



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

June 27, 2006

For 2006-07, the total area seeded to pulse and special crops in Canada decreased by 12% from 2005-06, as higher areas for dry peas, chickpeas and buckwheat were more than offset by lower areas for lentils, dry beans, mustard seed, canary seed and sunflower seed. Statistics Canada's (STC) seeded area survey, conducted during May 24 to June 4 and released on June 22, provided estimates for most pulse and special crops by province, but for some of the smaller producing provinces the area seeded has been forecast by AAFC. Crop development and condition is, in general, normal. It is assumed that precipitation will be normal for the growing and harvest periods and that quality will be normal. Trend yields are assumed for both western and eastern Canada, as soil moisture reserves are good in most areas, although there are areas which are too dry and other areas which have excessive moisture. The abandonment rate is expected to be normal, except for dry peas and canary seed in Saskatchewan for which slightly higher than normal abandonment is forecast because of excessive moisture in north-eastern Saskatchewan, where a significant portion of these crops are produced.

Total production in Canada is forecast to decrease by 16%, from 2005-06, to 4.47 million tonnes (Mt). Total supply is expected to decrease by 11% to 5.98 Mt, as higher carry-in stocks offset some of the decrease in production. Exports, domestic use and carry-out stocks are forecast to decrease because of lower supply. Average prices, over all types, grades and markets, are forecast to increase for dry peas, lentils, mustard seed, canary seed and sunflower seed, decrease for dry beans and chickpeas, and be the same for buckwheat. The stronger Canadian dollar, compared to the US dollar, is expected to have the largest impact on dry bean and sunflower seed prices, as Canadian prices for these crops are directly related to US prices. The main factors to watch are weather conditions, especially precipitation, during the growing and harvest periods 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 conditions in the major producing regions, especially the United States, the European Union, Turkey, Australia, India and Mexico.

DRY PEAS

For 2006-07, production and supply are forecast to decrease, as lower yields and higher abandonment more than offset the 4% increase in seeded area. Production is expected to decrease for yellow, green and other types. World supply is expected to remain stable at 12.2 Mt as higher production, mainly in the US and EU, is offset by lower carry-in stocks. Canadian exports are forecast to decrease because of lower Canadian supply and lower demand in the EU feed markets. Carry-out stocks are forecast to decrease, with a stocks-to-use ratio (s/u) of 8%. The average price, over all types, grades and markets, is expected to rise from 2005-06 due to lower Canadian supply.

LENTILS

For 2006-07, production and supply are forecast to decrease sharply due to a 34% lower seeded area and lower yields. Production is expected to decrease sharply for large, medium and small green lentils, but increase for red lentils. Carry-in stocks are forecast to be high for green lentils, but low for red lentils. World supply is forecast to decrease marginally to 4.54 Mt, due to a fall in the supply of green lentils. Canadian exports are expected to increase because of a higher supply of red lentils. Carry-out stocks are forecast to decrease sharply, with a s/u of 41%. The average price is forecast to increase for green lentils, but decrease for red lentils as the supply of green lentils decreases, while the supply of red lentils increases. Over all types and grades, the average price is forecast to increase.

DRY BEANS

For 2006-07, production is expected to increase marginally, as a 15% lower seeded area is more than offset by lower abandonment and higher yields. Production is forecast to be similar to 2005-06 for all classes of dry beans, white pea, pinto, Great Northern, dark and light red kidney,

cranberry, black, small red and pink. Supply is expected to increase slightly because of higher carry-in stocks. In the US, production is expected to decrease by 8% to 1.09 Mt, while supply decreases only marginally to 1.32 Mt due to higher carry-in stocks. Canadian exports are forecast to increase due to the higher supply. Carry-out stocks are expected to remain stable, with a s/u of 7%. The average price, over all classes and grades, is forecast to decrease because of the higher Canadian supply and the stronger Canadian dollar.

CHICKPEAS

For 2006-07, production and supply are forecast to increase, as an 82% higher seeded area more than offsets lower yields. Production is forecast to increase for all types, large kabuli, small kabuli and desi. World supply is expected to decrease by 2% to 9.0 Mt, as an increase for the kabuli type is more than offset by a decrease for the desi type. Although Canadian exports are forecast to increase because of the higher supply, carry-out stocks are expected to rise, with a s/u of 13%. The average price, over all types and grades, is forecast to fall due to higher world supply of the kabuli type, which accounts for about 80% of Canadian production, although the price of the desi type is forecast to increase.

MUSTARD SEED

For 2006-07, production and supply are forecast to decrease because of a 34% lower seeded area and lower yields. Production is expected to decrease for all types, yellow, brown and oriental. A significant portion of the carry-in stocks is expected to be low quality seed. Exports are expected to rise due to higher demand and carry-out stocks are forecast to decrease sharply, with a s/u of 34%. The average price, over all types and grades, is expected to increase due to the lower supply.

CANARY SEED

For 2006-07, production and supply are forecast to decrease due to a 34% lower seeded area and lower yields. World supply is forecast to decrease by 21% to 345,000 t. Canadian exports are expected to decrease slightly due to higher prices, while carry-out stocks decrease sharply, with a s/u of 43%. The average price is forecast to rise because of the lower supply.

SUNFLOWER SEED

For 2006-07, production and supply are forecast to increase as a 15% lower seeded area is more than offset by lower abandonment and higher yields. Production is expected to increase for both types, confectionery and oilseed. US supply is expected to decrease by 15% to 1.63 Mt. Canadian exports are forecast to increase because of the higher supply. Carry-out stocks are expected to remain stable, with a s/u of 15%. The average price, over both types, is forecast to increase only slightly, as support from lower US supply is mostly offset by pressure from higher Canadian supply and the stronger Canadian dollar.

BUCKWHEAT

For 2006-07, Canadian production and supply are forecast to increase due to higher seeded area. The average price is expected to be the same as in 2005-06.

FURTHER INFORMATION:

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CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

June 27, 2006

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply thousand metric tonnes	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Average Price (e) \$/t
Dry Peas										
2002-2003	1,297	1,050	1.30	1,365	41	1,681	626	745	310	210
2003-2004	1,303	1,271	1.67	2,124	24	2,458	1,316	937	205	175
2004-2005	1,388	1,345	2.48	3,338	57	3,600	1,853	1,152	595	135
2005-2006f	1,366	1,319	2.35	3,100	90	3,785	2,400	1,035	350	110-130
2006-2007f	1,420	1,349	2.18	2,940	100	3,390	2,100	1,040	250	110-140
Lentils										
2002-2003	601	387	0.91	354	9	494	320	119	55	390
2003-2004	554	536	0.97	520	5	580	367	175	38	420
2004-2005	778	750	1.28	962	10	1,010	451	314	245	310
2005-2006f	884	862	1.48	1,278	10	1,533	640	313	580	220-240
2006-2007f	587	558	1.24	690	10	1,280	670	240	370	235-265
Dry Beans										
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
2004-2005	163	126	1.75	220	28	303	278	20	5	650
2005-2006f	197	175	1.85	324	35	364	295	44	25	485-505
2006-2007f	168	166	1.96	325	30	380	310	45	25	455-485
Chickpeas										
2002-2003	221	154	1.01	156	9	345	105	160	80	300
2003-2004	63	63	1.08	68	2	150	74	51	25	330
2004-2005	47	39	1.31	51	4	80	47	28	5	385
2005-2006f	79	73	1.42	104	8	117	75	37	5	470-490
2006-2007f	144	132	1.21	160	5	170	110	40	20	385-415
Mustard Seed										
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
2004-2005	317	304	1.01	306	1	399	119	86	194	295
2005-2006f	212	206	0.98	201	1	396	135	86	175	255-275
2006-2007f	140	135	0.89	120	1	296	140	81	75	285-315
Canary Seed										
2002-2003	287	227	0.78	176	0	206	160	26	20	575
2003-2004	251	243	0.93	226	0	246	165	14	67	345
2004-2005	356	318	0.95	301	0	368	163	35	170	230
2005-2006f	190	186	1.22	227	0	397	180	32	185	180-200
2006-2007f	125	117	0.98	115	0	300	175	35	90	195-225
Sunflower Seed										
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
2004-2005	87	59	0.92	54	35	114	32	64	18	490
2005-2006f	93	75	1.19	89	25	132	45	67	20	335-355
2006-2007f	79	74	1.49	110	20	150	60	70	20	335-365
Buckwheat										
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
2004-2005	9	7	0.71	5	1	8	4	4	0	355
2005-2006f	7	6	1.33	8	1	9	4	5	0	345-365
2006-2007f	10	9	1.00	9	1	10	5	5	0	340-370
Total Pulse And Special Crops (c)										
2002-2003	3,036	2,399	1.16	2,788	130	3,627	1,734	1,235	658	
2003-2004	2,805	2,732	1.35	3,680	81	4,419	2,488	1,422	509	
2004-2005	3,145	2,948	1.78	5,237	136	5,882	2,947	1,703	1,232	
2005-2006f	3,028	2,902	1.84	5,331	170	6,733	3,774	1,619	1,340	
2006-2007f	2,673	2,540	1.76	4,469	167	5,976	3,570	1,556	850	

(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.

f: forecast, Agriculture and Agri-Food Canada, June 27, 2006

Source: Statistics Canada and industry consultations.