

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 3/17/2017

GAIN Report Number: CA17007

Canada

Oilseeds and Products Annual

2017

Approved By:

Jeff Zimmerman

Prepared By:

Lina Urbisci

Report Highlights:

Canada's oilseed production (canola, soybeans, and sunflowers) for 2017/2018 is forecast to rise modestly to 25.3 million metric tons (MMT), up 1 percent from 2016/2017, driven by a small increase in canola production and expected yields. Total crush is forecast to drop by 4 percent to 10.5 MMT from the 2016/2017 anticipated crush levels of 11 MMT. The canola crush forecast is down 377 thousand metric tons (TMT) in 2017/2018 with no increase in production expected.

Executive Summary:

Total oilseeds production (canola, soybean, and sunflower seed) in 2017/2018 is forecast at 25.3 million metric tons (MMT), up 1percent from 2016/2017.

Crush in 2017/2018 is forecast to drop 4 to 10.5 MMT from 11 MMT in 2016/17 due to low carry-in stocks and only a modest rise in overall oilseeds production available for crushing.

Canadian oilseed exports are forecast to remain virtually unchanged at 14.230 MMT in 2017/18 from 14.232 MMT in 2015/16. A weaker Canadian Dollar and strong crush capacity are expected to support Canadian oilseed exports in 2017/2018.

Total meal production in 2017/2018 is forecast to drop by 3 percent to 6.4 MMT from 6.6 MMT in 2016/17 due to a very limited change total oilseeds production.

Total oils production in 2017/2018 is forecast to decrease slightly to 4.15 MMT down 3 percent from 4.3 MMT in 2016/17.

Total meal exports in 2017/2018 will remain close to 4.6 MMT, down only 11 TMT from 2016/17.

Total oils exports in 2017/18 are projected at 3.15 MMT, down by 4 percent from 3.3 MMT in 2016/17.

OILSEEDS

Canada: Total Oilseeds				
2017/18	Canola (Rapeseed)	Soybean	Sunflower Seed	TOTAL
Area Harvested	8,400	2,413	29	10,842
Production	18,500	6,710	55	25,265
Crush	8,623	1,900	0	10,523
Imports	100	250	30	380
Exports	9,500	4,700	30	14,230
2016/17	Canola (Rapeseed)	Soybean	Sunflower Seed	TOTAL
Area Harvested	8,050	2,180	28	10,258
Production	18,500	6,450	51	25,001
Crush	9,000	2,000	0	11,000
Imports	100	350	30	480
Exports	9,800	4,400	32	14,232
2015/16	Canola (Rapeseed)	Soybean	Sunflower Seed	TOTAL
Area Harvested	8,322	2,197	38	10,557
Production	18,377	6,371	73	24,821
Crush	8,315	2,000	0	10,315
Imports	104	308	25	437
Exports	10,278	4,258	40	14,576
<i>All data in 1,000 hectares and 1,000 metric tons</i>				
<i>Marketing year: Aug-July</i>				

Total Oilseeds

Based on current market conditions and historical trends, the area seeded to field crops in 2017/18 is forecasted to increase marginally compared to 2016/17. Post is forecasting a 9 percent rise in area harvested for canola, soybeans, and sunflower seeds combined in 2017/18 at 10.8 million hectares. However, Post expects to see a modest 2 TMT decline in exports in 2017/18 due to steady world demand and tighter domestic supplies.

RAPESEED (CANOLA), OILSEED

Production, Supply and Distribution Estimates:

Oilseed, Rapeseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Aug 2015		Aug 2016		Aug 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Canada						
Area Planted	8,363	8,363	8,100	8,100	0	8,500
Area Harvested	8,322	8,322	8,050	8,050	0	8,400
Beginning Stocks	2,542	2,542	2,016	2,016	0	1,377
Production	18,377	18,377	18,500	18,500	0	18,500
MY Imports	104	104	100	100	0	100
MY Imp. from U.S.	100	100	95	95	0	95
MY Imp. from EU	0	0	0	0	0	0
Total Supply	21,023	21,023	20,616	20,616	0	19,977
MY Exports	10,278	10,278	9,800	9,800	0	9,500
MY Exp. to EU	450	450	400	400	0	400
Crush	8,315	8,315	9,000	9,000	0	8,623
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	414	414	439	439	0	426
Total Dom. Cons.	8,729	8,729	9,439	9,439	0	9,049
Ending Stocks	2,016	2,016	1,377	1,377	0	1,428
Total Distribution	21,023	21,023	20,616	20,616	0	19,977
(1,000 HA) ,(1,000 MT)						

The fall 2016 harvest was challenging in the Canadian Prairies for most field crops due to excess rain, frost, and snow. While excess rain caused a few problems for canola plants there were still expectations of a very large harvest. As of November 29th, 2016, 87 percent of Alberta's canola had been harvested, according to the province's last crop report. Four percent of Saskatchewan's canola was still left to be combined, according to the province's last crop report in late November. Similar weather conditions occurred in Manitoba, where the canola harvest was 95 percent completed by mid-October. The Canadian Canola Council has noted that spring harvested canola tends to have lower weights, lower oil content, higher fatty acids in the oil and contain more impurities. And if left in swath too long, the crop would be more susceptible to pest issues like mice and fungal pathogens.

Area planted to canola is forecast to rise by 5 percent in 2017/18, to 8.5 million hectares as returns remain attractive compared to other field crops. Production in 2017/18 is forecast to remain steady at 18.5 MMT. However, total supply is forecast to decrease slightly by 3 percent due to 32 percent lower carry-in stocks of 1.4 MMT compared with 2 MMT in 2016/17.

Post does not expect to see any increase in crush capacity in 2017/18. Canada's 14 crushing and refining plants have the capacity to crush about 10 million tons of canola seed, and produce about 3 million tons of canola oil and 4 million tons of canola meal annually. Post forecasts the 2017/2018 canola crush at 8.6 MMT, down 4 percent from 2016/17.

Canola is highly dependent on the export markets, with between 50 and 60 percent of the production going to export. Canola seed exports in 2017/2018 will be limited by lower domestic supplies. Exports are forecast down in 2017/18 at 9.5 MMT due to steady world demand and tight domestic supplies.

Carry-out stocks of canola are forecast up slightly in 2017/18 at 1.4 MMT for a stocks-to-use ratio of 7.7 percent, which is considered tight.

SOYBEAN, OILSEED

Production, Supply and Distribution Estimates:

Oilseed, Soybean Market Begin Year	2015/2016		2016/2017		2017/2018	
	Aug 2015		Aug 2016		Aug 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Canada						
Area Planted	2,200	2,200	2,200	2,200	0	2,435
Area Harvested	2,197	2,197	2,180	2,180	0	2,413
Beginning Stocks	466	466	301	301	0	287
Production	6,371	6,371	6,450	6,450	0	6,710
MY Imports	308	308	350	350	0	250
MY Imp. from U.S.	246	246	280	280	0	206
MY Imp. from EU	0	0	0	0	0	0
Total Supply	7,145	7,145	7,101	7,101	0	7,247
MY Exports	4,258	4,258	4,400	4,400	0	4,700
MY Exp. to EU	1,045	1,045	900	900	0	900
Crush	2,000	2,000	2,000	2,000	0	1,900
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	586	586	414	414	0	400
Total Dom. Cons.	2,586	2,586	2,414	2,414	0	2,300
Ending Stocks	301	301	287	287	0	247
Total Distribution	7,145	7,145	7,101	7,101	0	7,247
(1,000 HA) ,(1,000 MT)						

For 2017/18, Post is forecasting planted area to rise by 11 percent, to a record 2.4 million hectares due to relatively attractive returns compared to alternative crops. Although the province of Ontario continues to lead in soybean acreage, Manitoba is rapidly expanding with acreage in 2016 up 18 percent from 2015 and doubling in the last five years. Not too far behind, Saskatchewan's soybean acres have increased 40 percent in the last four years as producers embrace the high returns on the crop, which tend to do well in southern Saskatchewan's summer heat and loamy soils that hold in moisture longer.

Post is forecasting a 4 percent increase in soybean production for 2017/18 with 6.7 MMT, compared with 6.45 MMT in 2016/17.

Post expects to see a 7 percent rise in soybean exports in 2017/18 as a result of stronger production numbers. Statistics Canada is forecasting soybean prices to fall to \$435-475/t as pressure from lower American prices is mostly offset by the weakness of the Canadian Dollar, which should also account for a higher outflow of soybeans. Imports in 2017/18 are forecast to drop by 29 percent from the previous year with high expectations that production will offset low beginning stocks in 2017/18. However, Post forecasts even lower ending stocks in 2017/18 at 247 TMT, down 14 percent from 287 TMT in 2016/17.

While there are discussions of the value of building a soybean crush facility in the Canadian Prairies, there are no current plans to do so. Current soybean crush capacity is estimated at 3.2 MMT. Domestic soybean crush in 2017/2018 is forecast to fall by 5 percent to 1.9 MMT as a result of lower beginning stocks.

SUNFLOWER SEED, OILSEED

Production, Supply and Distribution Estimates:

Oilseed, Sunflower seed Market Begin Year Canada	2015/2016		2016/2017		2017/2018	
	Aug 2015		Aug 2016		Aug 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	38	38	28	28	0	30
Area Harvested	38	38	28	28	0	29
Beginning Stocks	10	10	10	10	0	6
Production	73	73	51	51	0	55
MY Imports	25	25	30	30	0	30
MY Imp. from U.S.	22	22	27	27	0	27
MY Imp. from EU	0	0	0	0	0	0
Total Supply	108	108	91	91	0	91
MY Exports	40	40	32	32	0	30
MY Exp. to EU	0	0	0	0	0	0
Crush	0	0	0	0	0	0
Food Use Dom. Cons.	8	8	8	8	0	8
Feed Waste Dom. Cons.	50	50	45	45	0	48
Total Dom. Cons.	58	58	53	53	0	56
Ending Stocks	10	10	6	6	0	5
Total Distribution	108	108	91	91	0	91
(1,000 HA) ,(1,000 MT)						

For 2017/18, Post is forecasting an 8 percent rise in sunflower seed production at 55 TMT on expectations of higher yields and good returns relative to other crops. Similarly, exports and carry-out stocks are expected to remain just below 2016/17 levels due to lower carry-in stocks. The United States is Canada's main export market for sunflower seed and accounts for over 95 percent of Canada's total exports.

The National Sunflower Association of Canada estimates that approximately 70 percent of national production is used for confectionary products such as processed seeds in the shell or hulled for the snack market and the baking industry.

There is currently no large scale crush facility in the province of Manitoba where 90 percent of Canadian sunflower seeds are produced. Most of the Canadian sunflower oil production is either processed in the province for the bird food market or exported as a raw product to crush facilities in the United States.

OILMEALS

Canada: Total Oilmeals			
2017/18	Canola (Rapeseed)	Soybean	TOTAL
Crush	8,623	1,800	10,423
Production	4,857	1,579	6,436
Imports	15	717	732
Exports	4,312	277	4,589
2016/17	Canola (Rapeseed)	Soybean	TOTAL
Crush	9,000	1,900	10,900
Production	5,050	1,568	6,618
Imports	17	750	767
Exports	4,400	200	4,600
2015/16	Canola (Rapeseed)	Soybean	TOTAL
Crush	8,315	2,000	10,315
Production	4,665	1,570	6,235
Imports	15	789	804
Exports	4,035	334	4,369

All data in 1,000 hectares and 1,000 metric tons

Marketing year: Aug-July

For 2017/18, Post is forecasting a 4 percent drop in total canola and soybean crush to 10.4 MMT due to a rise in crop production in the oilseeds sector, which should offset lower carry-in stocks from 2016/17. As a result, total meal production is forecast to decline 3 percent from 6.6 MMT in 2016/17 to 6.4 MMT in 2017/18.

Meal imports in 2017/2018 are forecast to decrease to 732 MMT, 4.5 percent below 2016/2017 levels due to higher projected domestic crush.

Post is forecasting virtually no change in total meal exports for 2017/18 at 4.6 MMT. A weaker Canadian Dollar against the American Dollar is expected to do little more than maintain oilseeds meal exports.

RAPSEED (CANOLA) MEAL

Production, Supply and Distribution Estimates:

Meal, Rapeseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Aug 2015		Aug 2016		Aug 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Canada						
Crush	8,315	8,315	9,000	9,000	0	8,623
Extr. Rate, 999.9999	0.561	0.561	0.5611	0.5611	0	0.5633
Beginning Stocks	99	99	141	141	0	166
Production	4,665	4,665	5,050	5,050	0	4,857
MY Imports	15	15	17	17	0	15
MY Imp. from U.S.	9	9	10	10	0	11
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4,779	4,779	5,208	5,208	0	5,038
MY Exports	4,035	4,035	4,400	4,400	0	4,312
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	603	603	642	642	0	672
Total Dom. Cons.	603	603	642	642	0	672
Ending Stocks	141	141	166	166	0	54
Total Distribution	4,779	4,779	5,208	5,208	0	5,038
(1,000 MT) ,(PERCENT)						

Canola is crushed for its oil and the canola meal is sold at a discount compared to soybean meal due to its lower protein content. The majority of the canola meal produced in Canada is exported to the United States for use in the dairy industry. Canola meal, when added to the dairy cow's diet, has proven to boost milk production.

Canola meal production in 2017/2018 is forecast to fall 4 percent to 4.8 MMT from 5 MMT in 2016/17. Statistics Canada is projecting canola prices will rise in 2017/18 to \$505-535/t versus \$509/t in 2016/17. Statistics Canada has pointed out that the tightening of the stocks-to-use ratio to 1 percent should support canola prices above levels implied by world soybean oil and soybean meal prices.

Nearly all canola meal is exported for use as feed in the United States dairy industry and has been growing as Canadian crush capacity has increased. In 2017/2018, Post expects to see lower domestic supplies lead to slightly lower canola meal exports, in the range of 2 percent. Post expects that higher beginning stocks in 2017/18, up by nearly 18 percent from the previous year will translate into a lower need for imports, down by 12 percent from 2016/17. Growth in domestic demand from the Canadian

dairy industry is limited by Canada's restrictions on milk production. For these reasons, Post has forecasted domestic usage for feed in 2017/2018 up by 5 percent on trend at 672 TMT.

SOYBEAN MEAL

Production, Supply and Distribution Estimates:

Meal, Soybean Market Begin Year	2015/2016		2016/2017		2017/2018	
	Aug 2015		Aug 2016		Aug 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Canada						
Crush	2,000	2,000	2,000	2,000	0	1,800
Extr. Rate, 999,9999	0.785	0.785	0.784	0.784	0	0.8772
Beginning Stocks	82	82	32	32	0	30
Production	1,570	1,570	1,568	1,568	0	1,579
MY Imports	789	789	750	750	0	717
MY Imp. from U.S.	770	770	740	740	0	703
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,441	2,441	2,350	2,350	0	2,326
MY Exports	334	334	200	200	0	277
MY Exp. to EU	84	84	40	40	0	25
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	2,075	2,075	2,120	2,120	0	2,019
Total Dom. Cons.	2,075	2,075	2,120	2,120	0	2,019
Ending Stocks	32	32	30	30	0	30
Total Distribution	2,441	2,441	2,350	2,350	0	2,326
(1,000 MT) ,(PERCENT)						

Soybean meal produced in Canada is primarily consumed in the domestic livestock industry. Post is forecasting soybean meal production in 2017/2018 to rise modestly by less than a percentage point to 1.58 MMT due to tighter supplies available for crush.

Post is forecasting imports of soybean meal in 2017/2018 will drop by 4 percent to 717 TMT as a result of a slight rise in production and a weaker Canadian Dollar against the U.S Dollar. Nearly all of Canada's soybean meal imports come from the United States. However, Post expects the weaker Canadian Dollar to raise exports of soybean meal in 2017/18 by 39 percent to 277 TMT compared to 200 TMT in 2016/17.

Feed consumption in 2017/2018 is forecast to decrease slightly to 2 MMT due to lower domestic supplies resulting from lower crush. While there seems to be some loosening of provincial policies in

Western Canada that have been restricting hog expansion, any increase in hog production will be very gradual. The repealing of the Country of Origin Labelling (COOL) legislation is also expected to have little impact on feed consumption in the next crop year.

OILS

Canada: Total Oils			
2017/18 YTD	Canola (Rapeseed)	Soybean	TOTAL
Crush	8,623	1,900	10,523
Production	3,787	365	4,152
Imports	38	12	51
Exports	3,005	148	3,153
2016/17 YTD	Canola (Rapeseed)	Soybean	TOTAL
Crush	9,000	2,000	11,000
Production	3,935	360	4,295
Imports	50	20	70
Exports	3,150	150	3,300
2015/16	Canola (Rapeseed)	Soybean	TOTAL
Crush	8,315	2,000	10,315
Production	3,625	360	3,985
Imports	46	18	64
Exports	2,766	151	2,917

All data in 1,000 hectares and 1,000 metric tons

Marketing year: Aug-July

For 2017/18 Post is forecasting a 3 percent lower domestic oil production of 4.15 MMT due to tight carry-in stocks and marginal production increase of canola and soybean of one percent over 2016/17.

Despite tighter beginning stocks in 2017/18 imports of oils are forecast to drop by 3 percent, most likely due to the weaker Canadian Dollar. However, it will be challenging to take advantage of the low Canadian Dollar for exports as the domestic supply of oils will be constrained. Therefore, Post is forecasting that exports for 2017/18 will decrease by 4 percent with 3.15 MMT of oil, down from 3.3 MMT in 2016/17.

RAPSEED (CANOLA) OIL

Production, Supply and Distribution Estimates:

Oil, Rapeseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Aug 2015		Aug 2016		Aug 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Canada						
Crush	8,315	8,315	9,000	9,000	0	8,623
Extr. Rate, 999.9999	0.436	0.436	0.4372	0.4372	0	0.4392
Beginning Stocks	398	398	495	495	0	500
Production	3,625	3,625	3,935	3,935	0	3,787
MY Imports	46	46	50	50	0	38
MY Imp. from U.S.	44	44	50	50	0	38
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4,069	4,069	4,480	4,480	0	4,325
MY Exports	2,766	2,766	3,150	3,150	0	3,005
MY Exp. to EU	54	54	55	55	0	0
Industrial Dom. Cons.	154	154	180	180	0	180
Food Use Dom. Cons.	654	654	650	650	0	650
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	808	808	830	830	0	830
Ending Stocks	495	495	500	500	0	490
Total Distribution	4,069	4,069	4,480	4,480	0	4,325
(1,000 MT) ,(PERCENT)						

For 2017/18 Post is forecasting canola oil production down by 148 TMT from 2016/17 as a result of lower canola seed carry-in, which is unlikely to be offset by higher canola production. Similarly, crush is also forecast down 4 percent for 2017/18 for the same reasons.

Canola oil exports in 2017/2018 are projected down to 3 MMT, 4.6 percent below 2016/2017's estimate of 3.15 MMT. Year-to-date export data shows that China has doubled its canola oil imports from Canada, while the United States, the largest export market for Canada, is on track to import similar volumes to the previous year.

Post foresees a decrease in Canola oil imports in 2017/2018 as a result of the lower Canadian Dollar. Therefore, Post forecasts canola oil imports in 2017/2018 at 38 TMT, down 24 percent from 50 TMT in 2016/17.

Post does not foresee any change in domestic use or consumption of canola oil in 2017/18, but given lower supplies, forecasts tighter ending stocks at 490 TMT, down 2 percent from the previous year.

SOYBEAN OIL

Production, Supply and Distribution Estimates:

Oil, Soybean Market Begin Year	2015/2016		2016/2017		2017/2018	
	Aug 2015		Aug 2016		Aug 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Canada						
Crush	2,000	2,000	2,000	2,000	0	1,900
Extr. Rate, 999.9999	0.18	0.18	0.18	0.18	0	0.1921
Beginning Stocks	25	25	27	27	0	27
Production	360	360	360	360	0	365
MY Imports	18	18	20	20	0	12
MY Imp. from U.S.	18	18	20	20	0	12
MY Imp. from EU	0	0	0	0	0	0
Total Supply	403	403	407	407	0	404
MY Exports	151	151	150	150	0	148
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	225	225	230	230	0	241
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	225	225	230	230	0	241
Ending Stocks	27	27	27	27	0	15
Total Distribution	403	403	407	407	0	404
(1,000 MT) ,(PERCENT)						

Post is forecasting soybean oil production to increase by one percentage point in 2017/2018 from 360 TMT in 2016/17 to 365 TMT to reflect a modest 4 percent production increase in soybean output, lower carry-in of soybeans and crush.

Post also foresees soybean crush to drop modestly as lower supplies of soybeans are available due to weaker carry-in stocks of soybeans.

In 2017/2018, Post expects to see a small one percent drop in exports of soybean oil at 148 TMT compared with 150 TMT in 2015/2016 as a result of tighter crush. The United States is expected to

remain Canada's number one export market in 2017/18 with 90 percent of exports going south of the border. While supplies of soybean oil in 2017/18 are expected to be adequate to achieve export opportunities and take advantage of the slumping Canadian Dollar, Post believes it is unlikely that domestic demand will require supplementing by imports. Post is forecasting a 40 percent drop in imports of soybean oil for 2017/18.

Post foresees tighter supplies of soybeans and oil to translate into much lower ending stocks of oil in 2017/18 at 15 TMT, down 44 percent from the previous year.

PEANUTS

Production, Supply and Distribution Estimates:

Oilseed, Peanut Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Canada						
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	5	5	5	5	0	5
Production	0	0	0	0	0	0
MY Imports	155	155	157	157	0	143
MY Imp. from U.S.	131	131	133	133	0	119
MY Imp. from EU	0	0	0	0	0	0
Total Supply	160	160	162	162	0	148
MY Exports	2	2	2	2	0	1
MY Exp. to EU	0	0	0	0	0	0
Crush	0	0	0	0	0	0
Food Use Dom. Cons.	153	153	155	155	0	147
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	153	153	155	155	0	147
Ending Stocks	5	5	5	5	0	0
Total Distribution	160	160	162	162	0	148
(1,000 HA) ,(1000 MT)						

Peanut production in Canada is constrained by climatic conditions. Agriculture extension reports indicate that a minimum of 3,000 corn heat units is required for normal growth and development. Peanuts grown in areas with fewer heat units will not reach optimum maturity and generally the yield is too low to justify commercial production. As a result, minor peanut production is limited to a few farms in southern Ontario that plant in the range of 200-400 hectares. Canada is therefore a net importer of peanuts with the United States and China being the top suppliers.

Post is forecasting a 9 percent drop in peanut production in 2017/18 at 143 TMT, down from 157 TMT the previous year to reflect Ontario's decreased production of oilseeds. The weaker Canadian Dollar is expected to make importing peanuts less feasible for domestic processing and confectionary use rather than using up as much of the domestic supply as is available, which is why Post is forecasting ending stocks of peanuts at zero in 2017/18.

POLICY DEVELOPMENTS

Proposed Phase-out of Imidacloprid Neonicotinoid Pesticide: Comment Deadline Extended

On November 23rd, 2016 the Pest Management Regulatory Agency (PMRA) of Health Canada announced a proposed phase-out of the neonicotinoid seed treatment pesticide, imidacloprid, commonly used on corn and soybeans. The phase-out was proposed after an evaluation determined that under current conditions of use, the environmental risks for most products containing imidacloprid do not meet current safety standards.

The environmental assessment showed that, in aquatic environments in Canada, imidacloprid is being measured at levels that are harmful to aquatic insects. The environmental assessment also found that there is a potential risk to birds and small mammals from feeding on seeds that are treated with imidacloprid. The health assessment did not identify human health concerns from any exposure route when used according to current label standards.

The PMRA is proposing to phase-out all the agricultural and a majority of other outdoor uses of imidacloprid over three to five years. PMRA will consider alternate risk management proposals, provided that they can achieve acceptable levels in the environment in the same timeframe. PMRA is inviting the public to submit comments on the proposed re-evaluation before making a final re-evaluation decision on imidacloprid. The PMRA will accept and consider written comments on this proposal received up to March 23rd, 2017. Please forward all comments to [PMRA Publications](#). Please consult the following link for more information on the [Proposed Re-evaluation Decision PRVD2016-20, Imidacloprid](#), or to obtain a copy of the full re-evaluation document.

Canada and China Negotiating Long-Term Rules on Canola Dockage

On September 1, 2016 China's quarantine agency, AQSIQ was expected to reduce dockage allowances on imports of canola from 2.5 percent to 1 percent over concerns of blackleg disease. If passed, the new allowances would prove very challenging for export companies to meet as the technology is limited in how low a level of dockage it can achieve. However, Canadian Prime Minister Justin Trudeau was successful in extending current dockage rules beyond the September 1st deadline as the two countries continue to negotiate a long-term solution. Although there have been no further developments in this matter since September 2016, Global Affairs Canada announced in early March that it is launching consultations on a potential [Canada-China free trade agreement](#). China accounts for nearly one half of Canadian canola exports.