



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

August 31, 2005

Total Canadian pulse and special crops production is estimated to increase by 4%, from 2004-05, to 5.43 million tonnes (Mt), based on Statistics Canada's (STC) July 31 production estimates and AAFC forecasts where STC estimates were not available. Total supply is expected to increase by 14% to 6.67 Mt, due to higher production and higher carry-in stocks. Exports are forecast to increase by 13% and domestic use by 7% due to stronger demand, but carry-out stocks are also expected to increase. Average prices, over all types, grades and markets, are forecast to increase for chickpeas and mustard seed, decrease for dry peas, lentils, dry beans, canary seed and sunflower seed, and be the same for buckwheat.

STC's yield estimates are significantly higher than trend for Ontario, Saskatchewan and Alberta, and much below trend for Manitoba. Since the survey was conducted from July 20 to August 5 before the start of harvest, the actual yields for crops in western Canada could be lower than the estimates because of hot and dry weather in late July and early August. Crop abandonment is expected to be slightly lower than normal, except for Manitoba where significantly higher than normal abandonment is expected. Harvest progress is about a week behind normal, but significantly ahead of 2004-05. Harvesting of dry peas, lentils, chickpeas and mustard seed is underway and harvesting of canary seed and dry beans has started. The buckwheat harvest is expected to start in mid September and the sunflower seed harvest in early October. Quality is expected to be normal and significantly better than in 2004-05, assuming that precipitation and temperatures will be normal for the harvest period. Wet weather and early frosts would reduce both yields and quality.

The main factors to watch are precipitation and temperatures during September and October in Canada. Other factors to watch are the exchange rates of the Canadian dollar against the US dollar and other currencies, ocean shipping rates, and growing and harvest conditions in major producing regions, especially United States, India and Australia.

DRY PEAS

For 2005-06, production is estimated to decrease by 3%, as a 2% rise in seeded area is more than offset by lower yields. Production is expected to decrease for yellow, green and other types. Supply is forecast to increase by 8% due to higher carry-in stocks. World supply is expected to increase by 2% to 12.6 Mt, but use is also forecast to increase, resulting in stable carry-out stocks. Canadian exports and domestic use are expected to increase due to stronger demand in the food markets in Asia and in the feed markets in the EU and Canada. Carry-out stocks are forecast to remain stable, with a stocks-to-use (s/u) ratio of 18%. The average price, over all types, grades and markets, is forecast to decrease slightly due to the higher world supply.

LENTILS

For 2005-06, production and supply are estimated to increase significantly, due to an 11% rise in seeded area and higher yields. Production is expected to increase for all types; large, medium and small green, and red. World supply is forecast to increase by 14% to 4.44 Mt. Although world use is expected to increase because of higher demand, resulting mostly from lower prices, carry-out stocks are forecast to rise. Canadian exports are expected to increase by 22% due to the higher demand. Carry-out stocks are forecast to rise significantly, with a s/u ratio of 48%. The average price, over all types and grades, is forecast to decrease moderately from 2004-05, as pressure from higher world supply is partly offset by support from higher quality.

DRY BEANS

For 2005-06, production and supply are estimated to increase, due to a 25% rise in seeded area and lower abandonment. Production is expected to increase for white pea, pinto, black, dark and light red kidney, cranberry and small red beans, but remain

stable for Great Northern and pink beans. US production is forecast to increase by 44% to 1.12 Mt, while supply increases by only 20% to 1.26 Mt due to lower carry-in stocks. Canadian exports are forecast to increase slightly due to higher supply. Carry-out stocks are expected to increase, with a s/u ratio of 6%. The average price, over all classes and grades, is forecast to decrease due to the higher supply.

CHICKPEAS

For 2005-06, production and supply are estimated to increase, because of a 65% increase in seeded area, lower abandonment and higher yields. Production is expected to increase for large and small kabuli types, but decrease slightly for the desi type. World supply is expected to increase marginally to 8.95 Mt. Canadian exports are forecast to increase due to the higher supply. Carry-out stocks are expected to increase, but remain low. The average price, over all types, grades and sizes, is forecast to increase due to higher quality and a shift to the production of the higher priced kabuli types.

MUSTARD SEED

For 2005-06, production is estimated to decrease by 28% because of a 32% fall in seeded area, which is partly offset by higher yields. Production is expected to decrease for all types, yellow, brown and oriental. Supply is expected to increase slightly due to higher carry-in stocks. Although exports are forecast to rise due to higher demand, carry-out stocks are forecast to decrease only slightly, with a s/u ratio of 81%. The average price, over all types and grades, is expected to increase marginally as higher quality more than offsets pressure from the higher supply.

CANARY SEED

For 2005-06, production is estimated to decrease by 19%, as a 43% fall in seeded area is mostly offset by higher yields. Supply is

expected to increase by 9%, as higher carry-in stocks more than offset the fall in production. World supply, 90% of which is in Canada, is forecast to increase by 8% to 440,000 t. Although Canadian exports are expected to increase due to higher demand, carry-out stocks are forecast to rise, with a s/u ratio of 74%. The average price is forecast to decrease because of the higher supply.

SUNFLOWER SEED

For 2005-06, production and supply are estimated to increase due to a 12% rise in seeded area, lower abandonment and higher yields. Production is expected to increase for both types, confectionery and oilseed. US supply is forecast to increase by 49% to 1.62 Mt. World supply is expected to increase by 5% to 28.7 Mt. Canadian exports and domestic use are forecast to increase because of the higher supply. Carry-out stocks are expected to increase, but remain low. The average price, over both types and all grades, is forecast to decrease because of the higher supply in US and Canada.

BUCKWHEAT

For 2005-06, Canadian production is forecast to remain stable, as a lower seeded area is offset by lower abandonment and higher yields. Supply is expected to decrease due to lower carry-in stocks. Exports are forecast to decrease and carry-out stocks are expected to be negligible. The average price is forecast to be the same as in 2004-05, in line with a relatively stable world supply.

FURTHER INFORMATION:

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CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

August 31, 2005

Grain and Crop Year (a)	Area		Yield t/ha	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Average Price (e) \$/t
	Seeded 000 ha	Harvested								
Dry Peas										
2001-2002	1,344	1,285	1.57	2,023	27	2,245	1,381	589	275	190
2002-2003	1,297	1,050	1.30	1,365	41	1,681	628	743	310	210
2003-2004	1,303	1,271	1.67	2,124	24	2,458	1,316	937	205	175
2004-2005p	1,388	1,345	2.48	3,338	40	3,583	1,900	1,083	600	135
2005-2006f	1,410	1,364	2.37	3,228	30	3,858	2,100	1,158	600	115-145
Lentils										
2001-2002	708	664	0.85	566	6	828	478	219	131	320
2002-2003	601	387	0.91	354	9	494	320	119	55	390
2003-2004	554	536	0.97	520	5	580	368	174	38	420
2004-2005p	778	750	1.28	962	8	1,008	510	328	170	310
2005-2006f	860	847	1.44	1,219	5	1,394	620	324	450	265-295
Dry Beans										
2001-2002	184	175	1.70	298	42	380	263	82	35	725
2002-2003	230	219	1.89	414	40	489	298	96	95	445
2003-2004	167	167	2.13	356	31	482	344	83	55	495
2004-2005p	163	126	1.75	220	30	305	263	37	5	650
2005-2006f	203	172	1.77	304	40	349	270	59	20	530-560
Chickpeas										
2001-2002	486	467	0.97	455	12	497	146	211	140	380
2002-2003	221	154	1.01	156	9	305	105	140	60	300
2003-2004	63	63	1.08	68	2	130	74	36	20	330
2004-2005p	47	39	1.31	51	5	76	45	26	5	385
2005-2006f	77	72	1.39	100	5	110	65	35	10	410-440
Mustard Seed										
2001-2002	166	158	0.66	105	3	213	171	9	33	685
2002-2003	289	255	0.60	154	9	196	114	22	60	595
2003-2004	340	328	0.69	226	2	288	121	75	92	390
2004-2005p	317	304	1.00	305	2	399	130	79	190	295
2005-2006f	217	212	1.04	220	2	412	150	77	185	285-315
Canary Seed										
2001-2002	170	163	0.70	114	0	184	134	20	30	660
2002-2003	287	227	0.78	176	0	206	164	22	20	575
2003-2004	251	243	0.93	226	0	246	168	11	67	345
2004-2005p	356	318	0.94	300	0	367	175	37	155	230
2005-2006f	204	199	1.23	244	0	399	185	44	170	205-235
Sunflower Seed										
2001-2002	73	67	1.55	104	29	179	92	65	22	355
2002-2003	100	95	1.65	157	21	200	105	60	35	440
2003-2004	119	115	1.30	150	16	201	96	80	25	405
2004-2005p	87	59	0.92	54	30	109	35	69	5	490
2005-2006f	98	81	1.31	106	30	141	55	76	10	375-405
Buckwheat										
2001-2002	14	14	1.14	16	1	17	6	8	3	325
2002-2003	12	12	1.00	12	1	16	6	7	3	340
2003-2004	9	9	1.11	10	1	14	5	7	2	355
2004-2005p	9	7	0.71	5	1	8	4	4	0	355
2005-2006f	7	5	1.00	5	1	6	2	4	0	340-370
Total Pulse And Special Crops (c)										
2001-2002	3,131	2,993	1.23	3,681	120	4,543	2,671	1,203	669	
2002-2003	3,025	2,399	1.16	2,788	130	3,587	1,740	1,209	638	
2003-2004	2,797	2,732	1.35	3,680	81	4,399	2,492	1,403	504	
2004-2005p	3,136	2,948	1.78	5,235	116	5,855	3,062	1,663	1,130	
2005-2006f	3,075	2,952	1.84	5,426	113	6,669	3,447	1,777	1,445	

(a) August-July crop year.

(b) Excludes products.

(c) Includes Pulse Crops (dry peas, lentils, dry beans, chick peas) and Special Crops (mustard seed, canary seed, sunflower seed, buckwheat)

(d) Includes food, feed, seed, waste and dockage. Total domestic use is calculated residually.

(e) Producer price, FOB plant. Average over all types, grades and markets.

p: preliminary

f: forecast, Agriculture and Agri-Food Canada, August 31, 2005

Source: Statistics Canada and industry consultations.