

# Mustard (& other) Market Outlook

**Presented by:**

**Chuck Penner**

**@leftfieldcr**



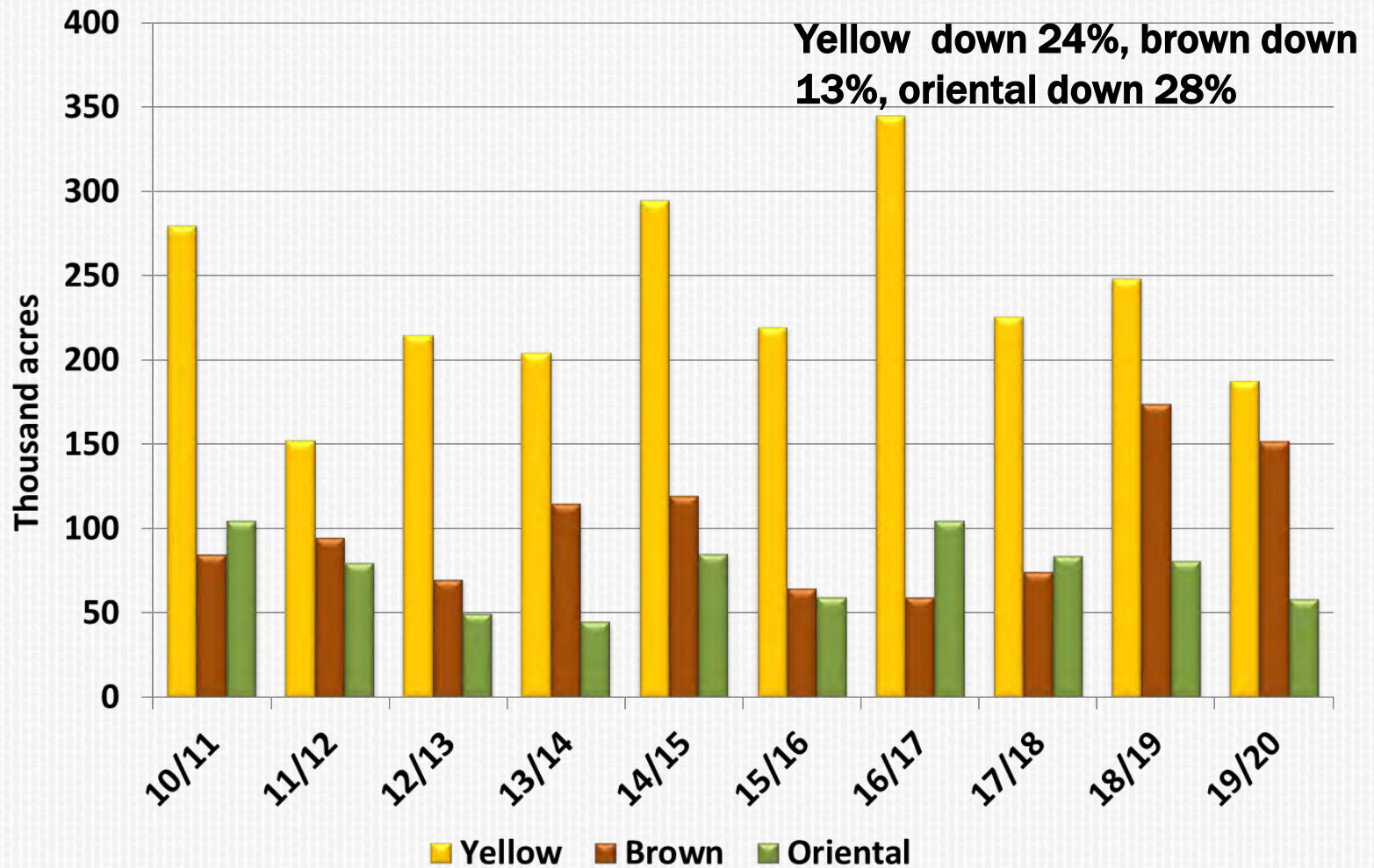
**January 2020**

# PRESENTATION OUTLINE

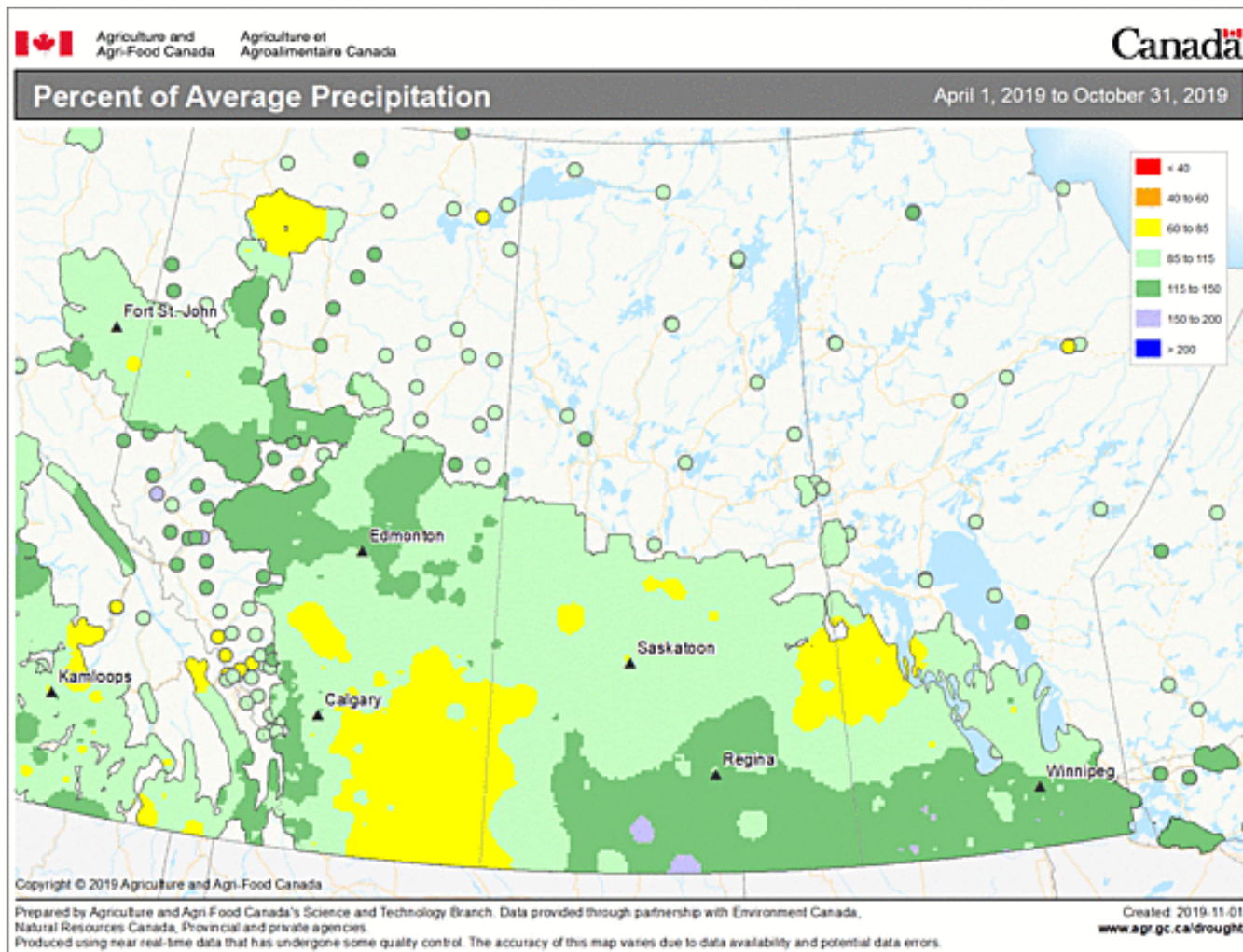
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- ✖ Mustard outlook
  - + Current environment
  - + Outlook
- ✖ Wheat & durum markets
- ✖ Canola market
- ✖ Pulse markets

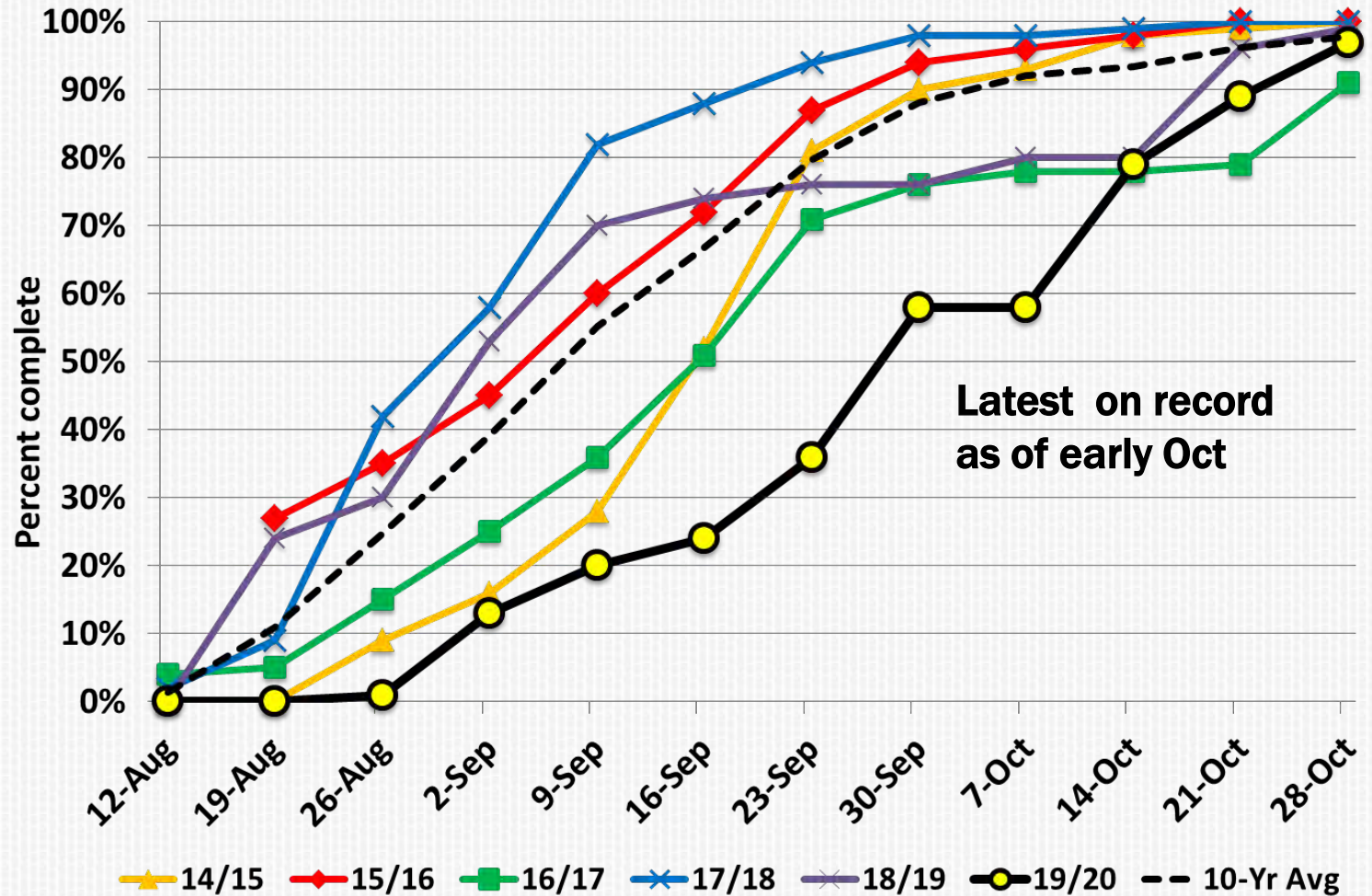
# CANADIAN MUSTARD ACREAGE



# PRECIPITATION – SUMMER 2019

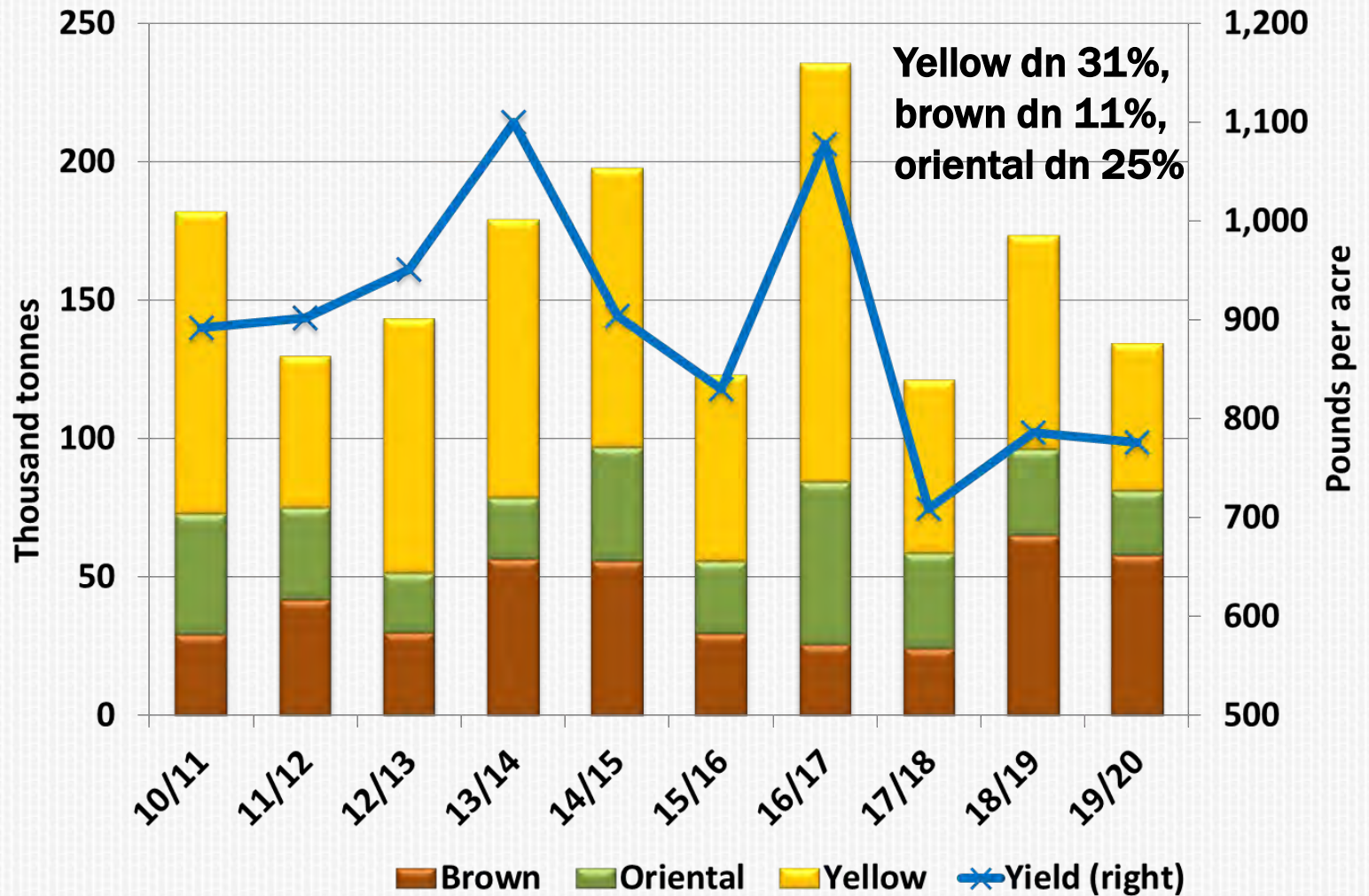


# CANADIAN MUSTARD HARVEST PACE

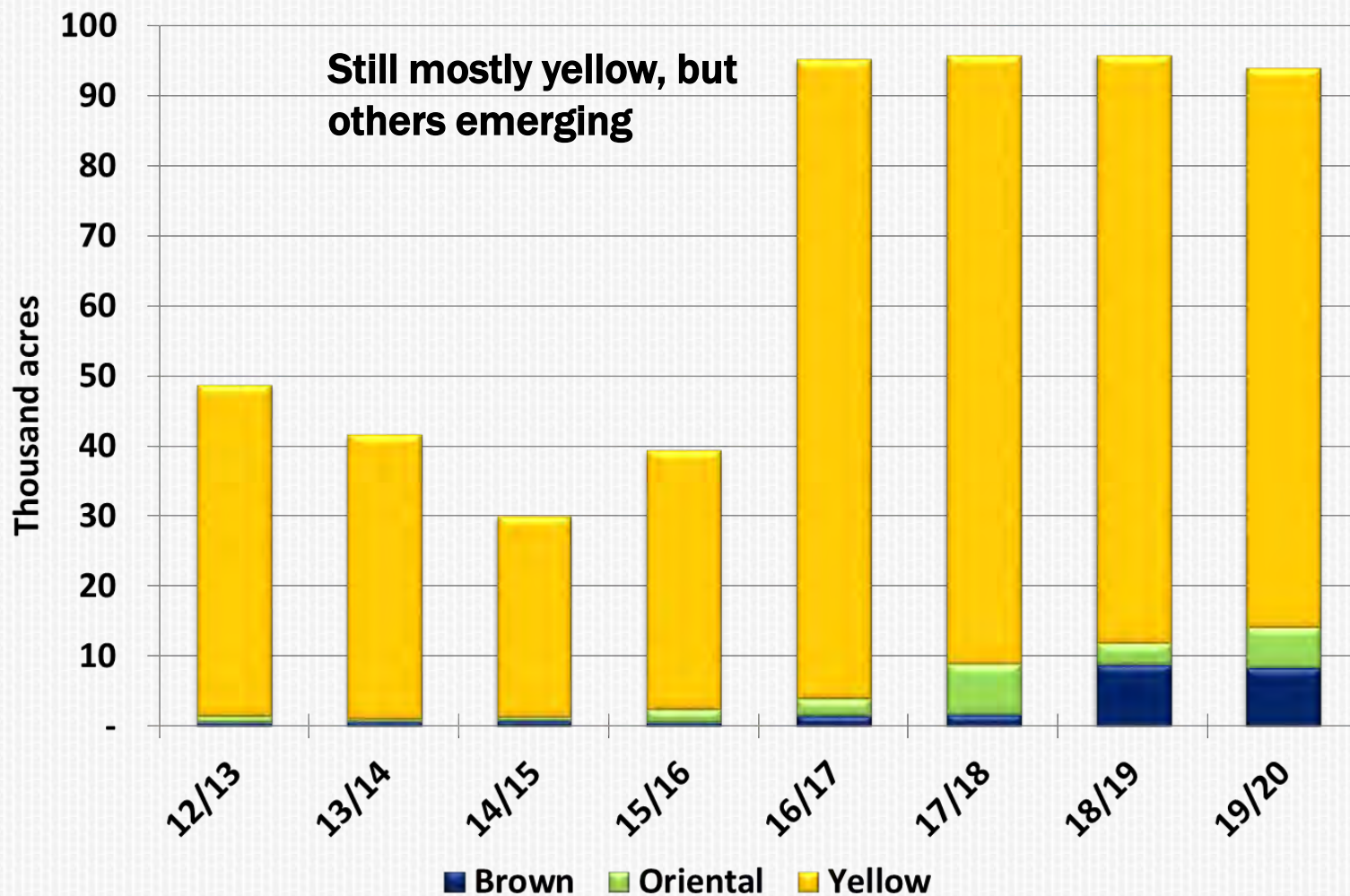




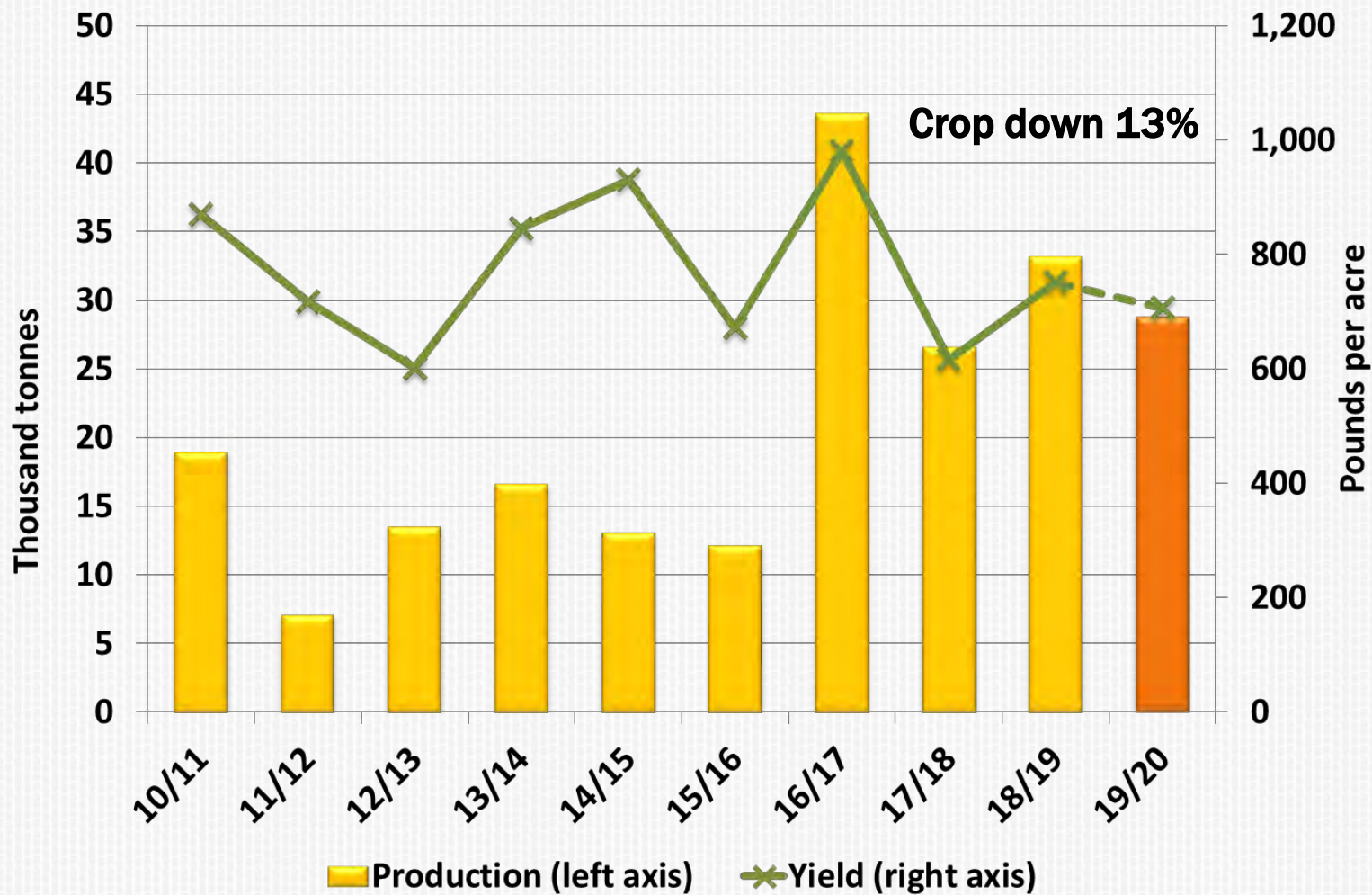
# CANADIAN MUSTARD PRODUCTION



# US MUSTARD AREA BY TYPE

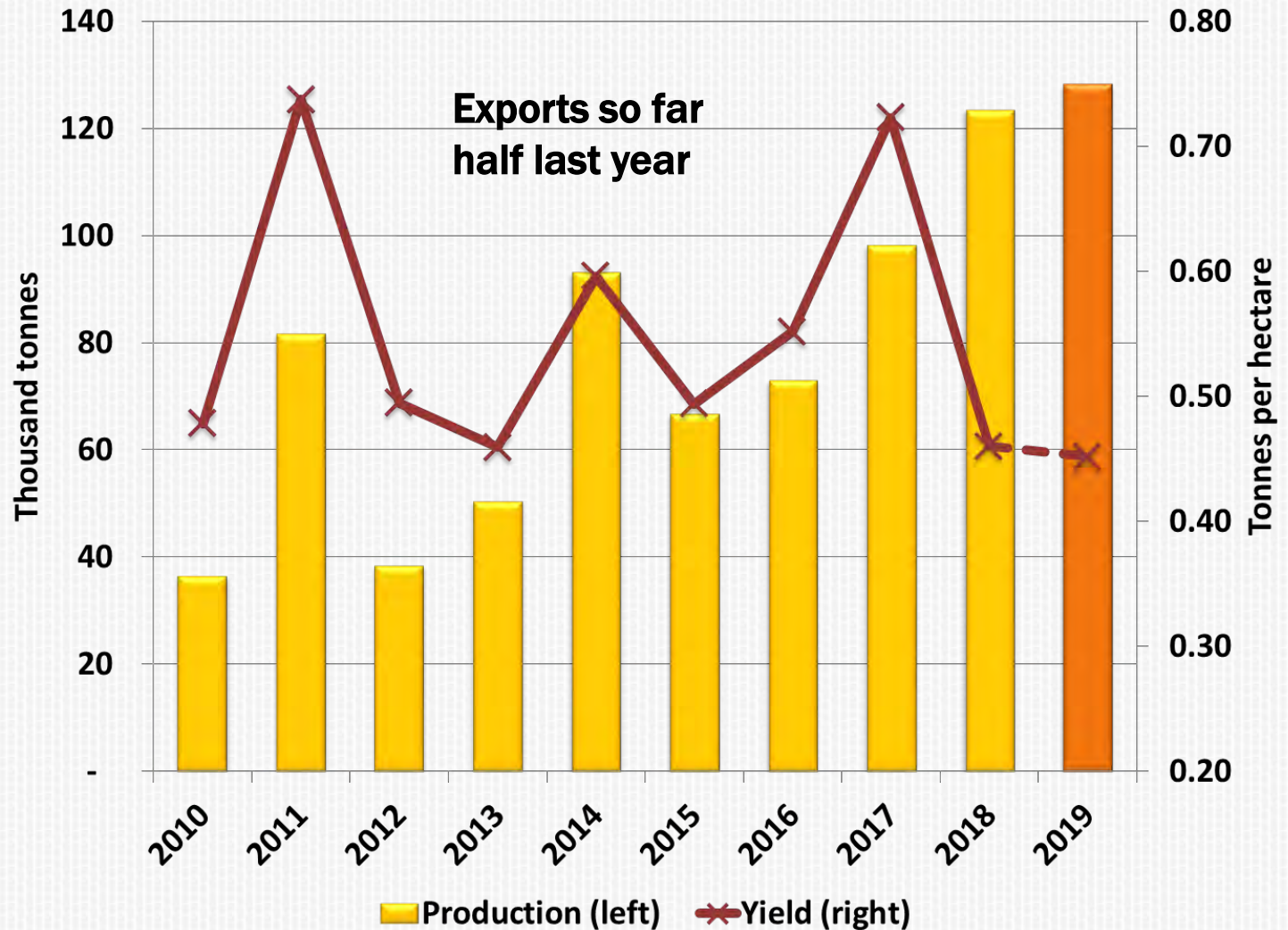


# US MUSTARD PRODUCTION & YIELD

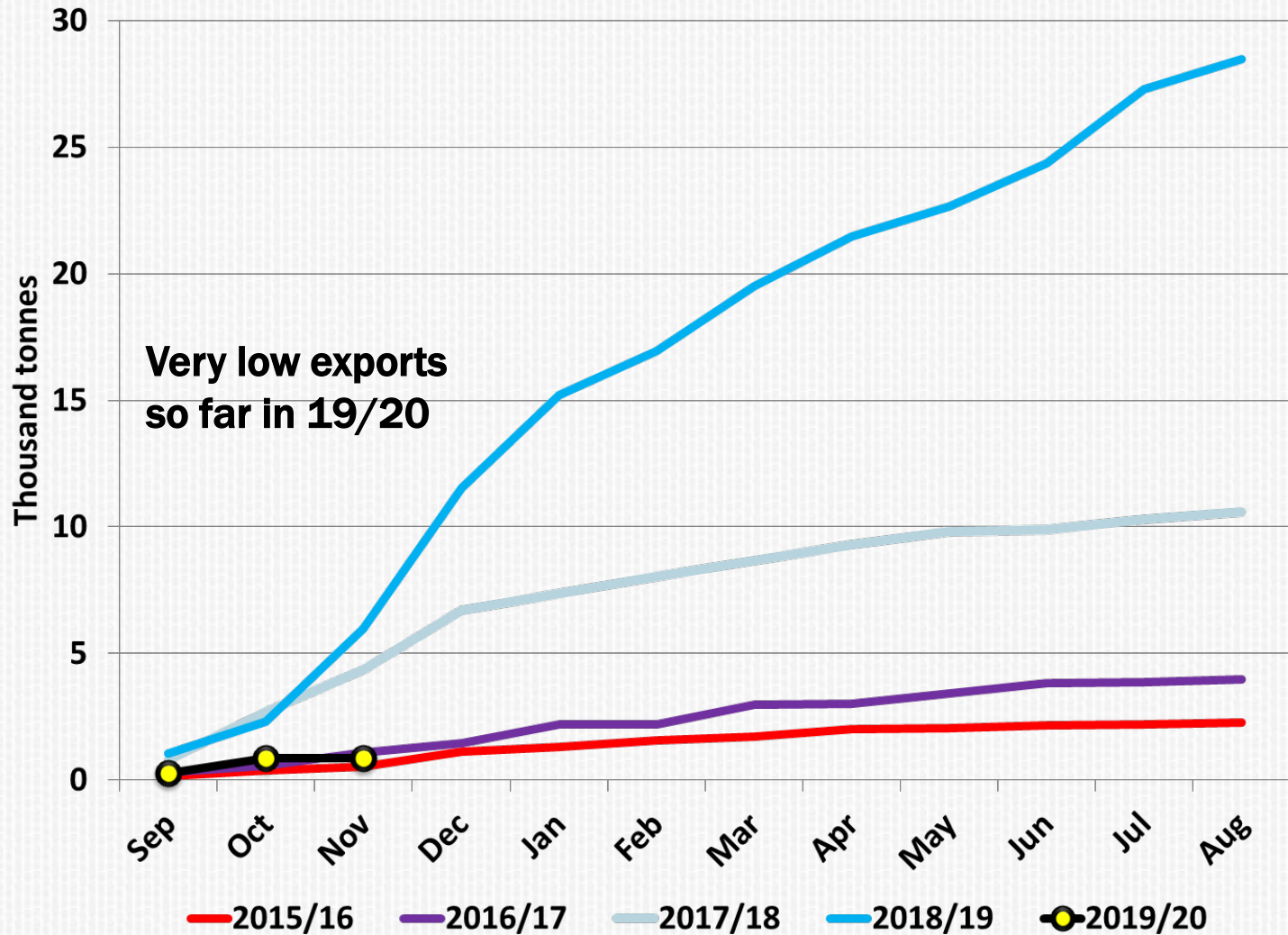




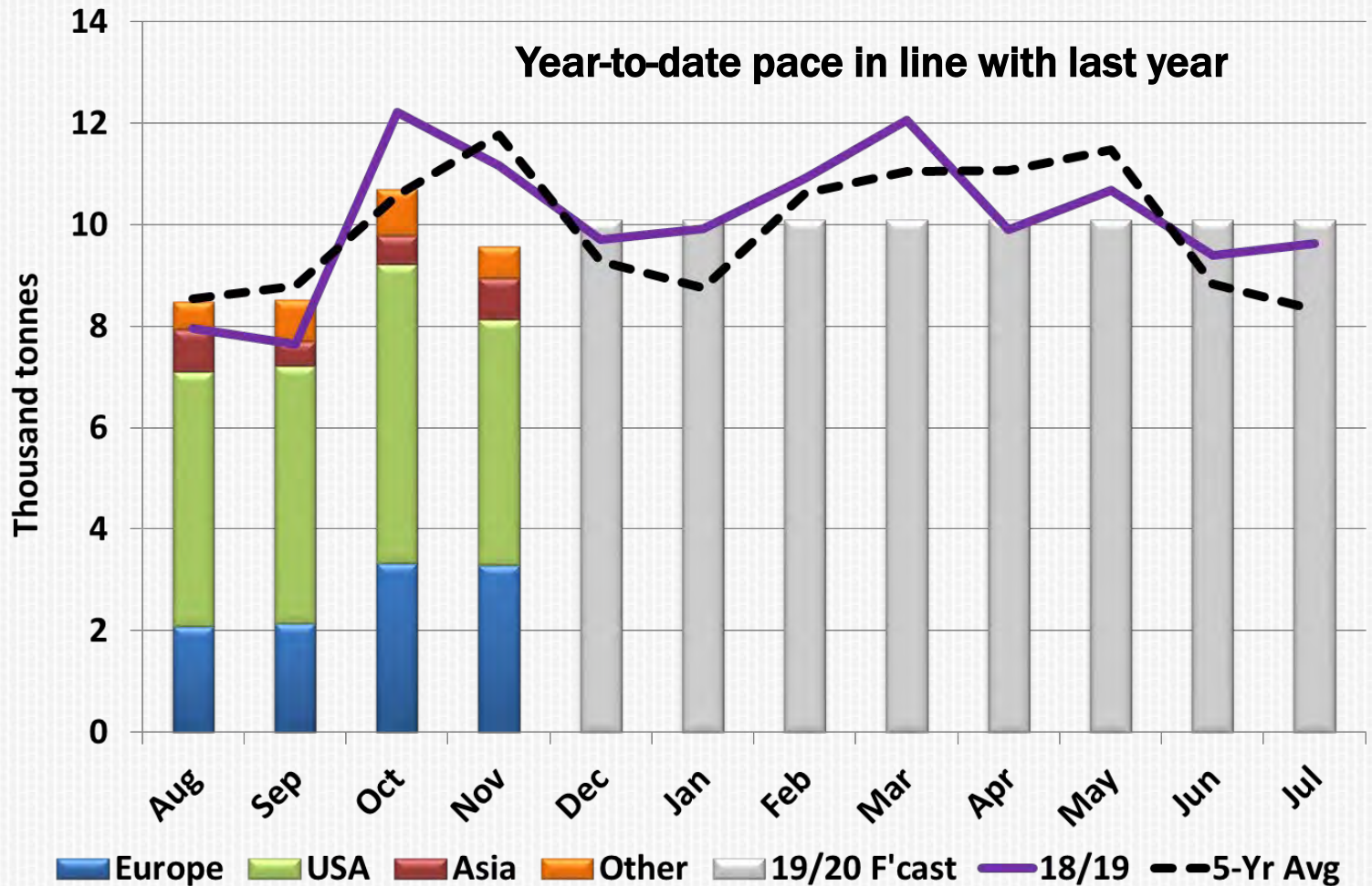
# RUSSIA MUSTARD PRODUCTION



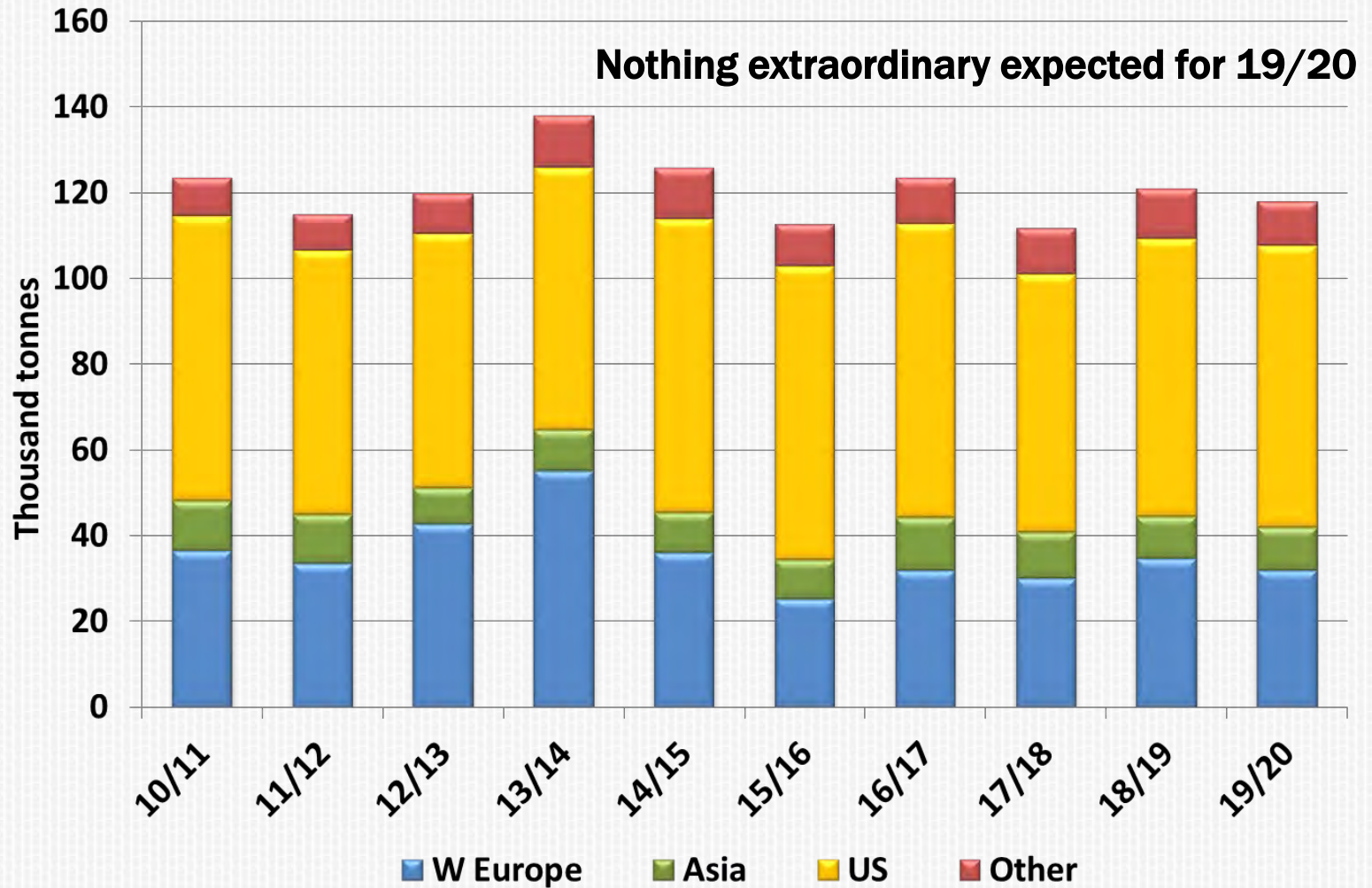
# KAZAKHSTAN MUSTARD EXPORTS



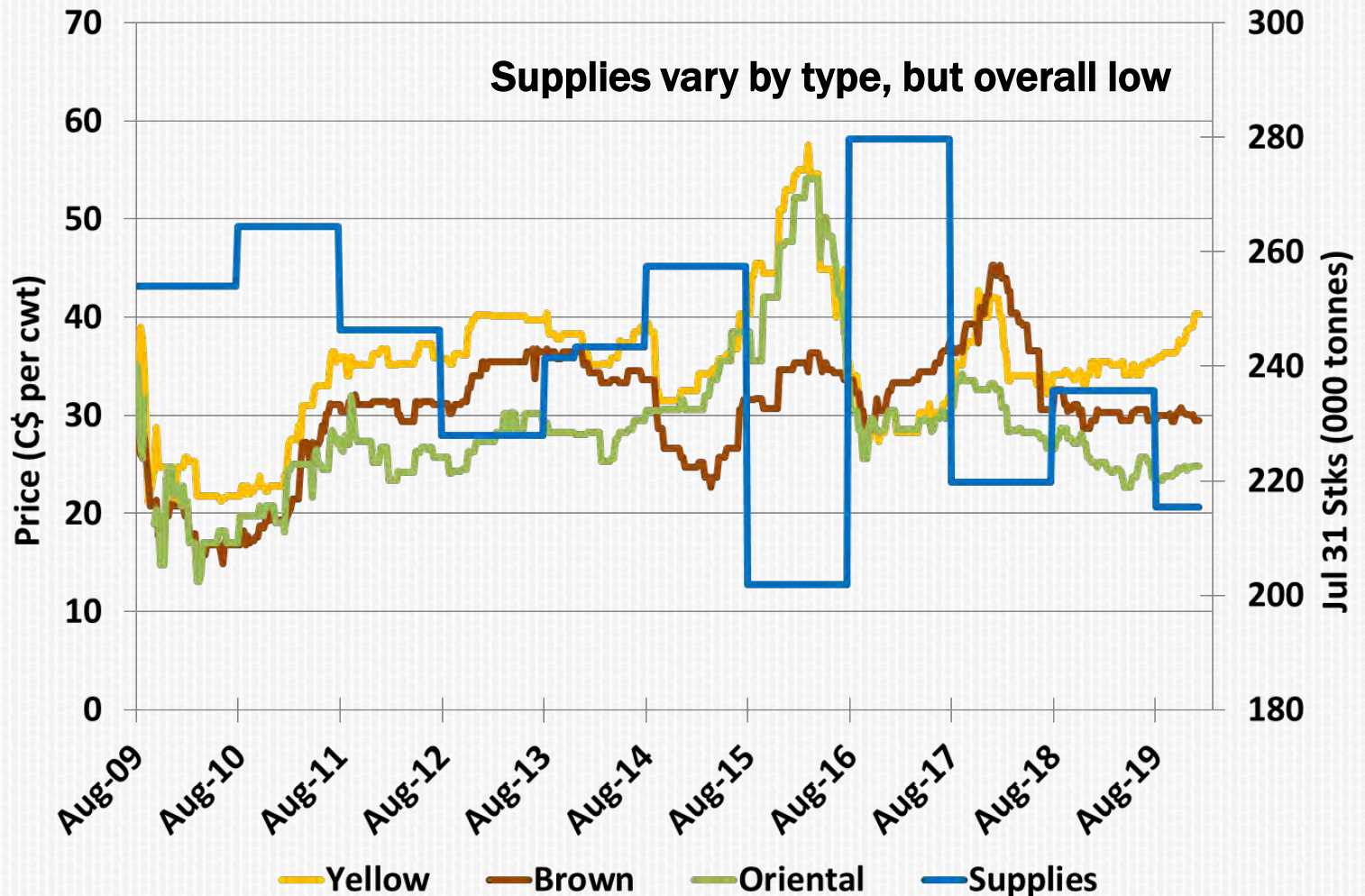
# CANADIAN 19/20 MUSTARD EXPORTS



# CANADIAN MUSTARD EXPORTS

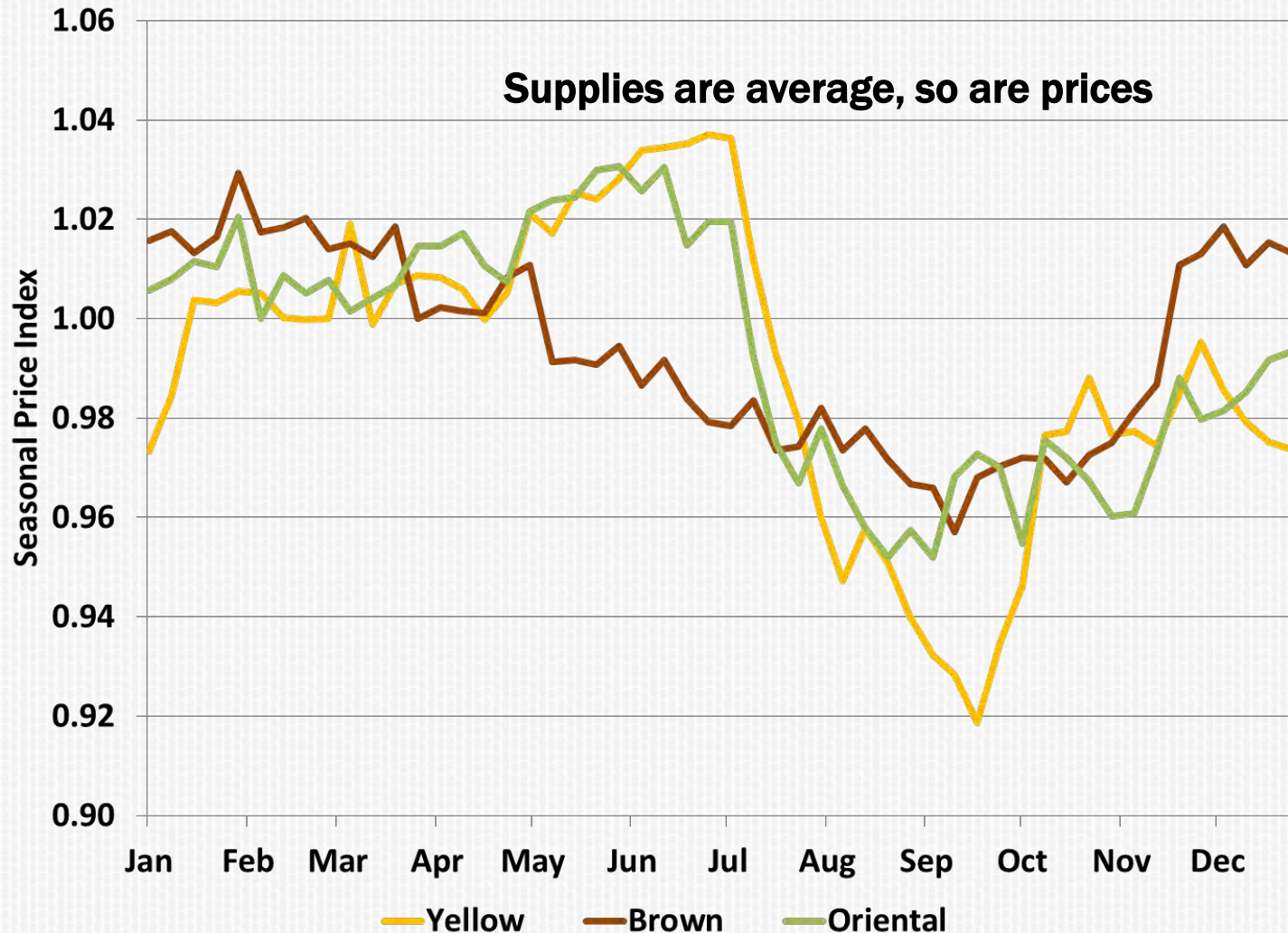


# CDN MUSTARD BIDS & SUPPLIES

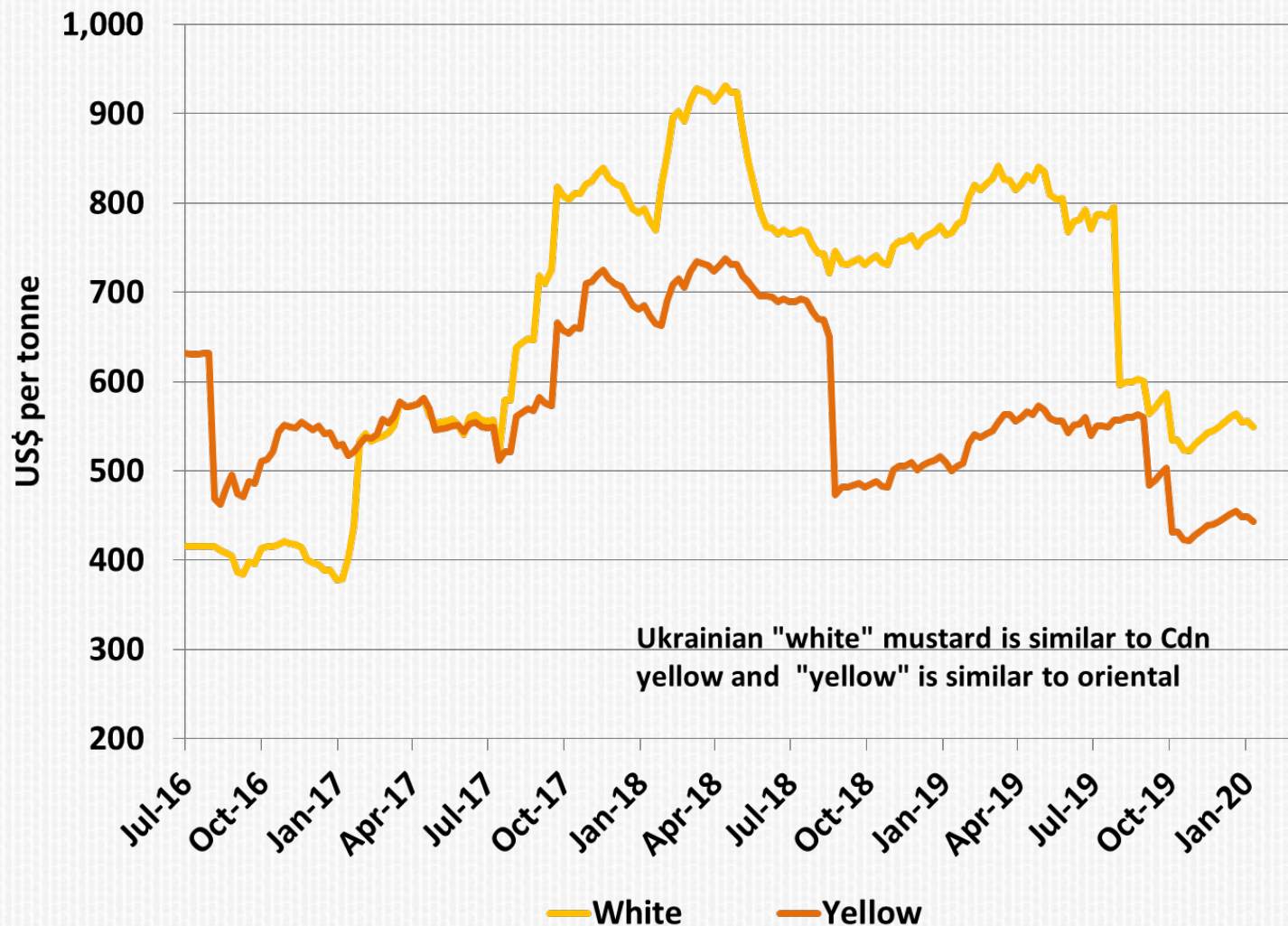




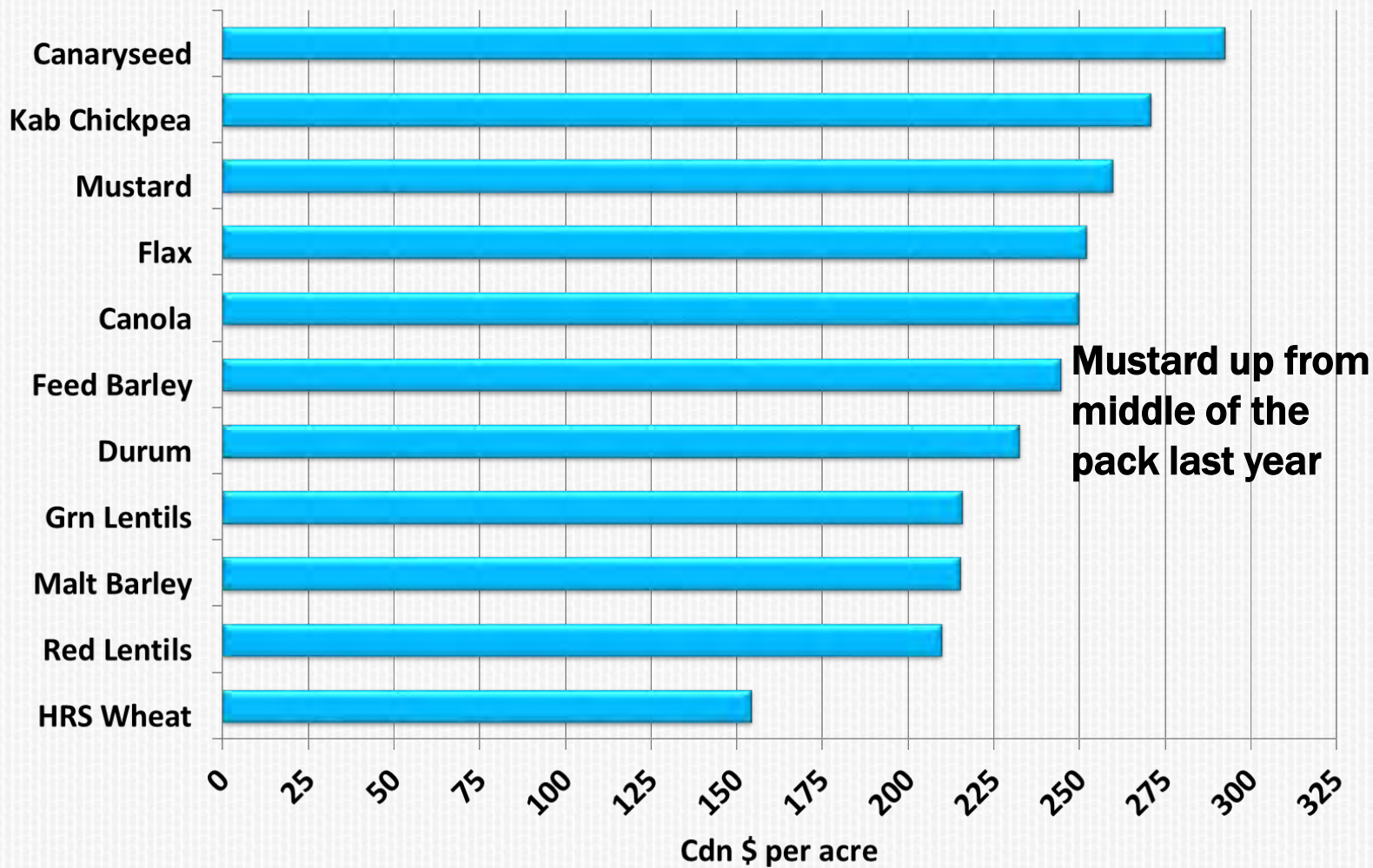
# MUSTARD BID SEASONALITY



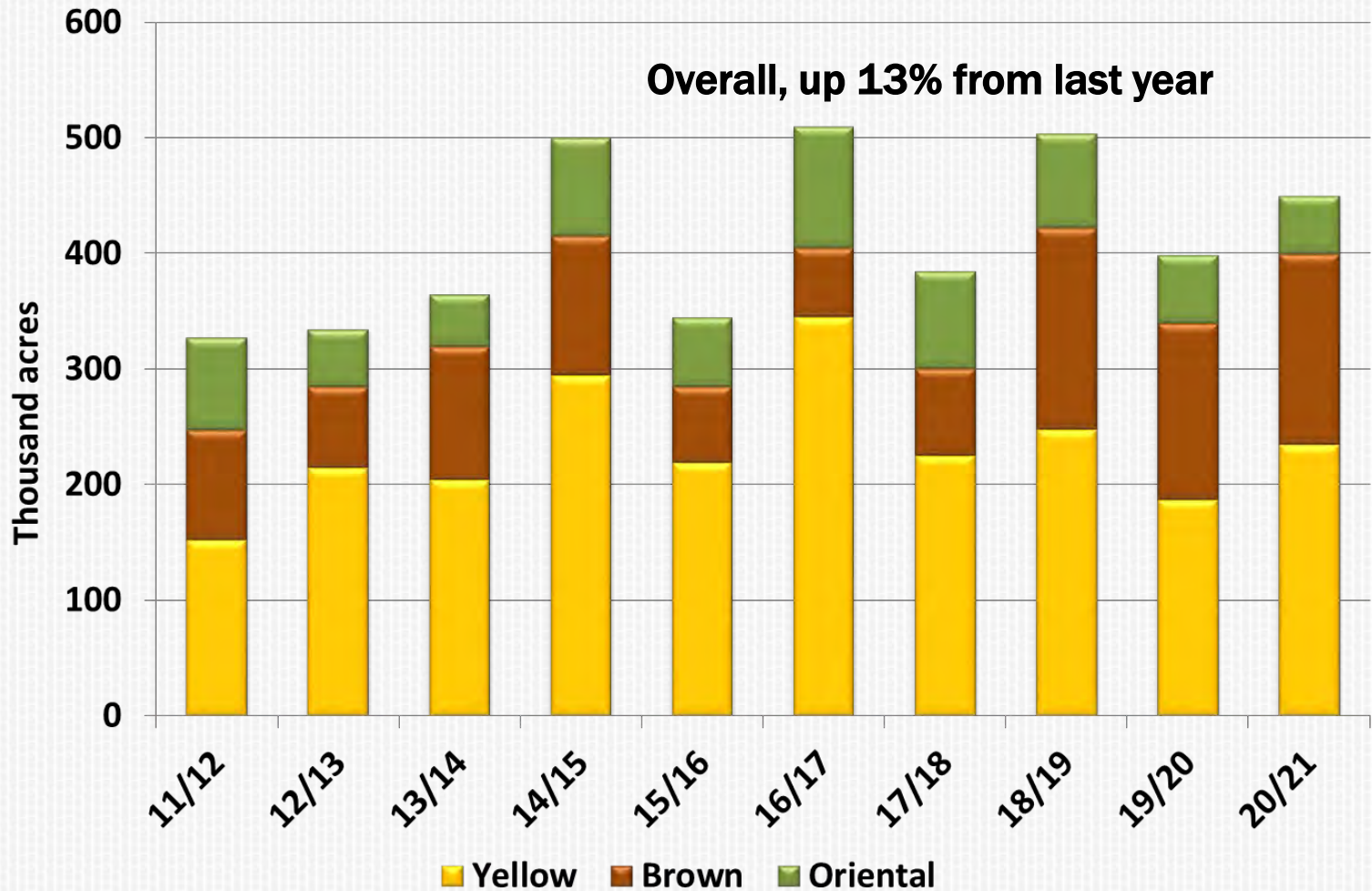
# UKRAINIAN MUSTARD PRICE



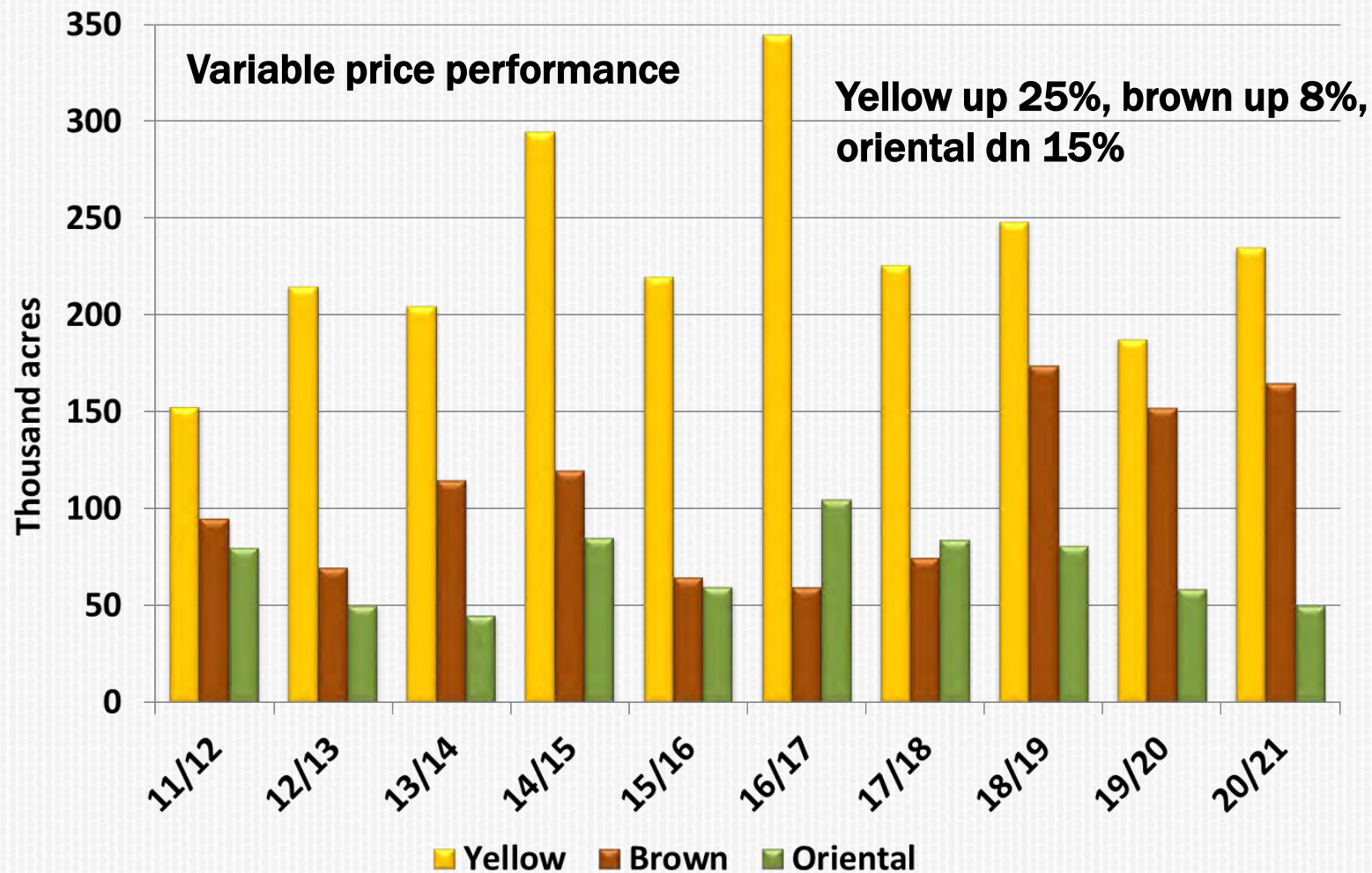
# 2020 GROSS MARGIN PROJECTIONS



# NEW CROP ACREAGE FORECAST

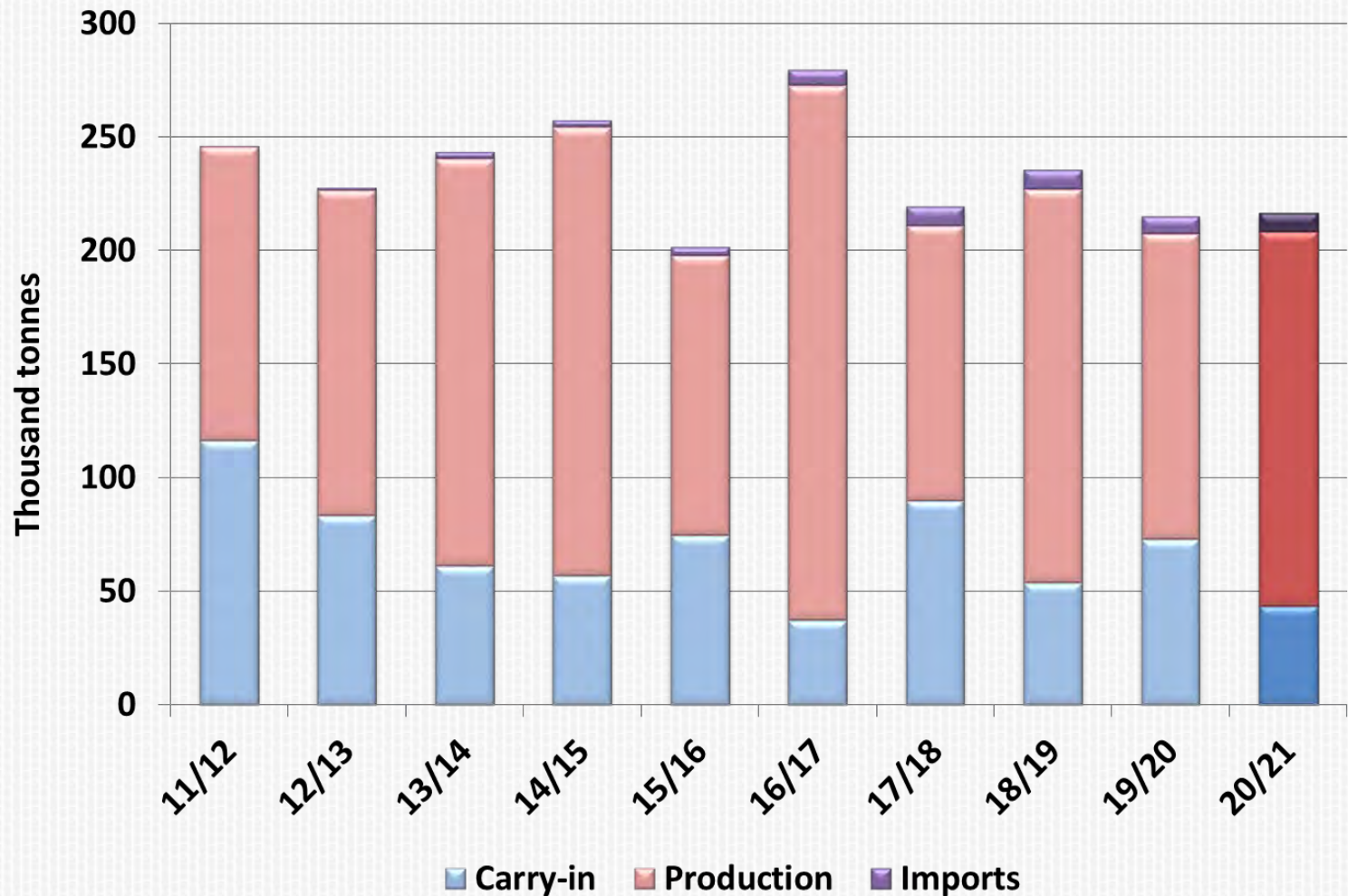


# NEW CROP ACREAGE FORECAST





# CANADIAN MUSTARD SUPPLIES



# MUSTARD MARKET OUTLOOK

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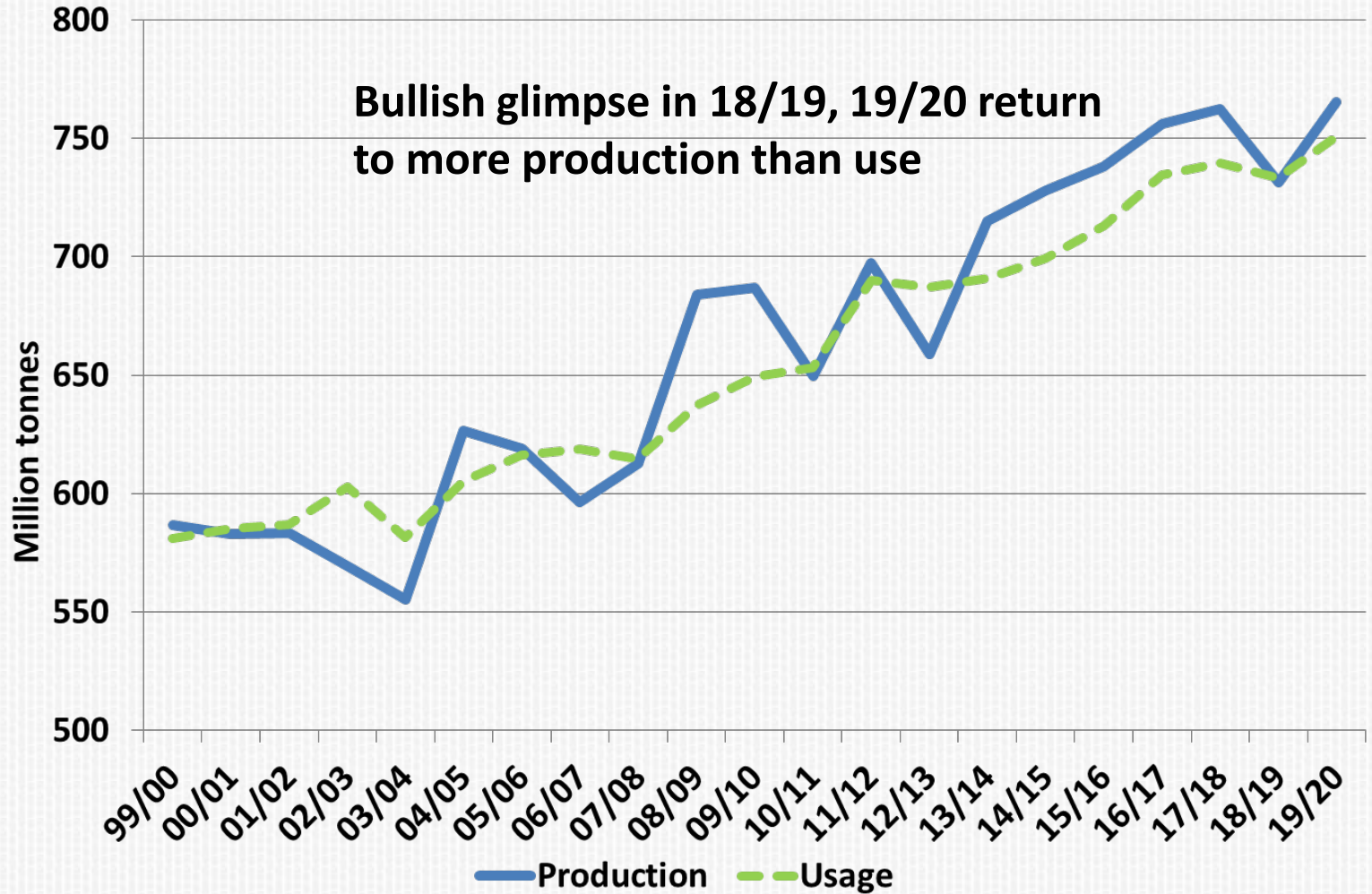
## ✖ Rest of 2019/20

- + Comfortable supplies of brown & oriental lower
- + Yellow tighter
- + Mediocre demand from Europe and US
- + Seasonal bid behaviour, floor from reluctant farmer selling

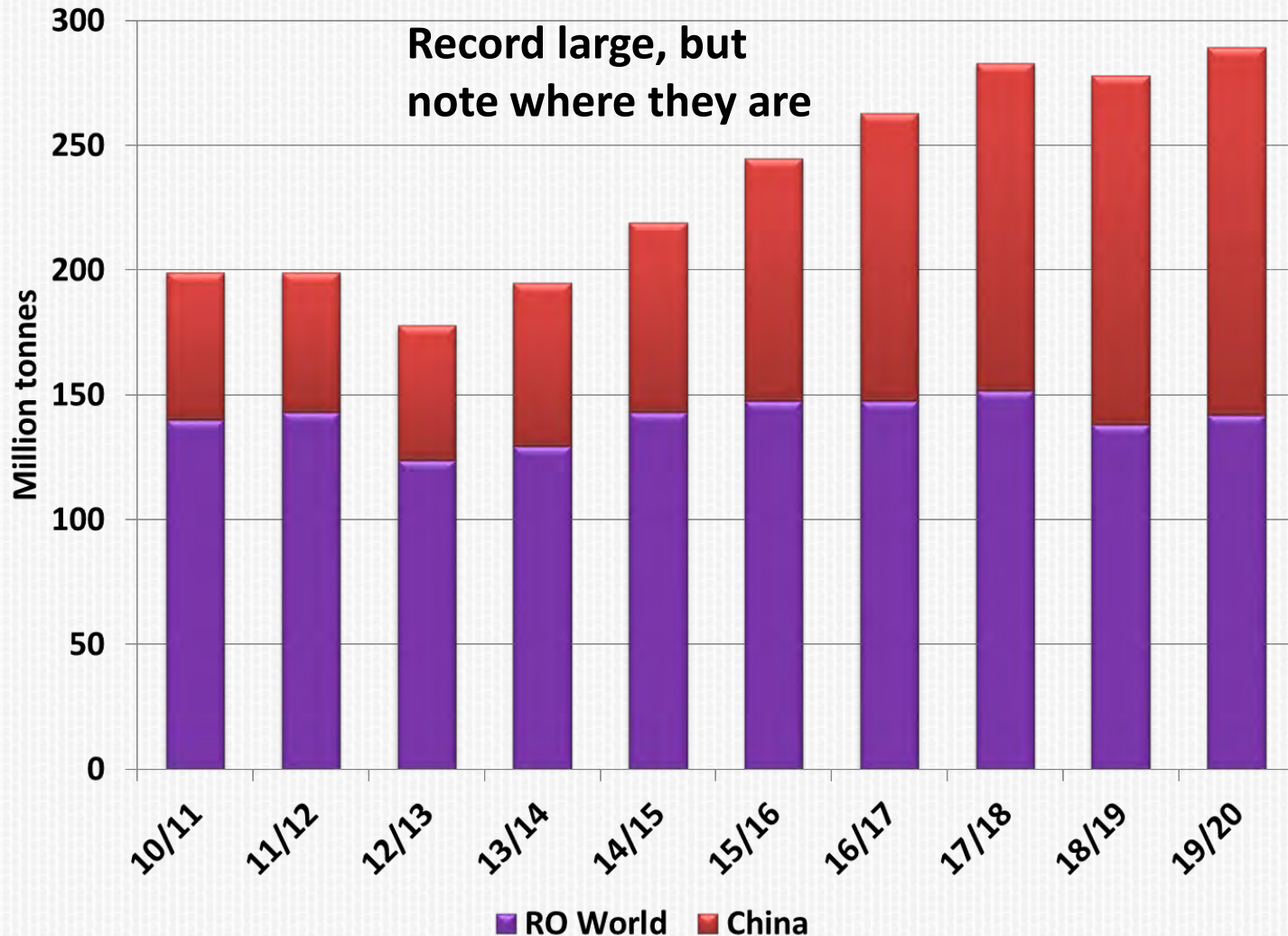
## ✖ In 2020/21

- + Acreage gains, especially yellow
- + Steady demand
- + Prices will remain steady (assuming avg yields)

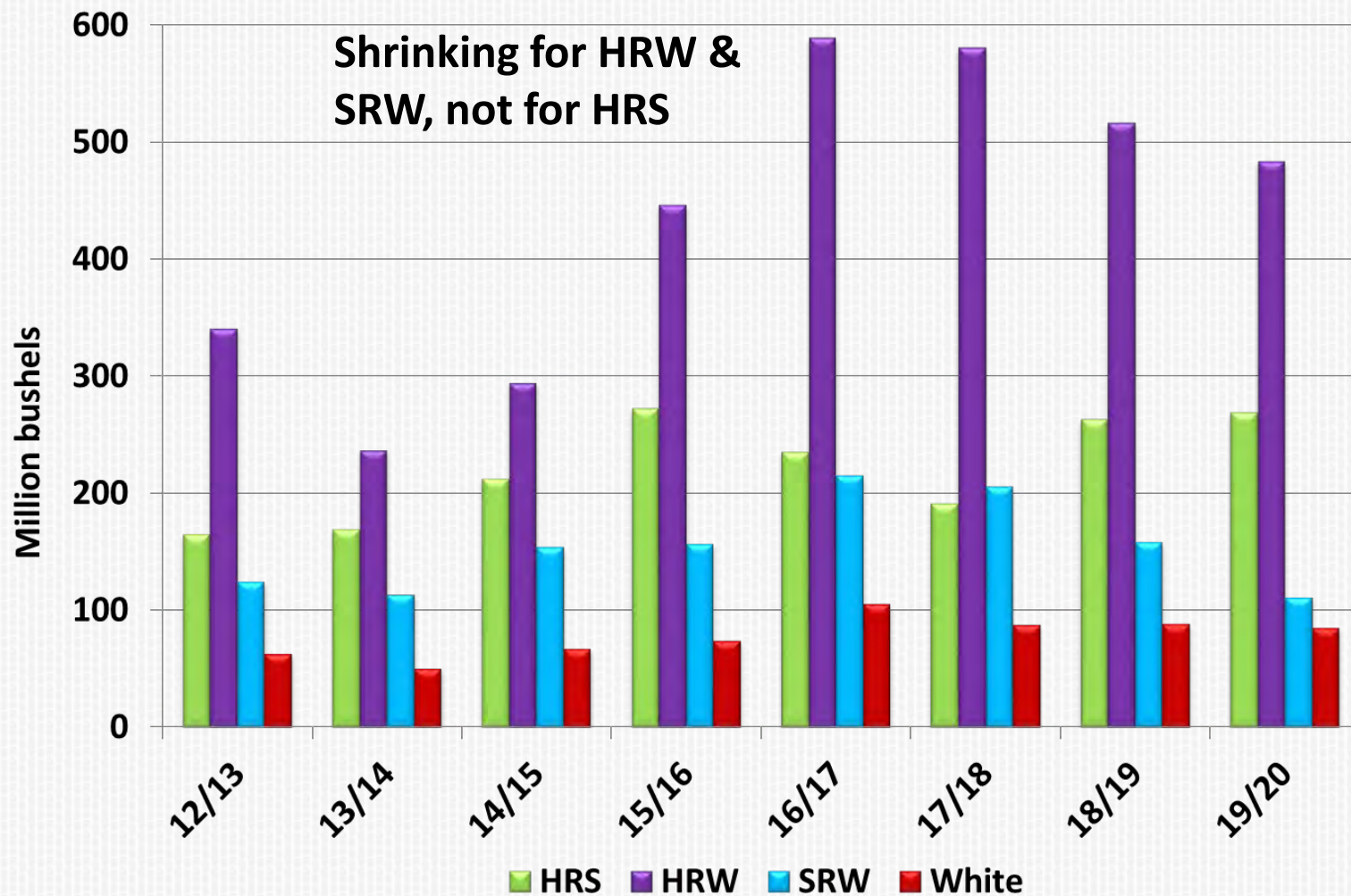
# BEARISH SENTIMENT FOR WHEAT



# WORLD WHEAT ENDING STOCKS

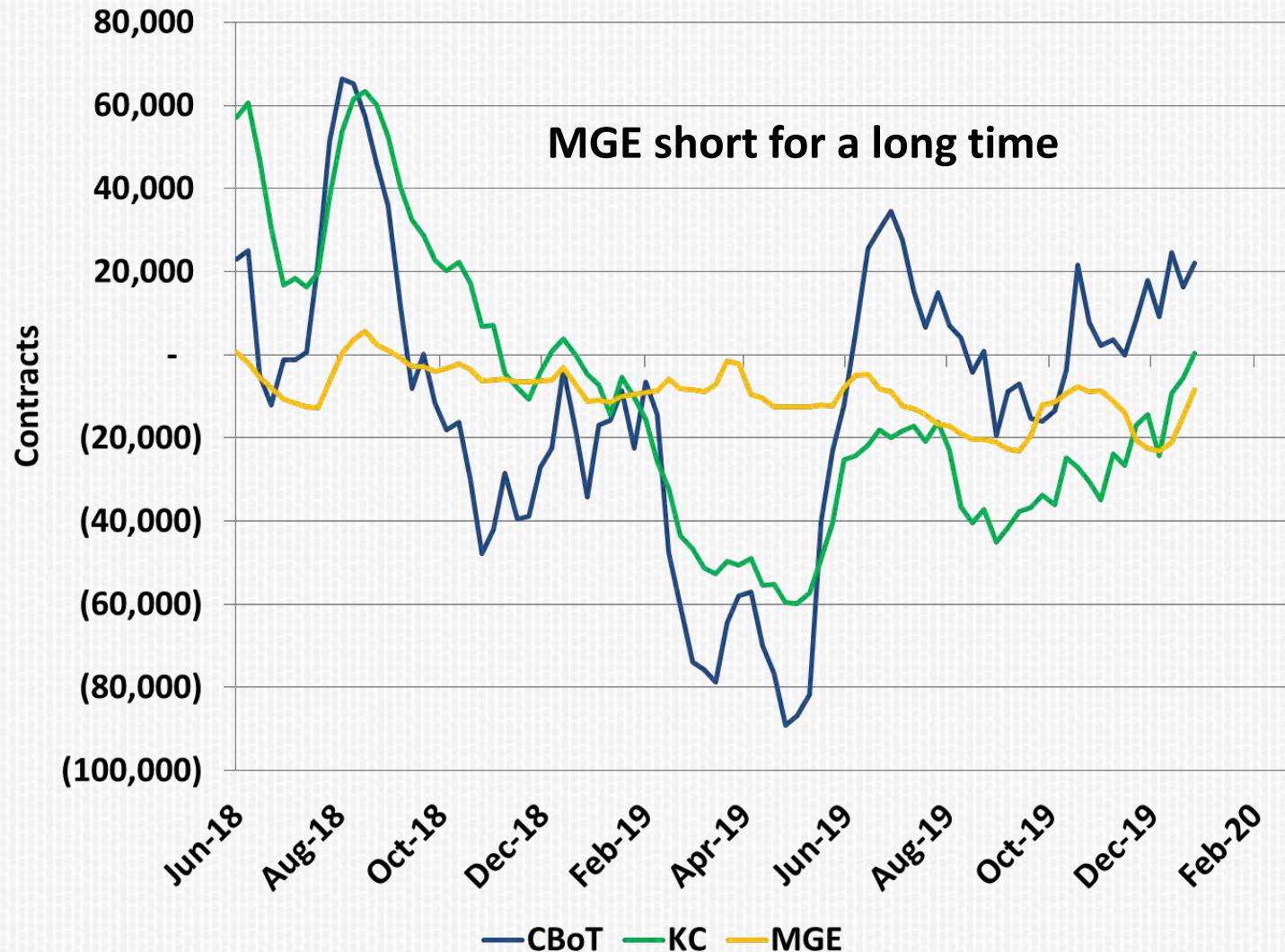


# US WHEAT ENDING STOCKS

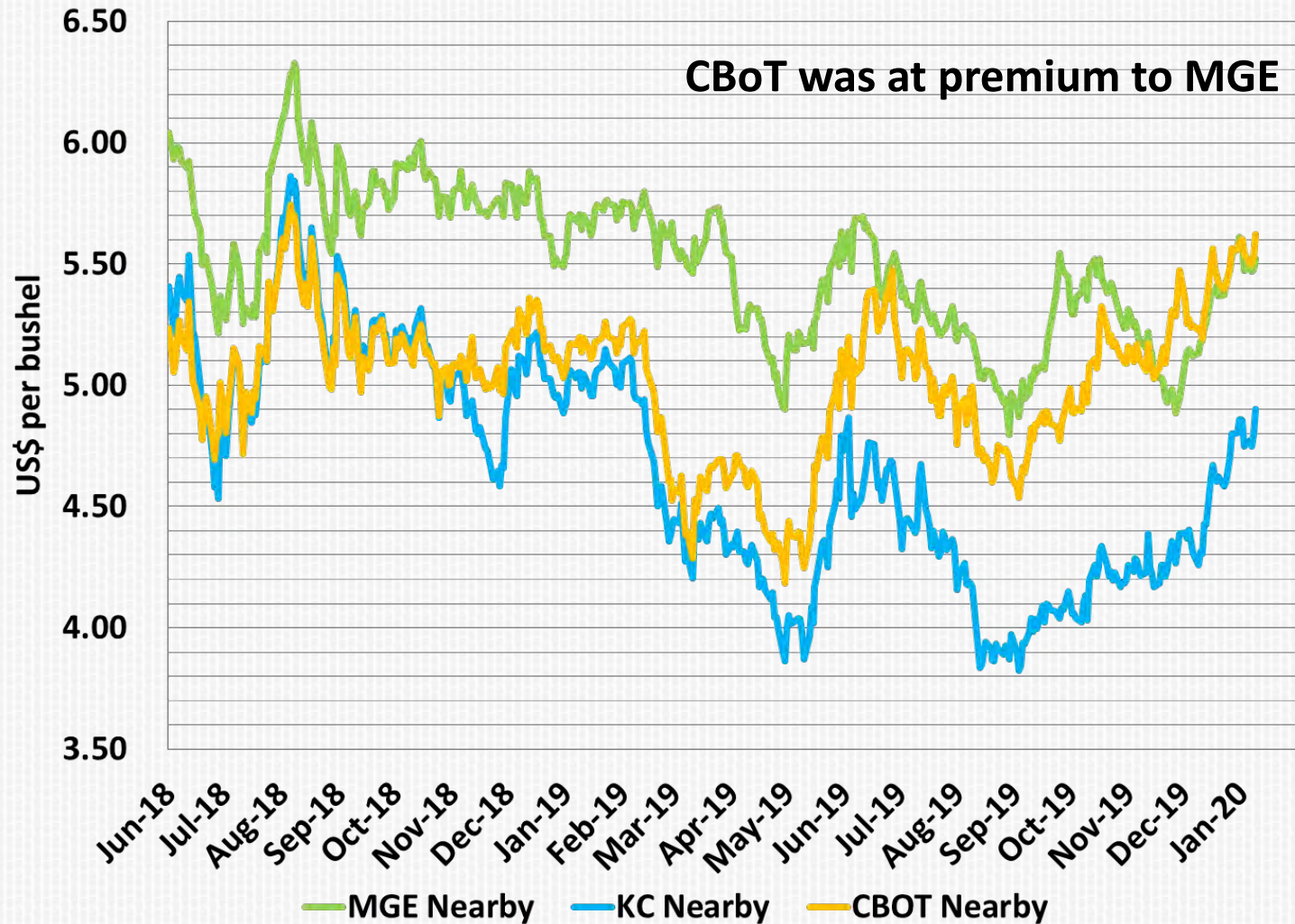




# FUND POSITION IN WHEAT FUTURES



# WHEAT FUTURES PERFORMANCE

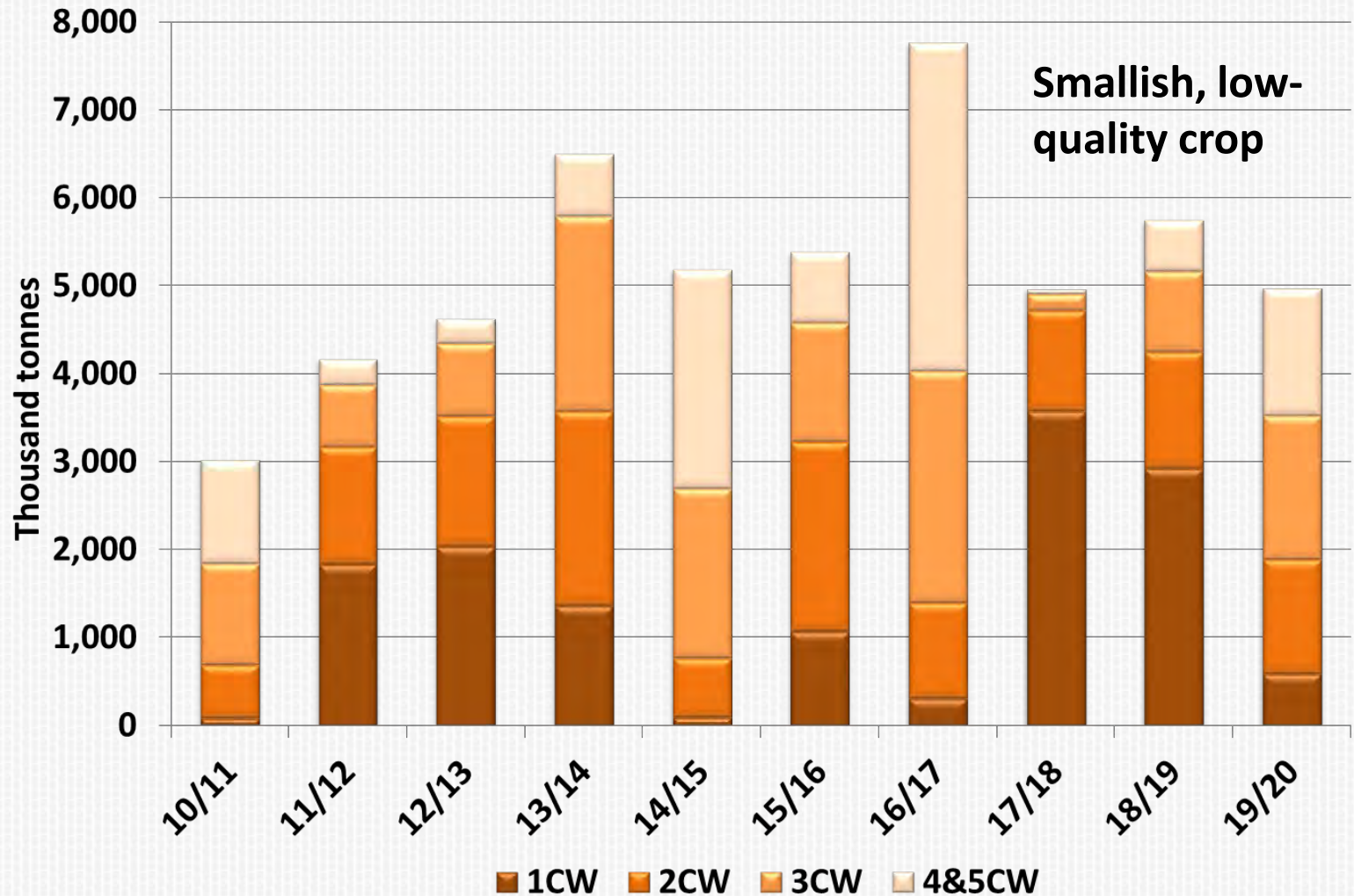


# WHEAT OUTLOOK

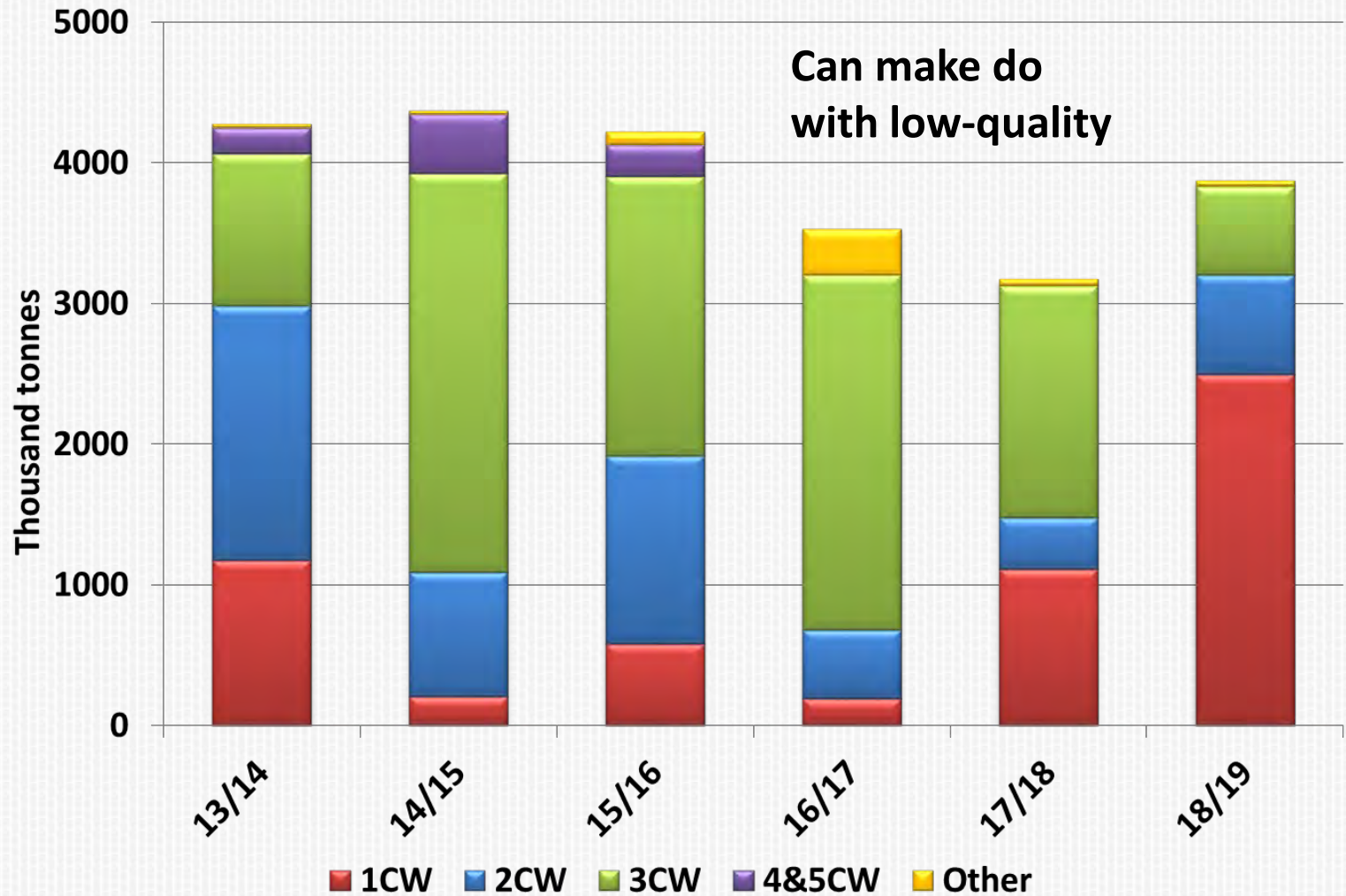
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- ✖ 2019/20 ending stocks not huge (other than China)
- ✖ Seeded area of winter wheat down in US
- ✖ Next info will be winter wheat condition (Mar/Apr)
  - + US, Black Sea, EU
- ✖ Canadian acreage down?
- ✖ Outlook mostly firmer

# CANADIAN DURUM PRODUCTION

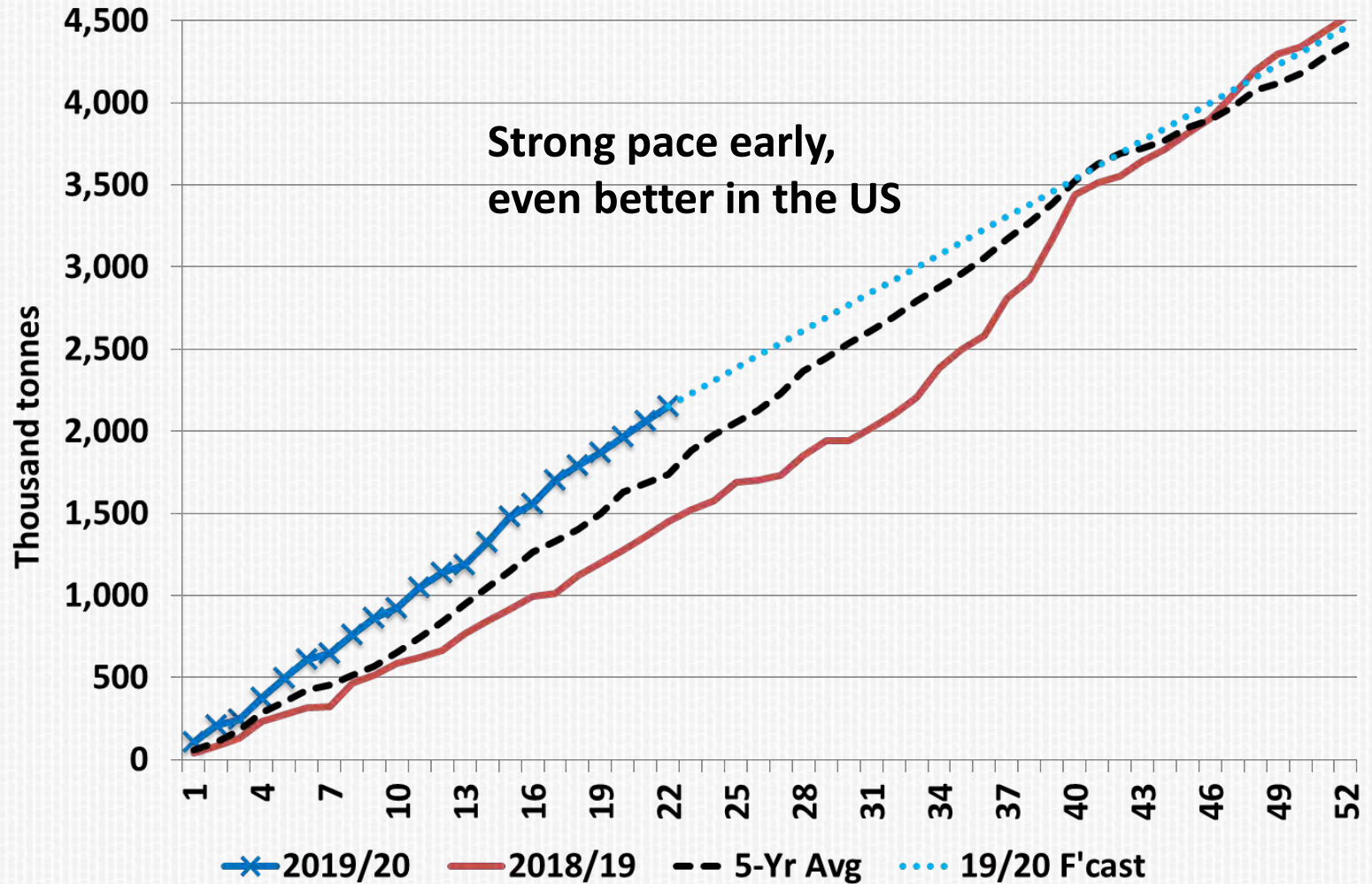


# CANADIAN DURUM EXPORTS BY GRADE

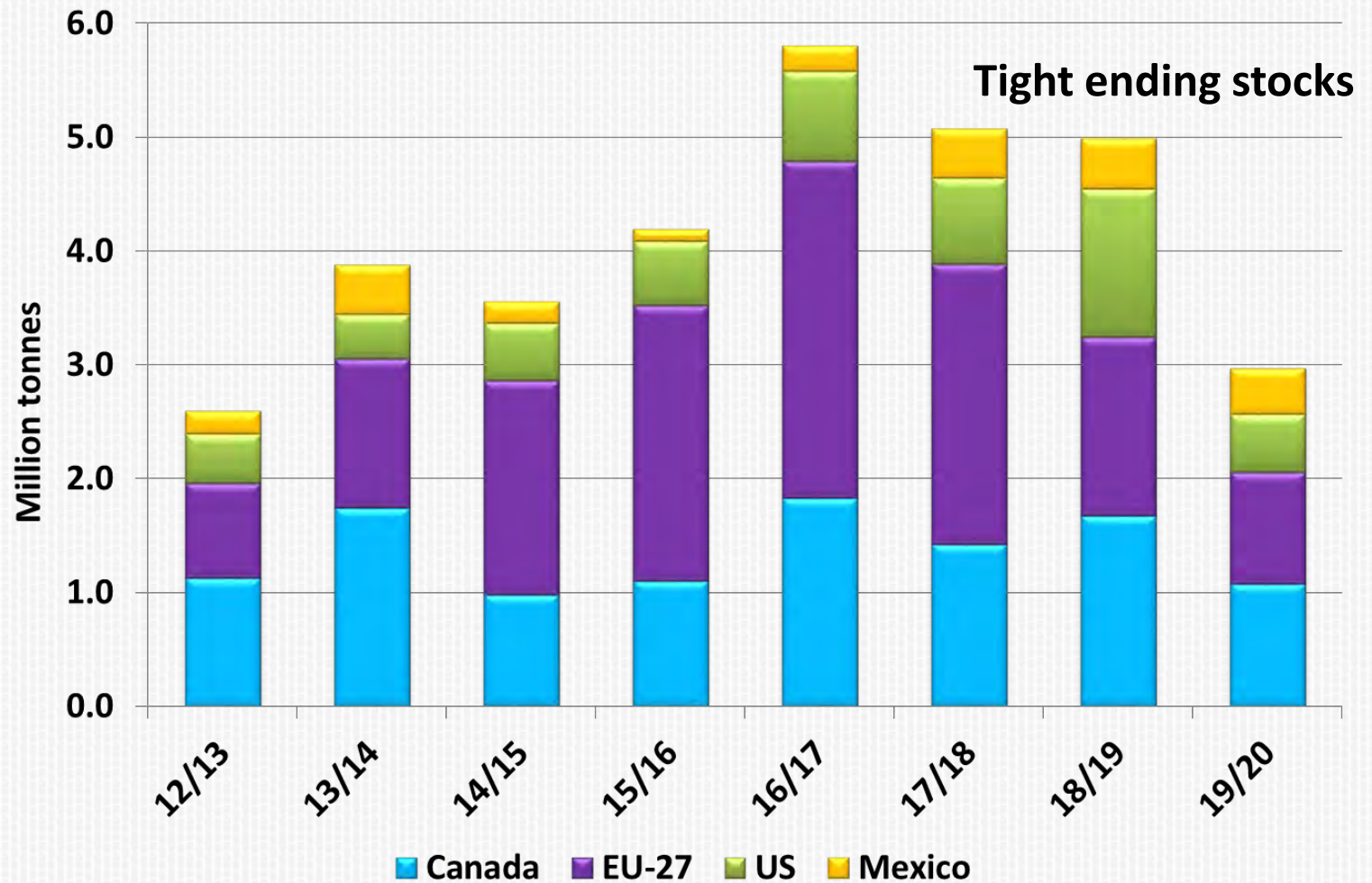




# CANADIAN DURUM EXPORTS



# MAJOR EXPORTER DURUM STOCKS

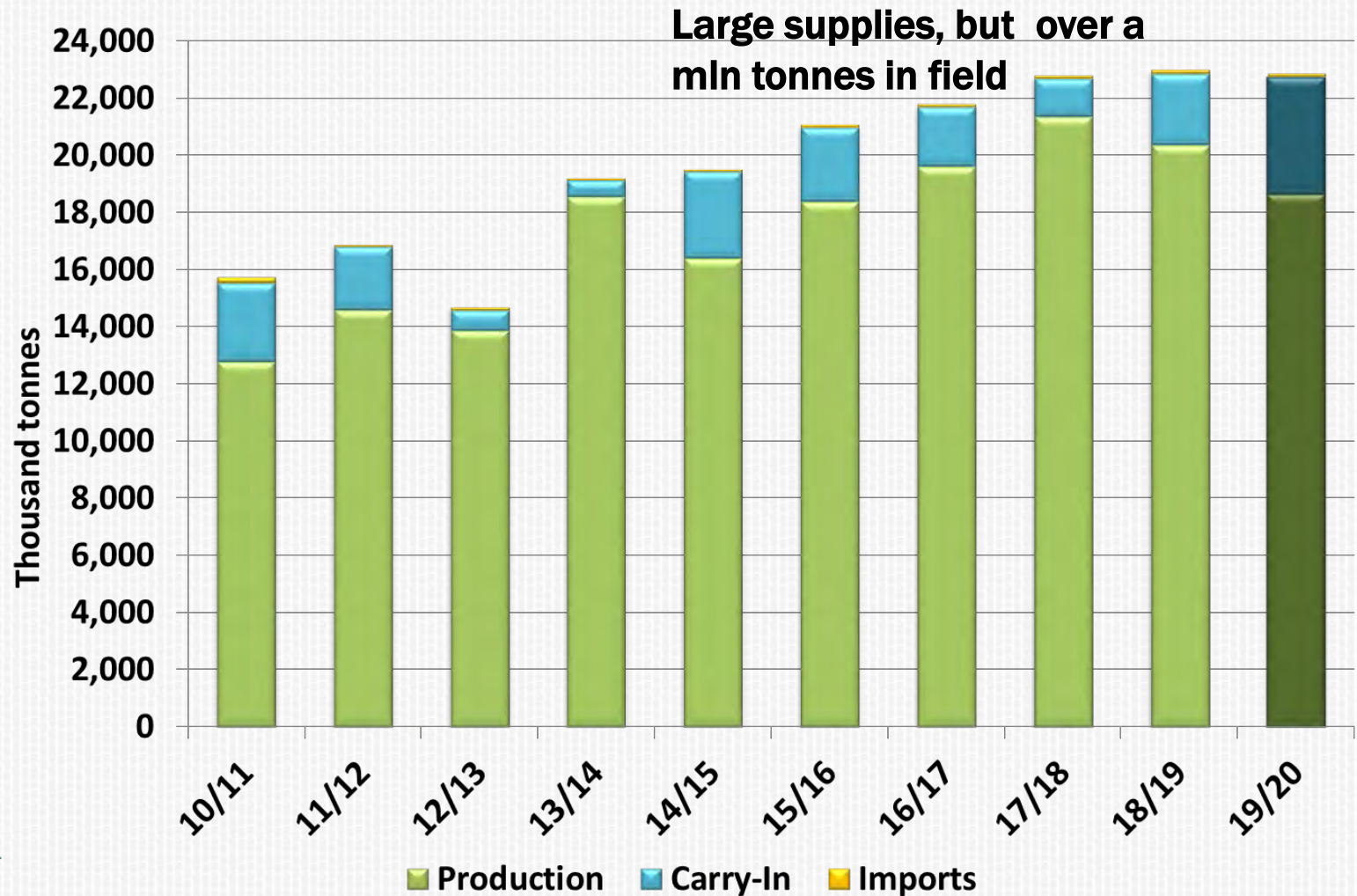


# DURUM OUTLOOK

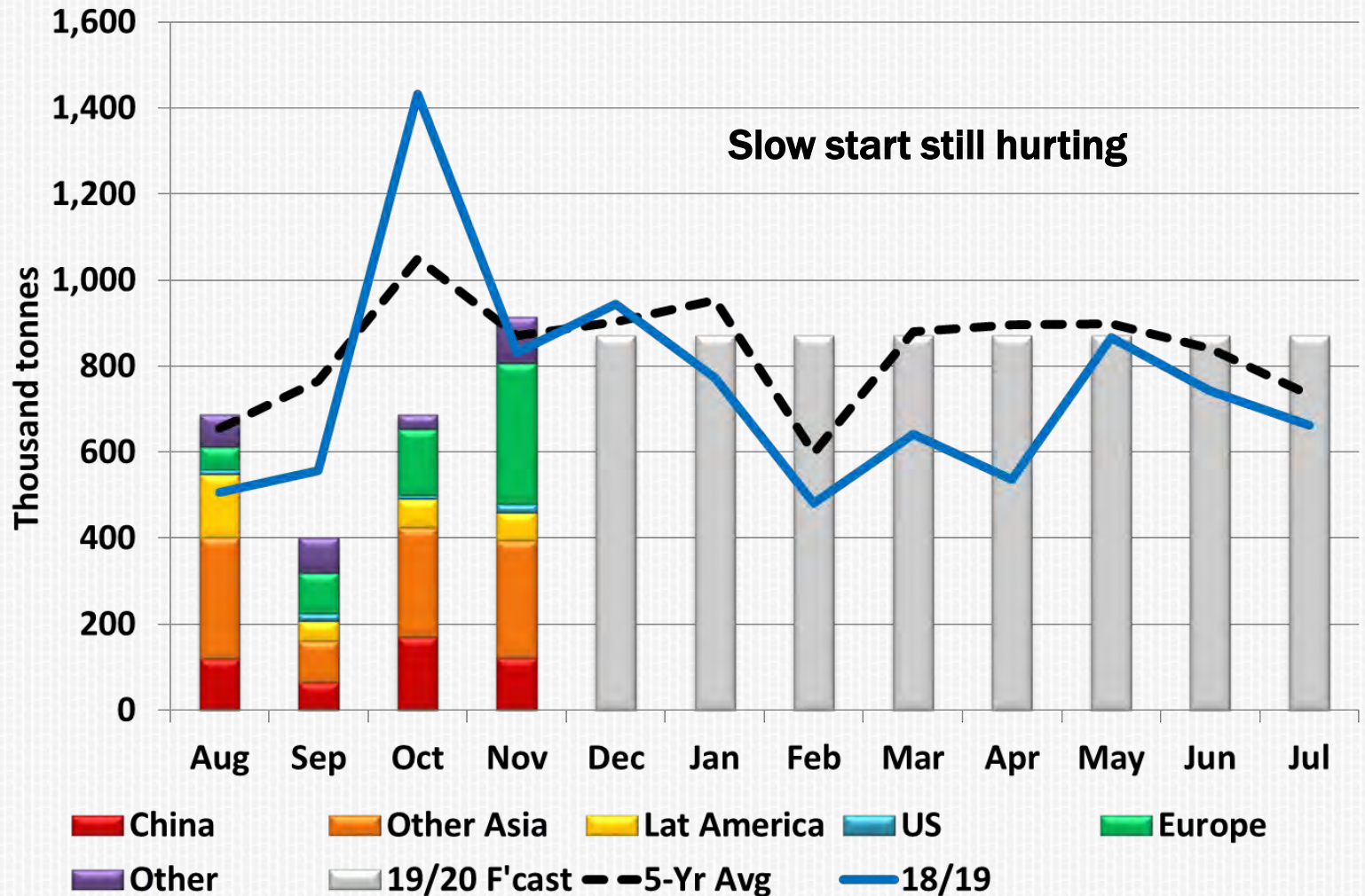
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- ✖ Supplies have been comfortable, but are tightening
- ✖ Canadian acreage response?
- ✖ Modest bounce in EU acreage for 2020
- ✖ Good chance of strong Moroccan demand
  - + Second half of 2020

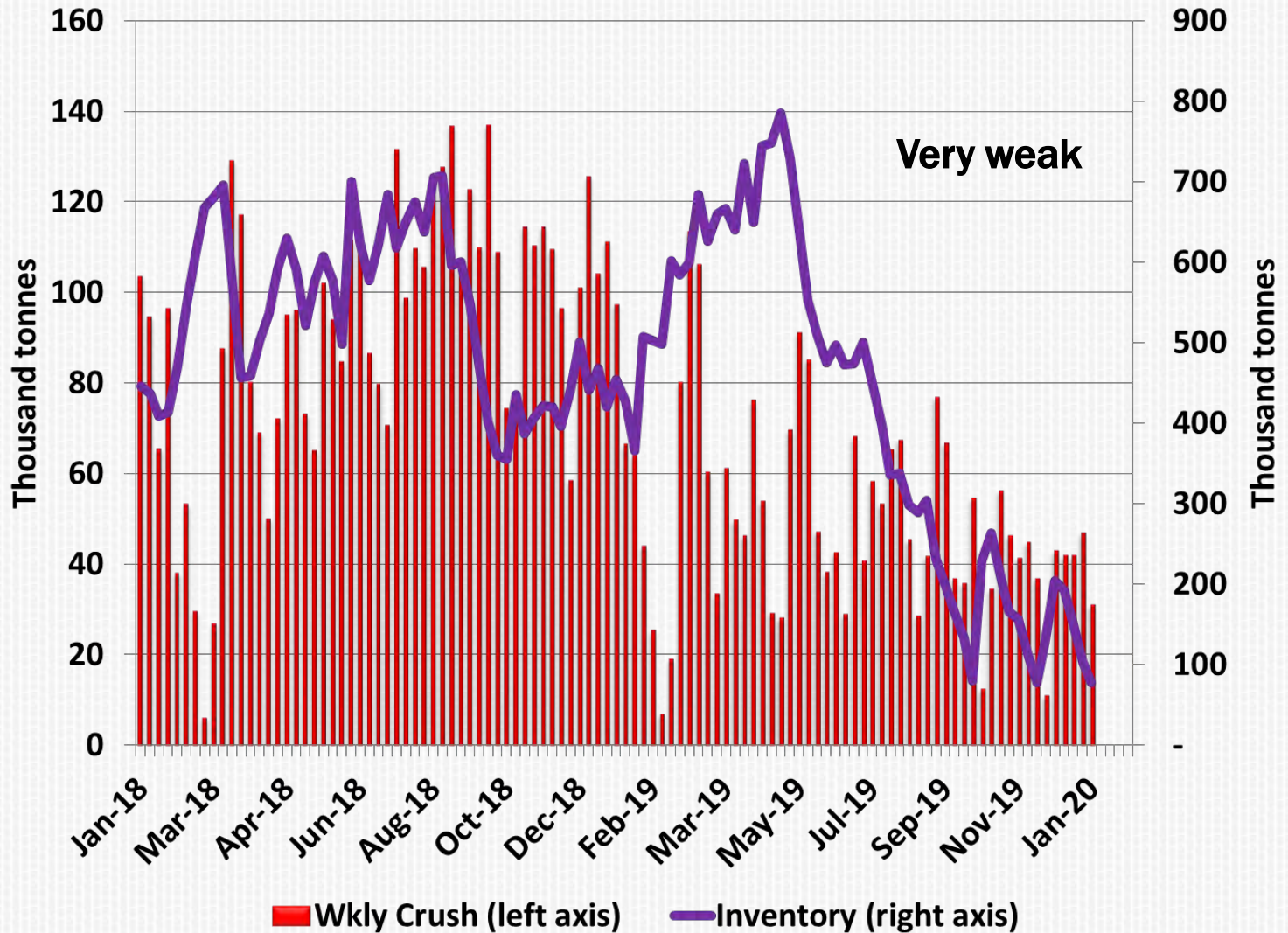
# CANADIAN CANOLA SUPPLIES



# CANADIAN CANOLA EXPORTS

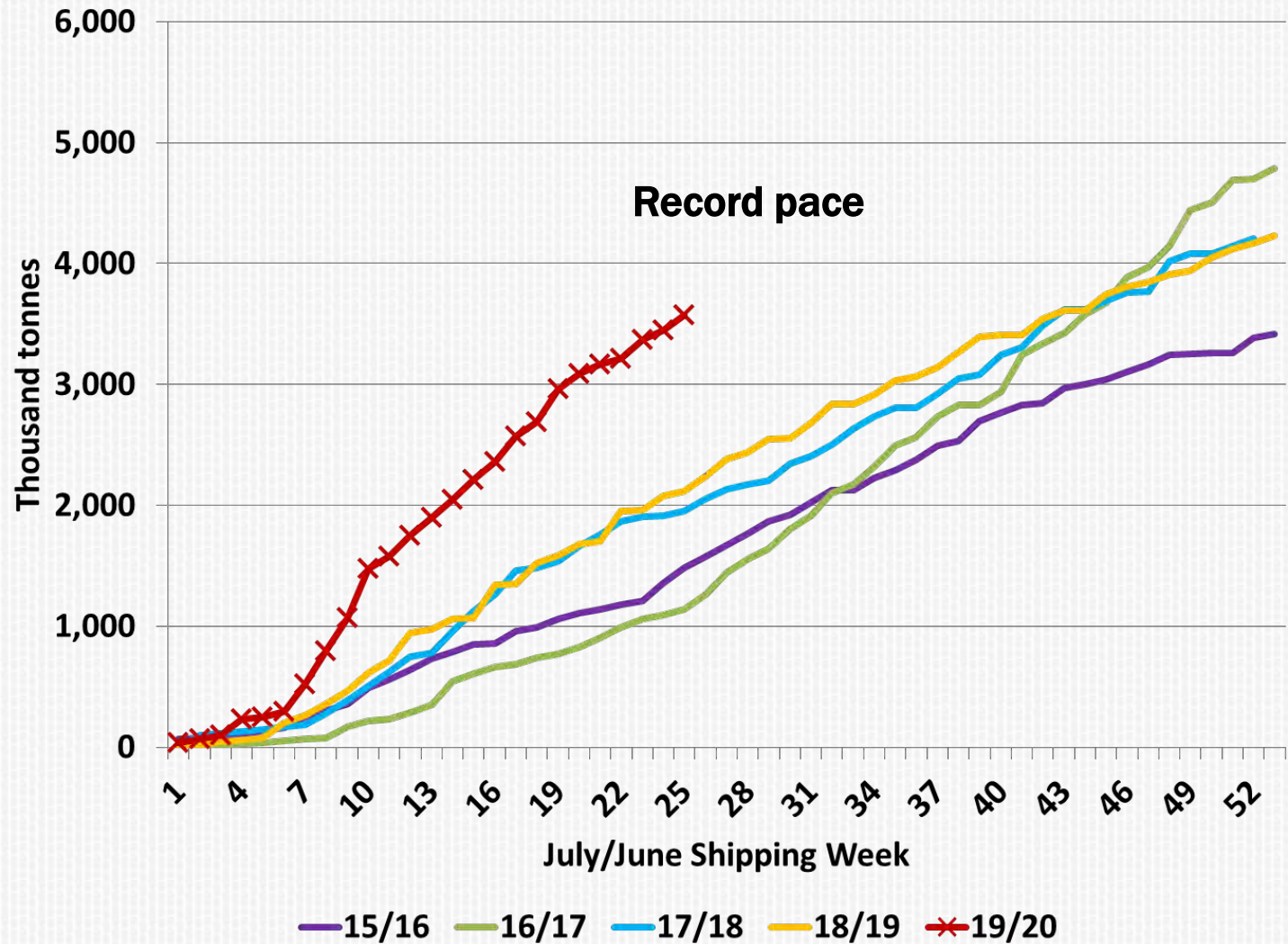


# CHINA RAPESEED CRUSH & STOCKS

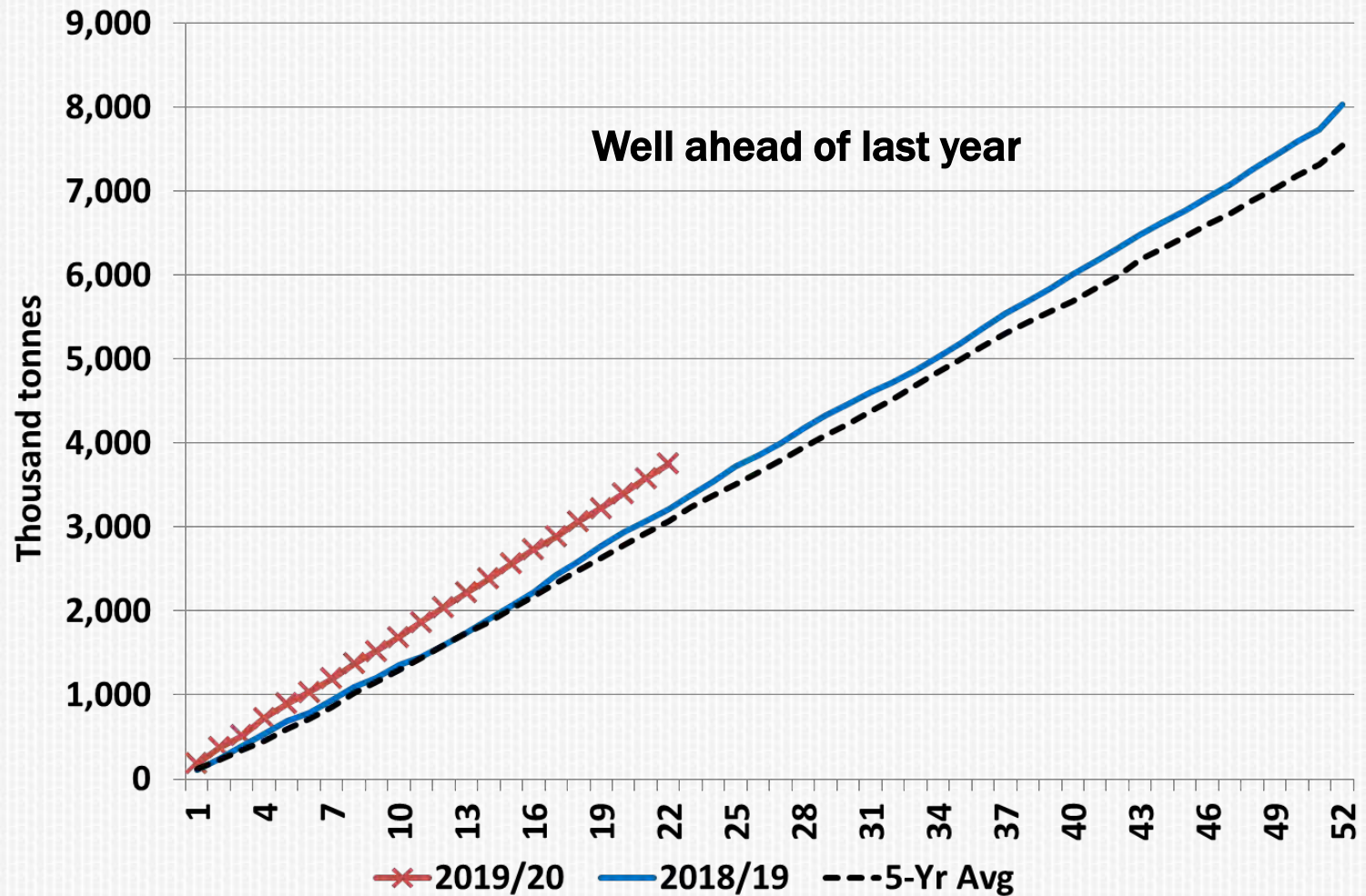




# EU RAPESEED IMPORTS



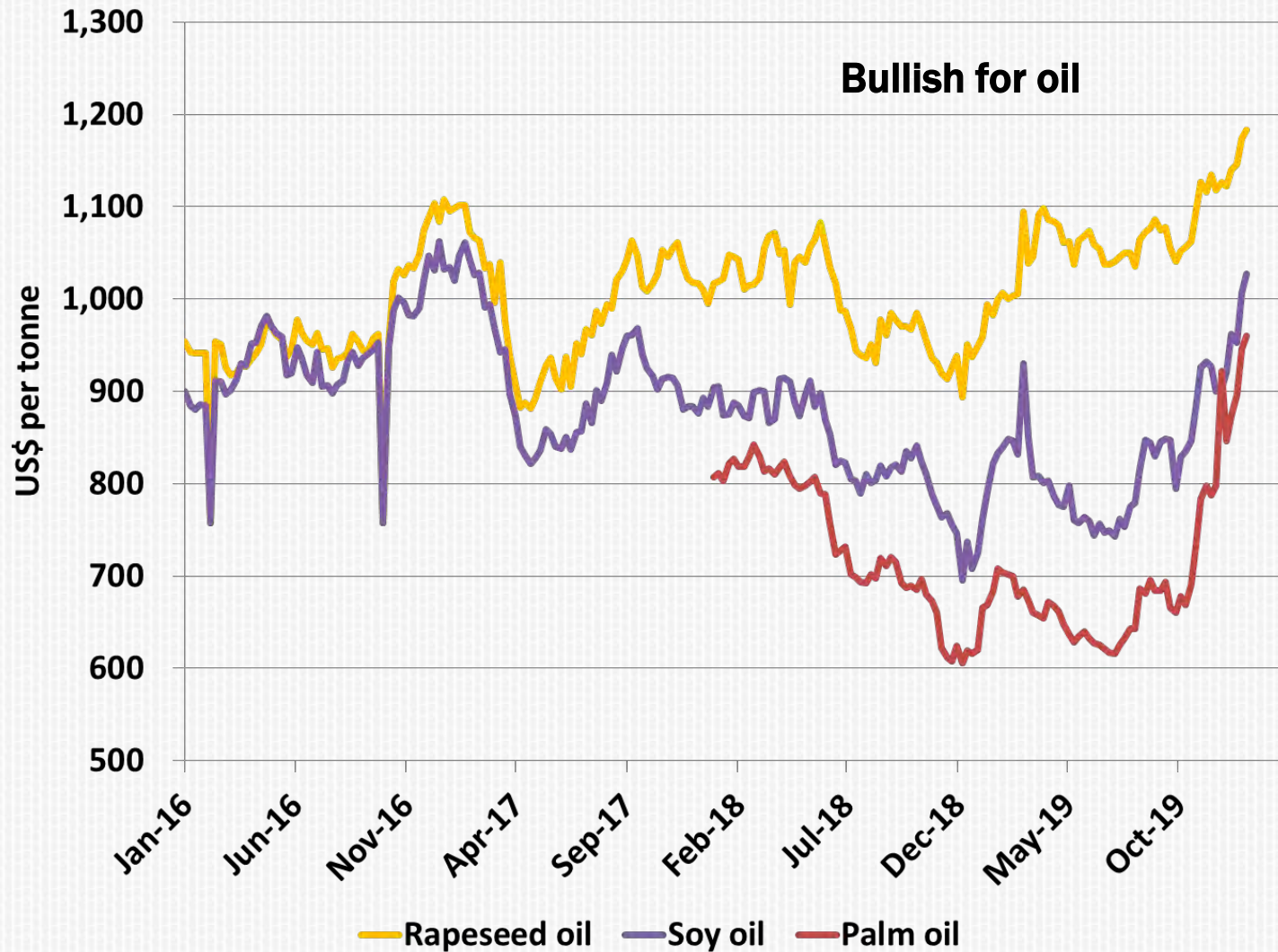
# CANADIAN (ESTIMATED) CANOLA CRUSH



# CANOLA ENDING STOCKS – CANADA



# VEG OIL PRICES – CHINA

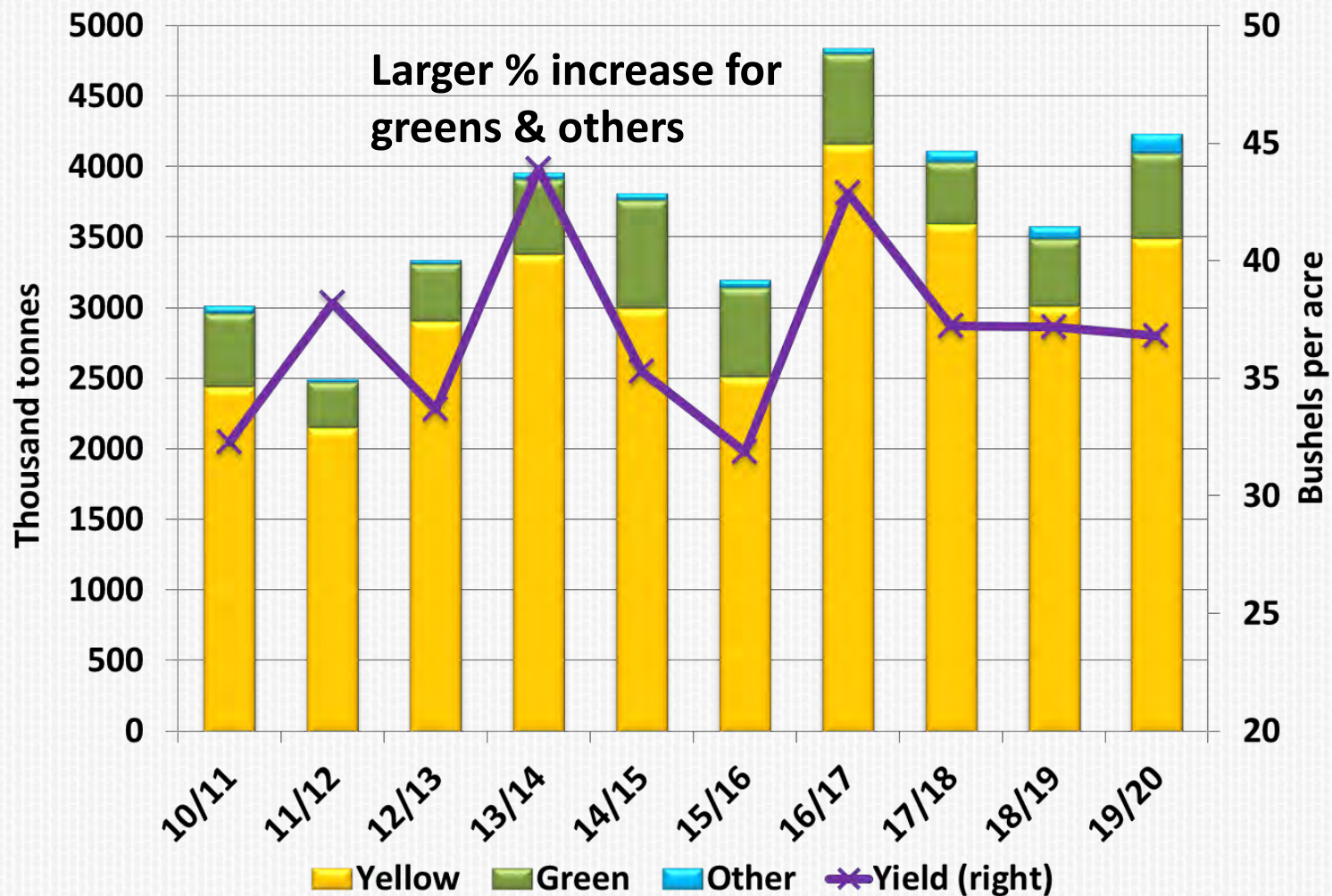


# CANOLA SITUATION

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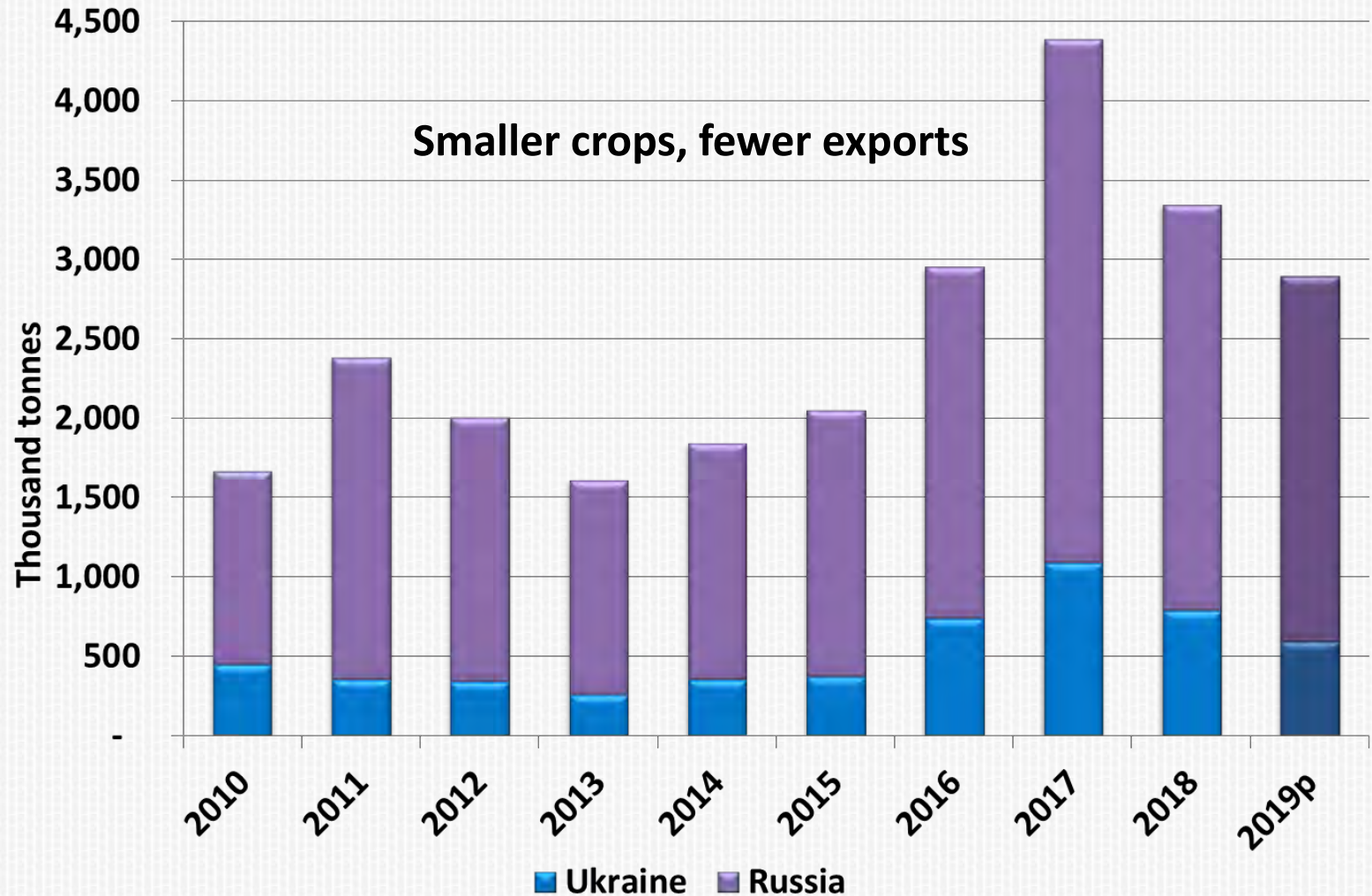
- ✖ Chinese buying slow
- ✖ EU & others picking up some slack
- ✖ Record crush pace, could top 10 mln tonnes
- ✖ Small EU & Aussie crops
- ✖ A bit less heavy ending stocks

# CANADIAN PEA PRODUCTION

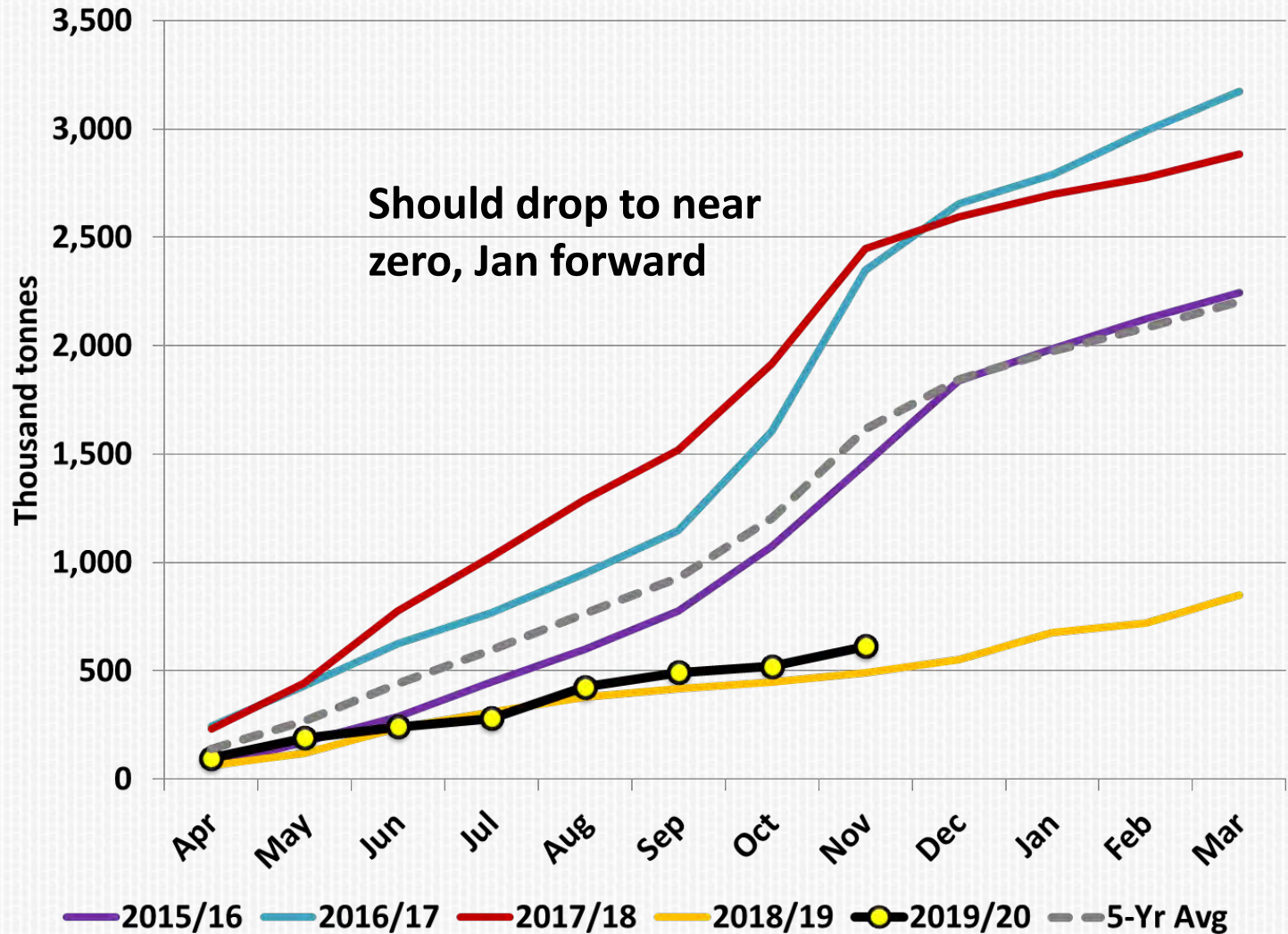




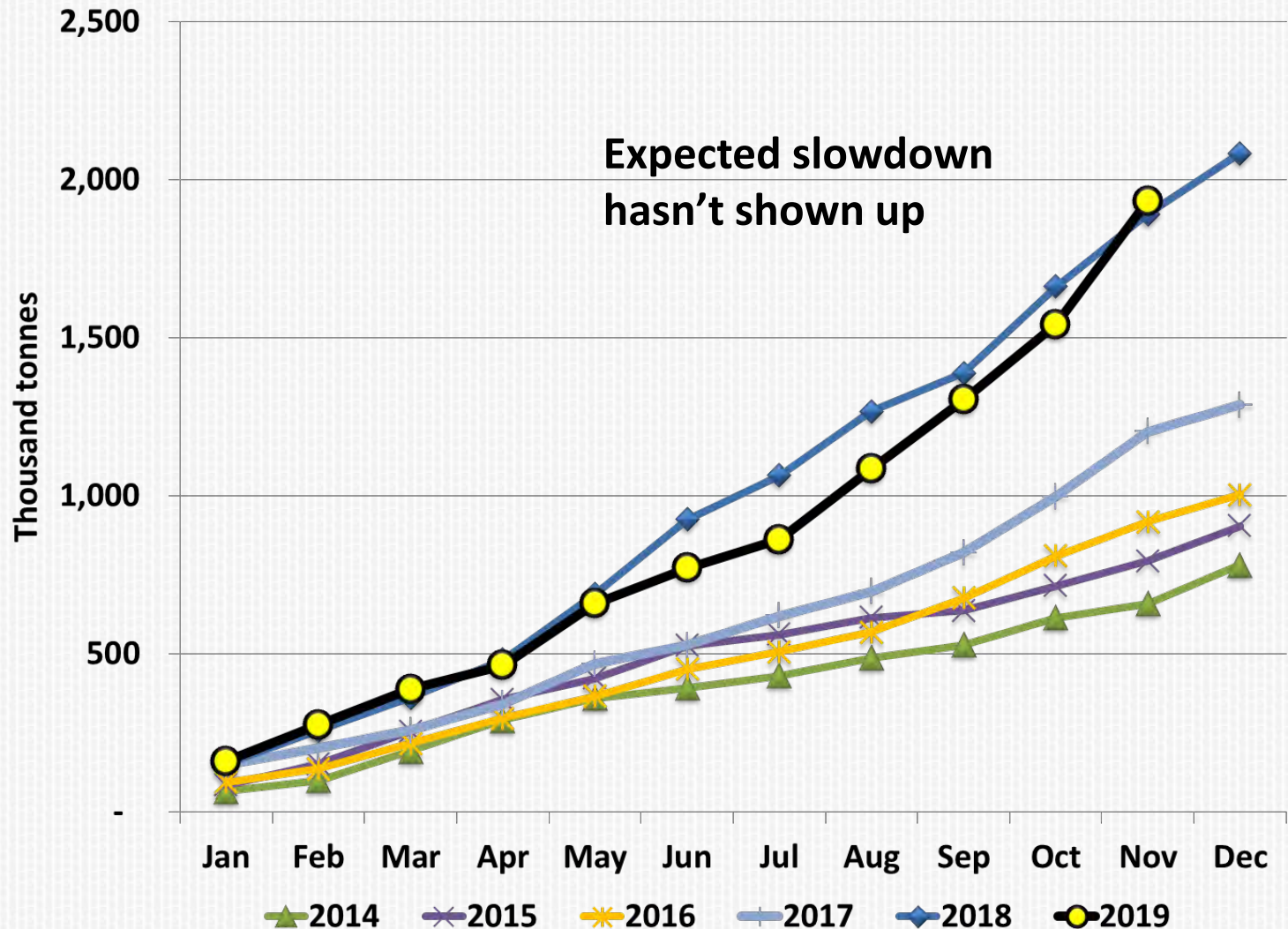
# BLACK SEA PEA PRODUCTION



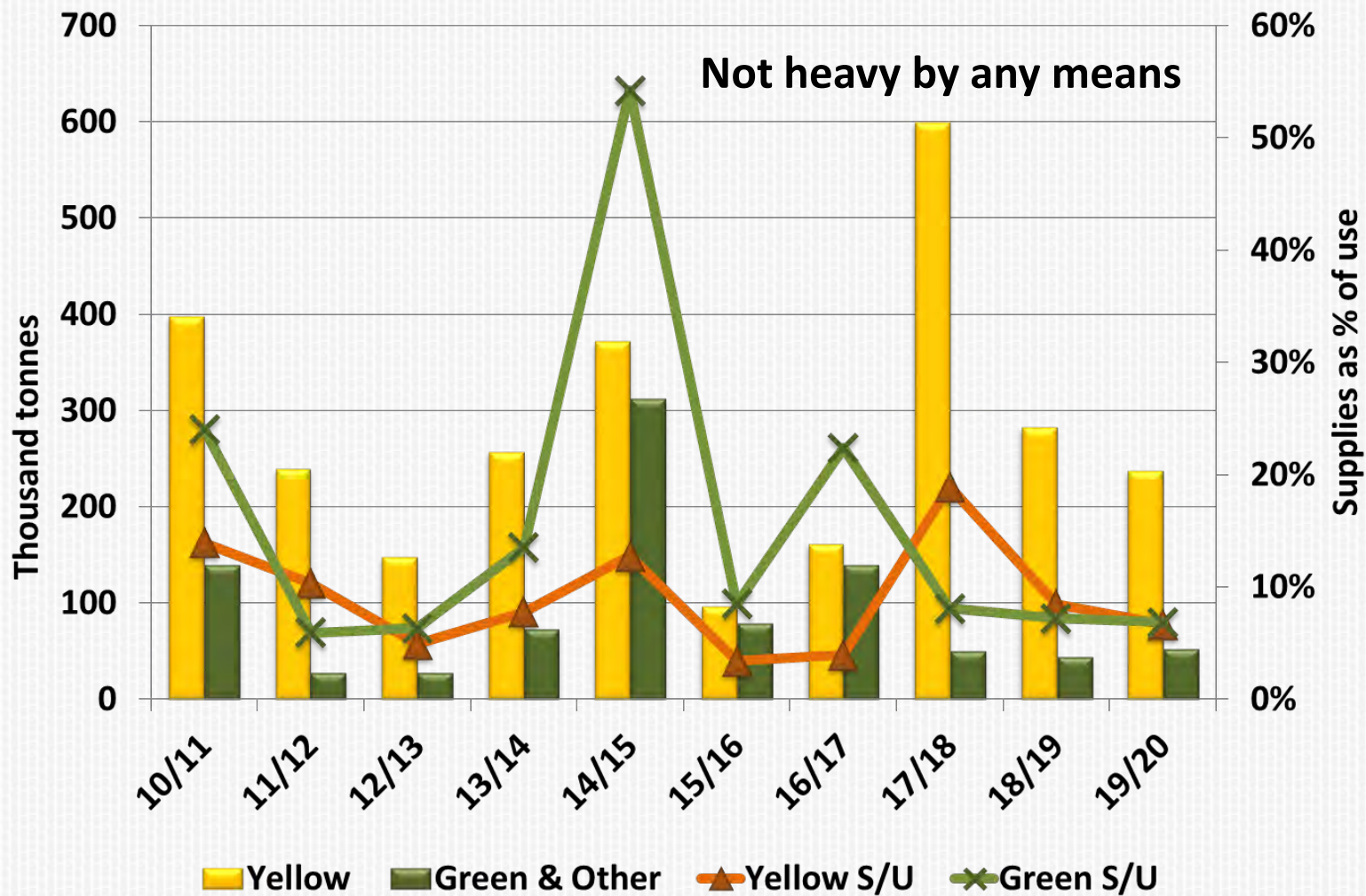
# PEA IMPORTS – INDIA



# PEA IMPORTS – CHINA



# CANADIAN PEA ENDING STOCKS

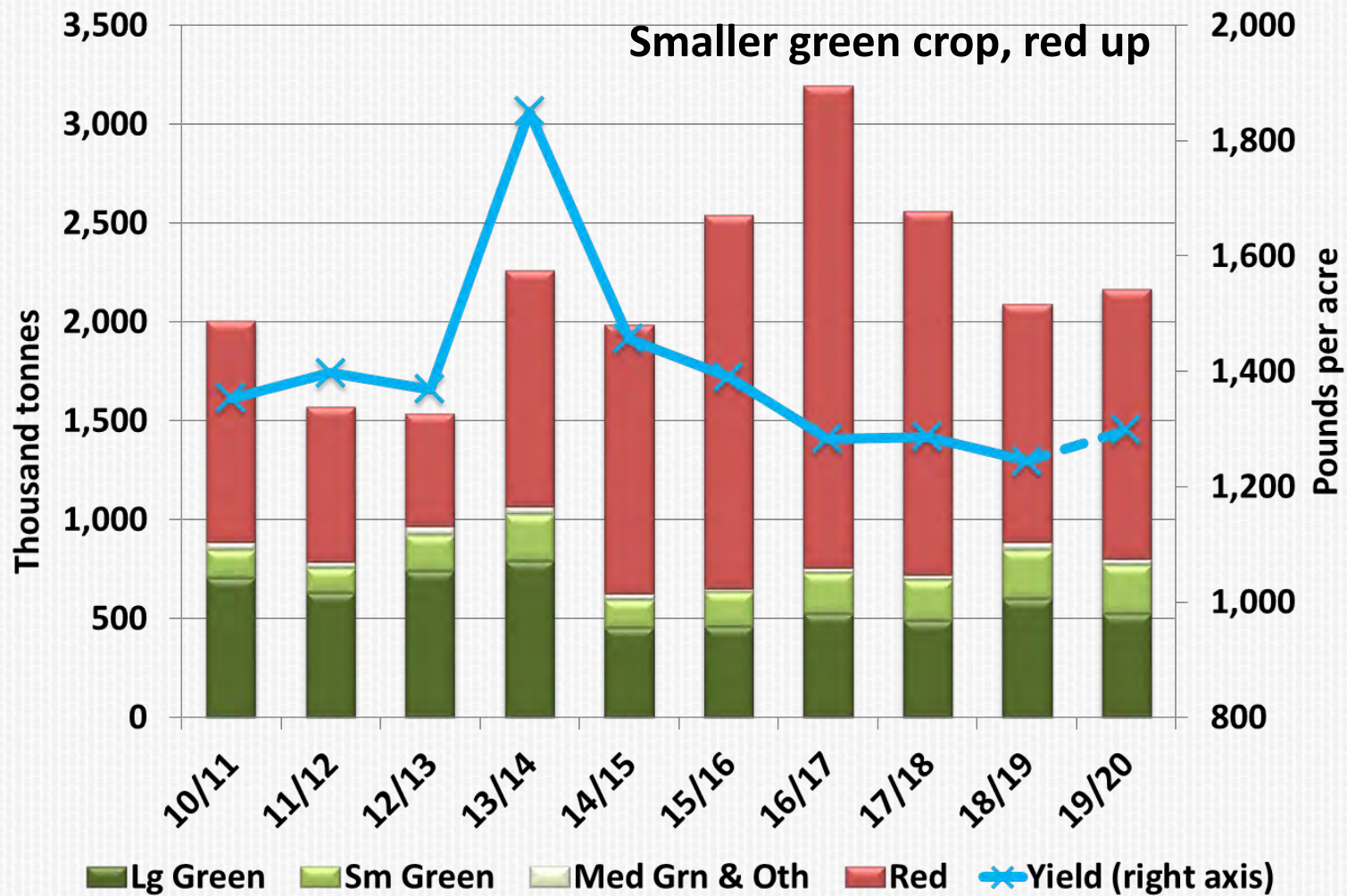


# PEA OUTLOOK

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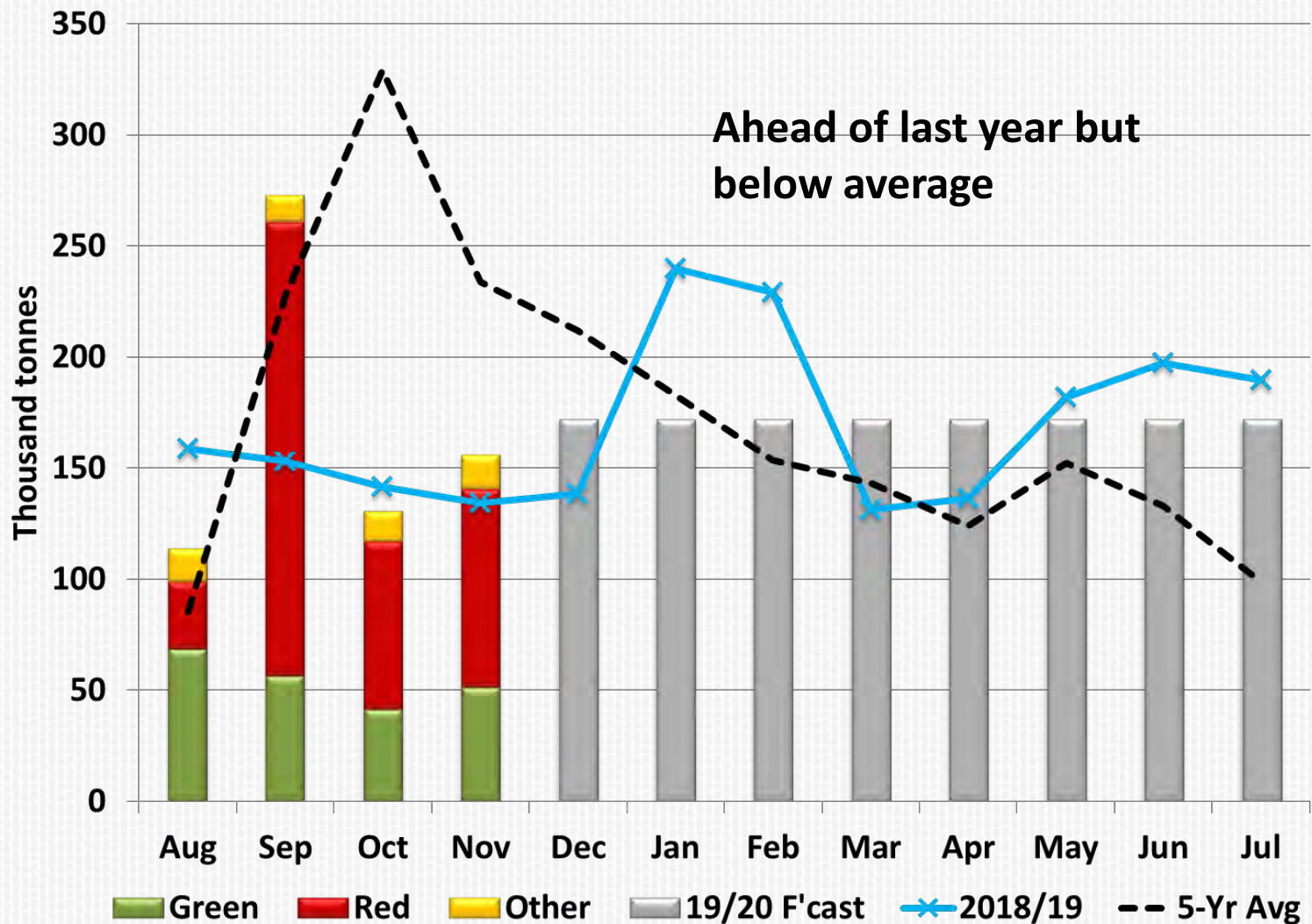
- ✖ Quality concerns, especially for greens
- ✖ China strong demand
- ✖ Poor Indian outlook
- ✖ Moderate ending stocks for 19/20
- ✖ Could tighten up a bit more, giving more price strength
- ✖ Steady(?) acres for 2020

# CANADIAN LENTIL PRODUCTION

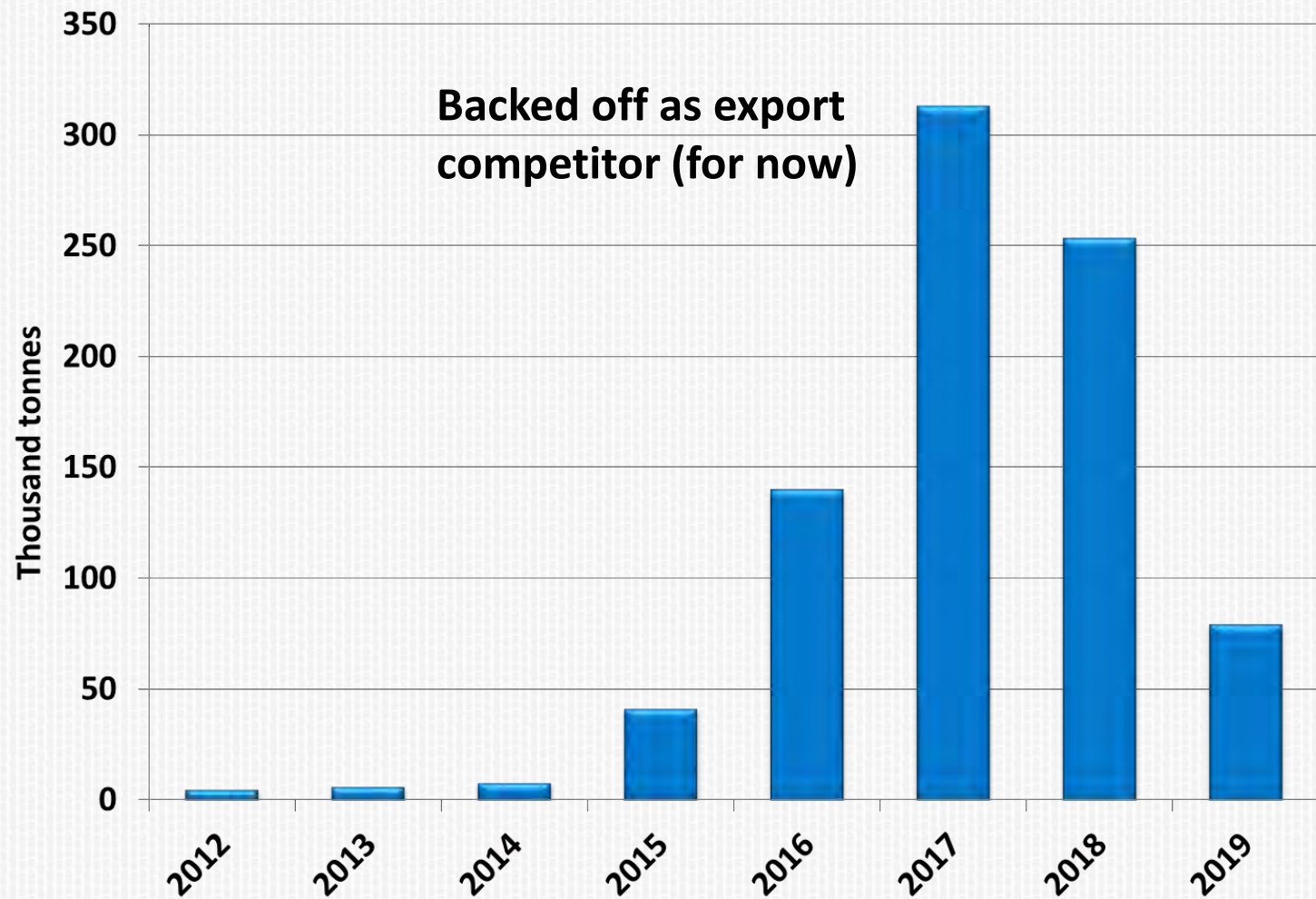




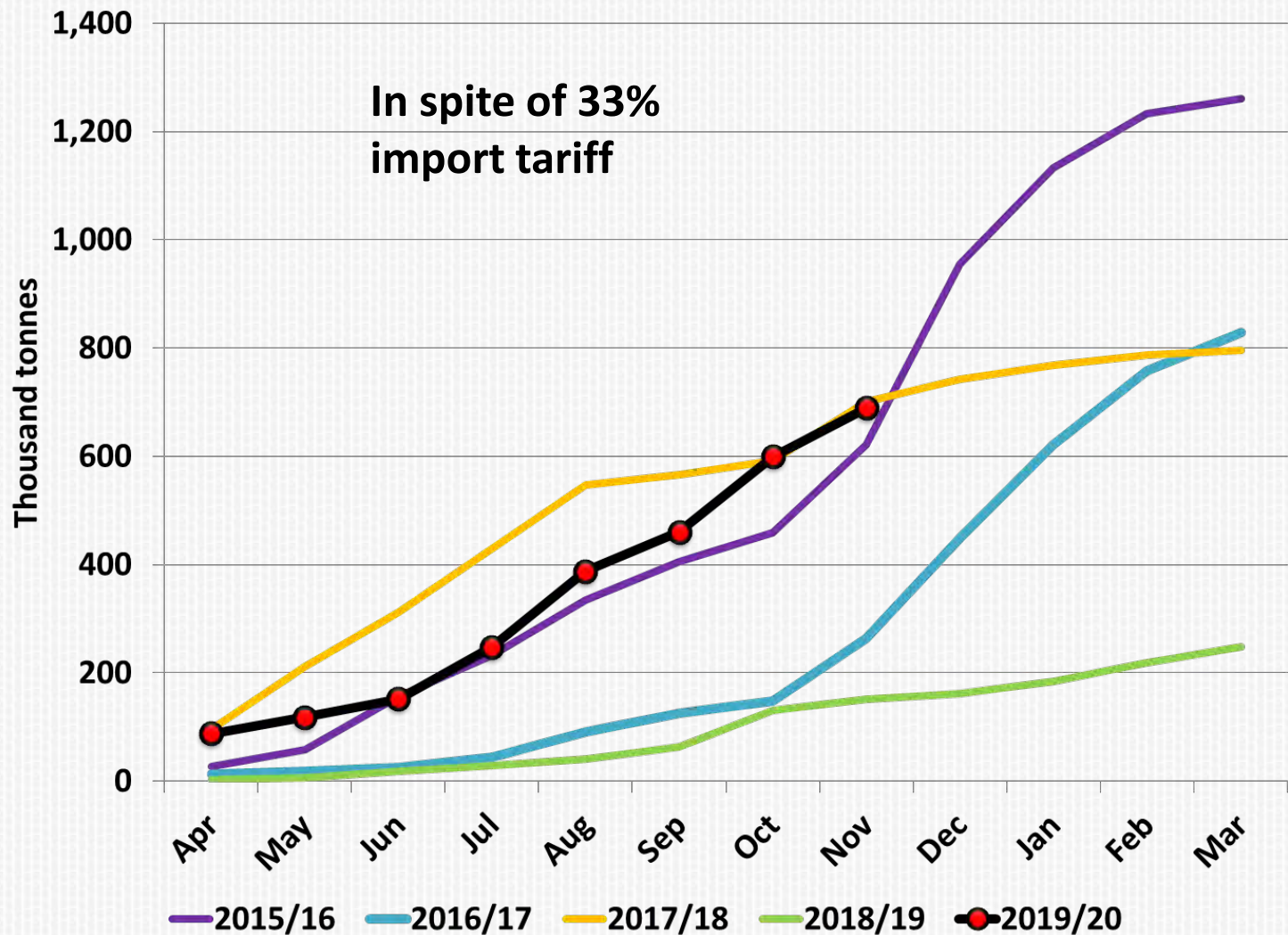
# CANADIAN LENTIL EXPORTS



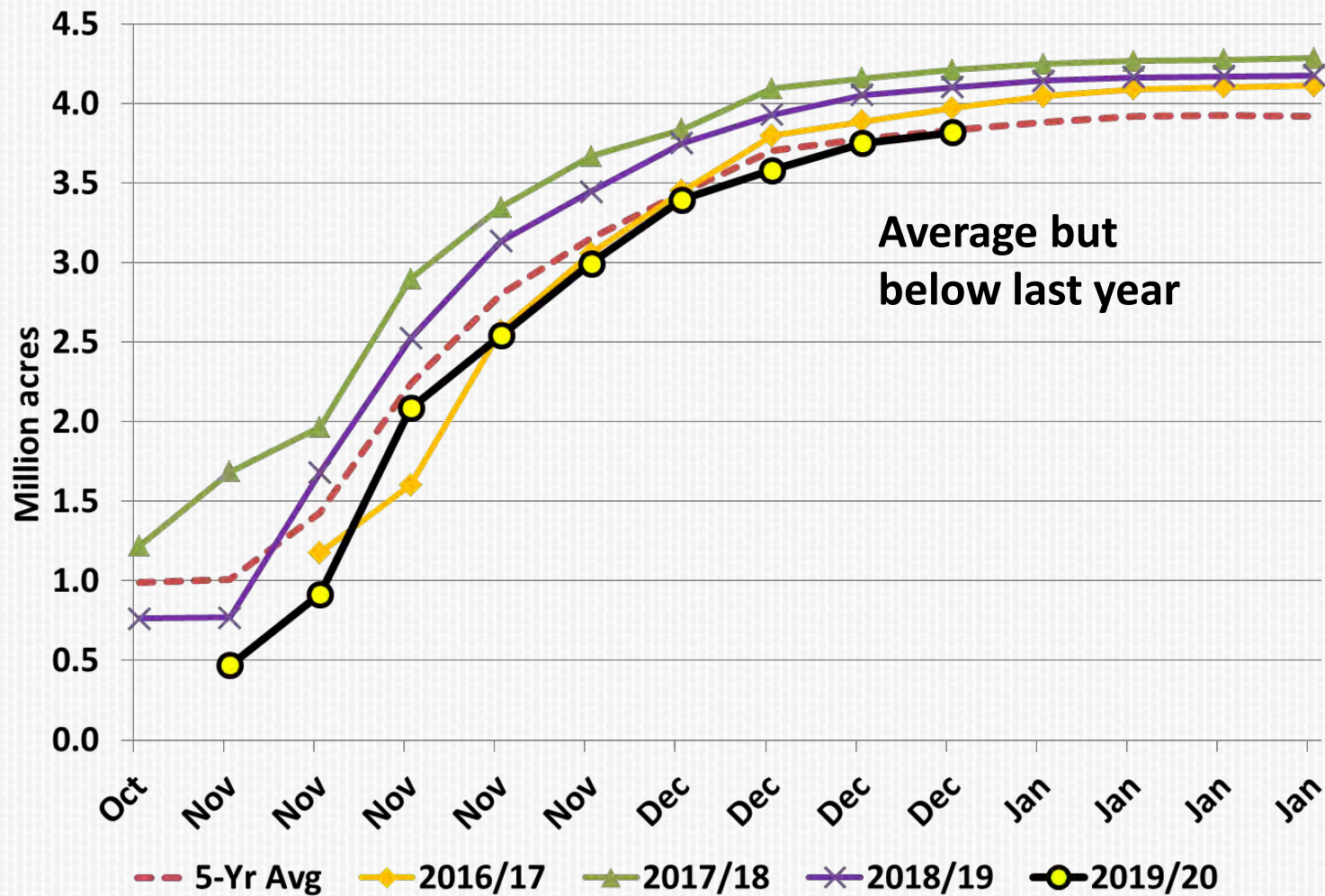
# LENTIL PRODUCTION – KAZAKHSTAN



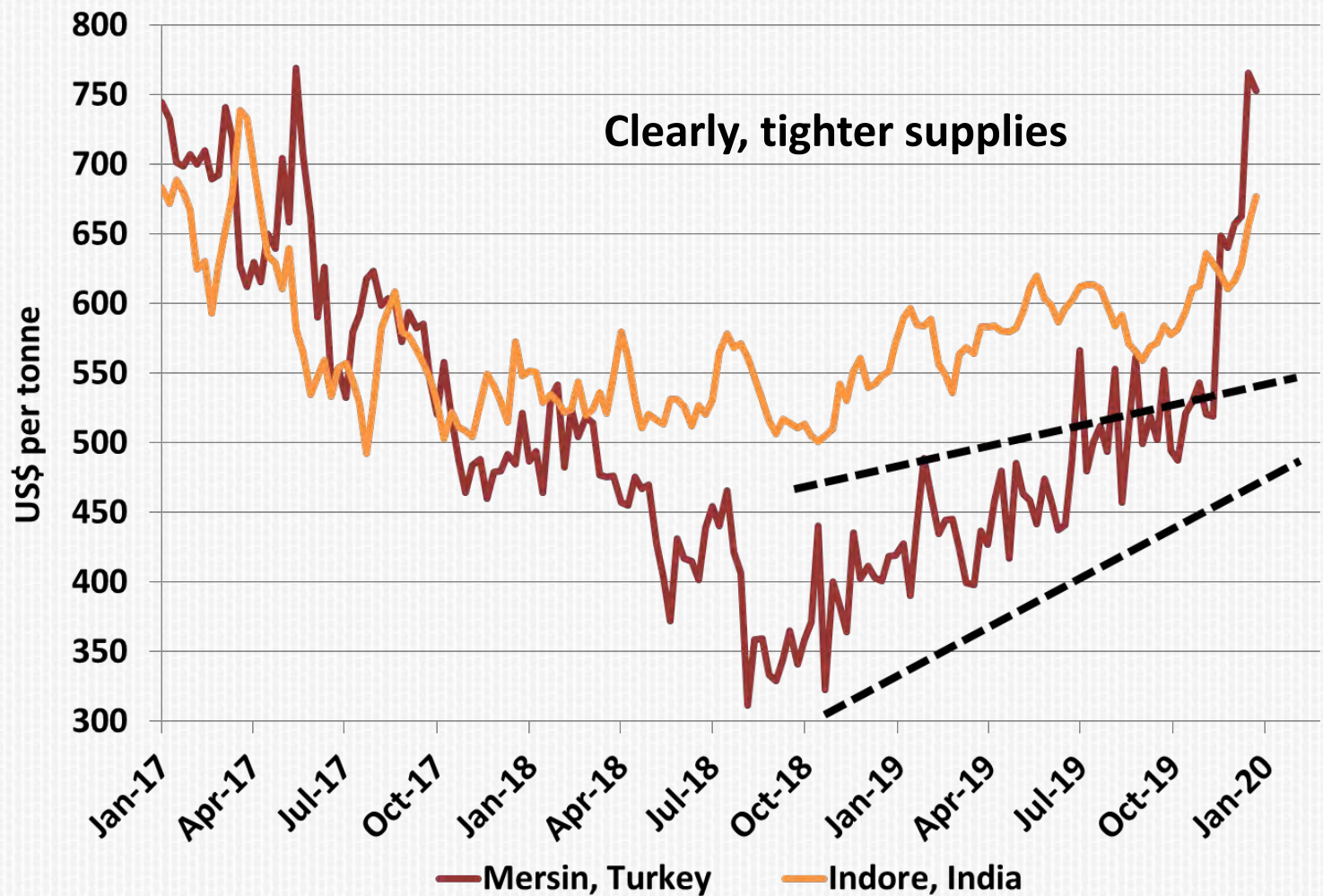
# INDIAN LENTIL IMPORTS



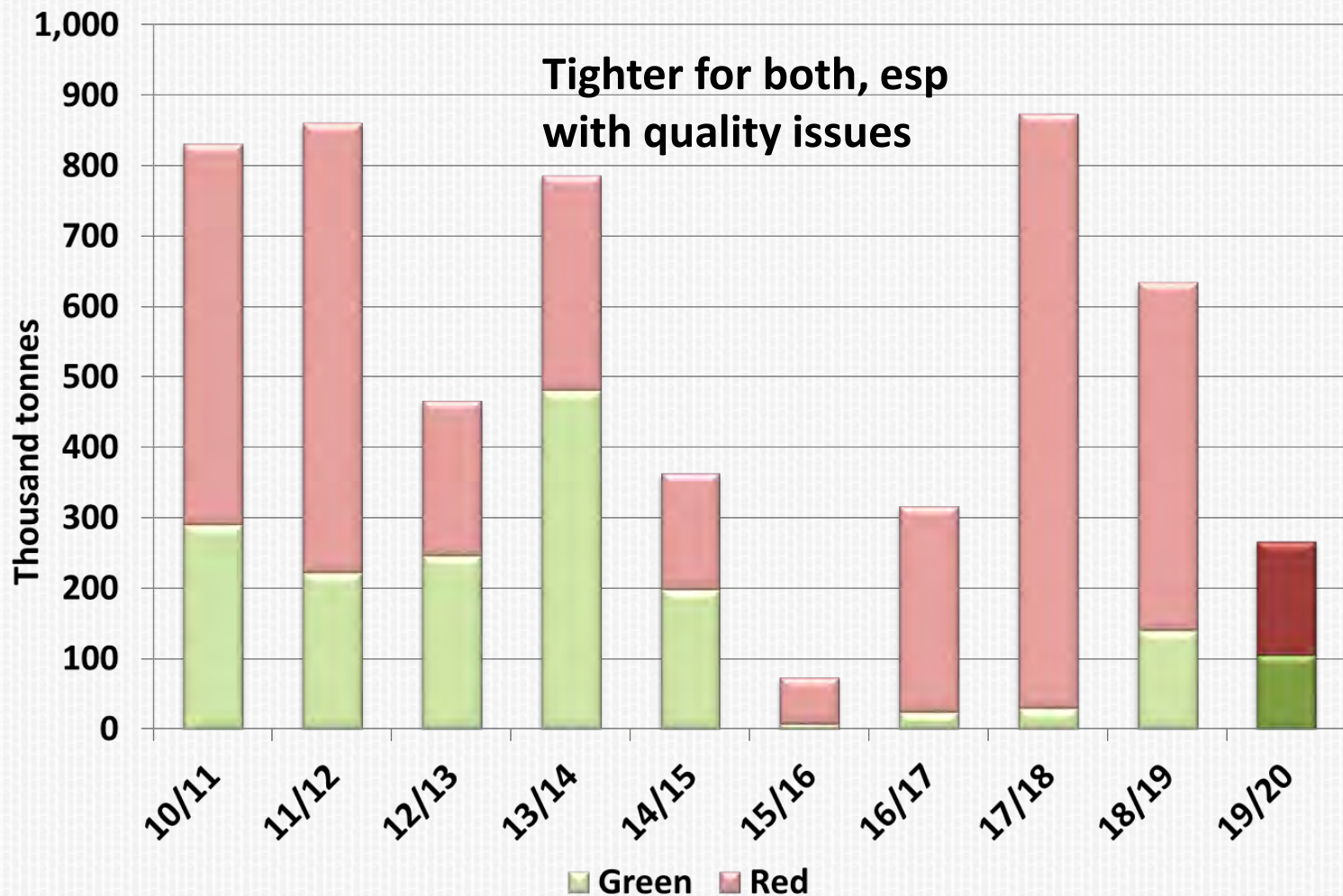
# INDIAN LENTIL PLANTING



# SELECTED RED LENTIL PRICES



# CANADIAN LENTIL ENDING STOCKS





# LENTIL OUTLOOK

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- ✖ Quality concerns, more so for greens
- ✖ Increased demand from Turkey & India
- ✖ Decent Indian crop prospects
- ✖ Tighter ending stocks for 19/20
- ✖ More price strength likely
- ✖ Small bump in 2020 acres should be manageable

# OVERALL THEMES

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- ✗ Wheat and barley supplies comfortable
- ✗ Oats and durum tighter
- ✗ Comfortable canola
- ✗ Pulses less heavy
- ✗ Still lots of trade uncertainty
  - + Not the usual supply/demand scenario
- ✗ **Weather still trumps all**
  - + Less cushion for most crops



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**THANK YOU!**

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