrients in the soil, and combat pest and weed pressure. Soybean growers in Ontario, where most of Canada's soybeans are grown, tend to rotate between soybeans and corn.

Area Planted to Soybeans, '000 hectares



Source: Statistics Canada; FAS/Ottawa

Manitoba soybean area has declined since its peak of 2017 as farmers switch to crops better suited for the dry conditions of recent years. Area is expected to nudge up to about 590 thousand hectares in 2021, but remain below the five-year average, which is 683 thousand hectares.

Industry sources state that a higher level of interest in growing non-genetically engineered (GE) soybeans may mean three to four percent of soybean area will be non-GE varieties in Manitoba in 2021, compared to two percent in 2020.

Significant precipitation is needed in Manitoba ahead of the 2021 planting season that typically begins in May, or when the average soil temperature has warmed up to 50° Fahrenheit. Vast portions of Manitoba's soybean-producing regions experienced a dry finish to the fall of 2020, followed by low levels of snow this winter.

Soybean Production - MY 2020/21

Improved yields and reduced harvest loss pushed soybean production up 3.5 percent in 2020, despite an 11 percent decline in area planted.

Soybean Domestic Use - MY 2021/22

Domestic processing is forecast to remain in line with the five-year average of 1.9 million MT. There are no new crush facilities being planned.

Soybean Domestic Use - MY 2020/21

Domestic crush is forecast to rebound eight percent in MY 2020/21, driven by improved crush margins and strong demand for vegetable oils and protein meal.

Soybean Exports - MY 2021/22

Exports are forecast to increase four percent over the previous year on larger exportable supplies and strong global demand. About 55 to 65 percent of supplies (imported and domestic combined) are exported.

Soybean Exports - MY 2020/21

Soybean exports are projected up nearly 20 percent in MY 2020/21, driven by increased demand from China, Algeria, and the United Kingdom. In MY 2019/20, Iran emerged as a significant buyer of Canadian soybeans (20 percent of Canadian soybean exports went to Iran) and continues to be a large purchaser in MY 2020/21.

Canada: Soybean exports, MY YTD (Aug to Dec), metric tonnes

Partner Country	MY 2016/17	MY 2017/18	MY 2018/19	MY 2019/20	MY 2020/21
World	3,063,724	3,134,252	3,713,454	2,468,231	2,993,401
EU 27	979,271	1,096,611	129,167	1,125,282	931,000
Iran	114,761	69,009	0	534,836	534,352
South Asia	0	305	6,299	262,140	318,930
China	1,388,975	1,348,721	3,135,658	34,546	309,151

Source: Trade Data Monitor, LLC; calculations by FAS Ottawa

Soybean Imports - MY 2021/22

Soybean imports are projected to increase 25 percent. Imports mostly go into Ontario, as the largest crushing plants are located there.

Soybean Imports - MY 2020/21

Imports grew 41 percent MY 2020/21 year-to-date (YTD) (August through December) as global and North American soybean trade dynamics returned to what they were before MY 2018/19. In 2018, China stopped buying U.S. soybeans, which led to a fall in prices and a re-routing of less expensive U.S. soybeans to Canada and Europe. Subsequently, Canadian imports were down the following year due to large inventories, later rebounding in MY 2020/21. The United States is holding 89 percent market share YTD, consistent with the previous year.

Vessels containing empty containers are leaving ports on the west and east coasts of Canada and the United States. Strong demand for consumer goods from China is incentivizing shippers to turn vessels around without waiting for containers to be loaded with crops. While exports of soybeans for human consumption are exported via containers, nearly all such exports were shipped early in the marketing year and were not impacted.⁶ Other oilseeds, including soybeans not intended for human consumption, are transported in bulk carriers, and are not impacted.

Storage Stocks - Soybean

Soybean storage stocks are forecast to end MY 2020/21 more than 35 percent below the previous year due to the high level of exports.

SUNFLOWER SEED, OILSEED

Oilseed, Sunflowerseed	2019/2020		2020/2021		2021/2022	
	Market Begin Year		Market Begin Year		Market Begin Year	
	Aug-19		Aug-20		Aug-21	
Canada	USDA Official	Post	USDA Official	Post	USDA Official	Post
Area Harvested	29	29	45	45		35
Beginning Stocks	39	103	41	103		120
Production	63	63	101	101		75
MY Imports	30	24	27	26		25
Total Supply	132	190	169	230		220
MY Exports	27	38	50	50		45
Crush	0	0	0	0		
Food Use Dom. Cons.	9	9	10	9		9
Feed Waste Dom. Cons.	55	40	65	51		41
Total Dom. Cons.	64	49	75	60		50
Ending Stocks	41	103	44	120		125
Total Distribution	132	190	169	230		220
Yield	2.17	2.1724	2.2400	2.2444		2.1429

(1000 HA) ,(1000 MT) ,(MT/HA)

⁶ Canola was not impacted as it's exported bulk, not in containers.

Sunflower Seed Production – MY 2021/22

In MY 2021/22, area planted to sunflower seeds is forecast to fall 22 percent as high soybean prices are expected to entice producers into planting soybeans.

Sunflower Seed Production – MY 2020/21

Area planted to sunflower in Manitoba increased in MY 2020/21 as farmers sought alternatives to soybeans after a disappointing soybean harvest in MY 2019/20. Manitoba produces 90 percent of Canada's sunflower seeds.

Two types of sunflower seeds are produced: oilseed varieties with high oleic content, for oil production and bird food; and, confection variety sunflowers, for the snack market and baking industry.

Over the last four years, more sunflower producers are growing the sunflower varieties that go into oil production and moving away from confectionary sunflowers, to reduce producer risk and pursue export opportunities. Seventy-two percent of production were oilseed varieties (65,716 MT) and 27 percent were confection varieties (24,625 MT). By comparison, oilseed sunflowers consisted of 69 percent of production in 2019.

Sunflower Seed – Domestic Consumption

There is currently no large-scale crushing facility in Manitoba, so most Canadian sunflower seed production is either processed in the province for the bird food market or exported to crushing facilities in the United States.

Bird-feeding has become a popular activity during the pandemic, driving demand for oilseed sunflowers.

Sunflower Seed – Exports

Exports are projected down ten percent in MY 2021/22, to levels closer to the five-year average.

Sunflower seed exports are forecast to grow four percent in MY 2020/21 over the previous year on increased domestic supplies.

Sunflower Seed Imports

Sunflower seed imports are projected to fall slightly in MY 2021/22 to a level near the five-year average.

Imports are up 23 percent in the first five months of MY 2020/21, and imports from the United States are up 31 percent. U.S. market share is up four percentage points to 64 percent.

Storage stocks

Ending stocks in MY 2020/21 are projected to increase on large supplies.

OILSEED, PEANUTS

Oilseed, Peanuts	2019/2020		2020/2021		2021/2022	
Market Begin Year	Oct-19		Oct-20		Oct-21	
Canada	USDA Official	Post	USDA Official	Post	USDA Official	Post
Area Harvested	0	0	0	0		0
Beginning Stocks	0	0	1	1		9
Production	0	0	0	0		0
MY Imports	170	167	174	169		170
Total Supply	170	167	175	170		179
MY Exports	2	3	2	3		3
Crush	0	0	0	0		0
Food Use Dom. Cons.	167	163	170	164		167
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	167	163	170	164		167
Ending Stocks	1	1	3	3		9
Total Distribution	170	167	175	170		179

(1000 HA) ,(1000 MT) ,(MT/HA)

Peanut production is less than 500 MT and limited to a few farms in southern Ontario. Canada will remain a net importer of peanuts, with the United States and China being the top suppliers. Peanut production is constrained by climatic conditions, with insufficient heat limiting quality and yield potential.

OILSEED MEALS

Soymeal equivalent (SME) protein consumption, 1,000 MT

Protein Meal	2017/18	2018/19	2019/20	2020/21 (f)	2021/22(f)
Meal, Soybean	2,179	2,100	2,163	2,286	2,295
Meal, Rapeseed	606	597	737	750	648
Soybean (full fat)	1,047	1,205	820	400	300
Meal, Sunflowerseed	44	40	45	40	41
Total in SME	3,471	3,510	3,367	3,160	3,017

Source: Statistics Canada; FAS Ottawa

Marketing year: Aug/ July

f = forecast

Meal, Canola

Meal, Canola	2019/20		2020/21		2021/22	
Market Begin Year	Aug-19		Aug-20		Aug-21	
Canada	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	10,129	10,129	9,900	10,200		9,600
Extr. Rate, 999.9999	0.5600	0.5582	0.5700	0.5686		0.5615
Beginning Stocks	70	72	120	88		148
Production	5,715	5,654	5,600	5,800		5,390
MY Imports	6	3	7	10		10
Total Supply	5,791	5,729	5,727	5,898		5,548
MY Exports	4,903	4,904	4,830	5,000		4,900
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	768	737	787	750		500
Total Dom. Cons.	768	737	787	750		500
Ending Stocks	120	88	110	148		148
Total Distribution	5,791	5,729	5,727	5,898		5,548
SME	546	524	560	534		356

(1000 MT) ,(PERCENT)

Canola Meal – Production

Crush levels rose nine percent above the three-year average in the first five months of MY 2020/21. A rise in world palm oil prices relative to canola prices have strengthened crush margins and increased crush demand.

Canola Meal - Exports

Exports in MY 2021/22 are forecast to fall on reduced supply while MY 2020/21 canola meal exports are projected to rise on an increased supply and strong demand from China and the United States.

Canola Meal – Imports

Canola meal imports remain small. Market share from the United States has fallen to 77 percent MY 2020/21 YTD from 87 percent in MY 2019/20, with imports from India making up the remainder.

Meal, Soybean

Meal, Soybean	2019/2020		2020/2021		2021/2022	
Market Begin Year	Aug-19		Aug-20		Aug-21	
Canada	USDA Official	Post	USDA Official	Post	USDA Official	Post
Crush	1,742	1,755	2,000	1,900		1,900
Extr. Rate, 999.9999	0.7800	0.7783	0.7800	0.7763		0.7763
Beginning Stocks	163	19	156	10		23
Production	1,355	1,366	1,555	1,475		1,475
MY Imports	1,117	1,117	1,100	1,120		1,120
Total Supply	2,635	2,502	2,811	2,605		2,618
MY Exports	329	329	370	370		370
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	2,150	2,163	2,280	2,212		2,225
Total Dom. Cons.	2,150	2,163	2,280	2,212		2,225
Ending Stocks	156	10	161	23		23
Total Distribution	2,635	2,502	2,811	2,605		2,618

(1000 HA) ,(1000 MT) ,(MT/HA)

Soybean Meal – Production

Canadian soybean crushing capacity is estimated at 3.2 million MT per year, with two crushing plants in Ontario that crush canola and soybeans (Windsor and Hamilton), and one plant in Quebec (Bécancour) that crushes canola and soybeans. While there have been discussions of building a soybean crush facility in the prairies, industry sources indicate there is no construction planned.

Soybean Meal - Imports

Canada is a net importer of soybean meal and is projected to import 51 percent of its consumption in MY 2021/22, roughly in line with the five-year average.

MY 2020/21 soybean meal imports are forecast to remain stable, as is the composition of countries that it obtains the meal from. YTD import data indicates Canada will likely import 95 percent of its soybean meal from the United States, in line with recent years.

Soybean Meal - Exports

Soybean meal exports in MY 2021/22 are forecast to be consistent with the preceding year.

Exports in MY 2020/21 are projected to increase 12 percent on strong demand from the United Kingdom and United States.

OILSEED OILS

Oil, Canola

Oil, Canola	2019/2020		2020/2021		2021/2022	
Market Begin Year	Aug-19		Aug-20		Aug-21	
Canada	USDA Official	Post	USDA Official	Post	USDA Official	Post
Crush	10,129	10,129	9,900	10,200		9,600
Extr. Rate, 999.9999	0.4400	0.4378	0.4400	0.4343		0.4396
Beginning Stocks	341	391	350	409		414
Production	4,425	4,434	4,320	4,430		4,220
MY Imports	20	20	20	20		20
Total Supply	4,786	4,845	4,690	4,859		4,654
MY Exports	3,429	3,429	3,350	3,430		3,200
Industrial Dom. Cons.	335	335	335	335		340
Food Use Dom. Cons.	672	672	675	680		680
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	1,007	1,007	1,010	1,015		1,020
Ending Stocks	350	409	330	414		434
Total Distribution	4,786	4,845	4,690	4,859		4,654

(1000 HA) ,(1000 MT) ,(MT/HA)

Canola oil production in MY 2021/22 is forecast to decline on reduced seed supplies as stocks are drawn down.

Canola oil production in MY 2020/21 is projected to be level with the previous year, despite lower canola seed supplies, due to attractive crush margins and strong demand. Higher palm oil prices have driven buyers towards soybean and canola oil.

Canola oil accounts for about 50 percent of the total vegetable oil consumed by Canadians but only about ten percent of the Canadian canola crop is consumed in Canada.

Exports in MY 2020/21 YTD are projected to increase marginally, on small growth in supplies.

Oil, Soybean

Oil, Soybean	2019/2020		2020/2021		2021/2022	
Market Begin Year	Aug-19		Aug-20		Aug-21	
Canada	USDA	Post	USDA	Post	USDA	Post
Crush	1,742	1,755	2,000	1,900		1,900
Extr. Rate	0.1907	0.1823	0.1900	0.1837		0.1842
Beginning Stocks	24	8	5	8		8
Production	328	320	377	349		350
MY Imports	27	27	35	37		27
Total Supply	379	355	417	394		385
MY Exports	144	144	150	120		120
Industrial Dom. Cons.	-	0	0	0		0
Food Use Dom. Cons.	230	203	245	266		257
Feed Waste Dom. Cons.	-	0	0	0		0
Total Dom. Cons.	230	203	245	266		257
Ending Stocks	5	8	22	8		8
Total Distribution	379	355	417	394		385

(1000 HA) ,(1000 MT) ,(MT/HA)

Oil, Soybeans - Production

FAS/Ottawa anticipates no growth of soybean oil production in MY 2021/22. Production in the first half of MY 2020/21 is two percent below the previous year.

Oil, Soybeans – Imports

Soybean oil imports are projected to rise nearly 40 percent in MY 2020/21, on increased food use consumption. Imports from the United States in the first half of the year comprised 94 percent of imports. Soybean oil sourced from India has been increasing in market share since MY 2019/20, when it represented ten percent of Canadian imports.

Oil, Soybeans – Consumption

Soybean oil consumption is projected to be up in MY 2020/21 based on YTD data, and then moderate in 2021/22. Soybean oil is used in salad oil, shortening and margarine products.

Oil, Sunflower

Oil, Sunflower – Imports

In the first five months of MY 2020/21, total imports of sunflower oil were nearly double the same point last year as Canadian importers took advantage of low-priced sunflower oil from Ukraine. Ukraine held 46 percent market share in the first five months, up from the five-year average of eight percent.

Ukraine's record-breaking sunflower production level caused its sunflower prices to collapse in spring 2020, and Canada's imports from the Ukraine began to rise shortly after, in June 2020. This situation is likely an aberration as Ukraine sunflower oil prices have since rebounded.

The United States supplied 39 percent of Canada's imports in 2020, down from the five-year average of 80 percent.

Sunflower Oil, Exports

In the first five months of MY 2020/21, Canada's exports increased to 1,127 MT, up 749 MT from the same point in the previous year. Sixty-seven percent of exports went to the United States, exceeding the five-year average of 37 percent.

Attachments:

No Attachments