

Mustard (& other) Market Outlook

Presented by:

Chuck Penner

@leftfieldcr

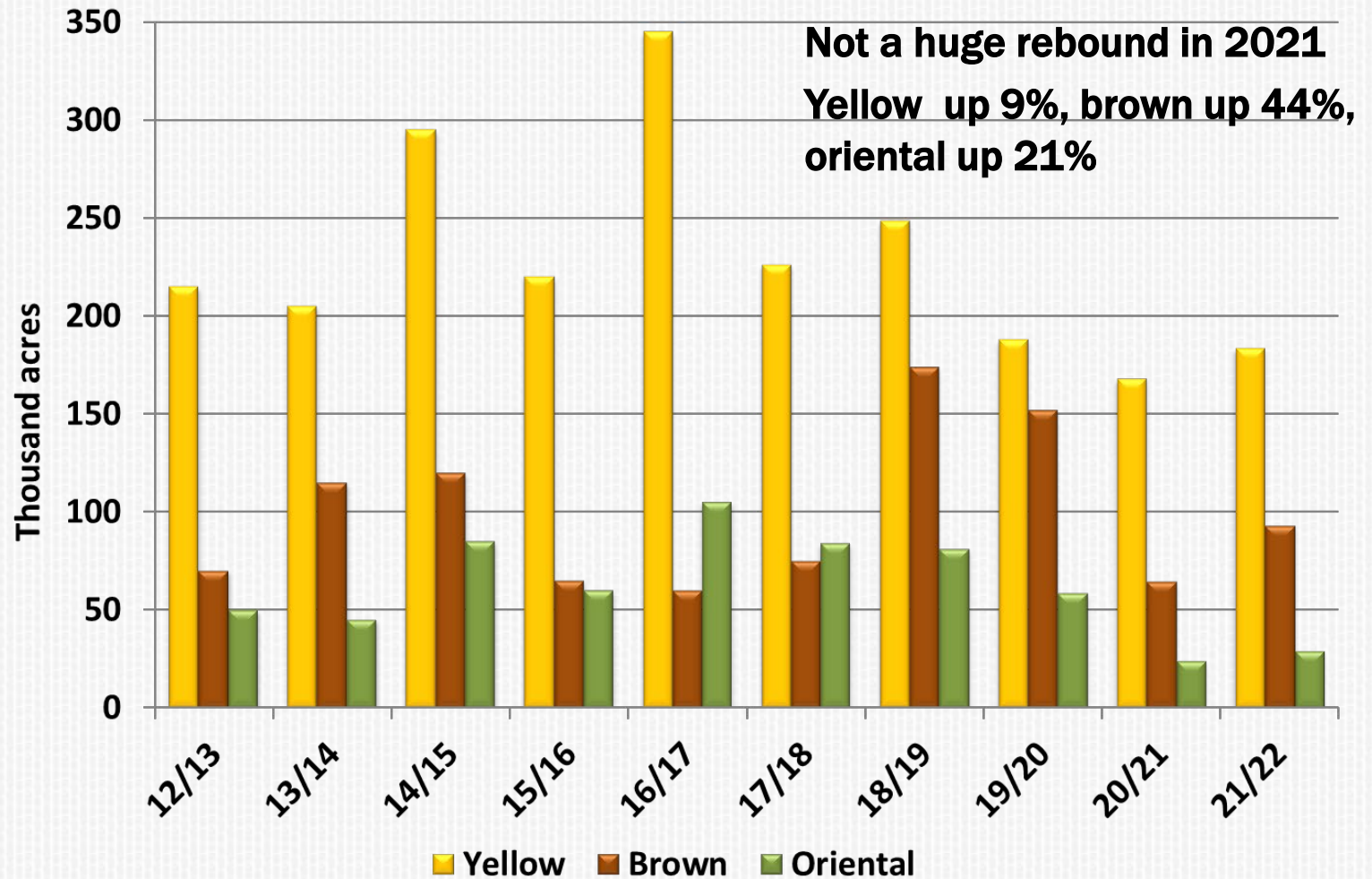


January 2022

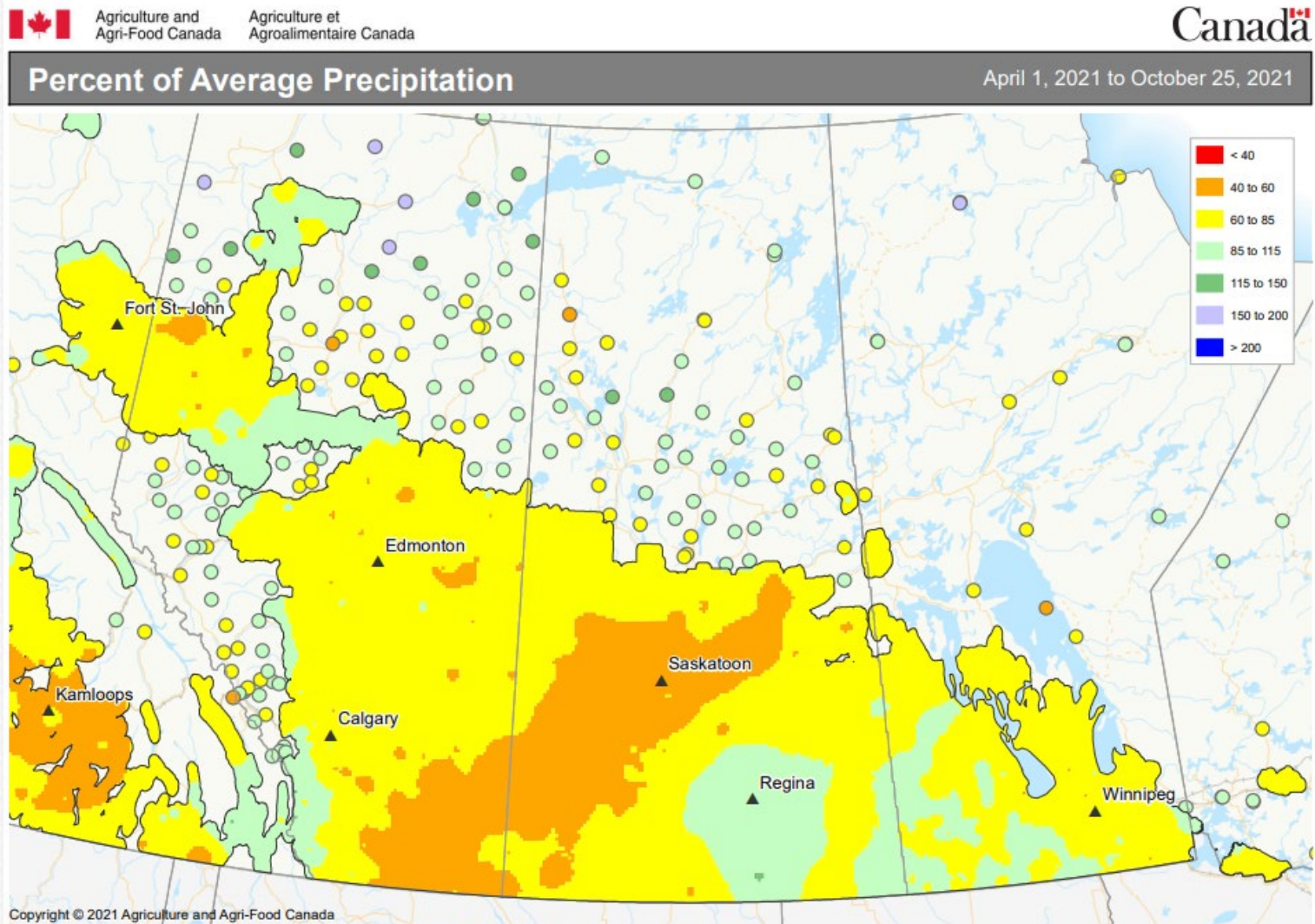
PRESENTATION OUTLINE

- ✖ Mustard outlook
 - + Current environment
 - + Outlook for 22/23
 - + Longer term questions or concerns
- ✖ Wheat & durum markets
- ✖ Canola market
- ✖ Pulse markets

CANADIAN MUSTARD ACREAGE



GROWING SEASON RAINFALL



NUMBER OF DAYS ABOVE 30C



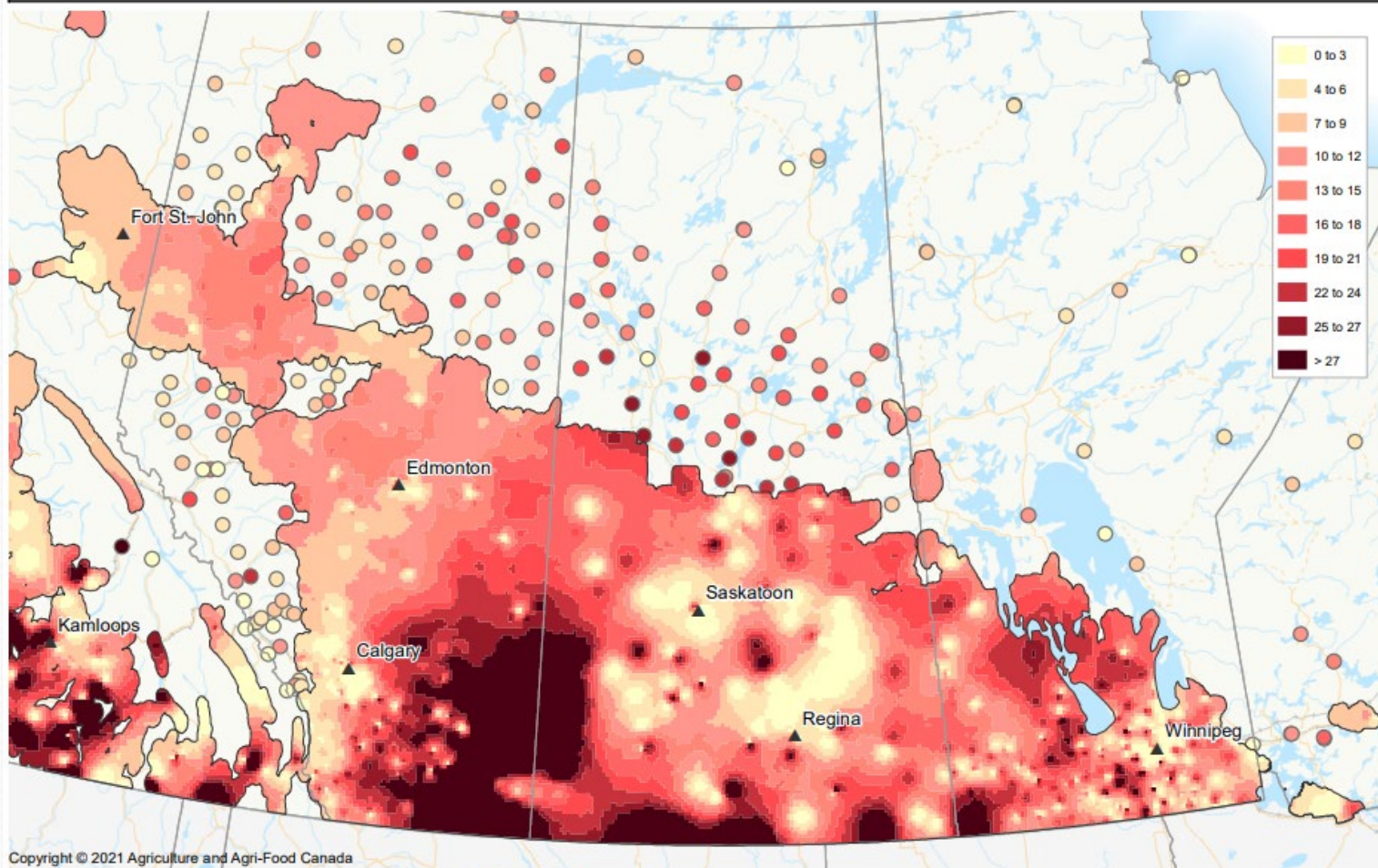
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Agroalimentaire Canada

Canada

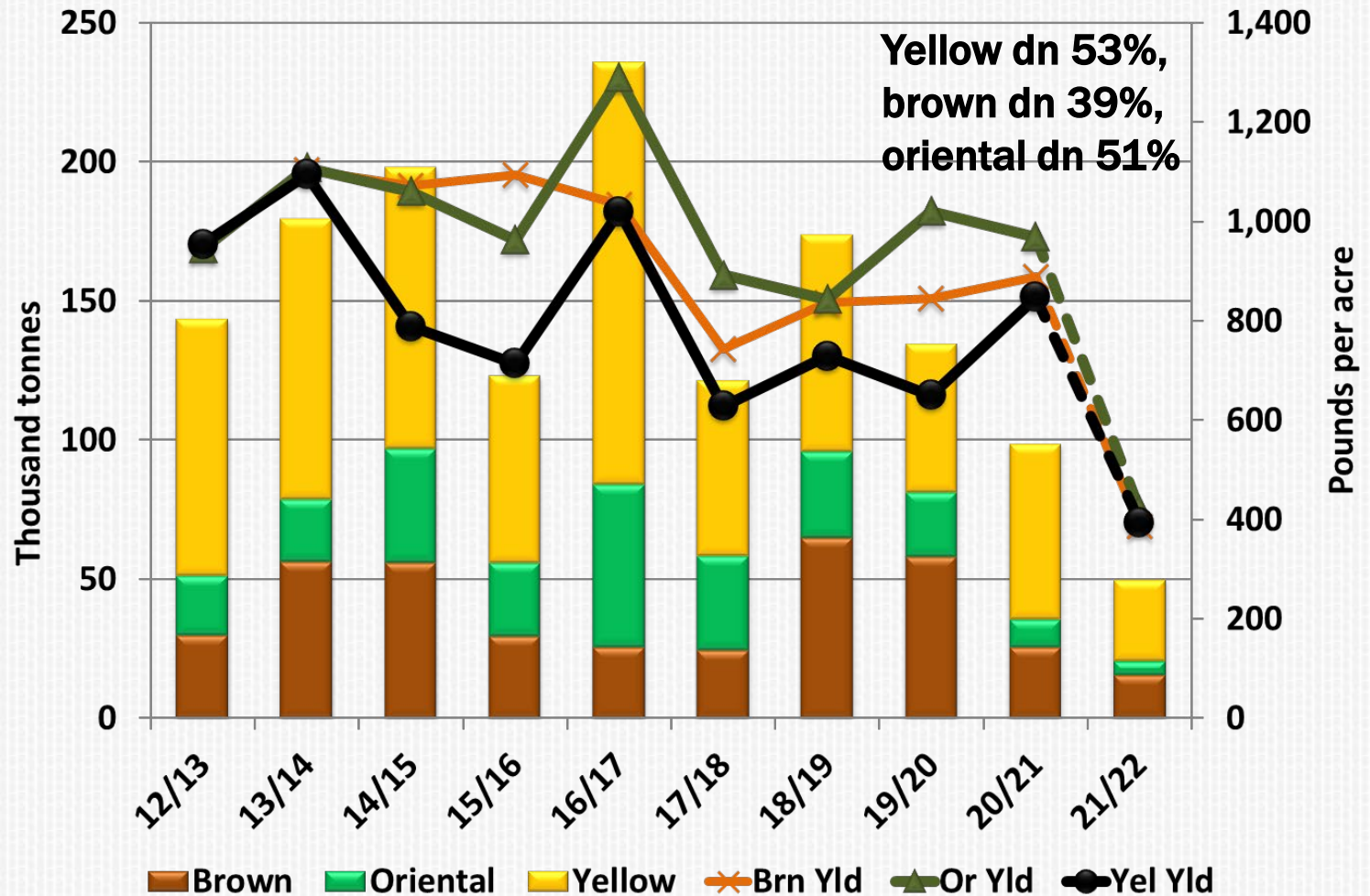
Number of Days with Temperature above 30°C

April 1, 2021 to October 25, 2021

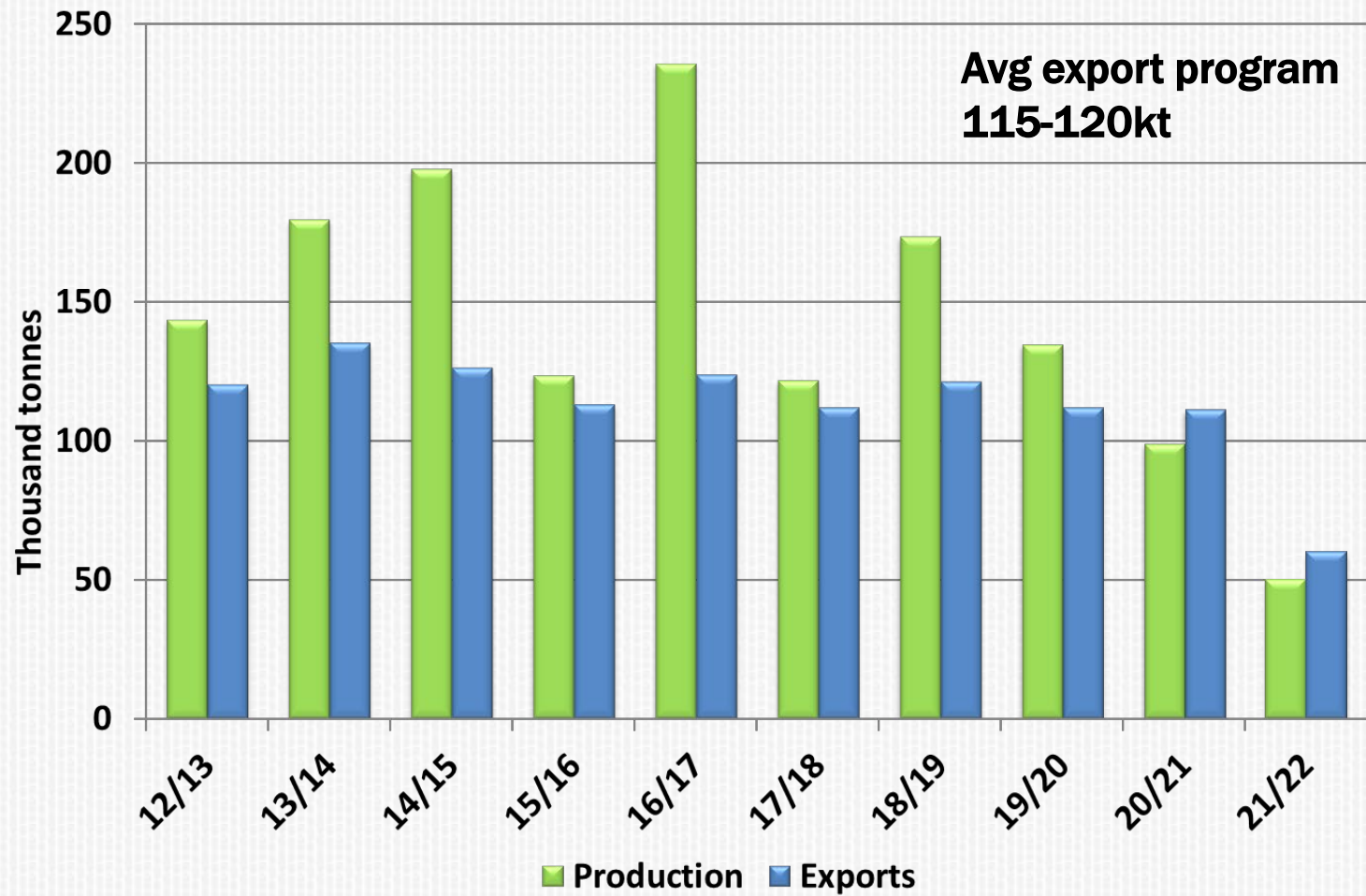


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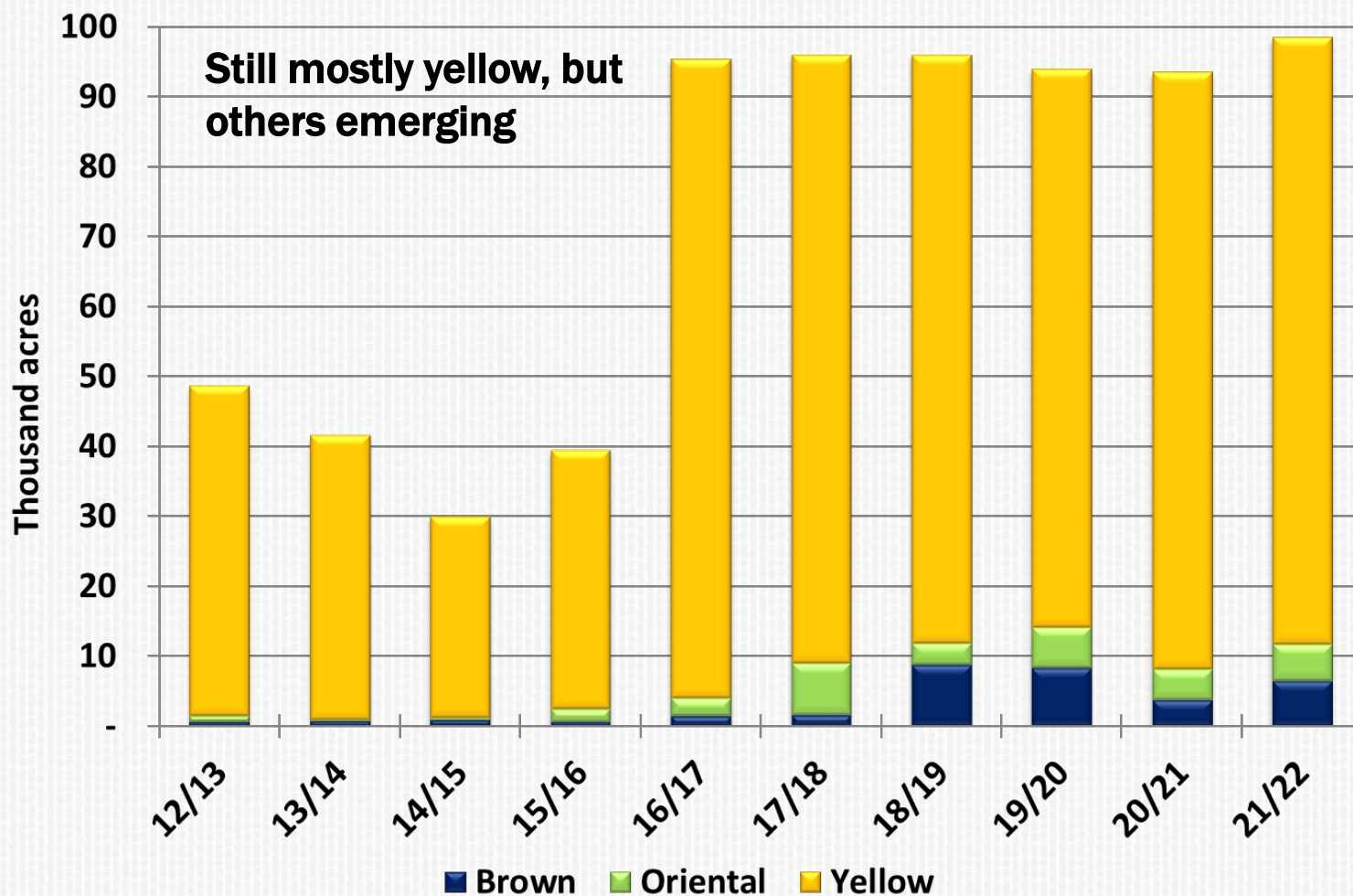
CANADIAN MUSTARD PRODUCTION



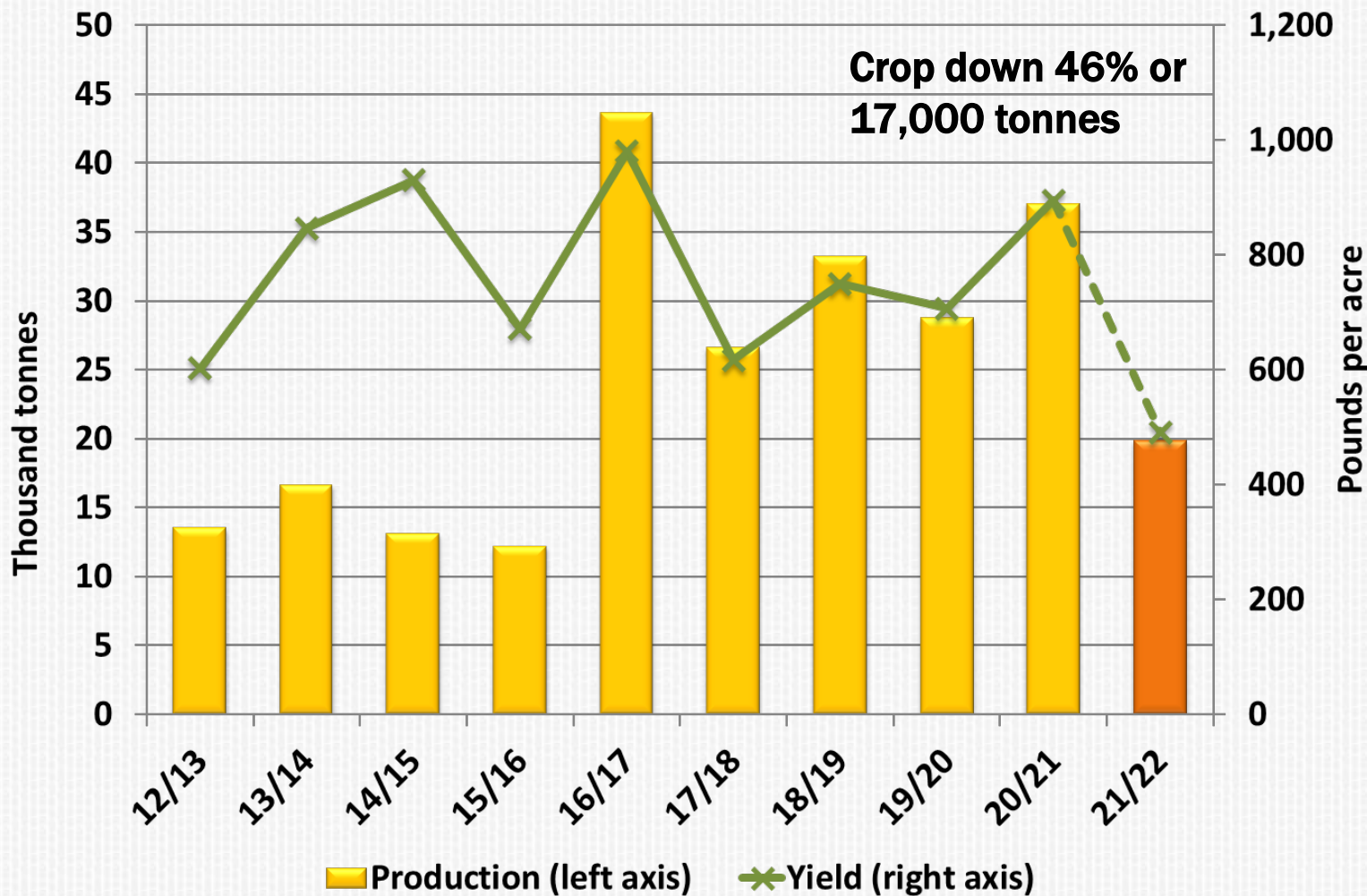
MUSTARD PRODUCTION & EXPORTS



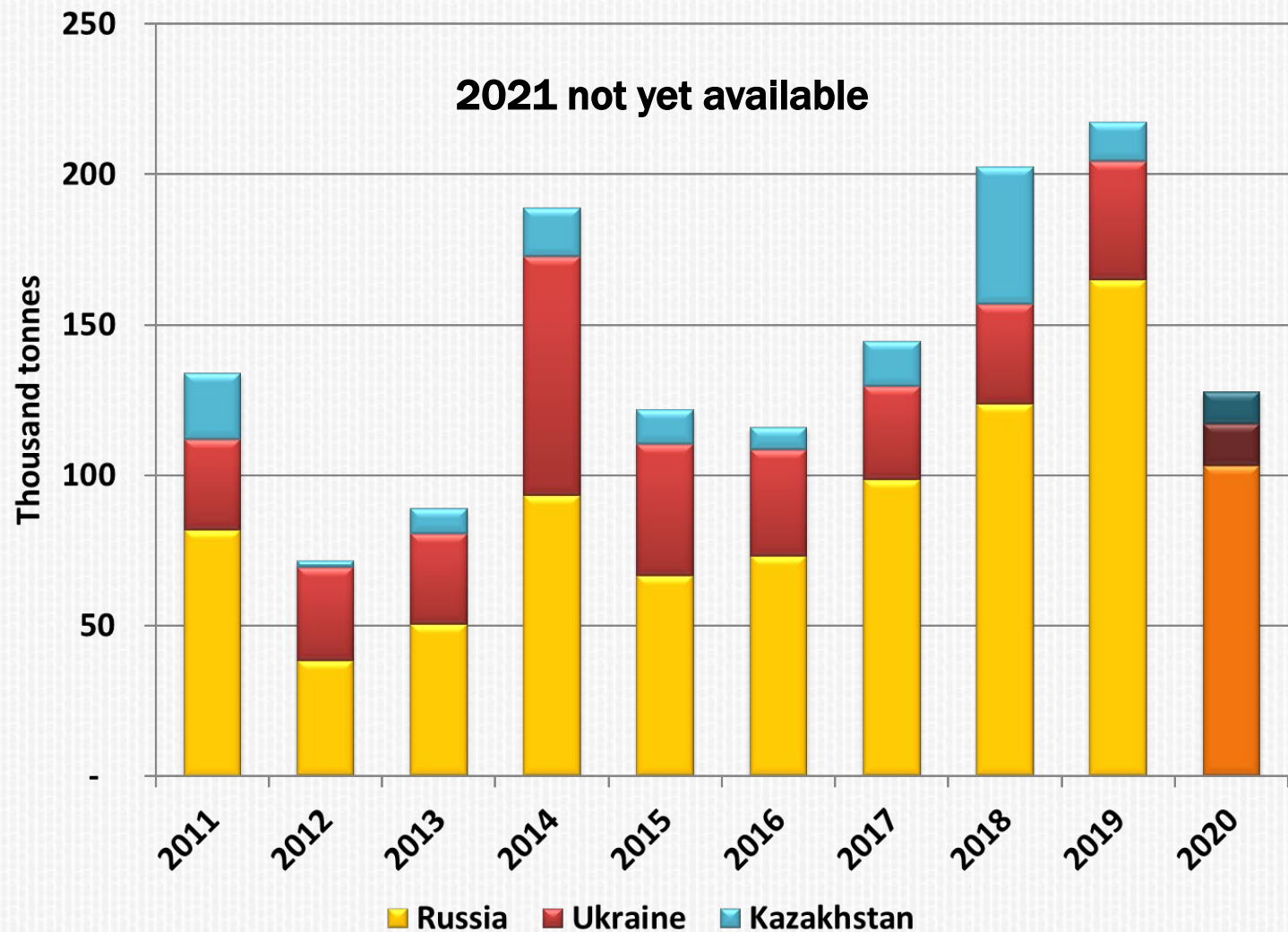
US MUSTARD AREA BY TYPE



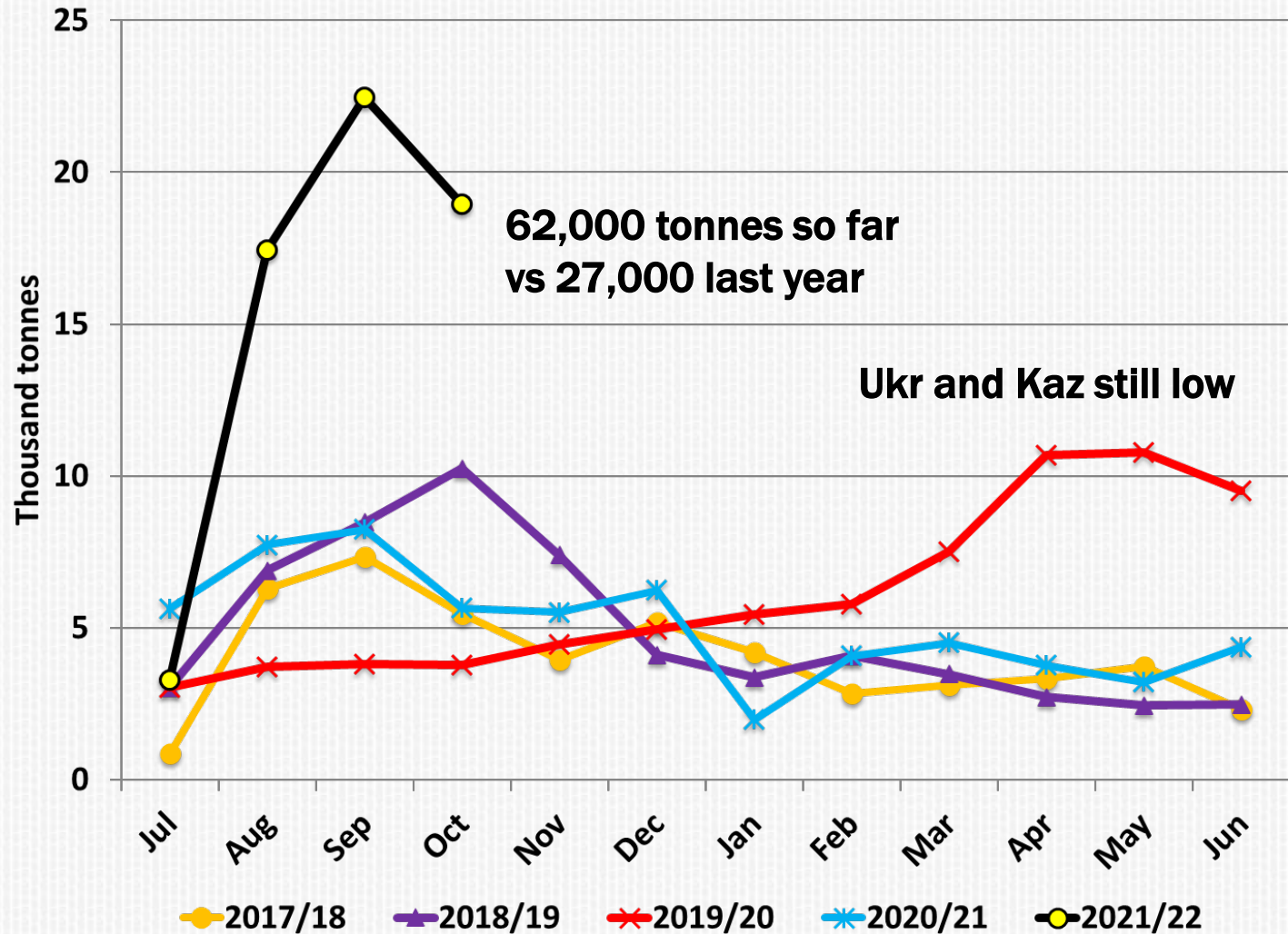
US MUSTARD PRODUCTION & YIELD



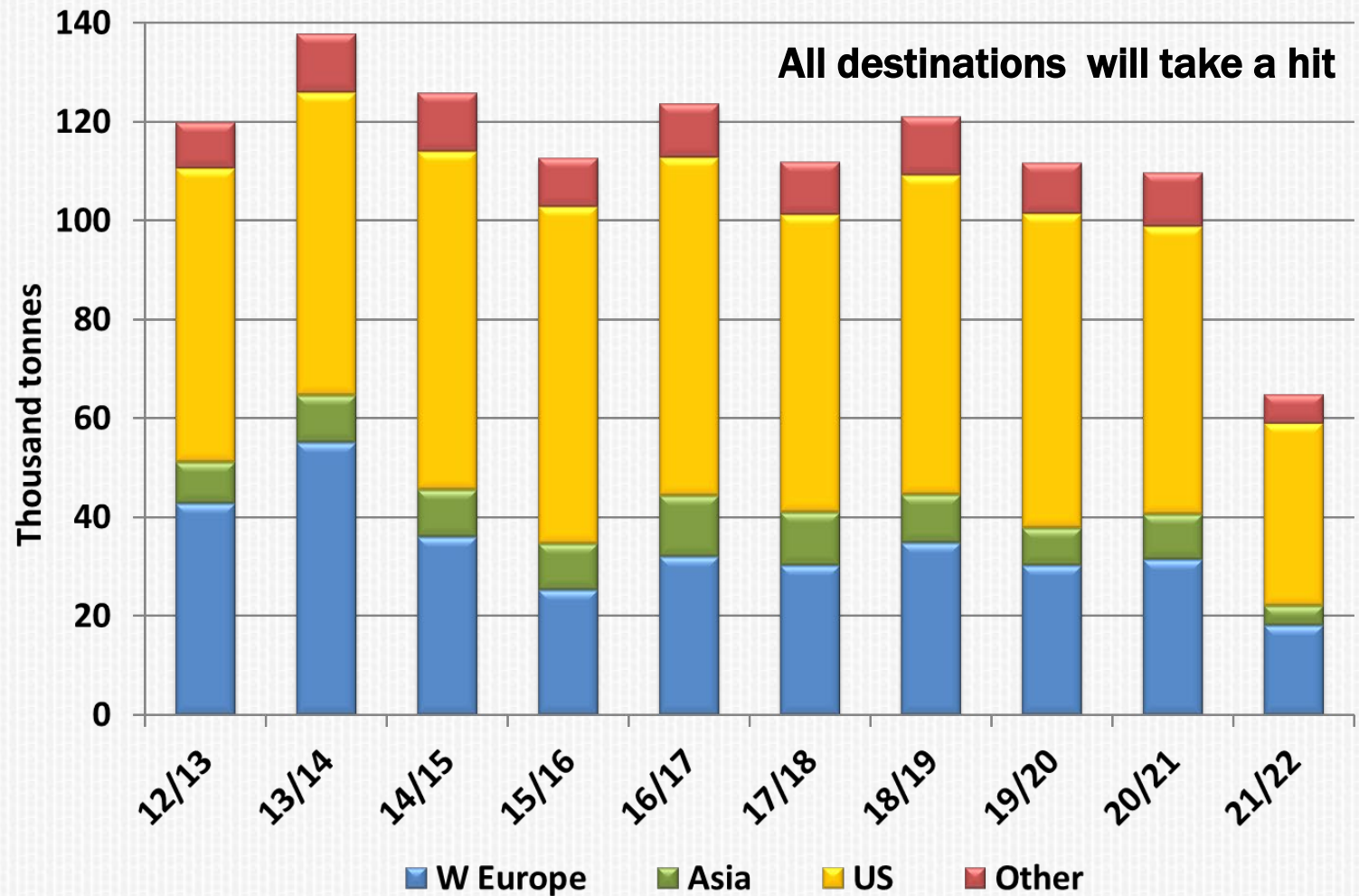
BLACK SEA MUSTARD PRODUCTION



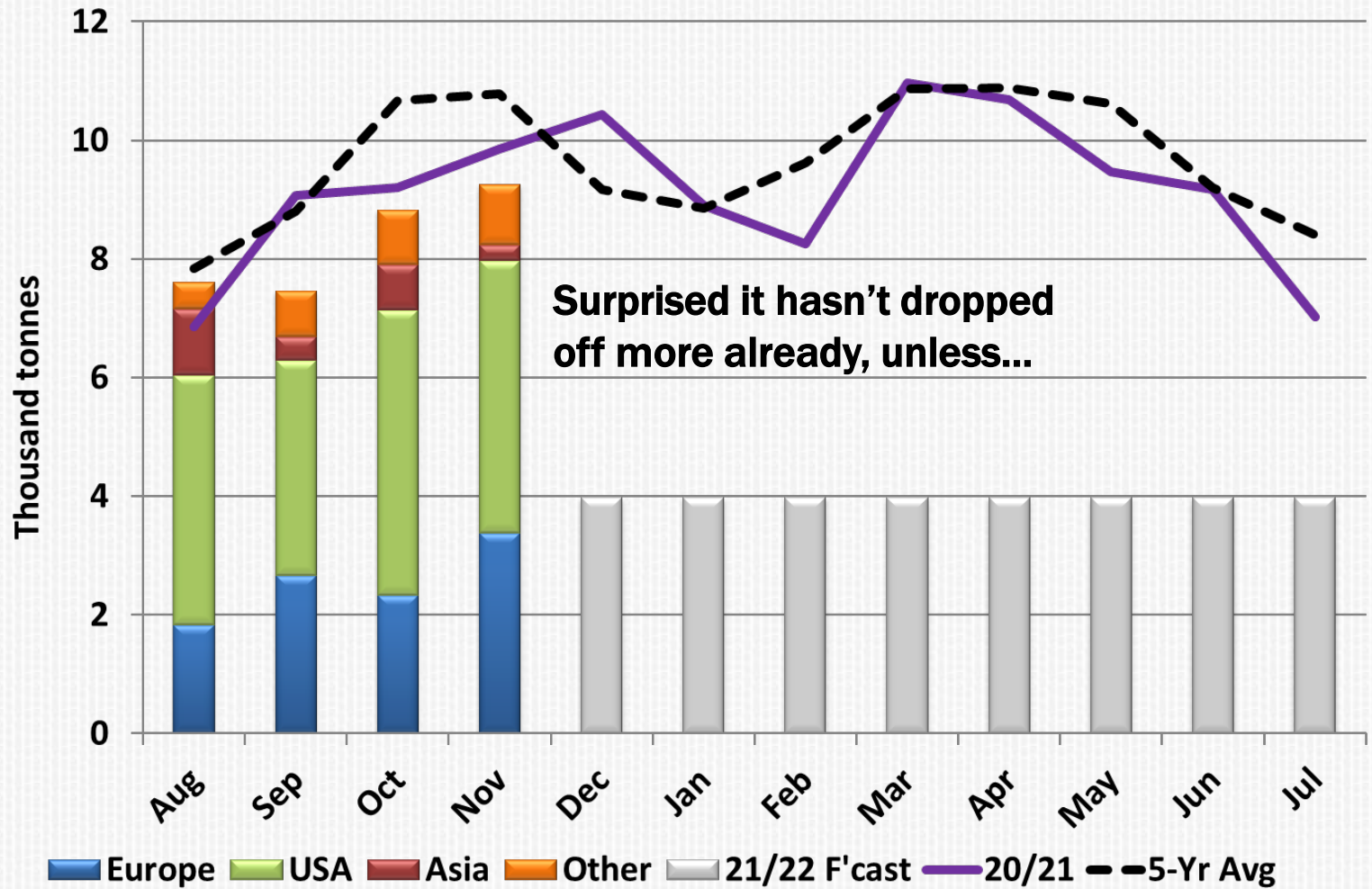
RUSSIAN MUSTARD EXPORTS



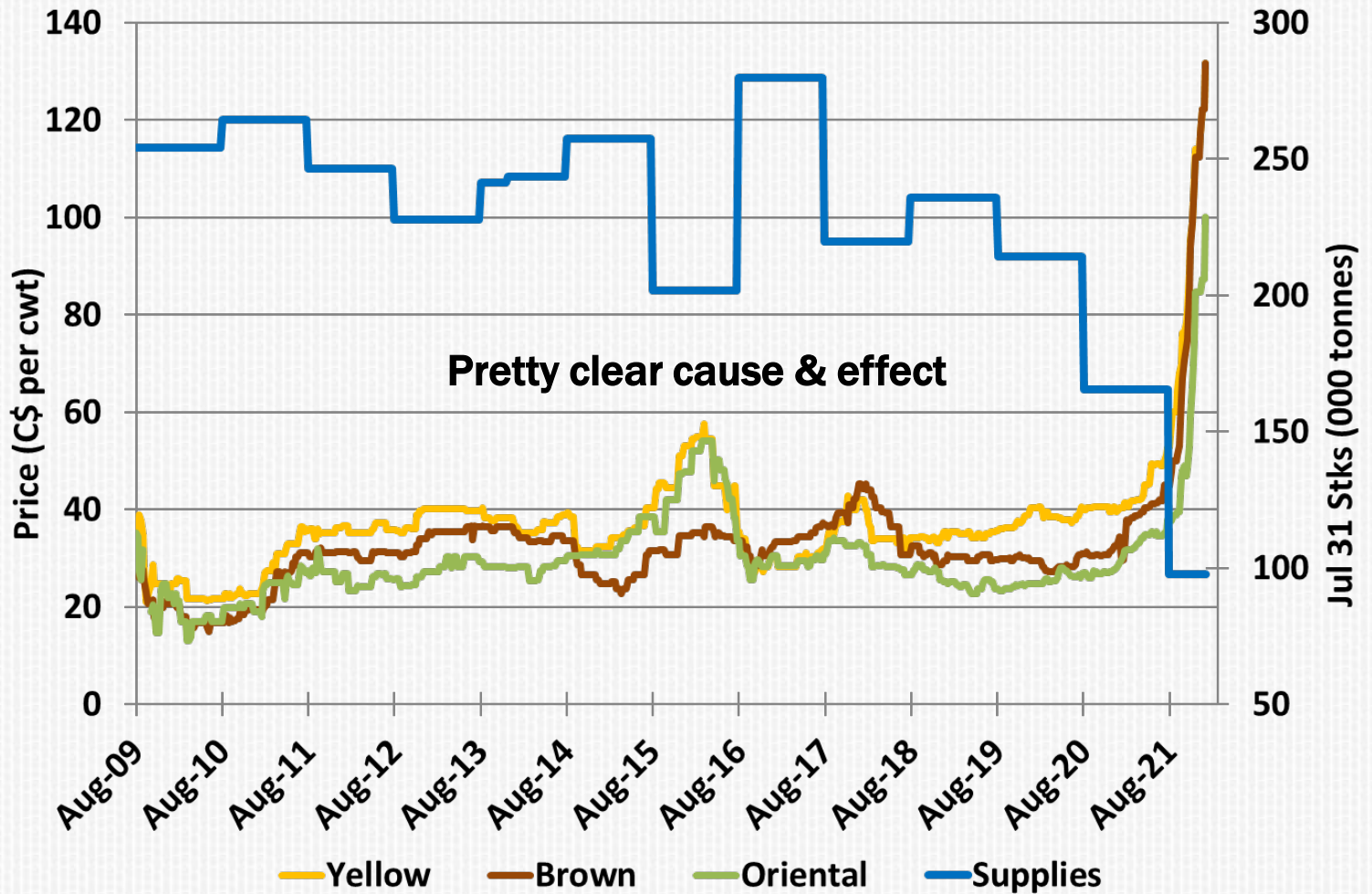
CANADIAN MUSTARD EXPORTS



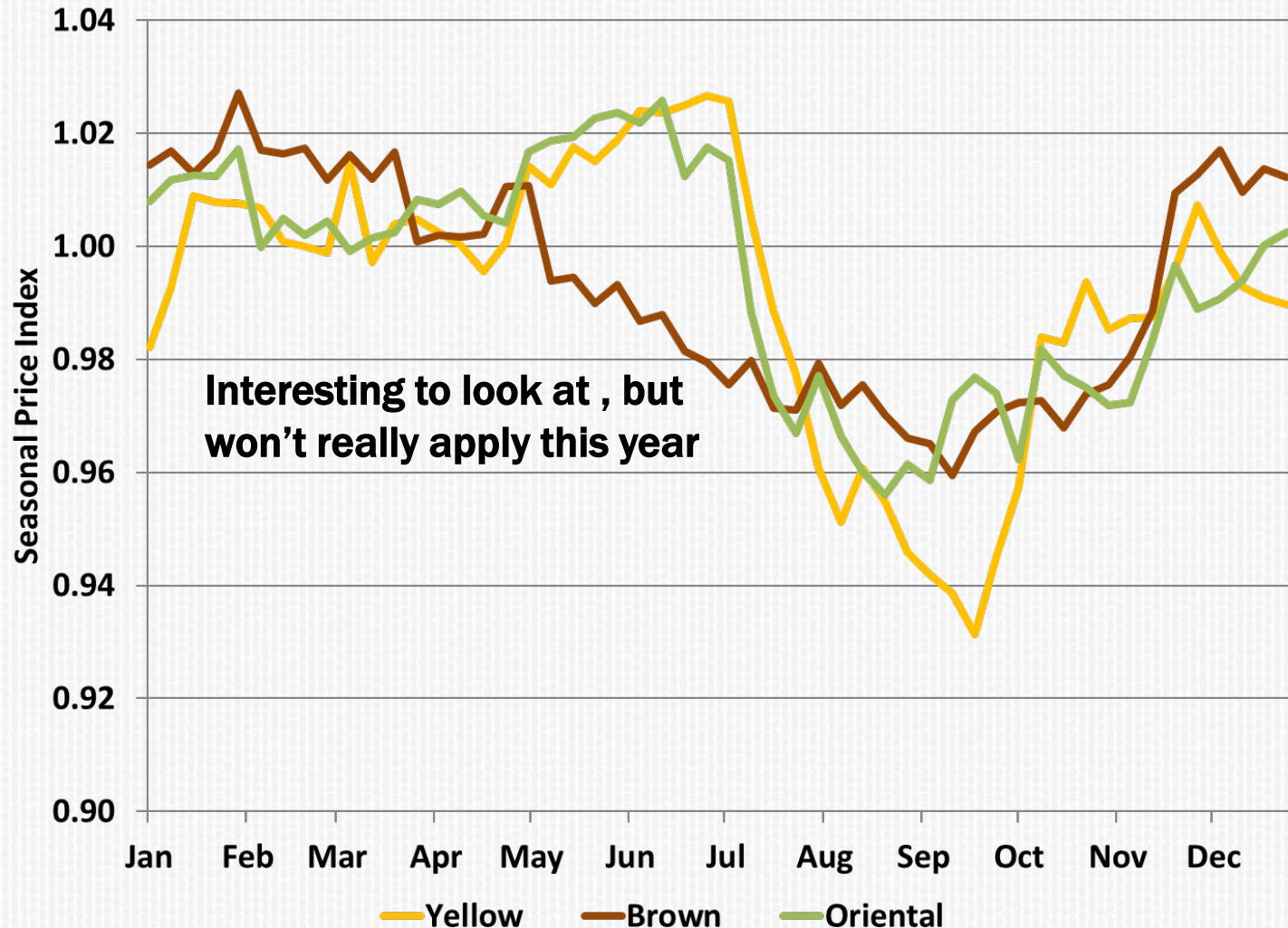
CDN MUSTARD EXPORTS – 2021/22



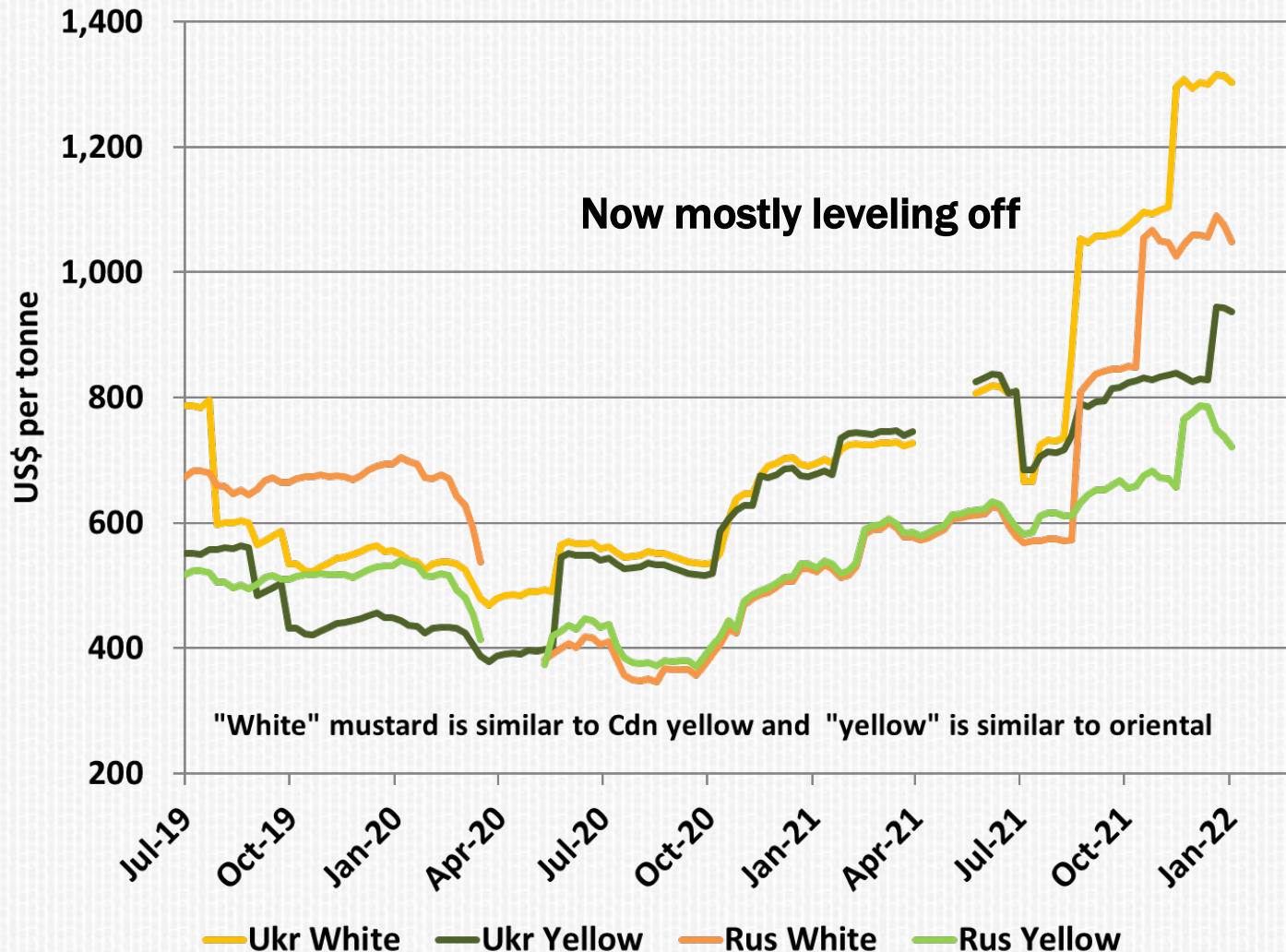
CDN MUSTARD BIDS & SUPPLIES



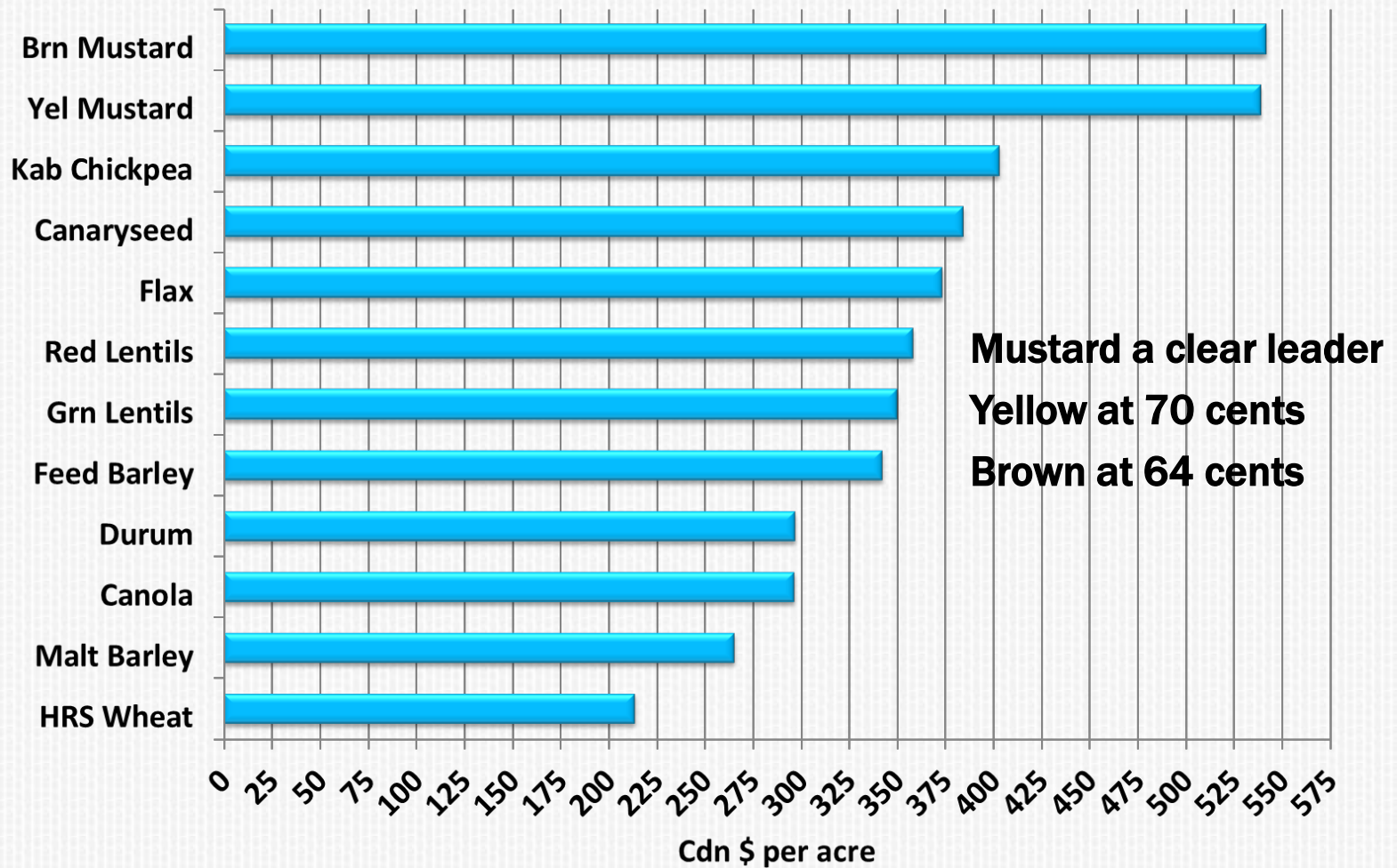
MUSTARD BID SEASONALITY



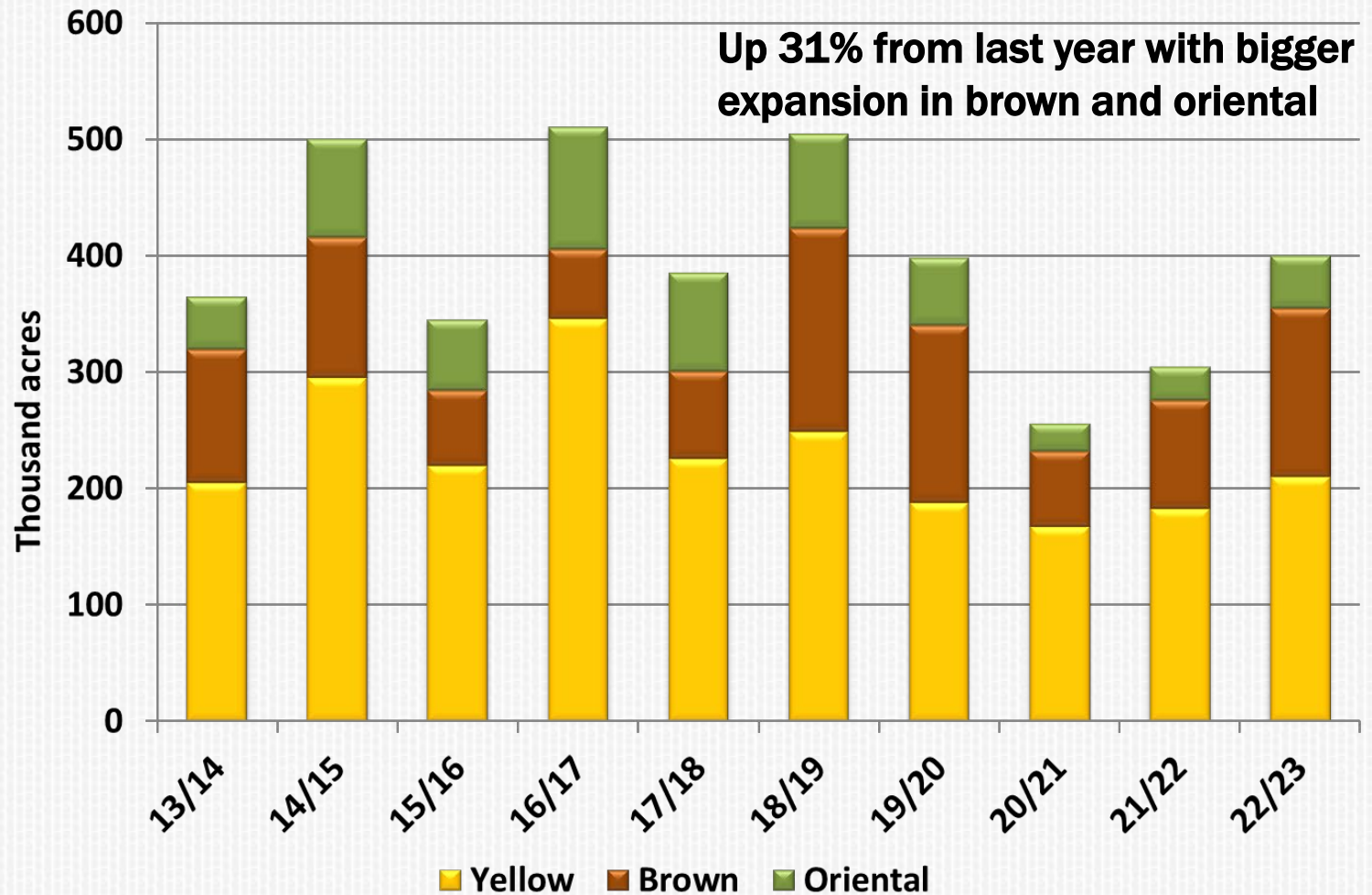
BLACK SEA MUSTARD PRICES



2022 GROSS MARGIN COMPARISONS



NEW CROP ACREAGE FORECAST



WINTER PRECIPITATION SO FAR



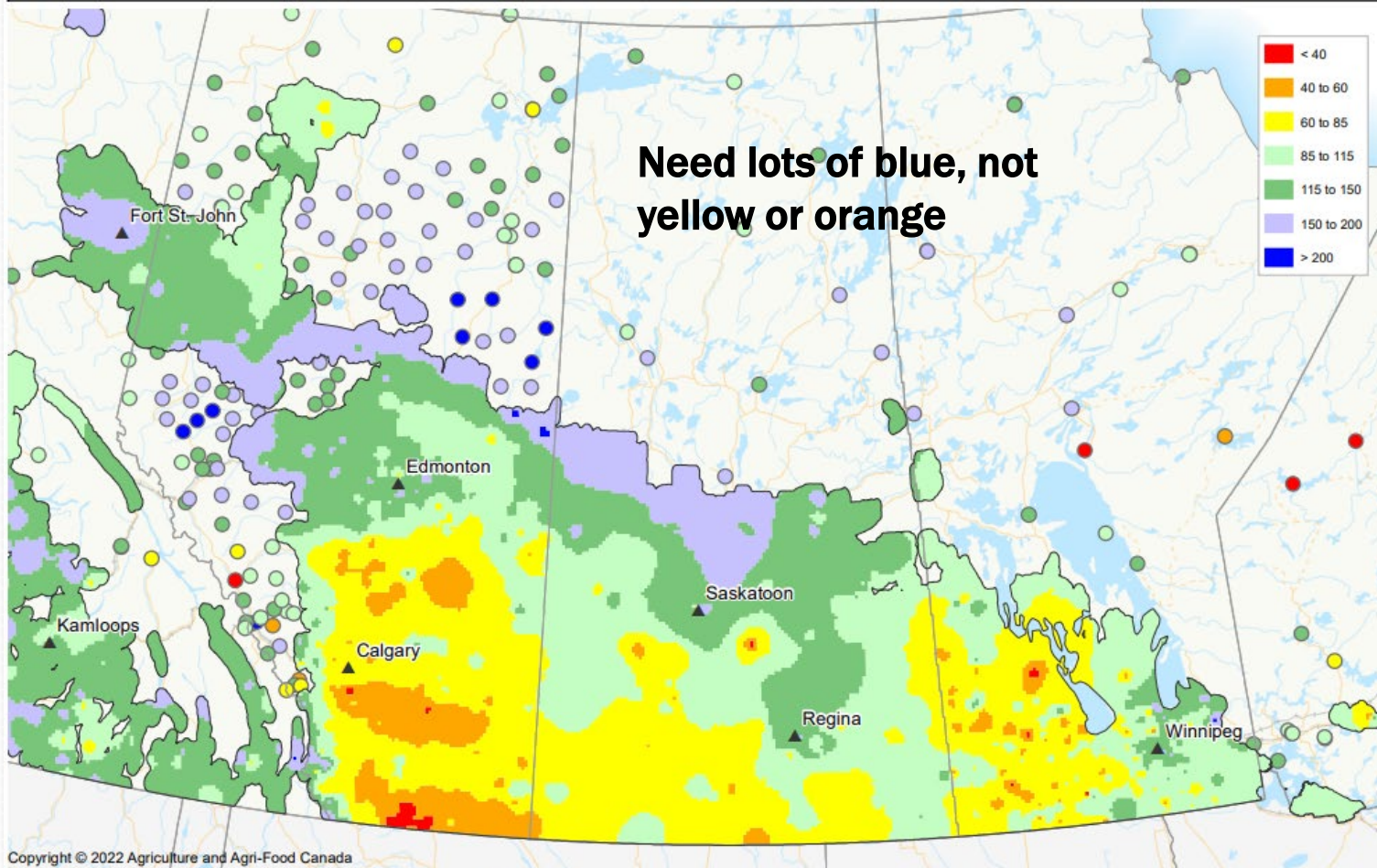
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Agroalimentaire Canada

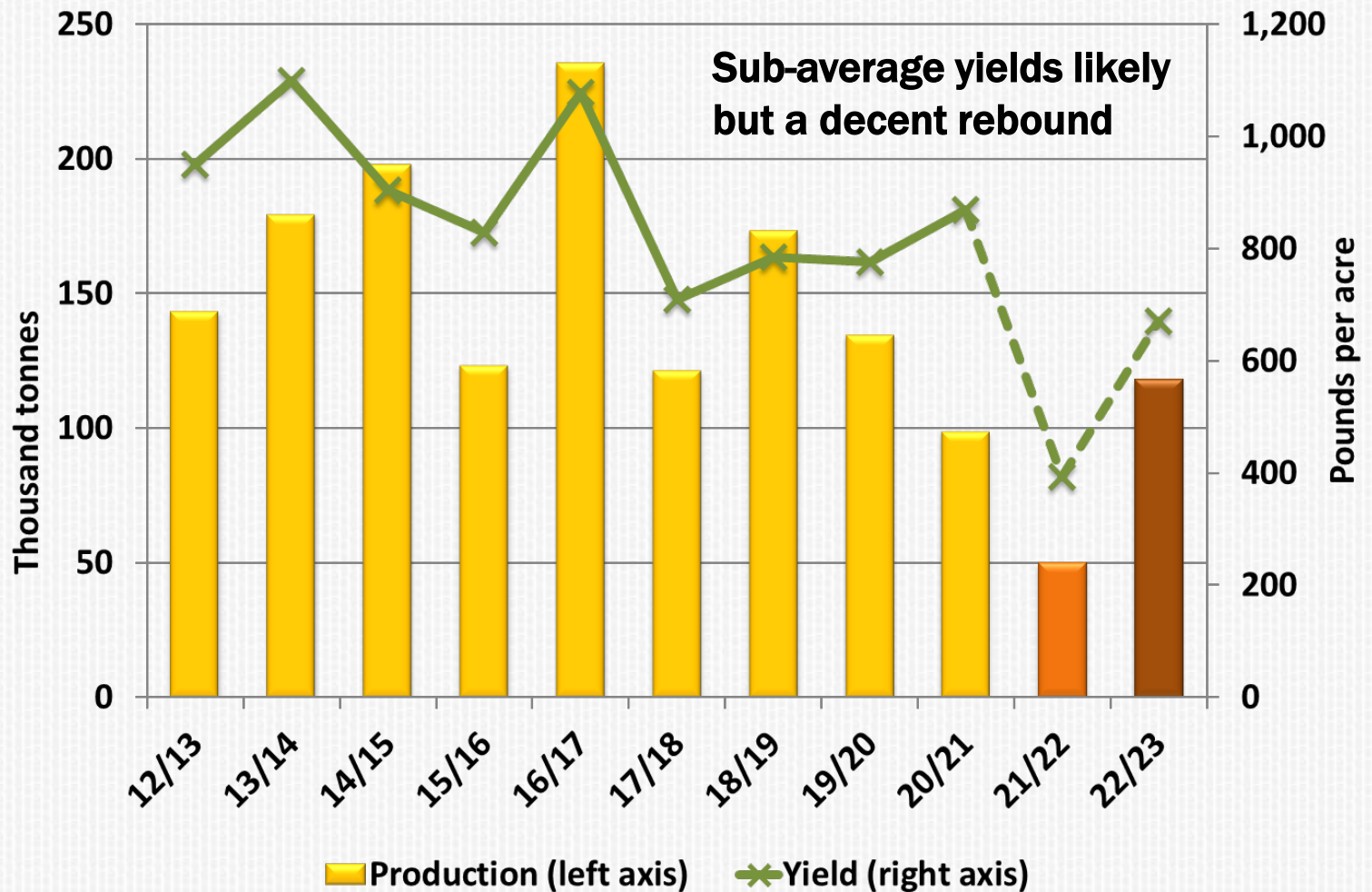
Canada

Percent of Average Precipitation

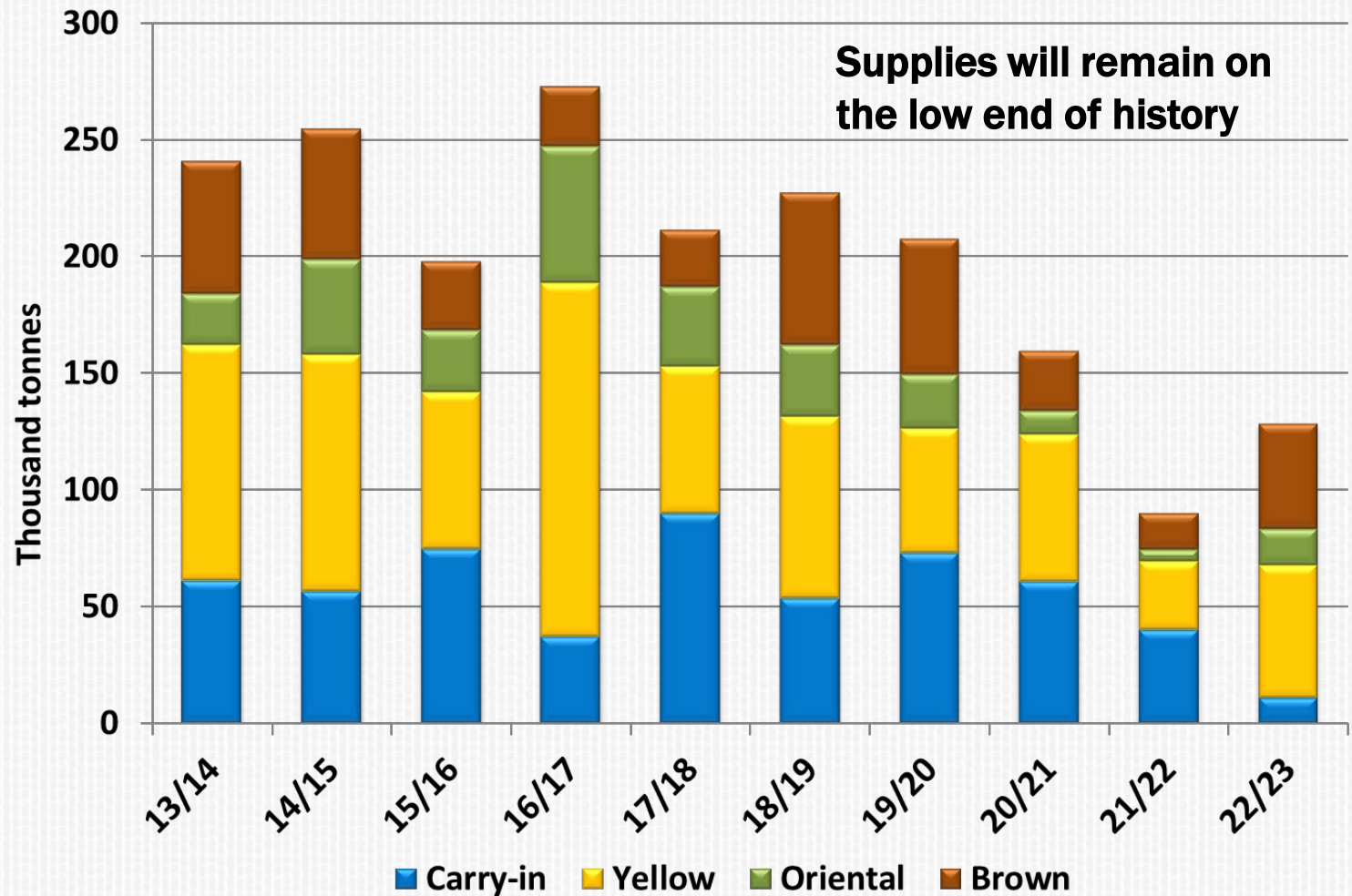
November 1, 2021 to January 10, 2022



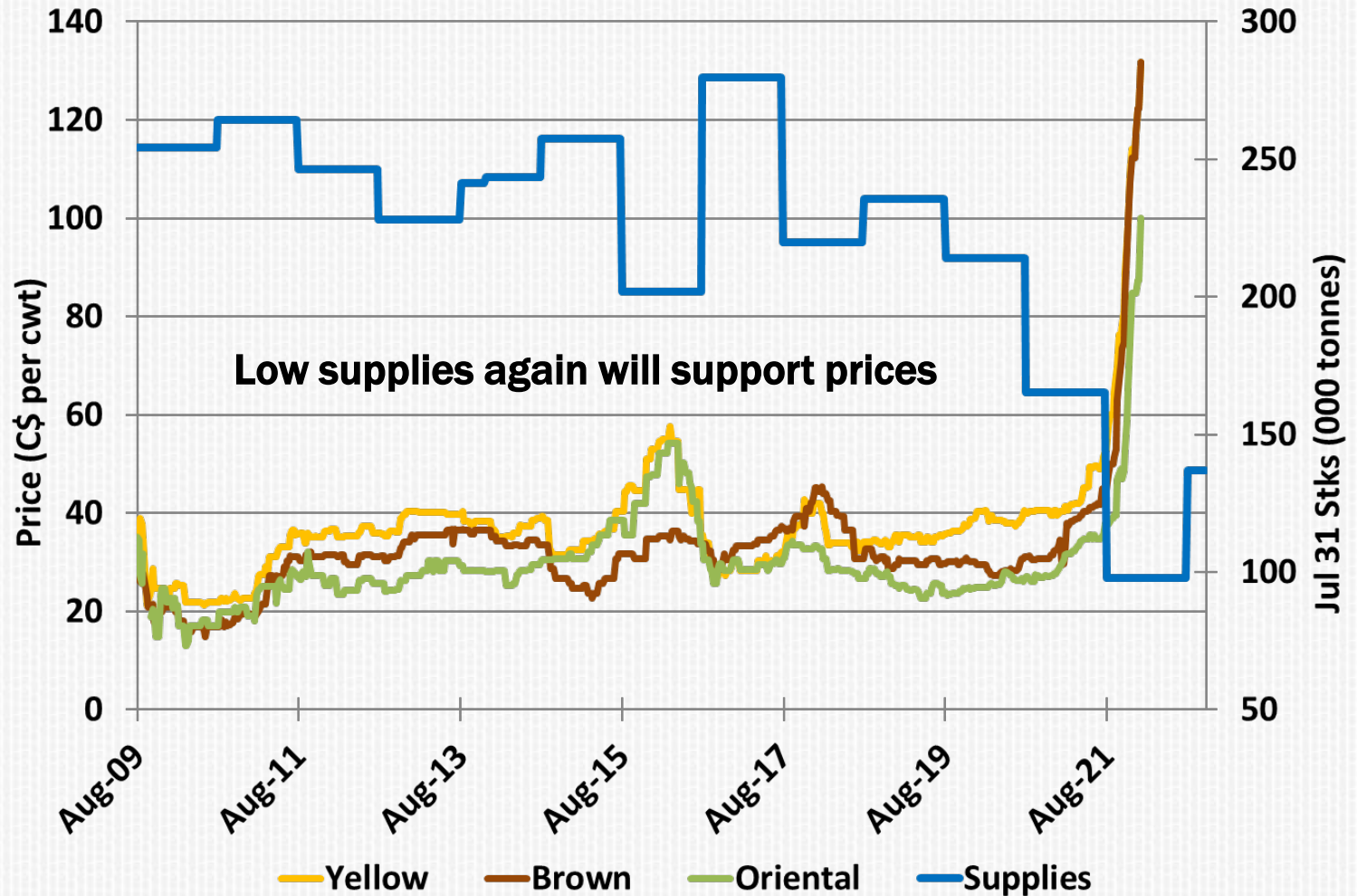
CANADIAN MUSTARD PRODUCTION



CANADIAN MUSTARD SUPPLIES



CDN MUSTARD BIDS & SUPPLIES



MUSTARD MARKET OUTLOOK

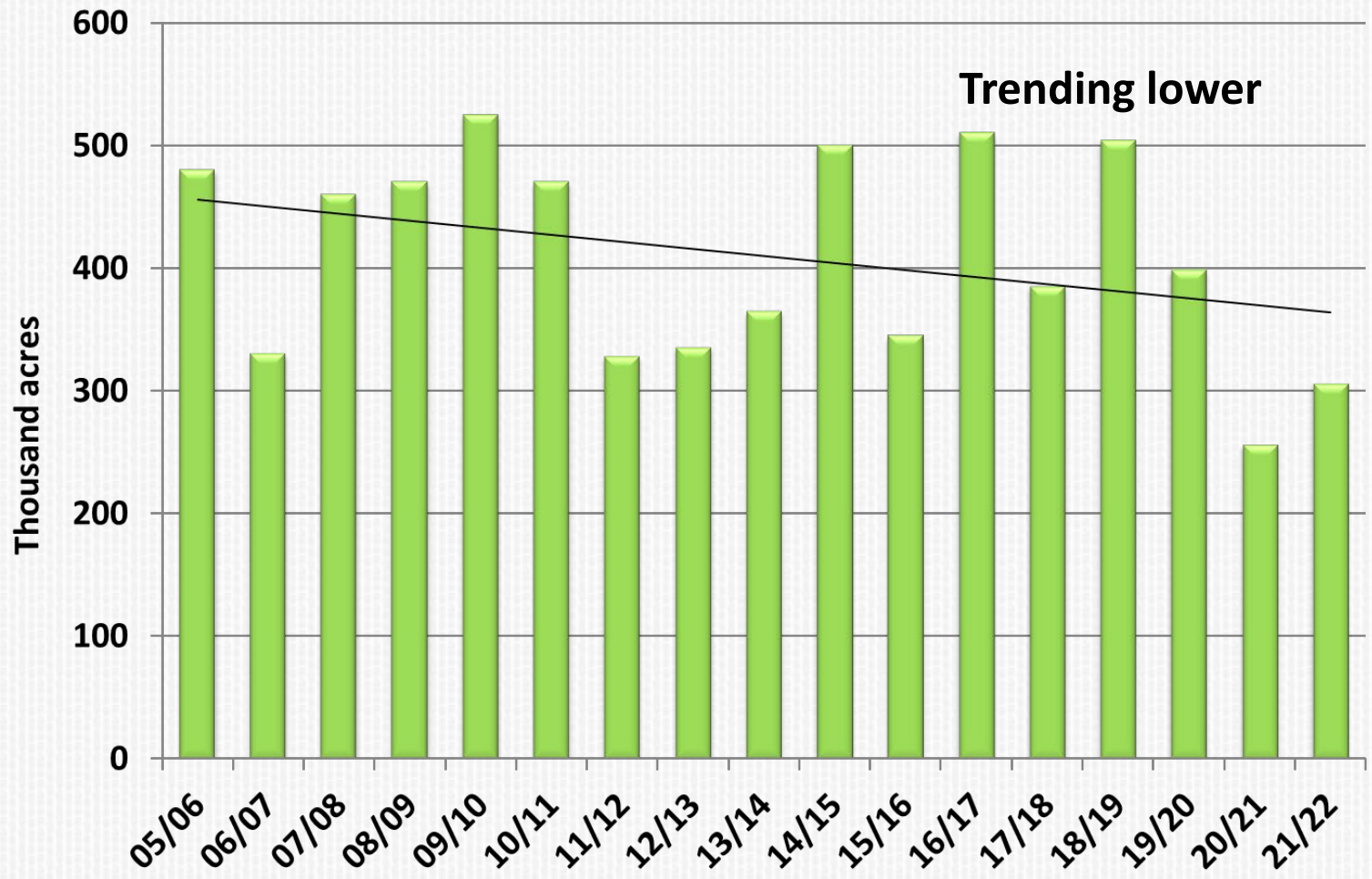
✖ Rest of 2021/22

- + Few if any supplies left, although...
- + Bids are almost irrelevant
- + Prices flattening out in Black Sea

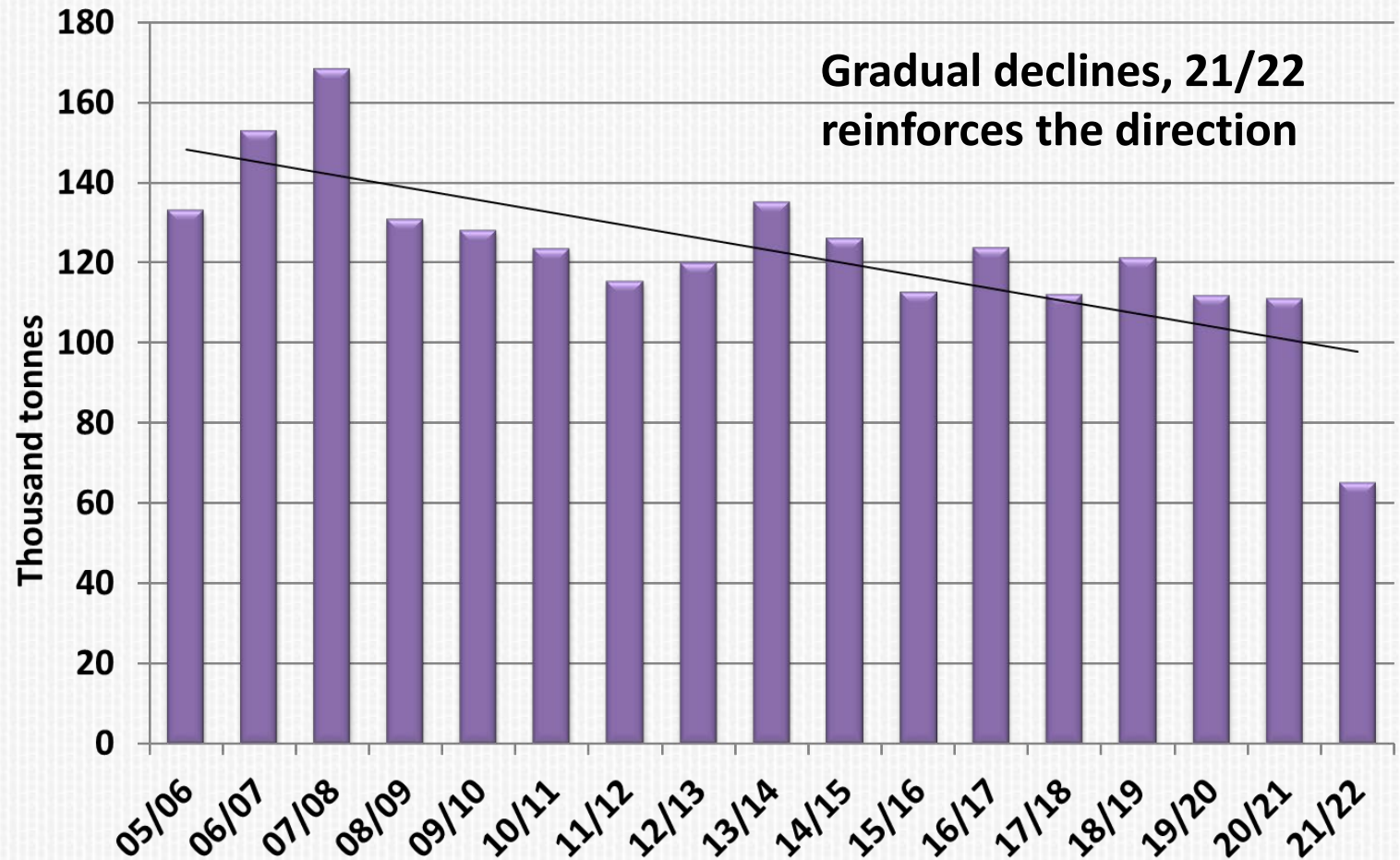
✖ In 2022/23

- + More acres, dependent on seed supplies
- + Contracting more cautious
- + Serious concerns about dryness
- + Prices will come off the highs but remain strong

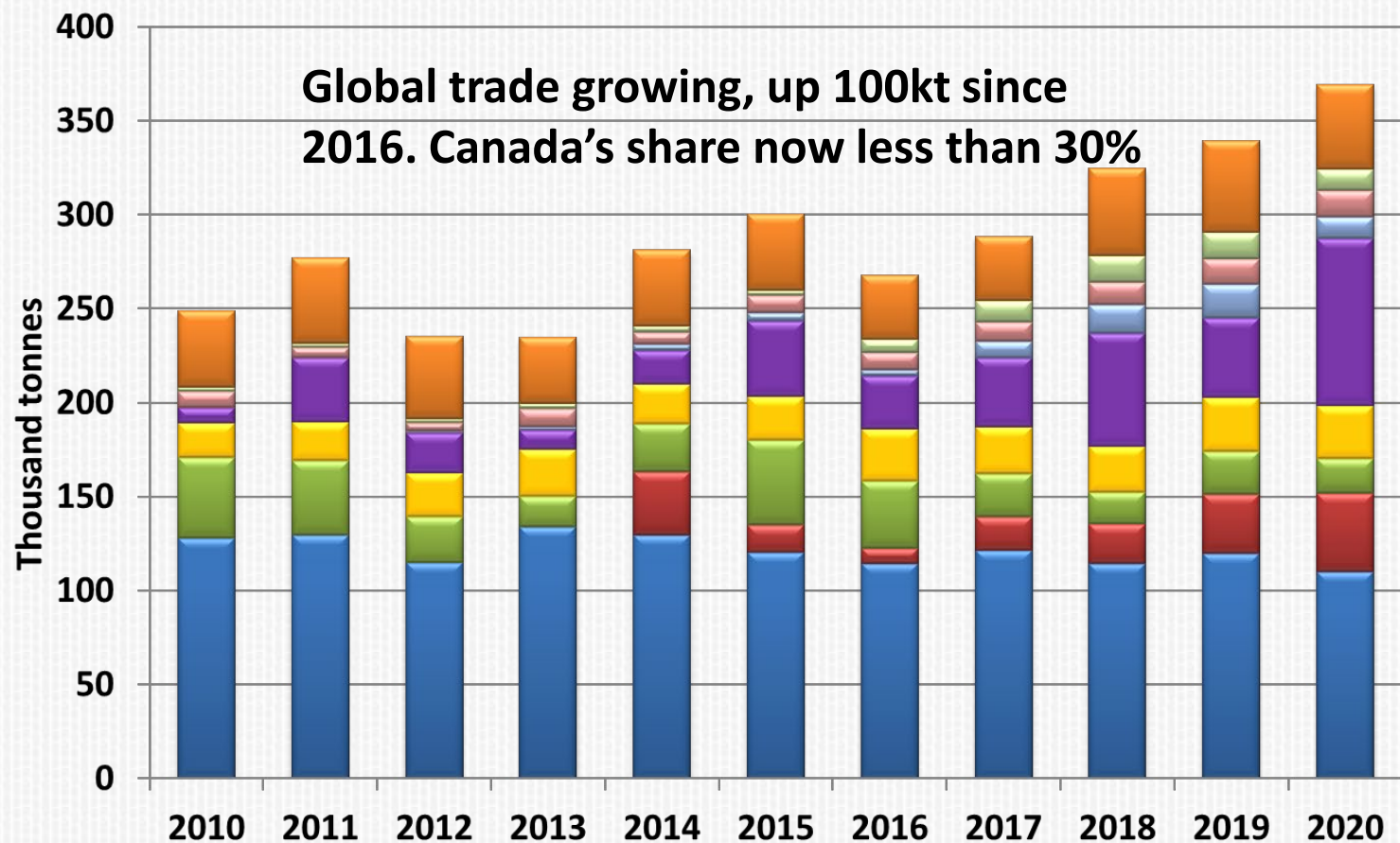
CANADIAN SEEDED AREA



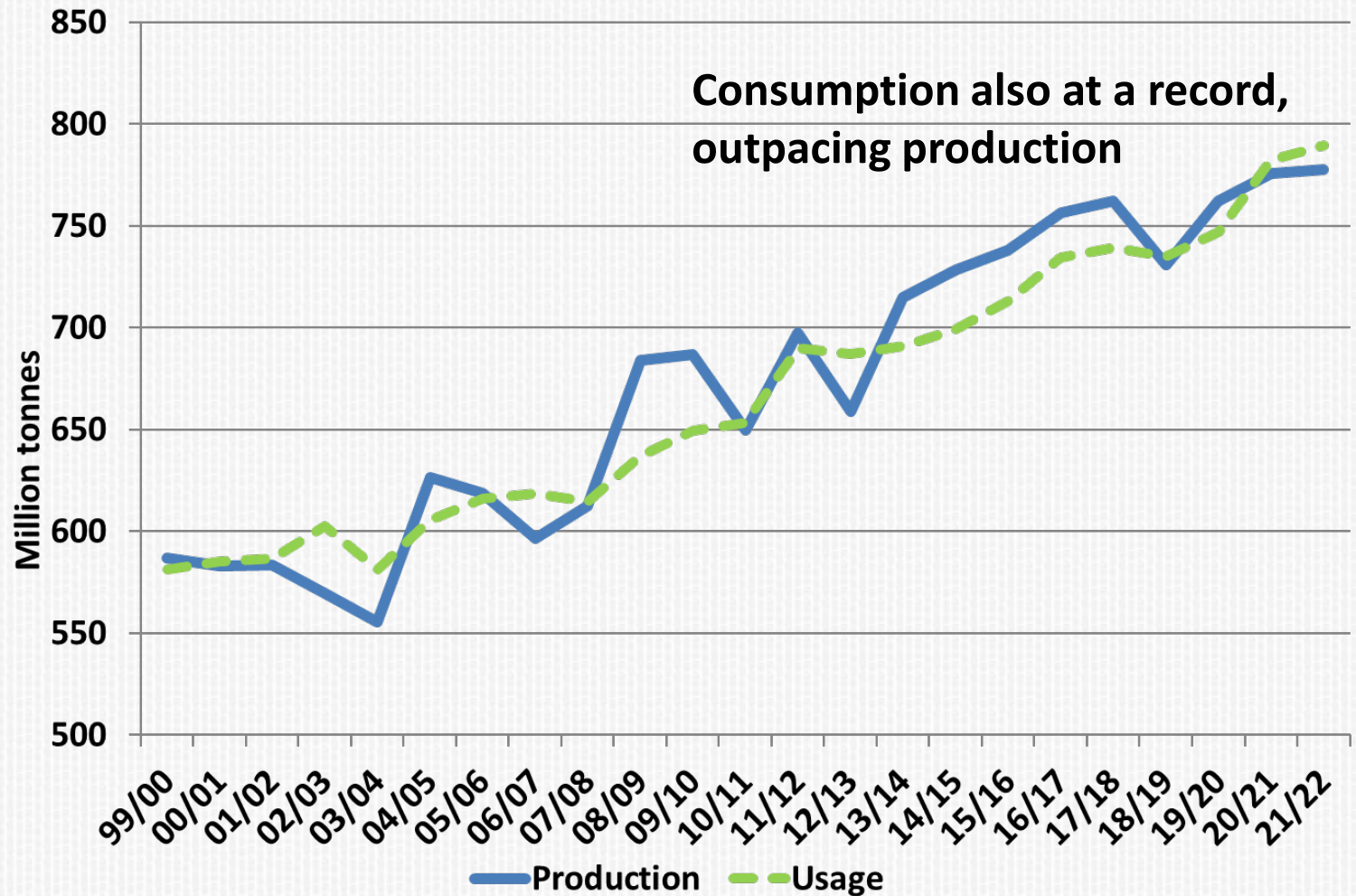
CANADIAN MUSTARD EXPORTS



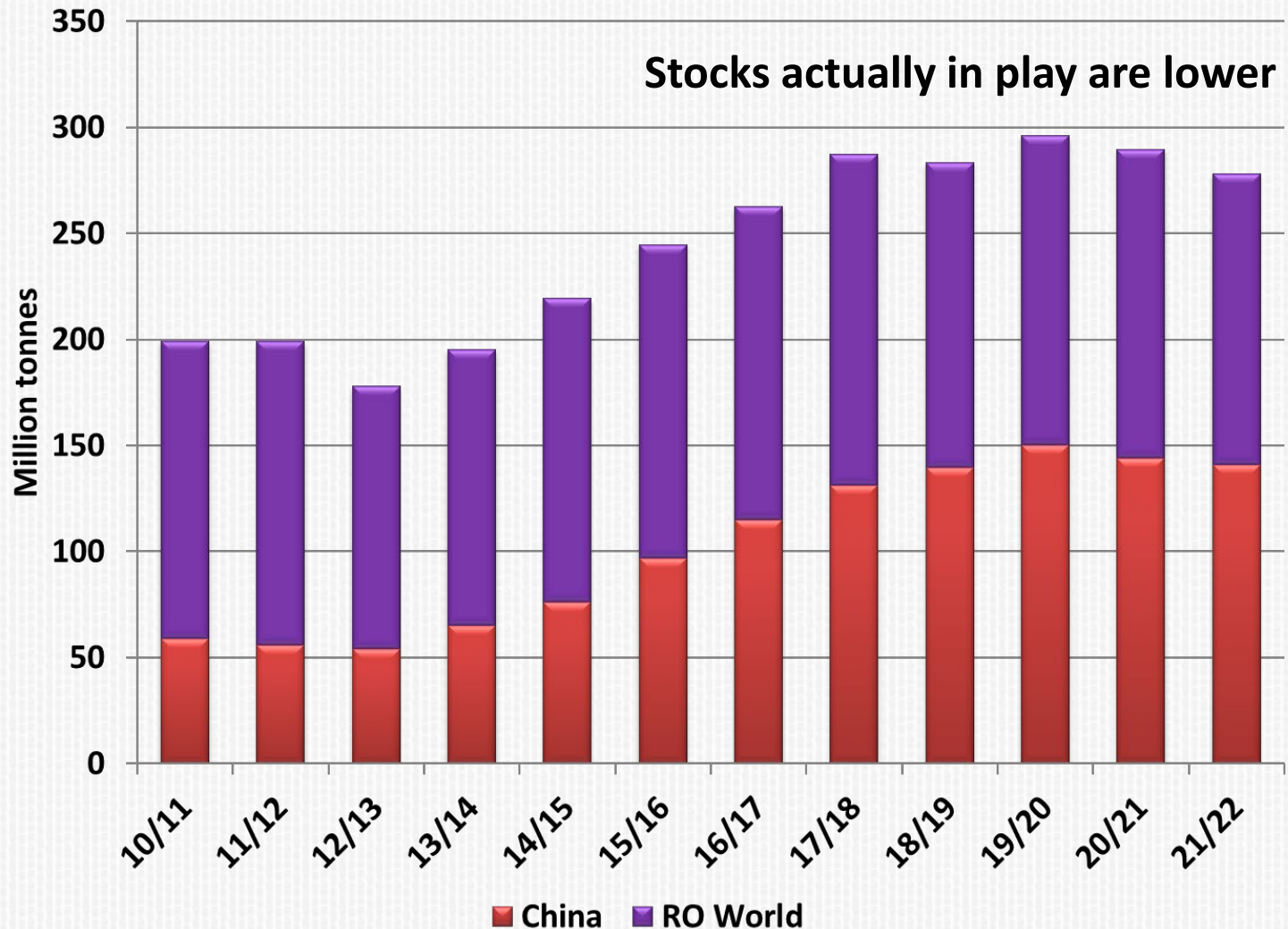
GLOBAL MUSTARD EXPORTS



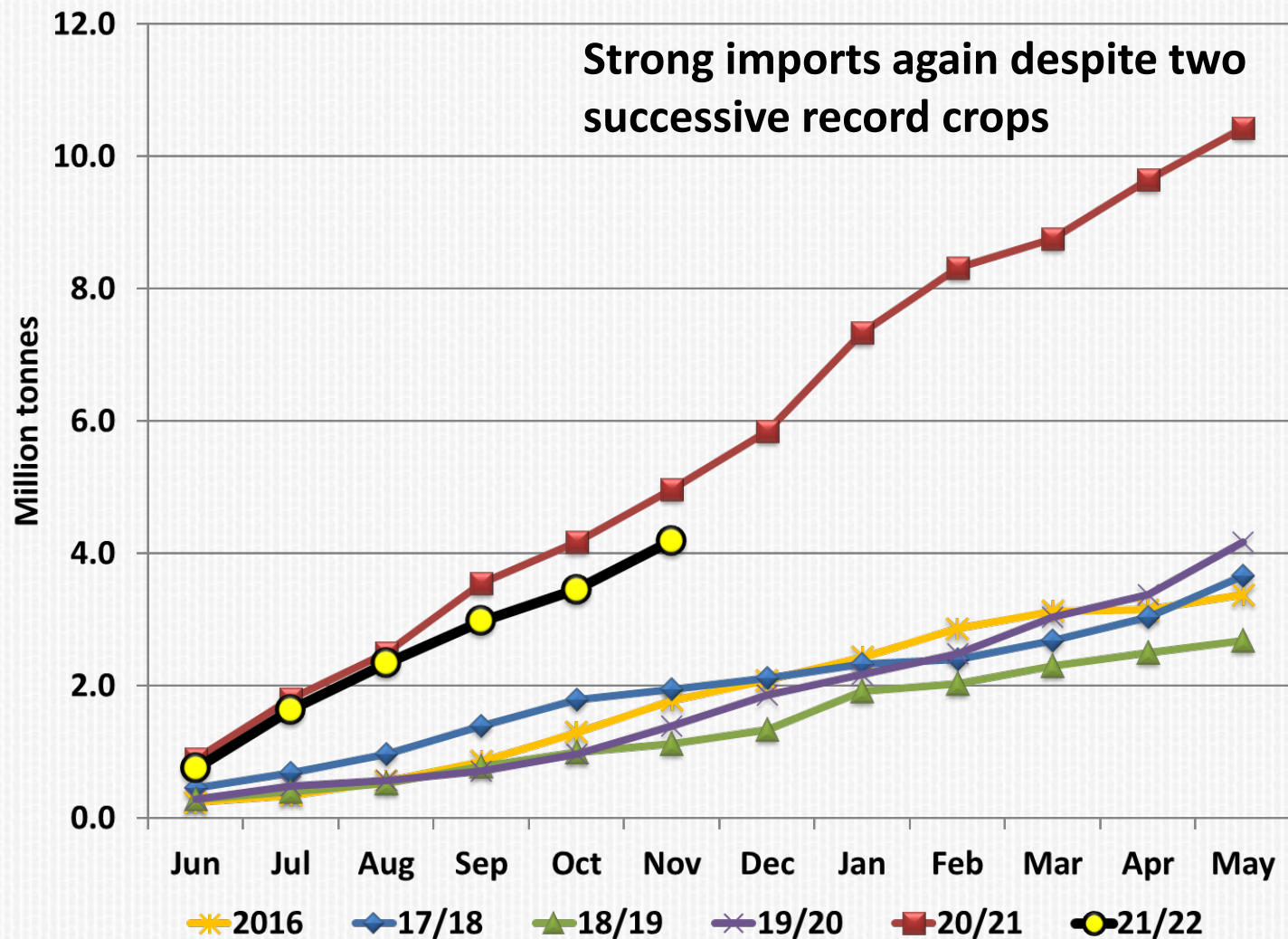
GLOBAL WHEAT PRODUCTION & USE



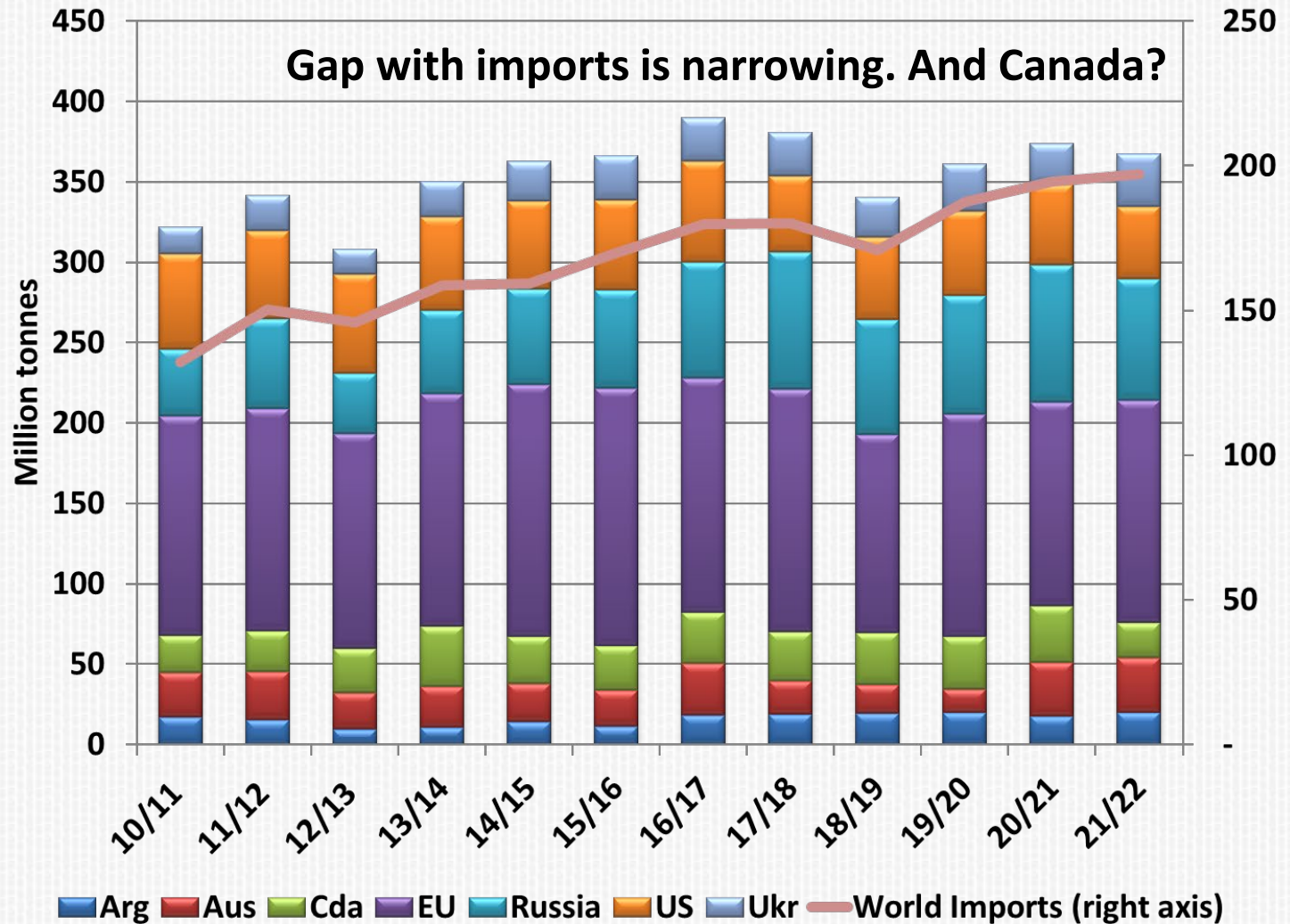
GLOBAL WHEAT STOCKS QUESTION



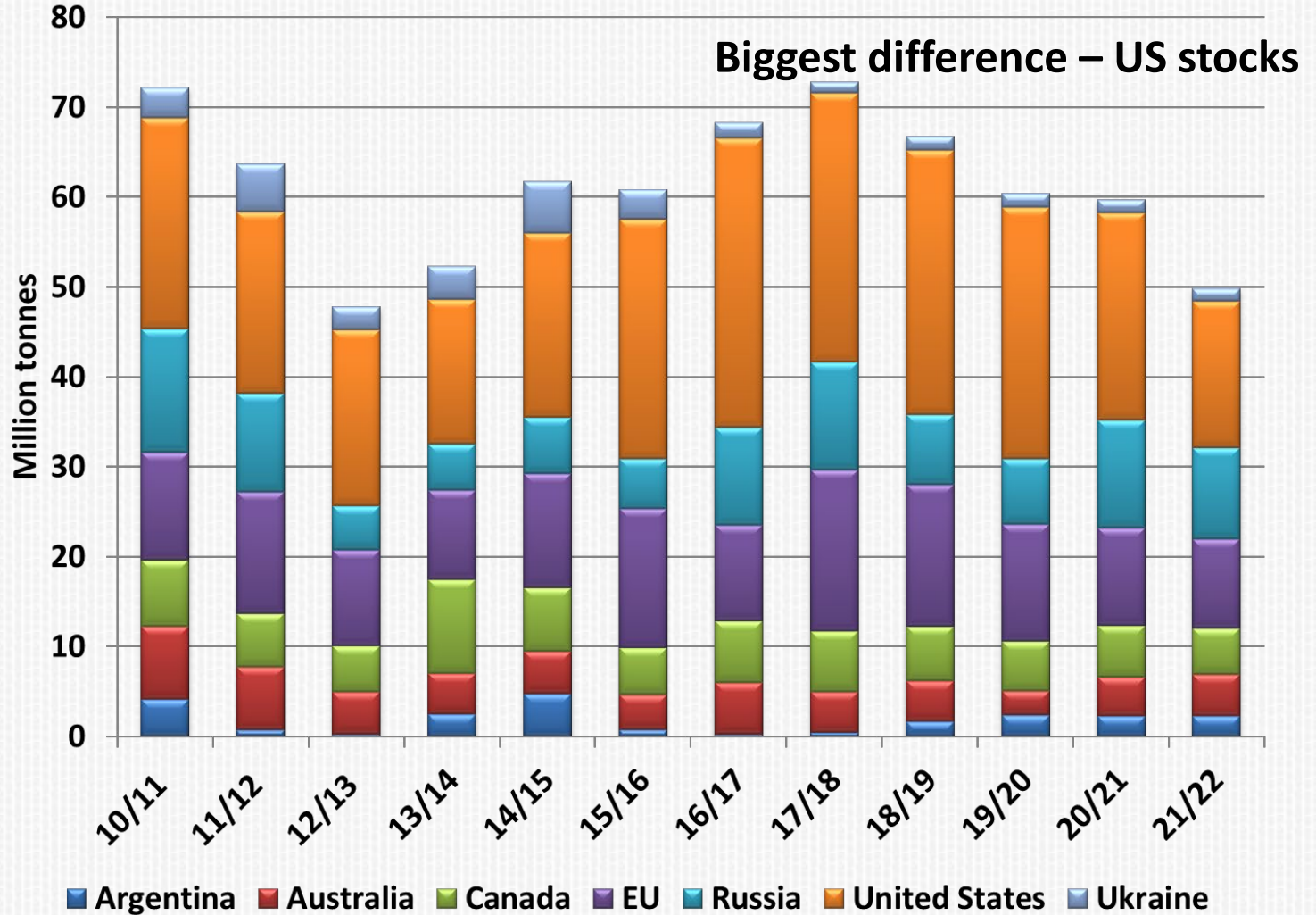
WHEAT IMPORTS – CHINA



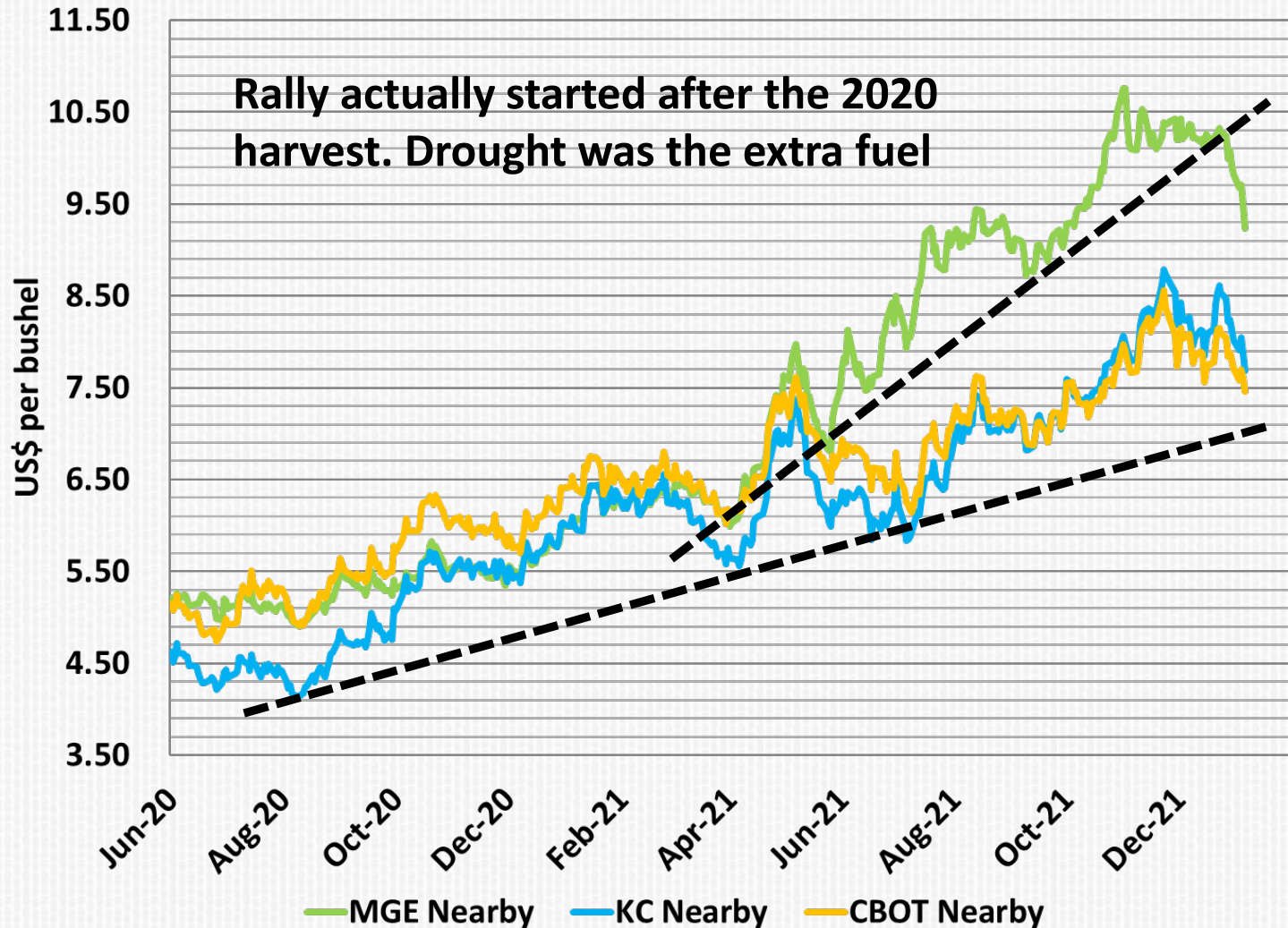
PRODUCTION – MAJOR EXPORTERS



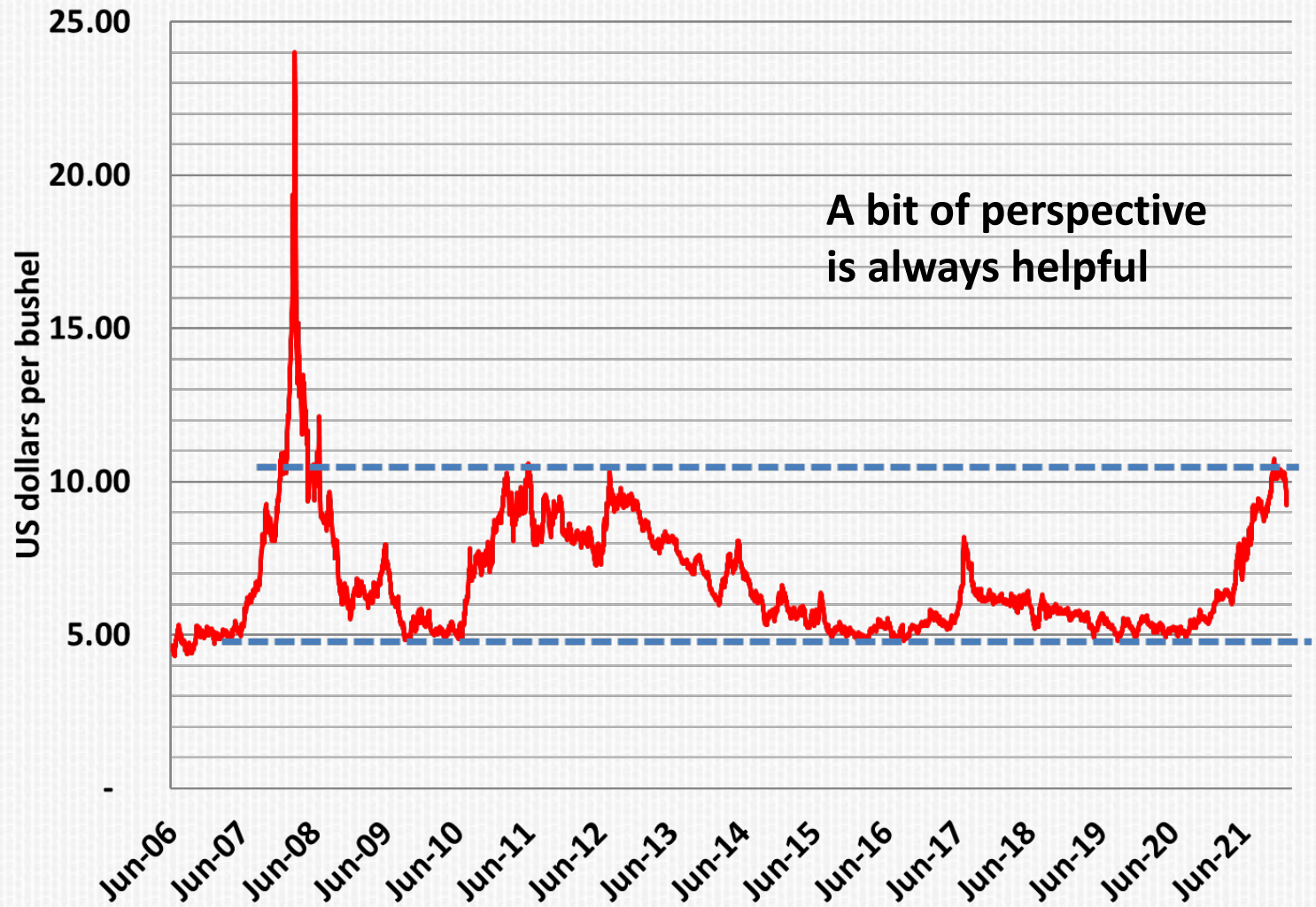
ENDING STOCKS – MAJOR EXPORTERS



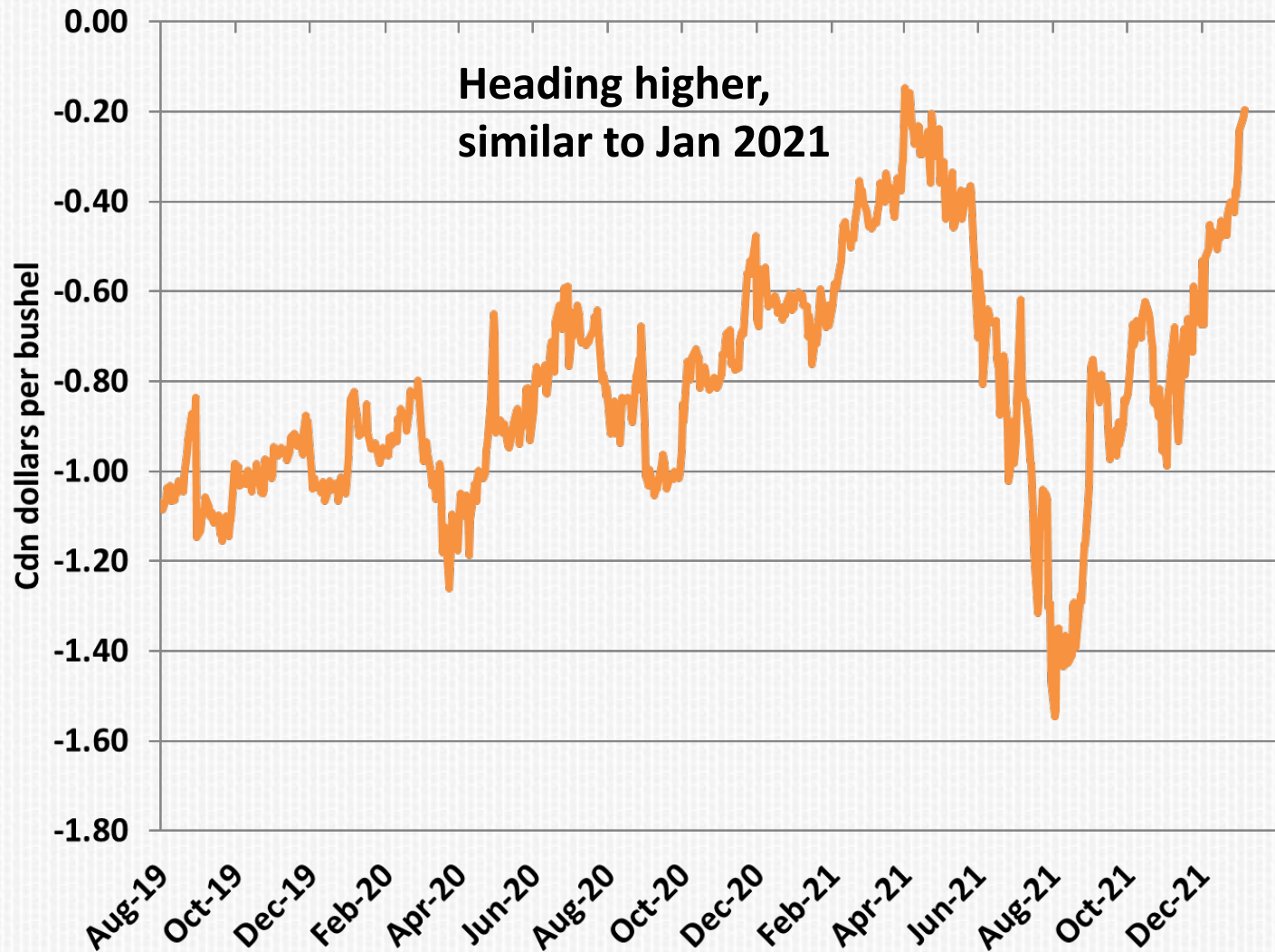
US NEARBY WHEAT FUTURES



MGE WHEAT FUTURES HISTORY



CWRS BASIS – CDN PRAIRIES



WHEAT SITUATION & OUTLOOK

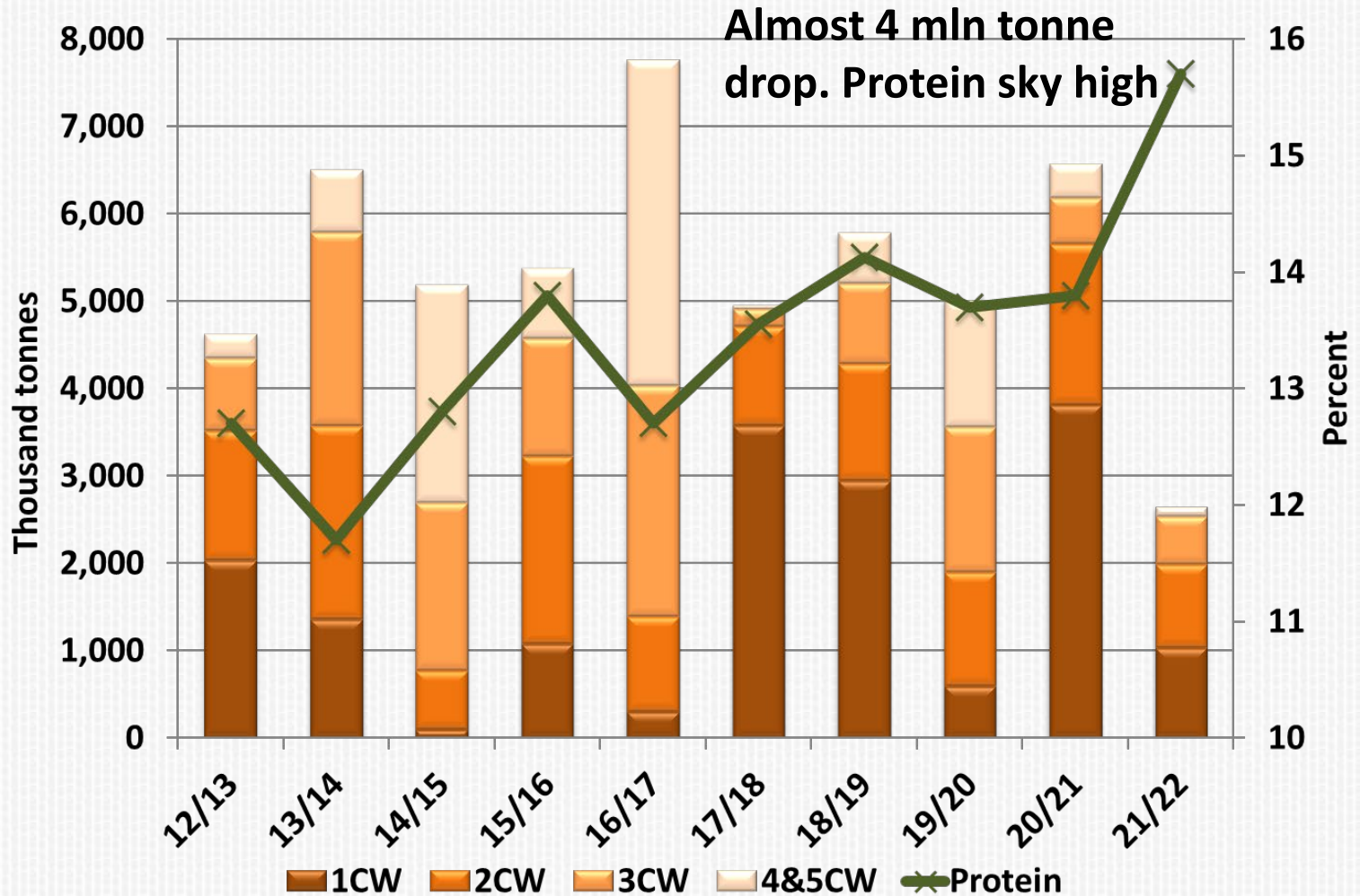
✖ For 2021/22

- + Greater odds of sideways to lower
- + Large uncertainty from geopolitics
- + Tight stocks, supplies will need to be rebuilt in '22

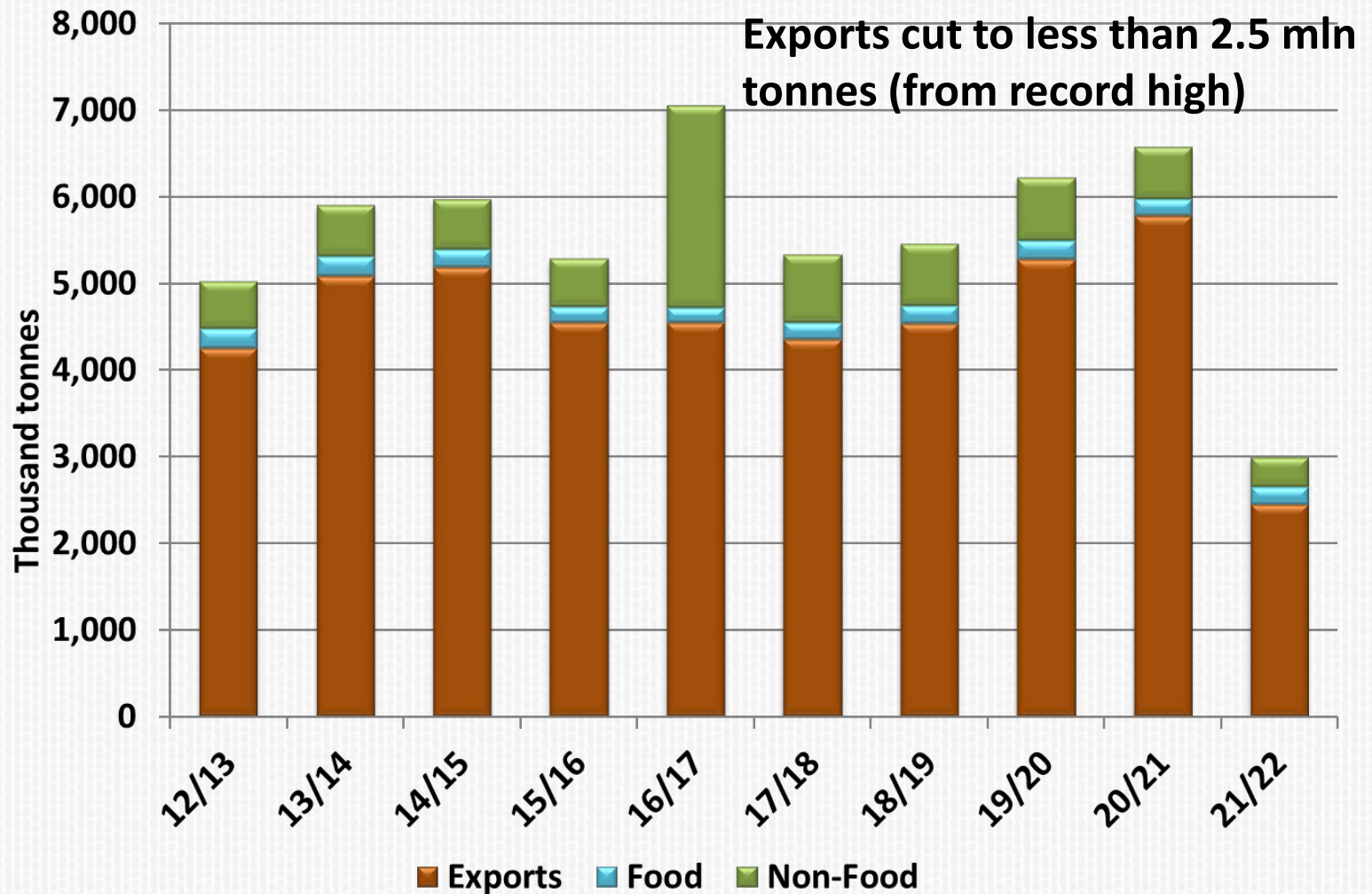
✖ For 2022/23

- + Mostly flat seeded area
- + Weather concerns mainly in N America
 - ✖ More critical than usual
- + Even a decent crop provides only modest supply relief

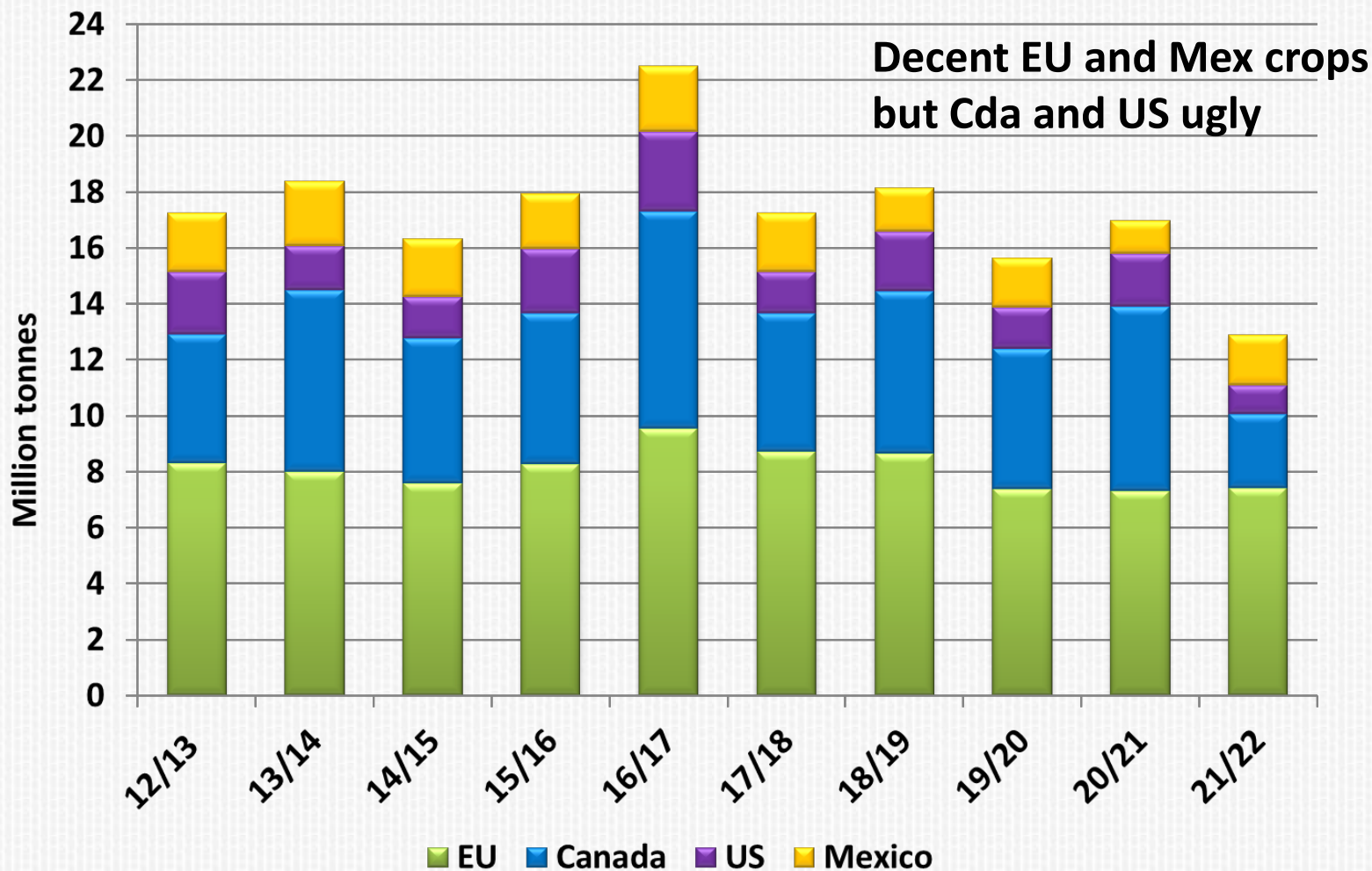
CANADIAN DURUM PRODUCTION



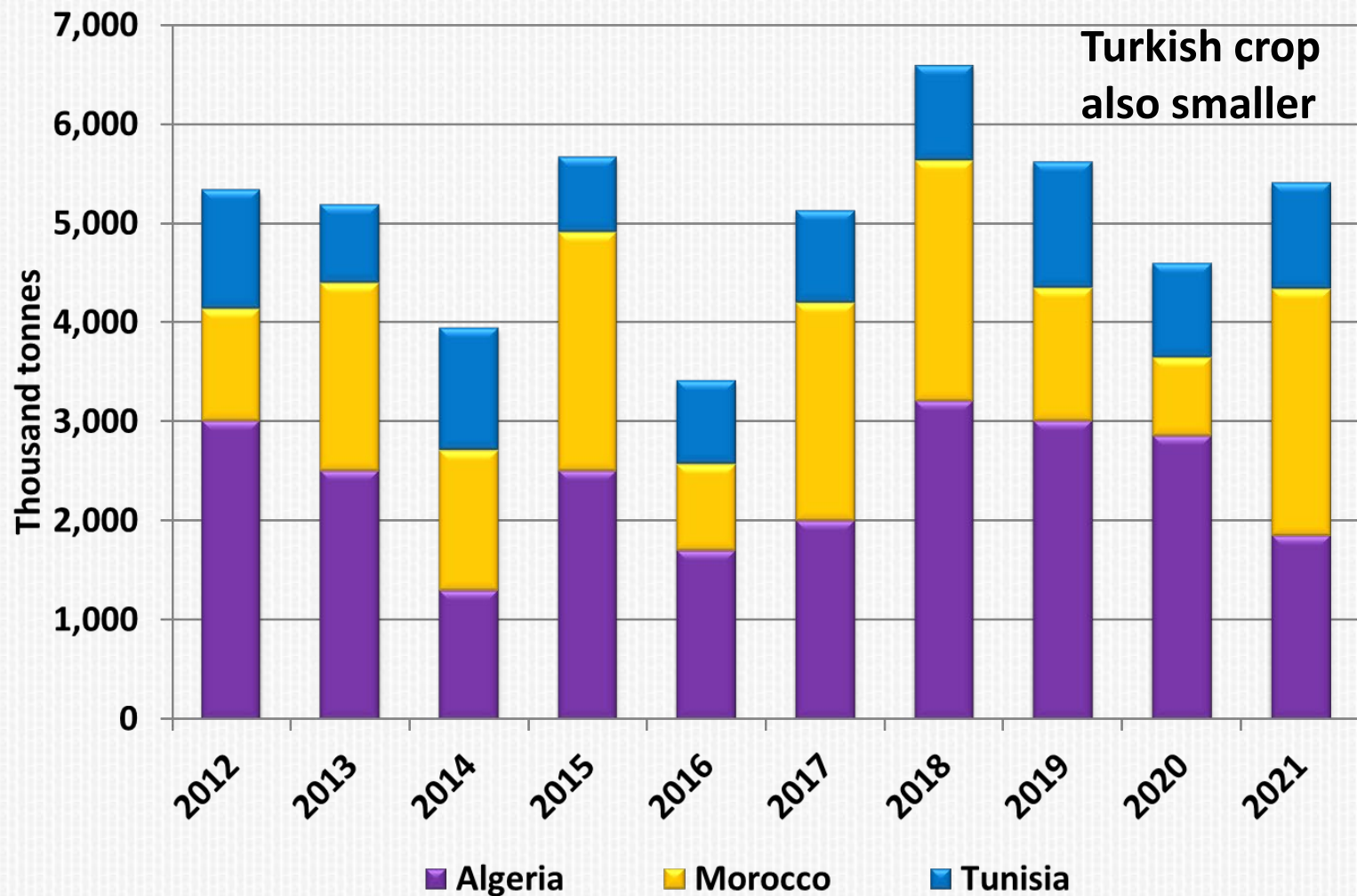
CANADIAN DURUM USAGE



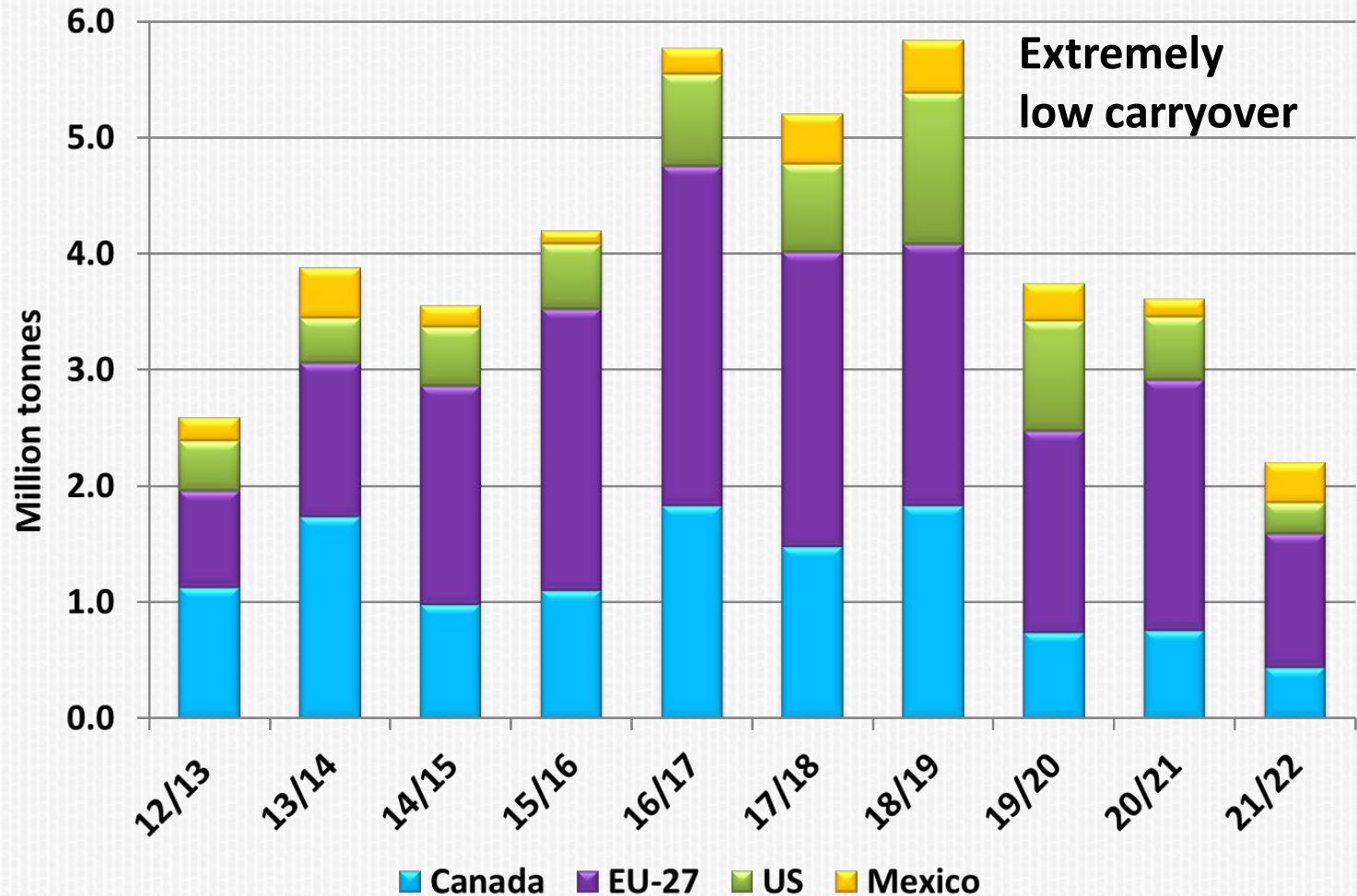
DURUM PRODUCTION – KEY EXPORTERS



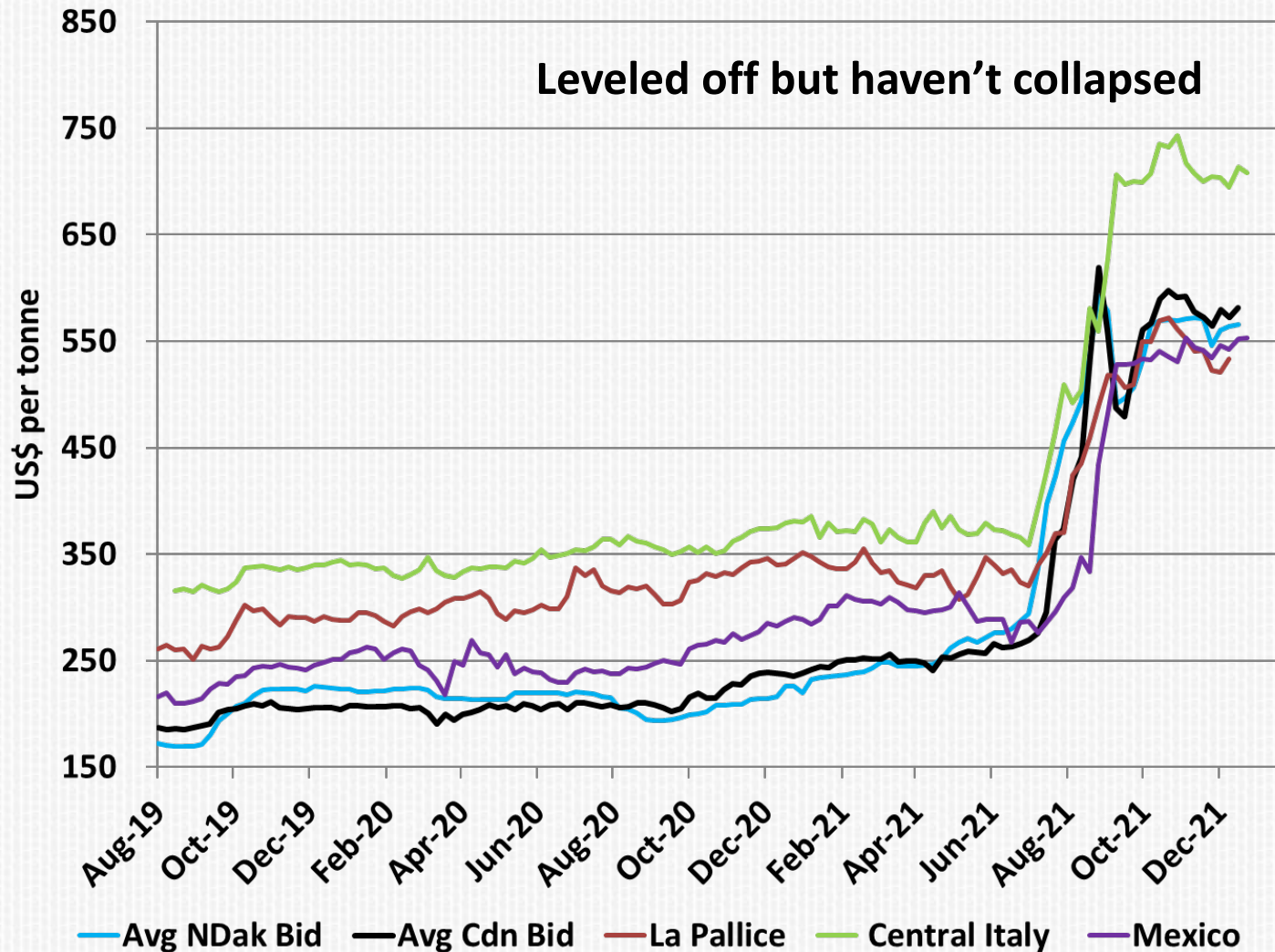
NORTH AFRICAN DURUM PRODUCTION



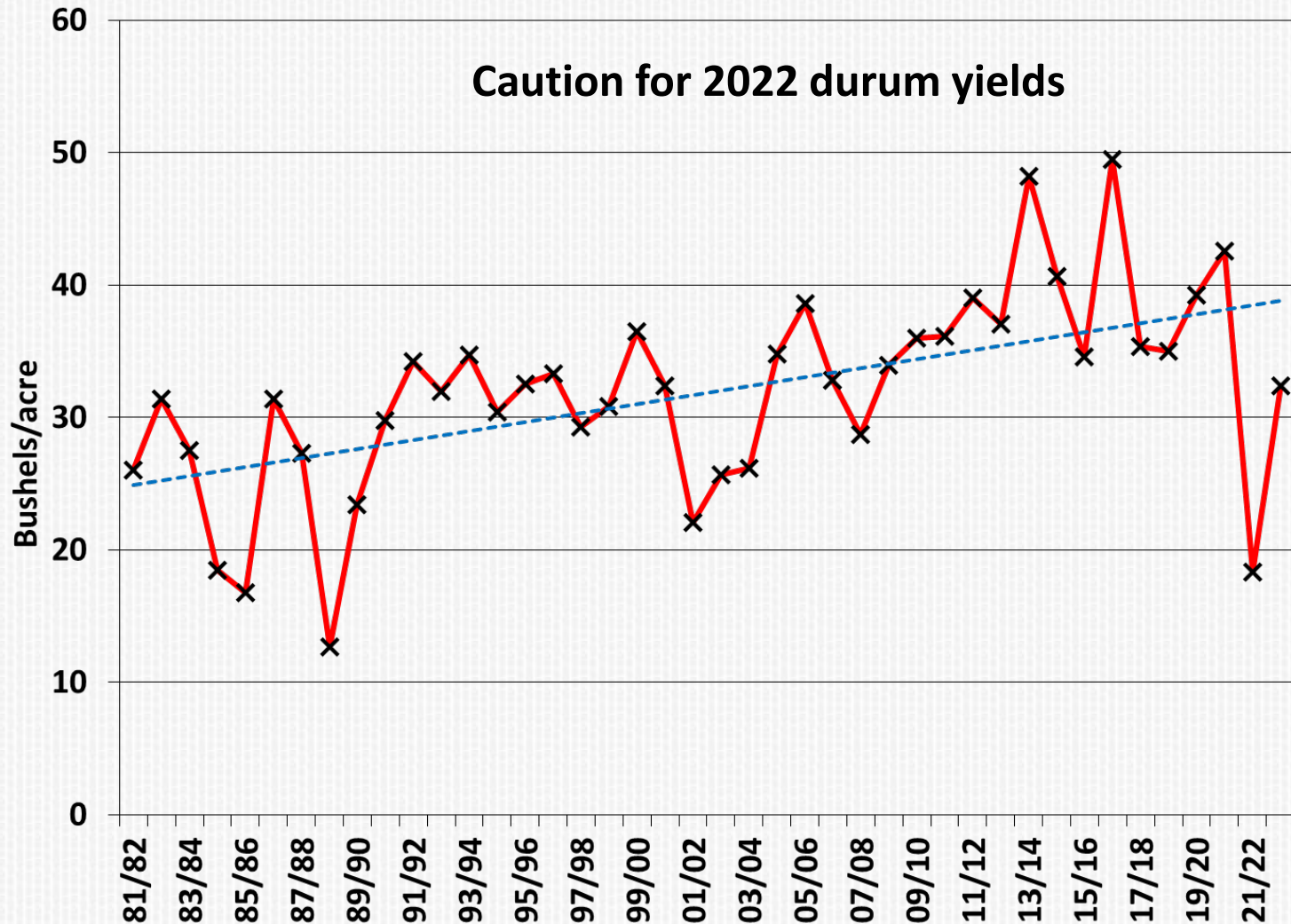
MAJOR EXPORTER DURUM ENDING STKS



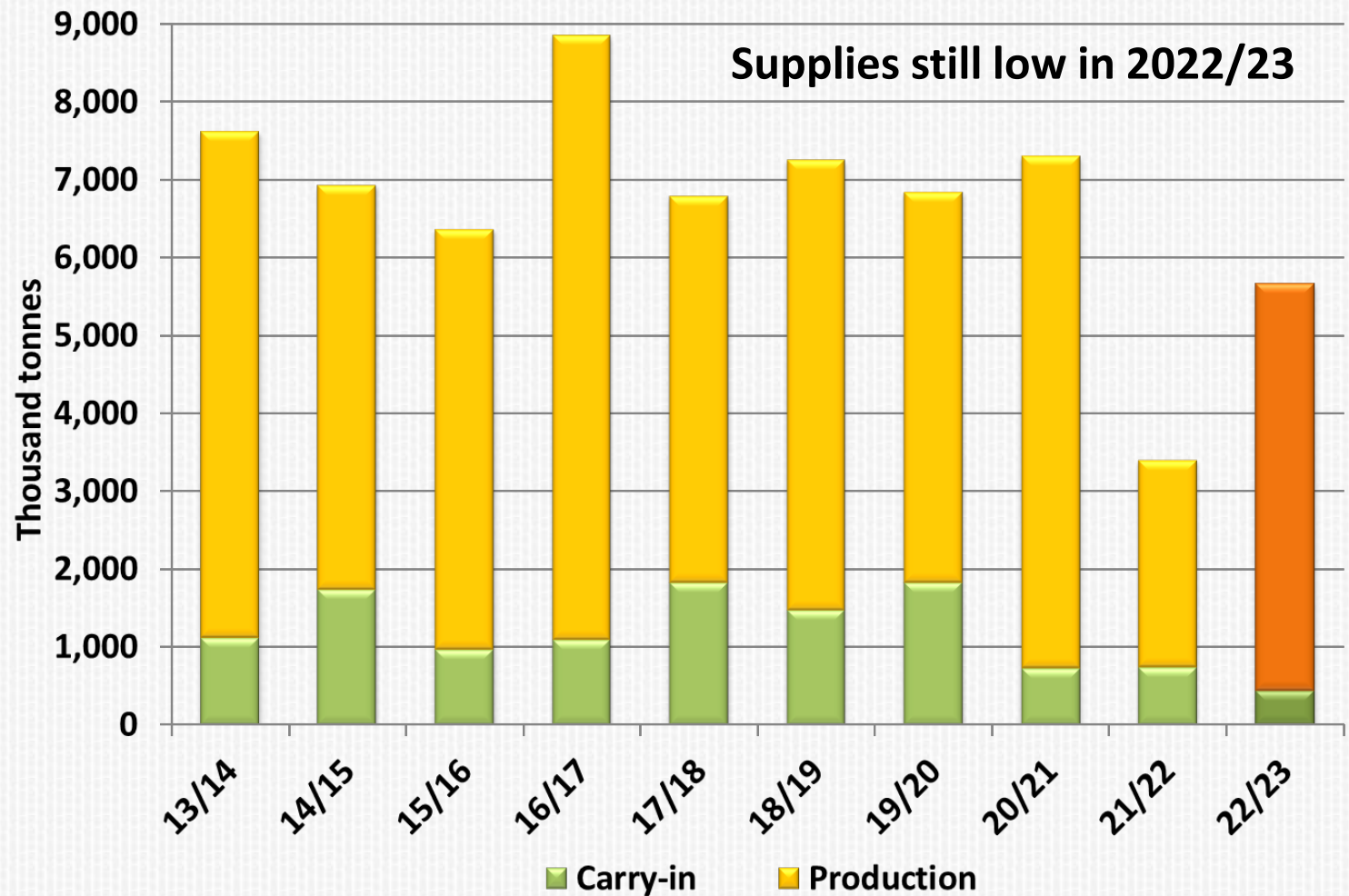
SELECTED DURUM PRICES



CDN DURUM YIELD HISTORY



CANADIAN DURUM SUPPLY



DURUM SITUATION & OUTLOOK

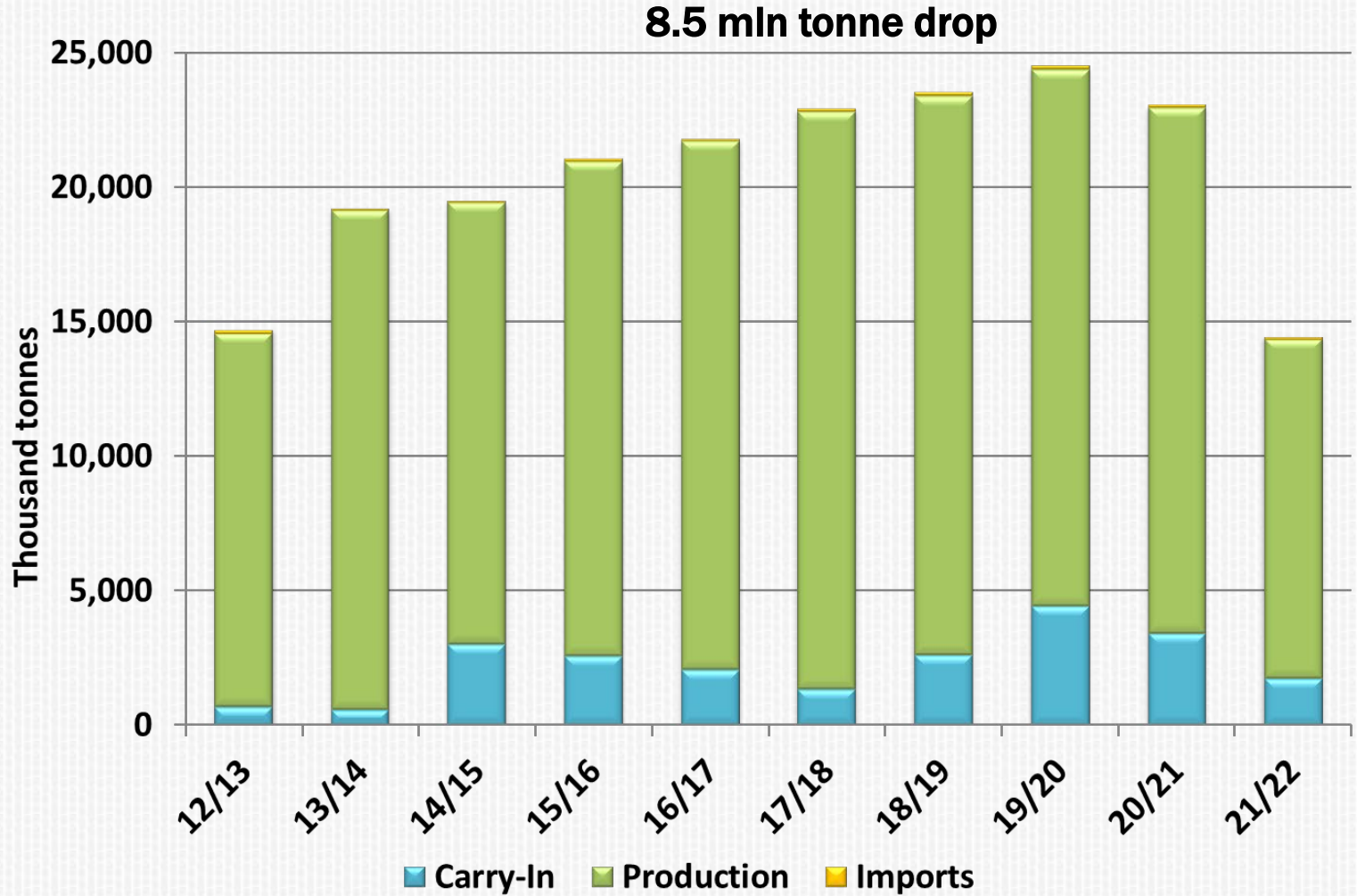
✖ For 2021/22

- + Very little uncommitted durum
- + Prices stable near the highs
- + Some supply relief from Australia and Mexico

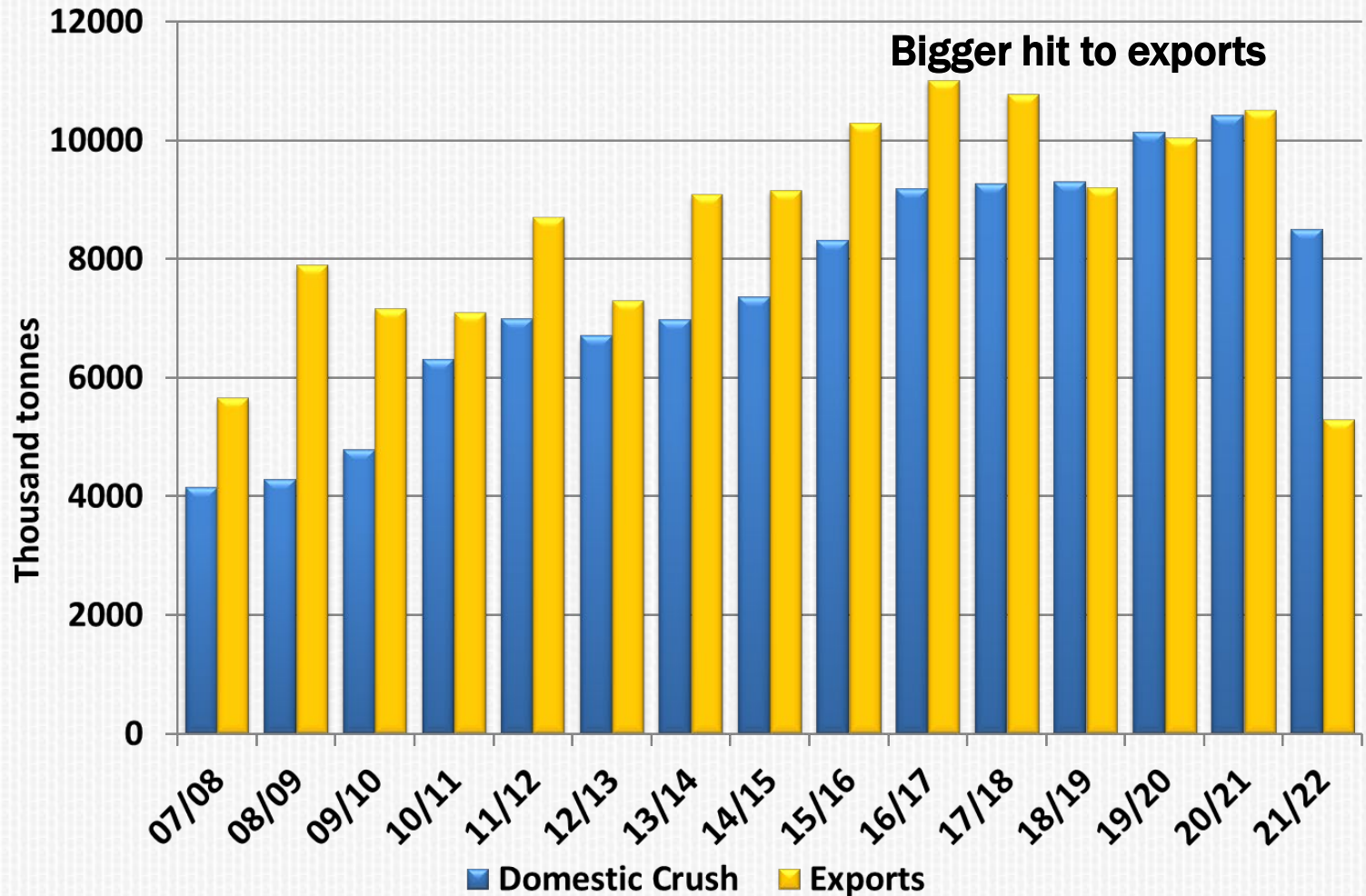
✖ For 2022/23

- + Seeded area up in EU, likely in N America
- + Iffy outlook again for N Africa
- + Dry conditions in W Cda
- + Low carry-in means tightish supply outlook (again), even with bigger crops but weather even more critical

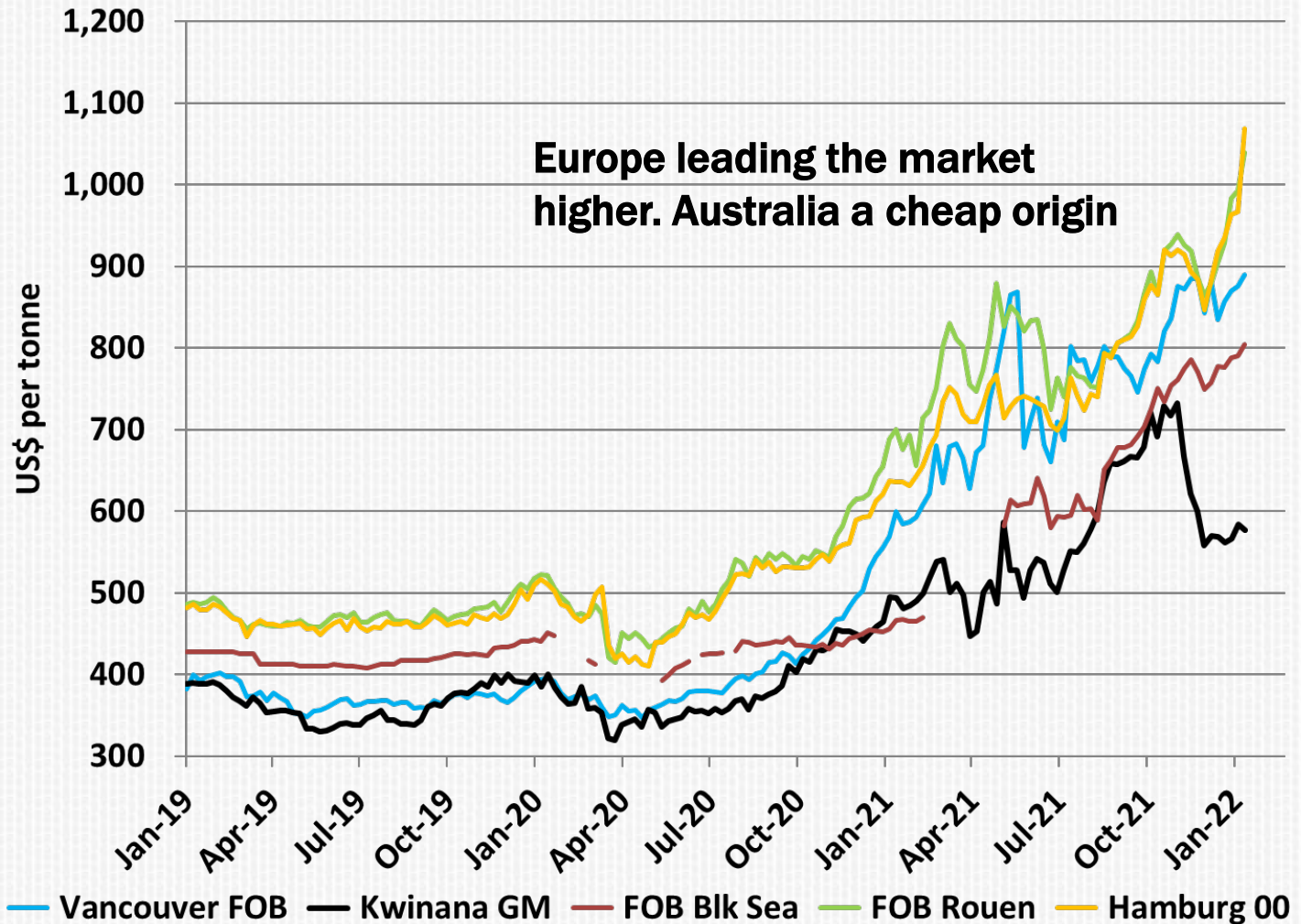
CANADIAN CANOLA SUPPLIES



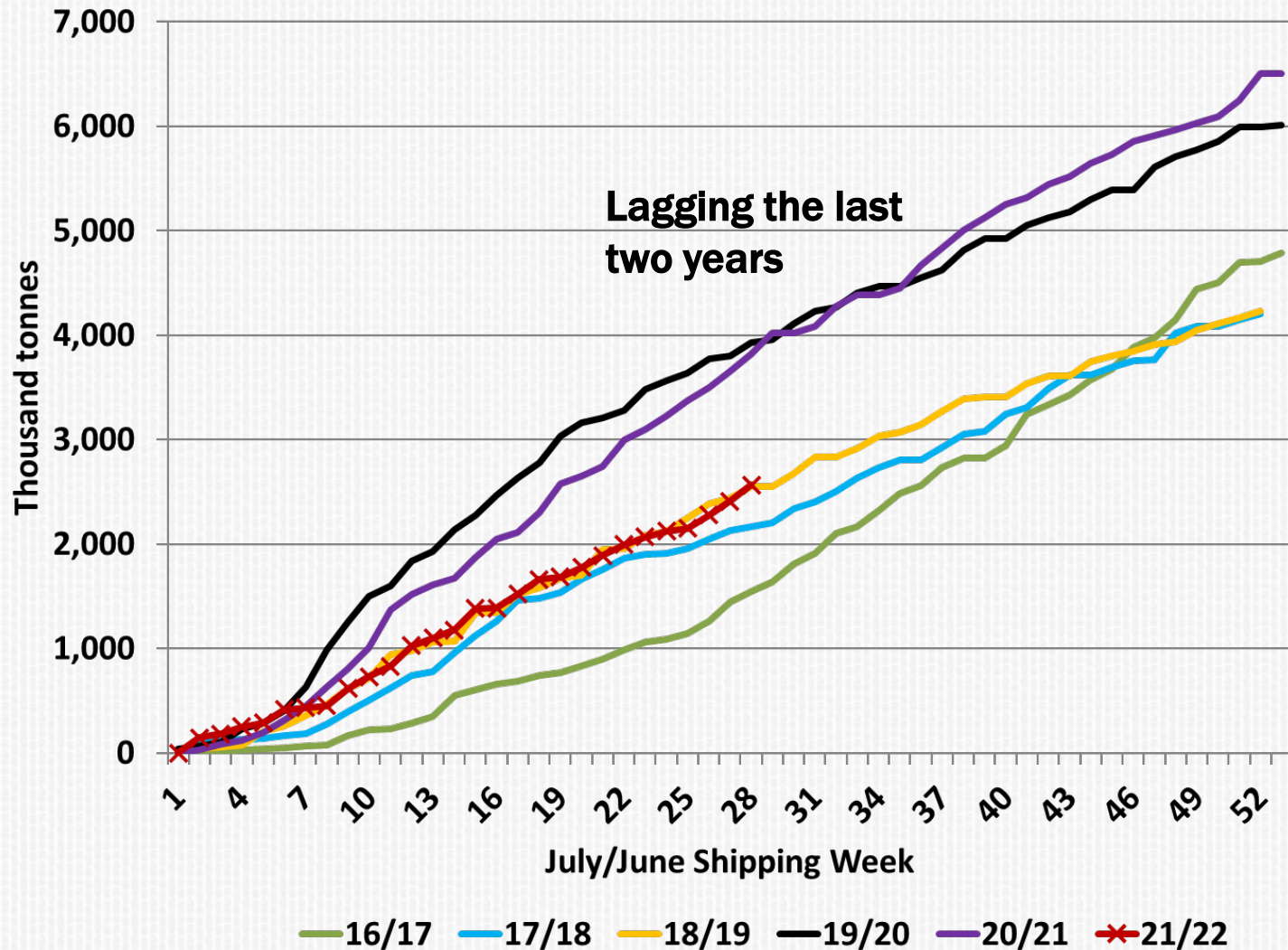
CDN CANOLA CRUSH & EXPORTS



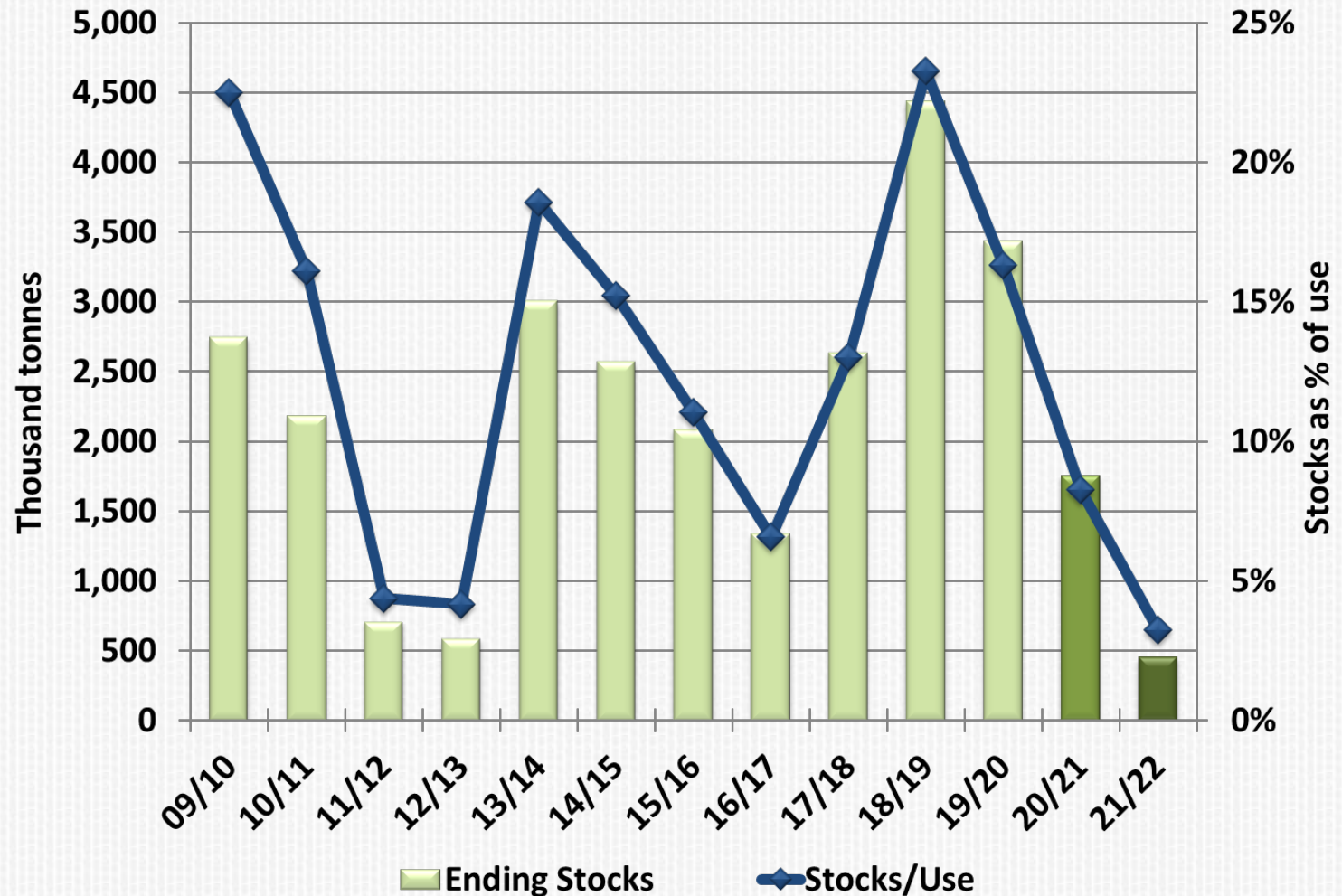
SELECTED CANOLA/RAPSEED PRICES



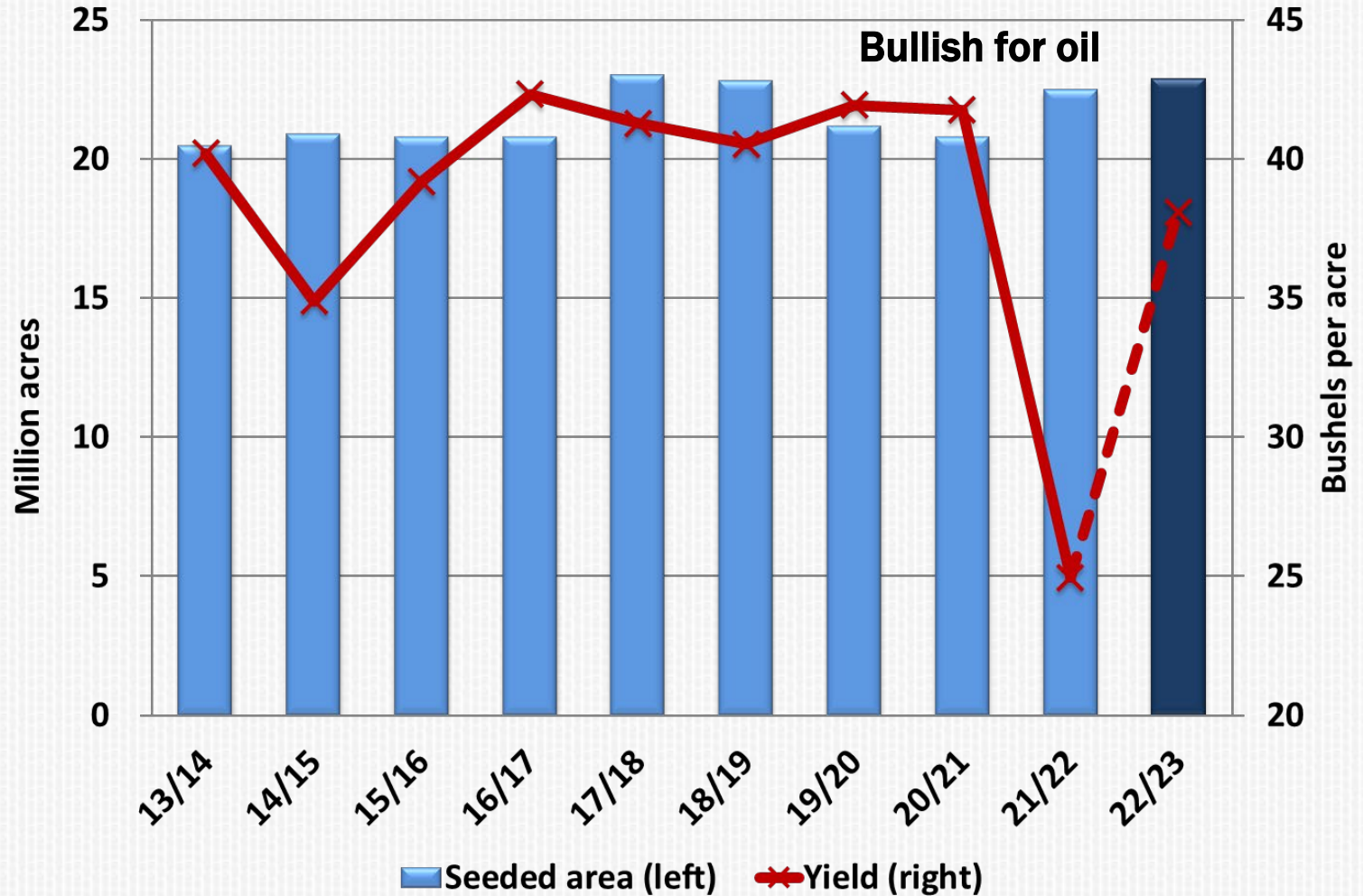
EU RAPESEED IMPORTS



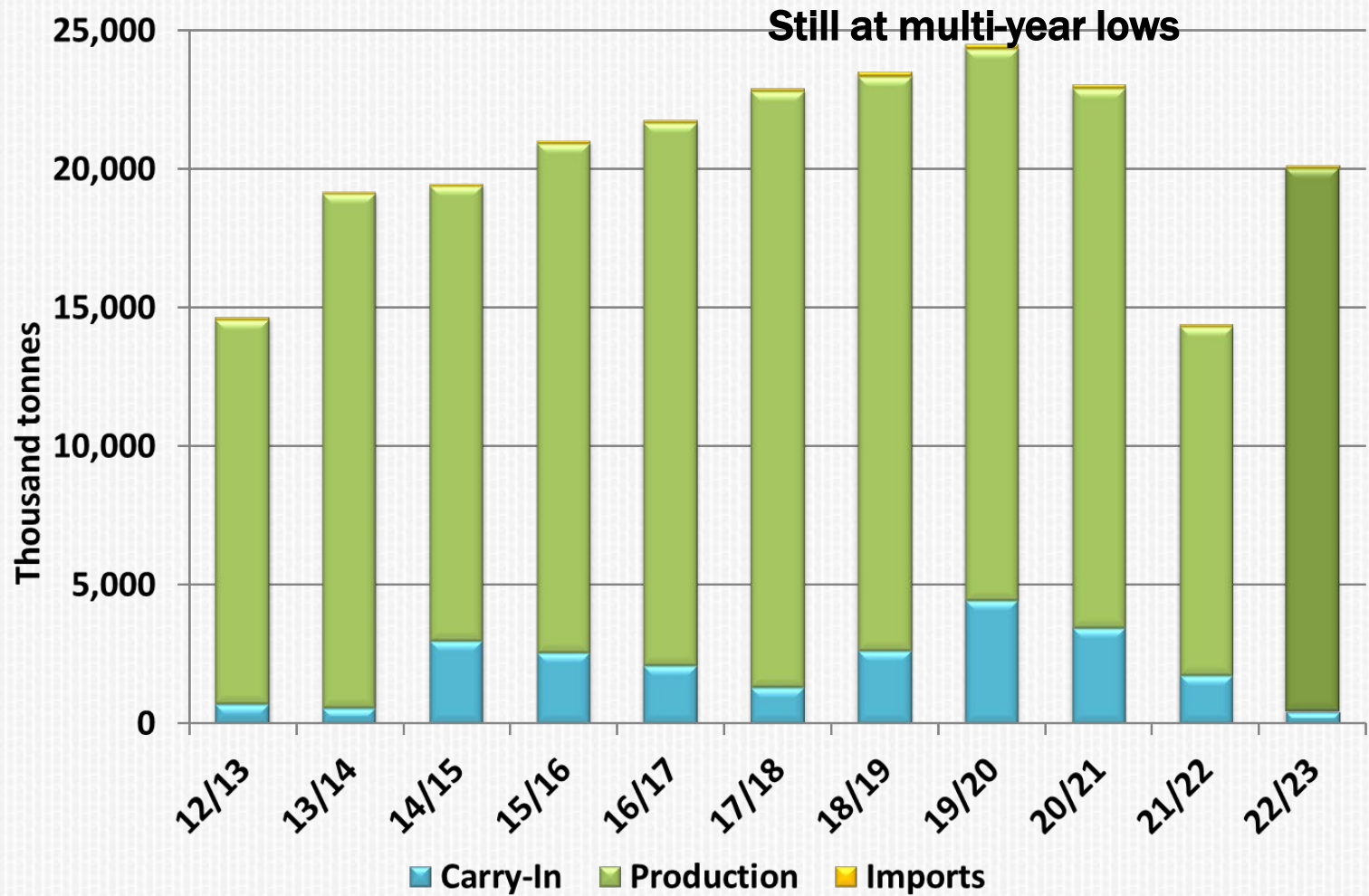
CANOLA ENDING STOCKS – CANADA



CDN CANOLA SEEDED AREA & YIELD



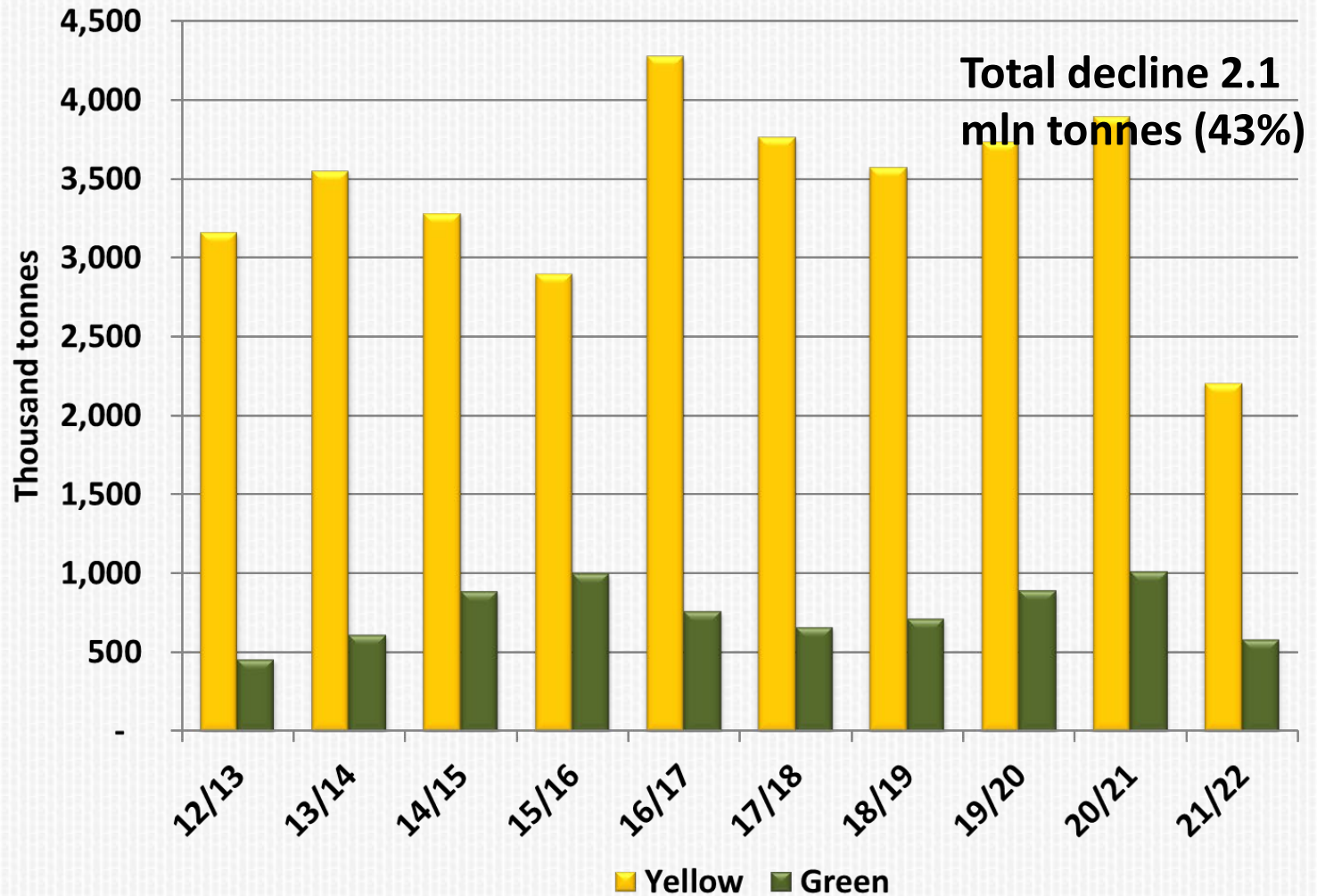
CANADIAN CANOLA SUPPLIES



CANOLA SITUATION

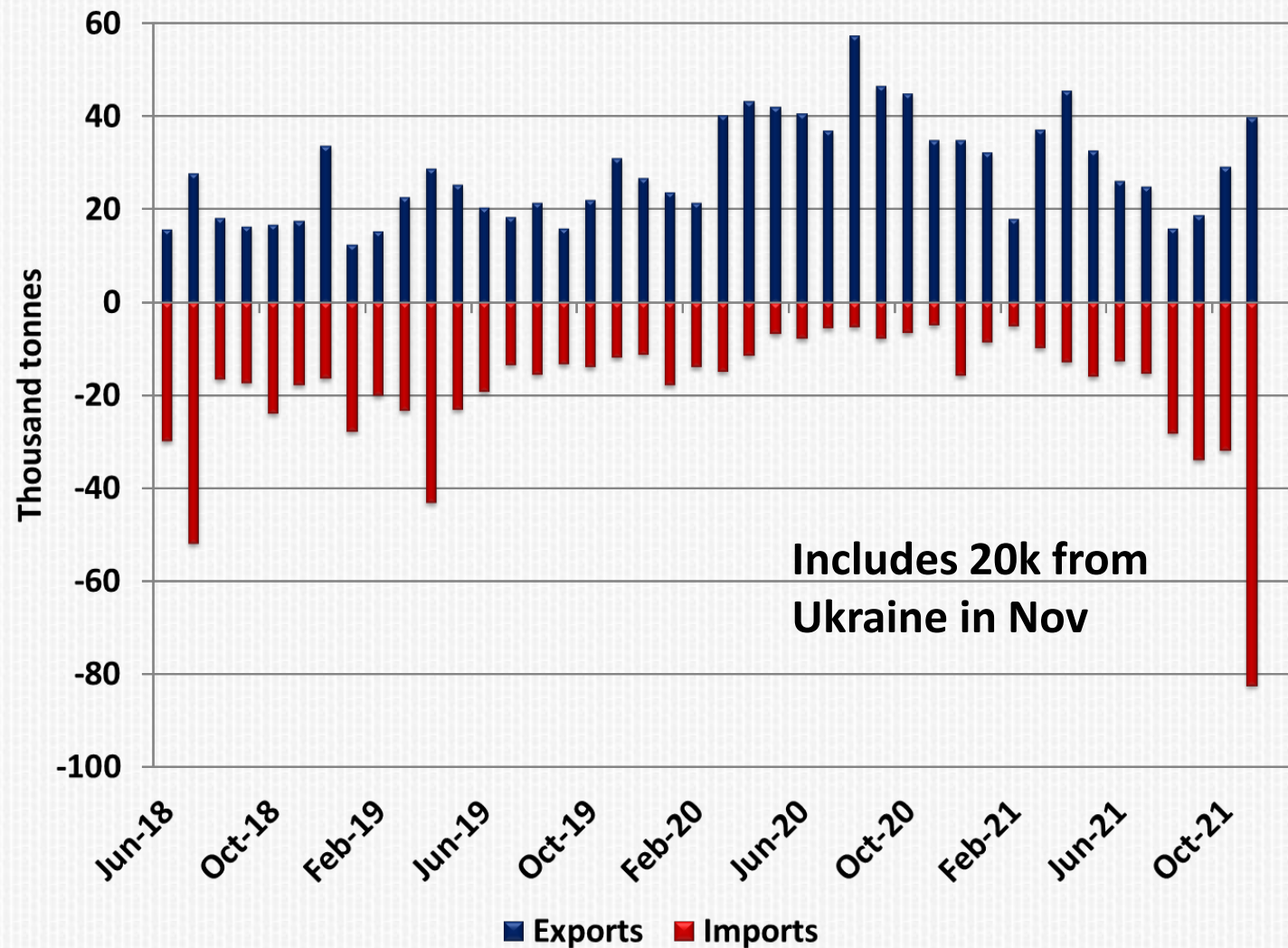
- ✖ Serious demand rationing already mostly done
- ✖ Multiple years to rebuild supplies
 - + Yields in 2022 a big variable
- ✖ EU & others will pick up some slack
- ✖ Strong prices but not at current levels

PEA SUPPLIES – CANADA

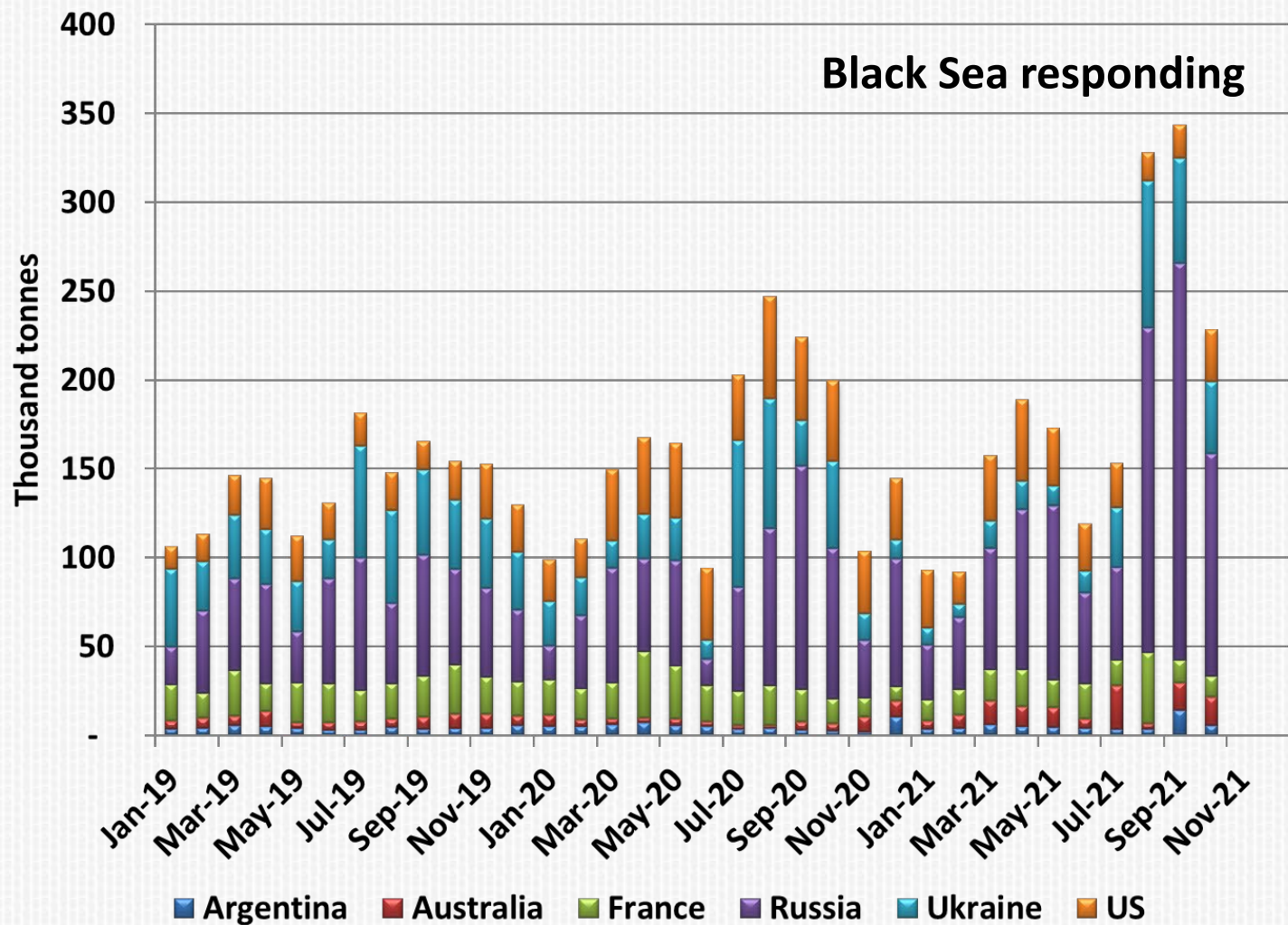


**Green pea totals include "other" classes*

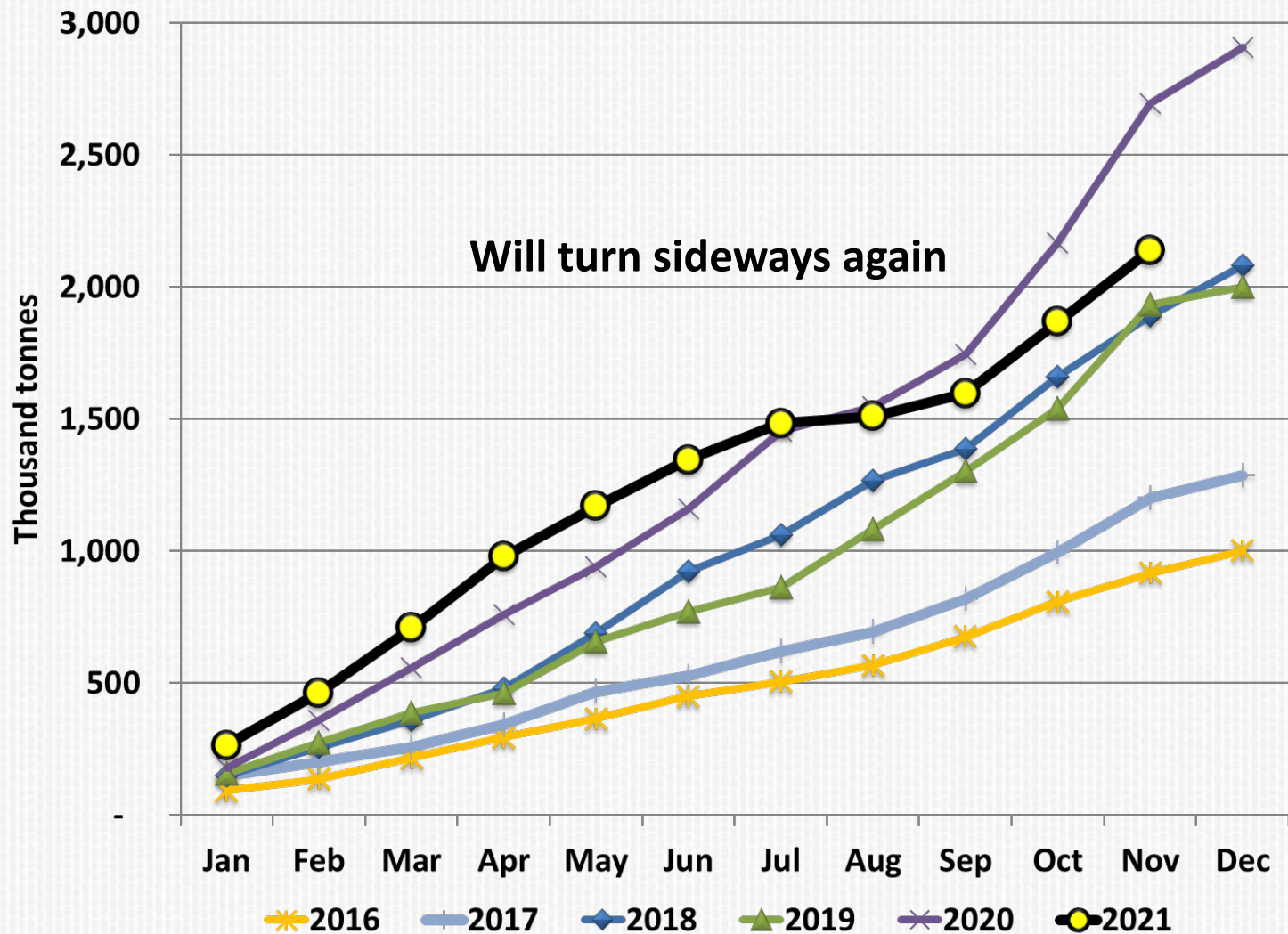
US DRY PEA TRADE



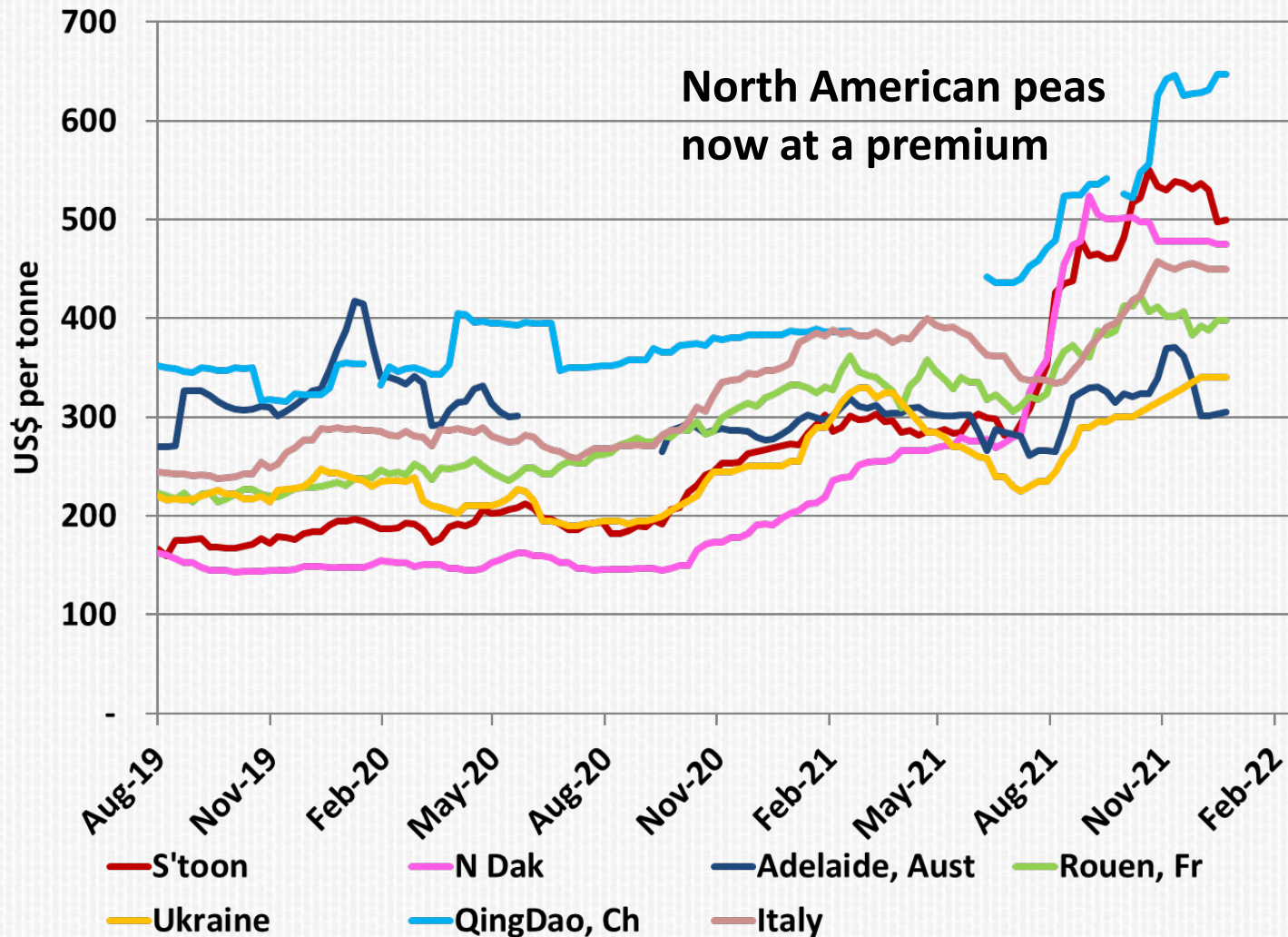
SELECTED PEA EXPORTS



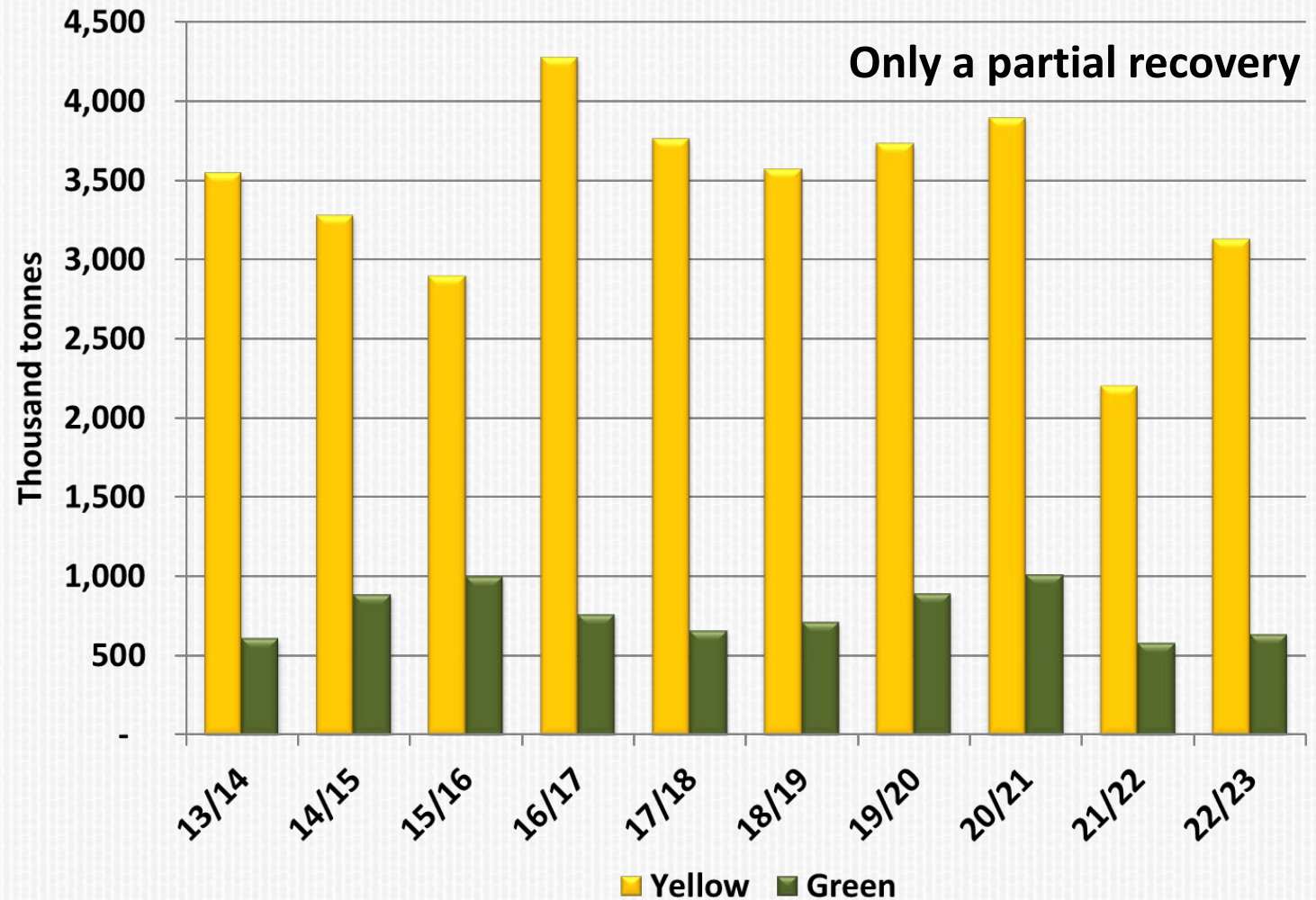
CHINESE PEA IMPORTS - CUMULATIVE



SELECTED YELLOW/DUN PEA PRICES

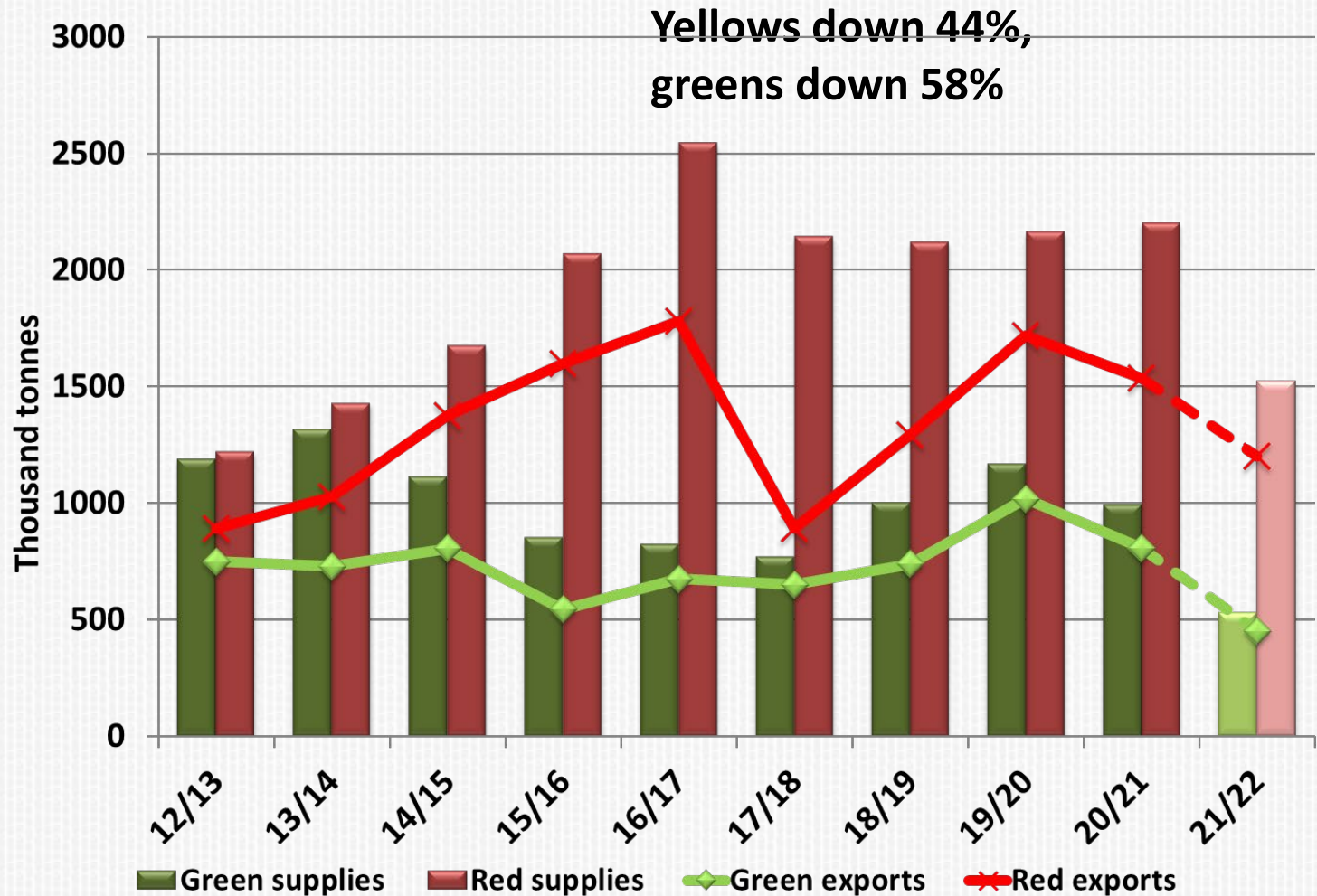


CANADIAN PEA SUPPLIES

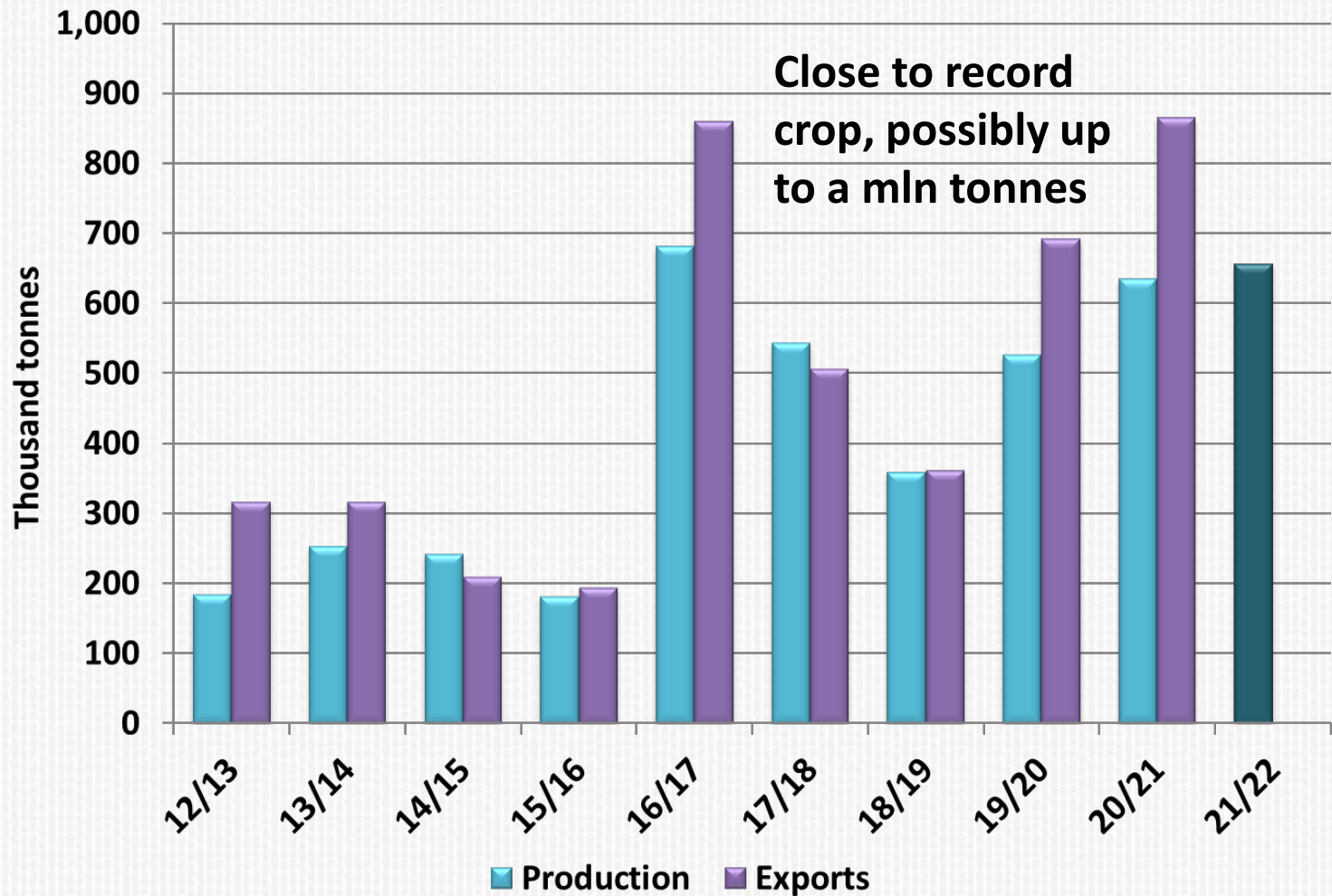


*Green pea totals include "other" classes

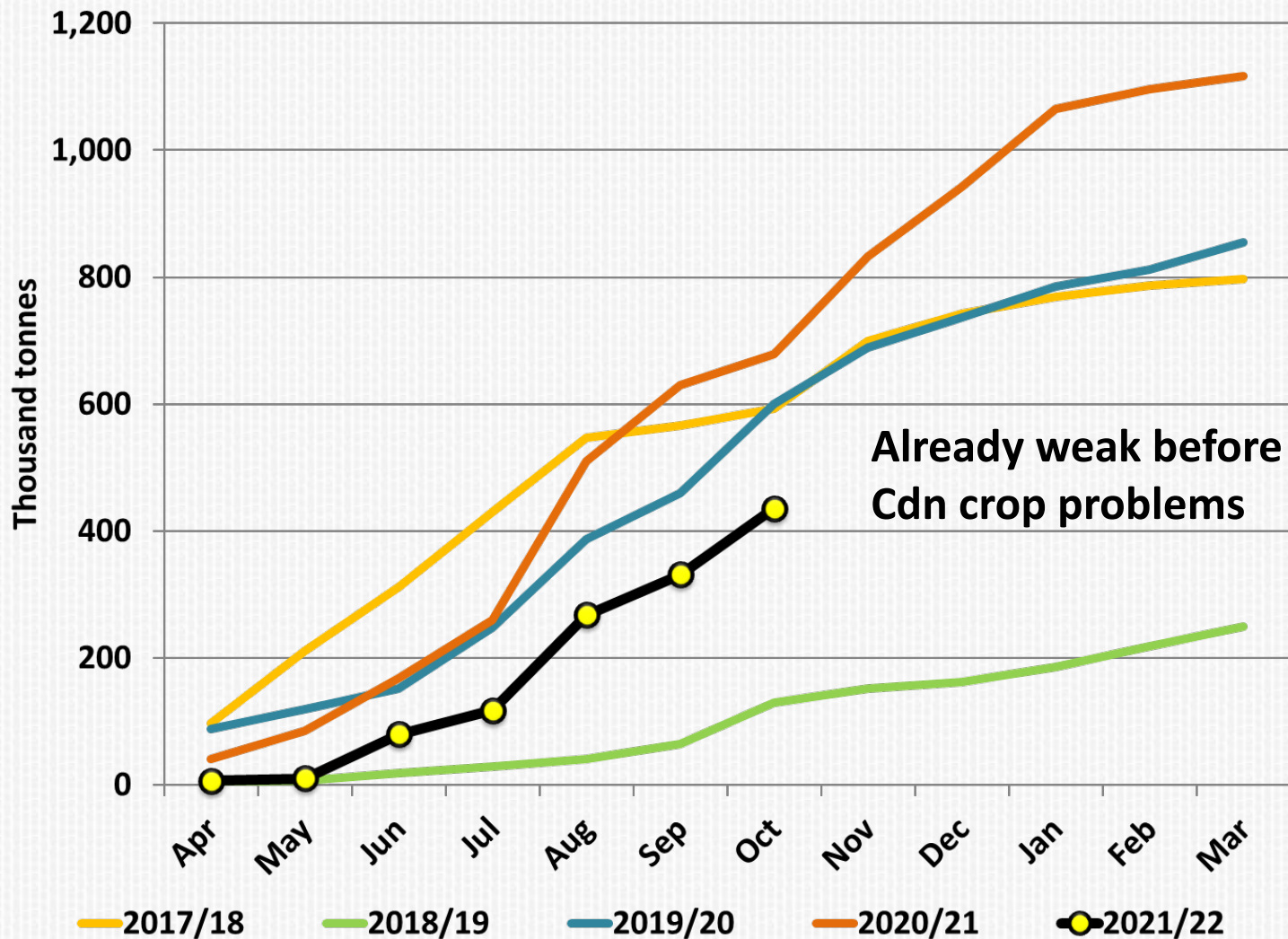
CDN LENTIL SUPPLIES & EXPORTS



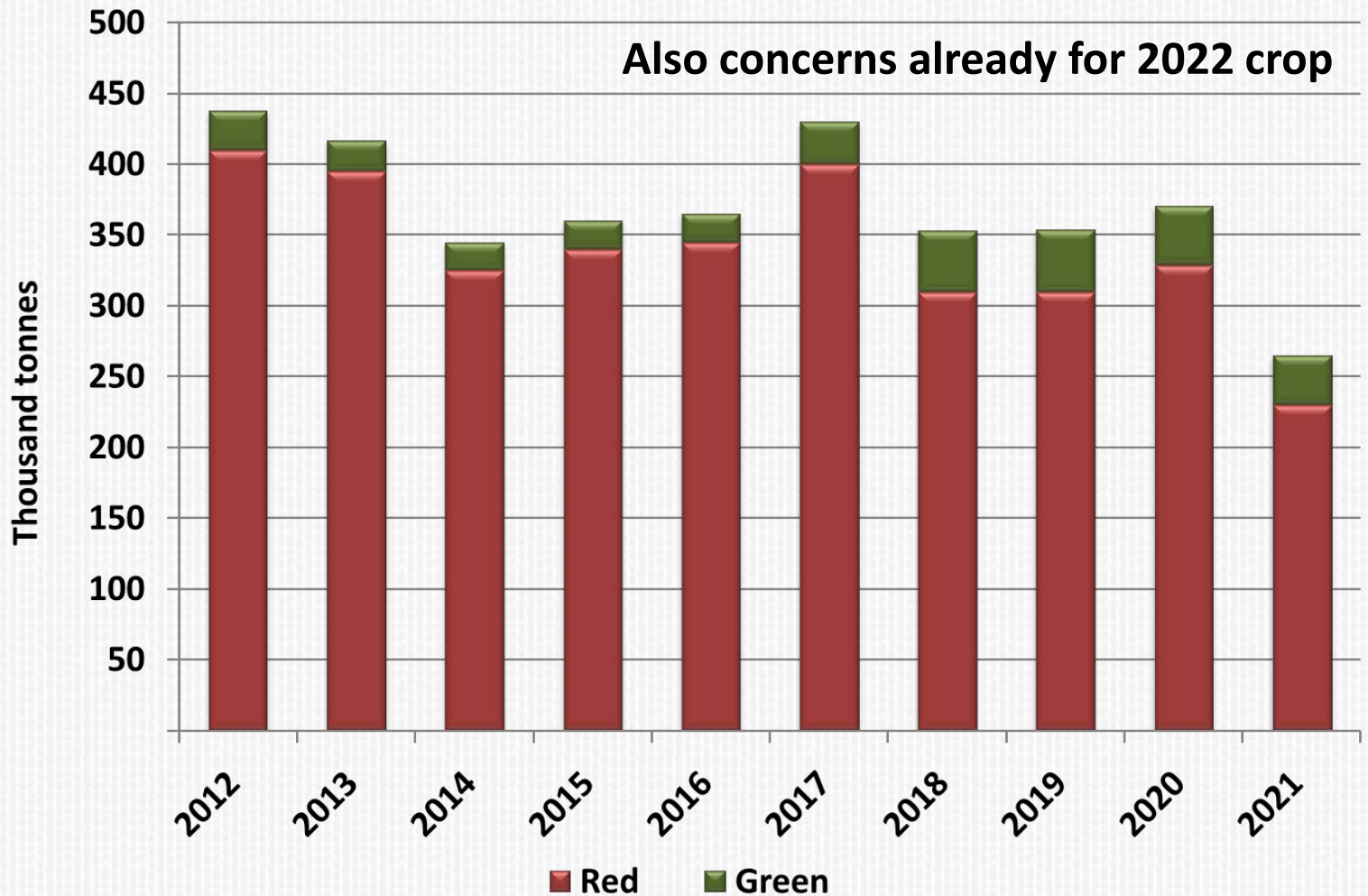
AUSTRALIAN LENTIL PROD & EXPORTS



INDIAN LENTIL IMPORTS



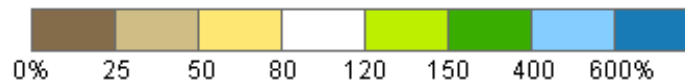
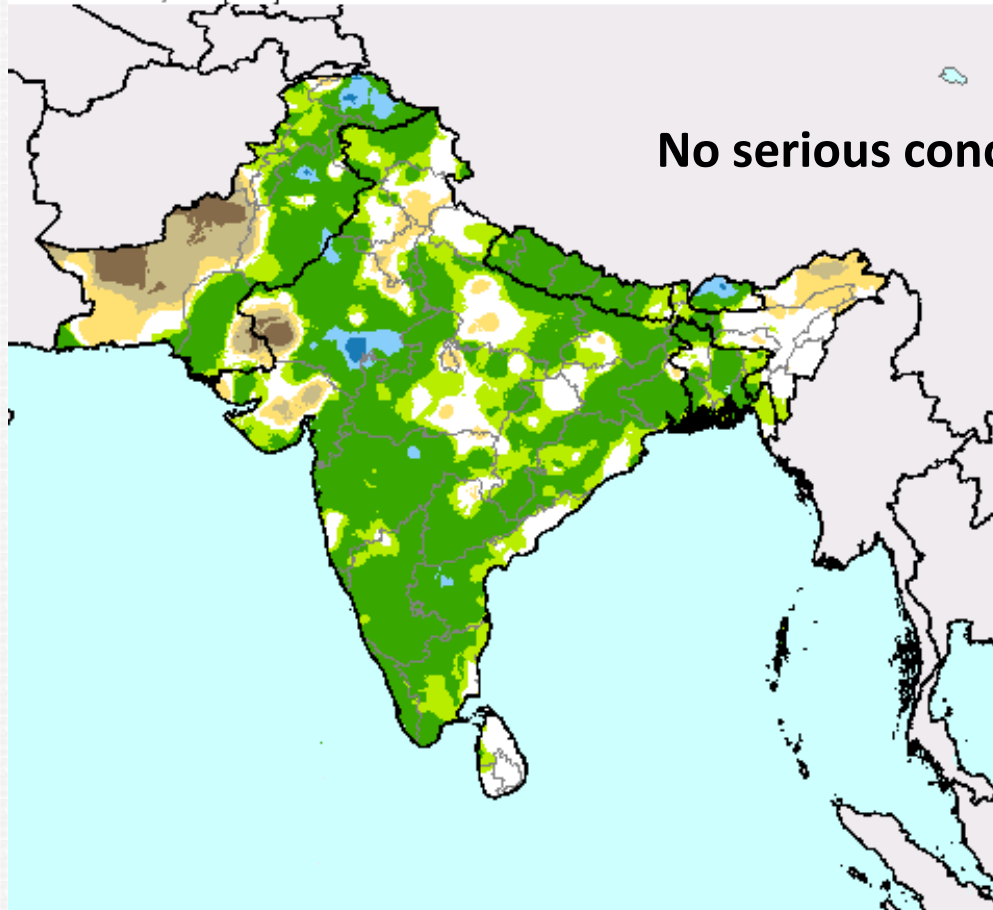
TURKISH LENTIL PRODUCTION



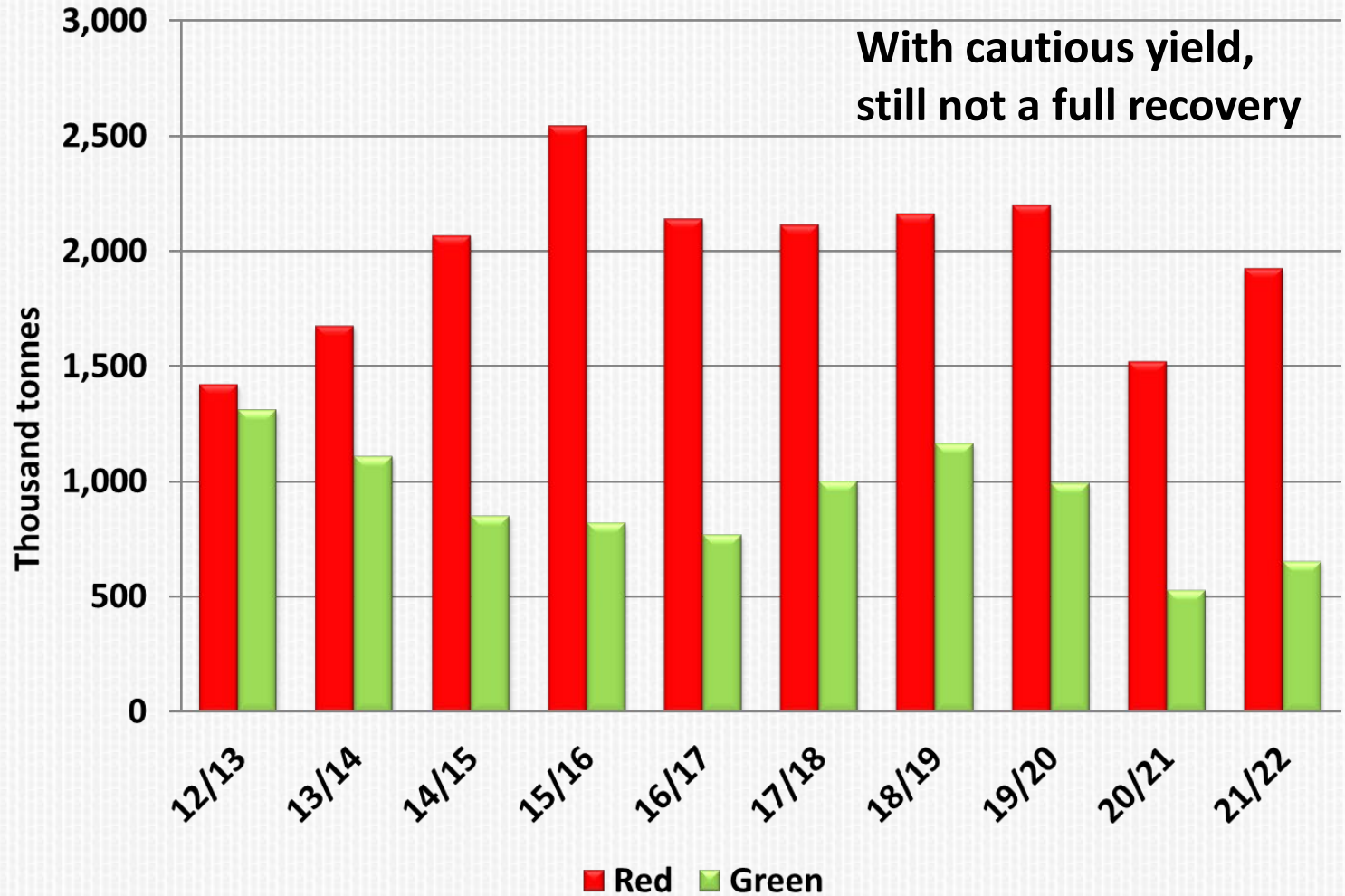
ACCUM RAINFALL – RABI SEASON

Seasonal Percent of Normal Precipitation (WMO)

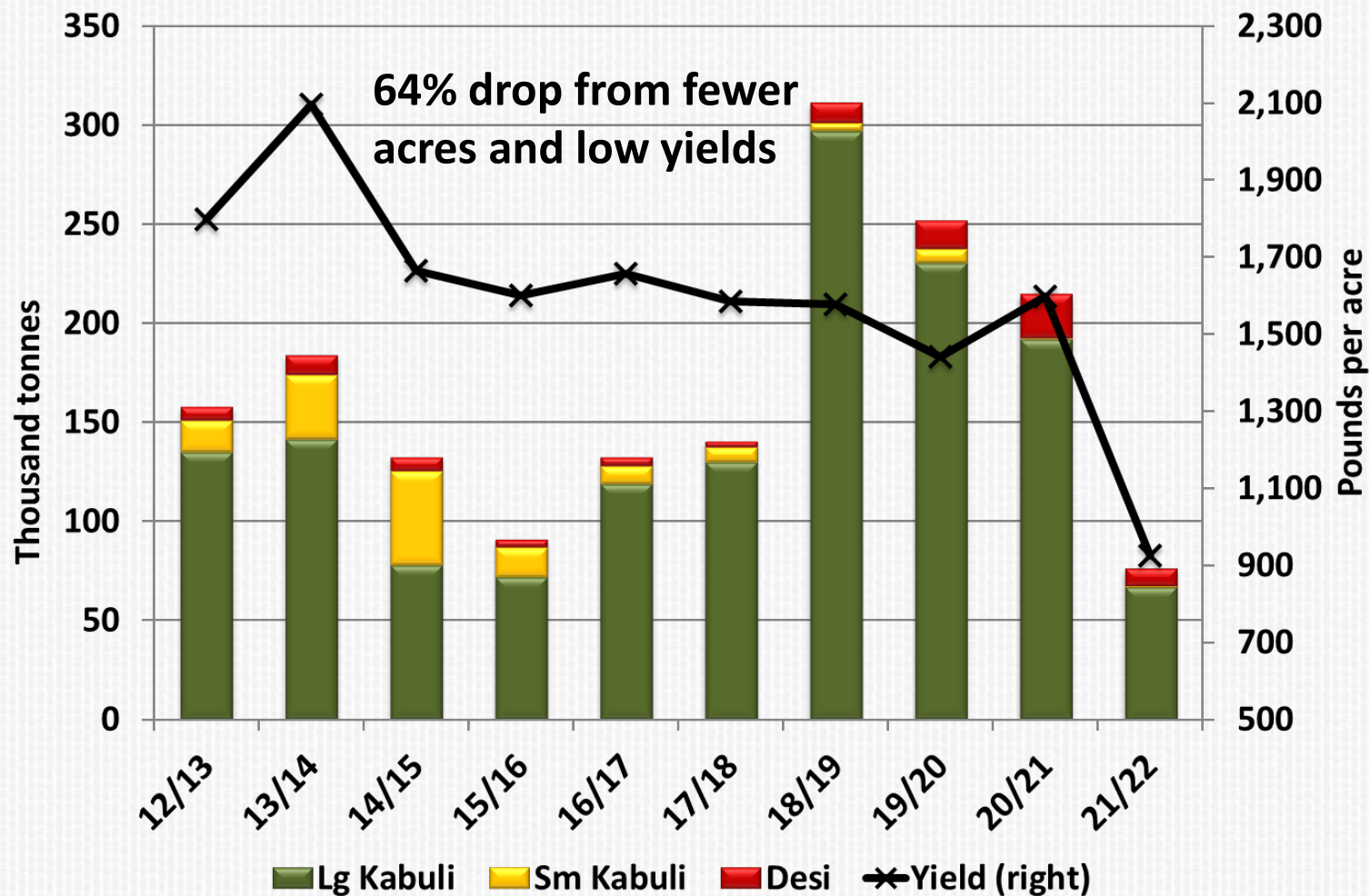
Oct. 1 - Dec. 31, 2021 [final]



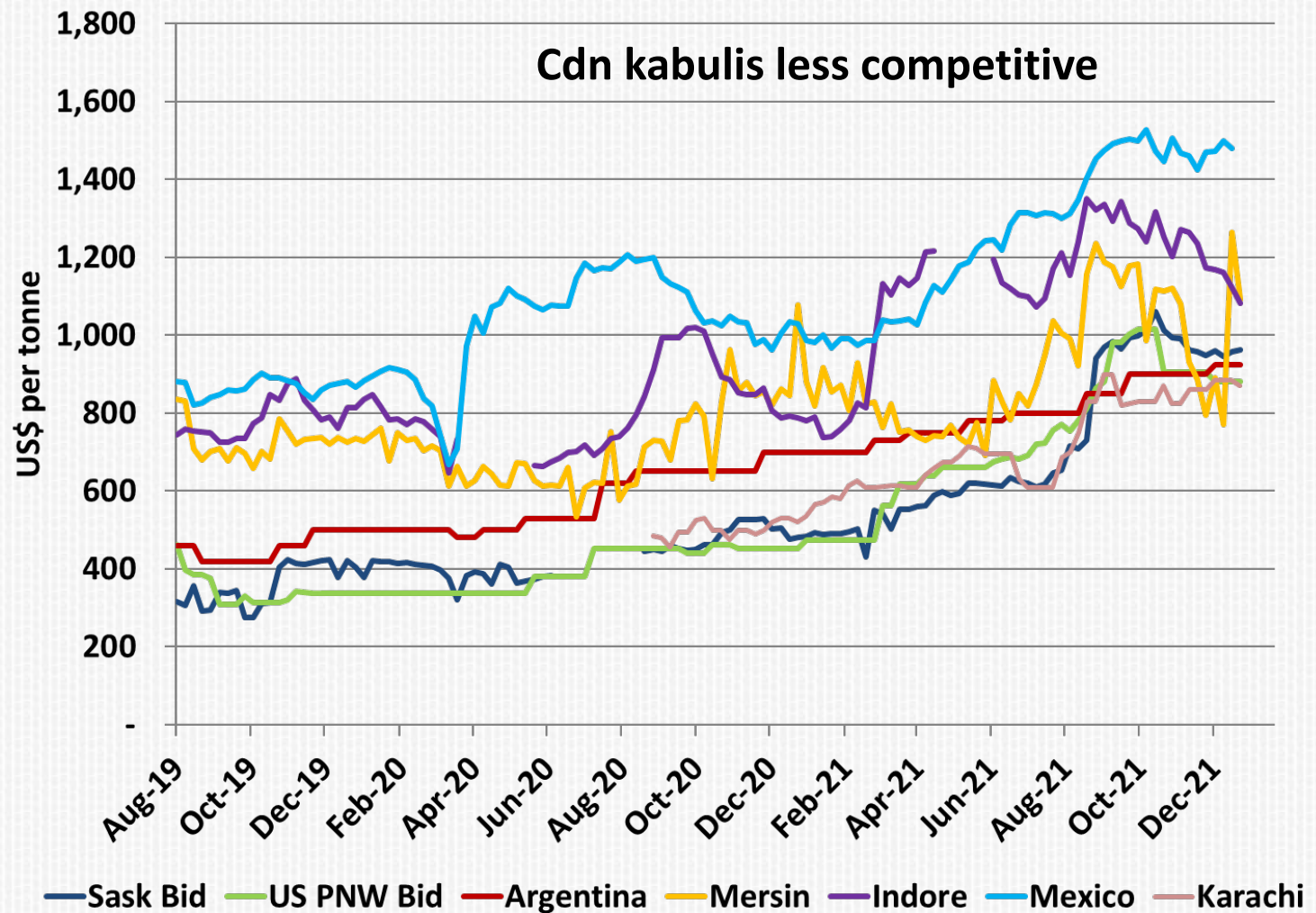
CANADIAN LENTIL SUPPLIES



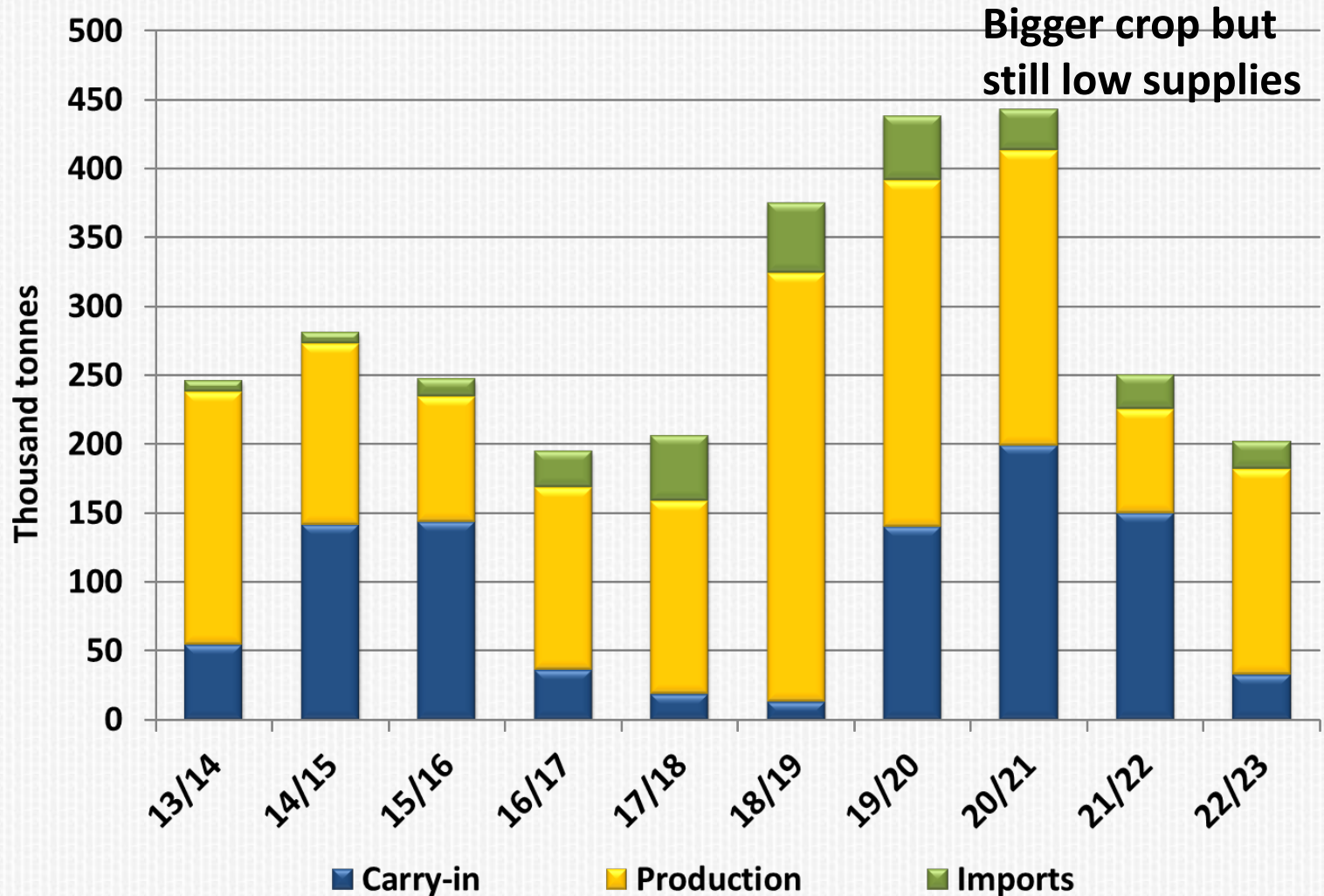
CANADIAN CHICKPEA PRODUCTION



SELECTED KABULI PRICES



CANADIAN CHICKPEA SUPPLIES





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THANK YOU!
