

Mustard in the Market

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It's been an extraordinary year for the mustard market, with bids for all three classes in 2021/22 far beyond any previous year. Unfortunately, most growers were unable to get much benefit from the record bids that are, in some cases, triple or quadruple the old highs. With almost no old-crop mustard left to sell, the focus has shifted to the outlook for 2022/23, with plenty of question marks and concerns.

Prospects for seeded area are always front and centre at this time of year. Because there's no "cushion" of old-crop carryover, acreage for 2022 is far more critical than usual. We're probably more optimistic than most about seeded area this spring, with a guesstimate of 400,000 acres. That's 30% more than last year but compared to the last number of years, is hardly a huge acreage base.

Canadian Mustard Acreage & Yield



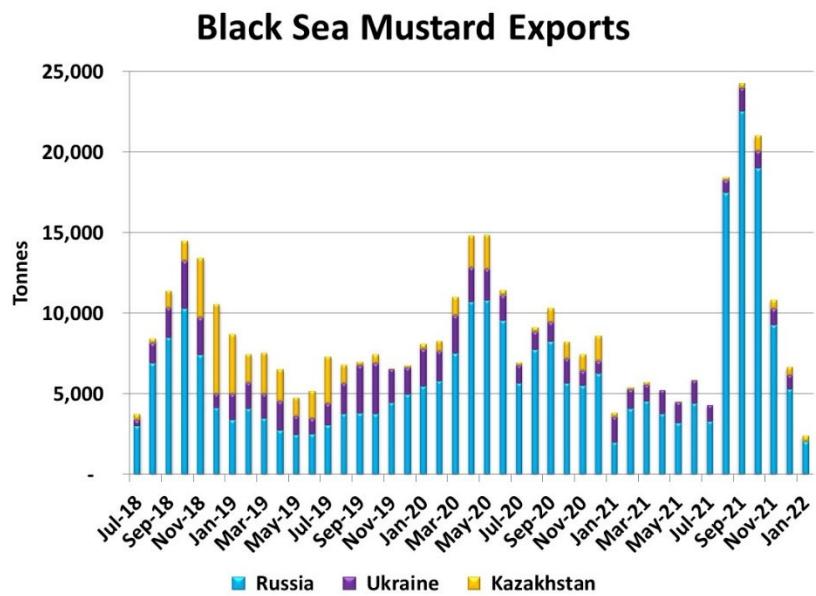
This spring, many crops are penciling out well in terms of revenue per acre and are competing strongly in the 2022 acreage derby. With record new-crop bids, mustard is keeping its place close to the top of the pack, which is why an acreage increase is likely. All three classes are looking positive, but brown mustard could edge ahead of the other classes.

After last year's experience and a lack of winter moisture in key mustard growing regions, it's no surprise there's plenty of concern about yields before planting even starts. It's far too soon to make any serious predictions about 2022 yields but we're starting off with a cautious approach. Normally, we use the 5-year average at this time of year but we're already scaling that back to less than 700 lb/acre. This is 5% less than the latest 5-year average, which includes last year's dismal performance of 472 lb/acre.

If it all plays out this way, the combination of increased acres and a partial yield recovery would mean a 2022 crop of roughly 120,000 tonnes. That would be double last year but still well below the 5-year average of 153,000 tonnes, prior to the 2021 drought. This means supplies will still be low for 2022/23.

Looking at the demand side of the equation, there are also plenty of questions. For one thing, the moisture situation across the border in the US, Canada's largest customer, is just as concerning as it is in the Canadian prairies. If that's the case, it would threaten the crop there and cause another year of strong demand for Canadian mustard (if it's available).

The latest unknown in the mustard outlook is the situation in the Black Sea region. Russia and Ukraine are both sizable exporters and the crop situation there is a major factor for 2022/23. The huge challenges to getting the crop planted in Ukraine could seriously limit acreage, especially with the government emphasizing the production of staple food crops, rather than those destined for export.



In Russia, farmers will again have the incentive to plant mustard, because of both strong prices and the fact that mustard exports aren't subject to duties. The bigger question for Russia is whether it will be able to export to western Europe. If there are restrictions, more European demand would get pushed toward Canada. Of course, that depends on whether Canadian supplies are available.

Planting is approaching quickly, but many of these market factors will take time to sort out. Overall though, the outlook for the 2022/23 mustard market remains positive, even if it isn't another record-setting year.