



## CANADA: PULSE AND SPECIAL CROPS OUTLOOK

October 12, 2006

For 2006-07, total Canadian production of pulse and special crops is estimated to decrease by 19%, from 2005-06, to 4.3 million tonnes (Mt), based on Statistics Canada's (STC) September production estimates and AAFC forecasts where STC estimates were not available. Estimated yields are lower than trend for dry peas, lentils, chickpeas mustard seed, canary seed and buckwheat, but higher for dry beans and sunflower seed. Crop abandonment is estimated to be lower than normal. Harvest progress is ahead of 2005-06 and ahead of normal, with combining generally complete, except for dry beans in eastern Canada and canary seed, sunflower seed and buckwheat in western Canada. Quality is expected to be, in general, normal to higher than normal. The risk of frost damage is low for unharvested fields due to the advanced stage of development.

Total supply is estimated to decrease by 13% to 5.85 Mt, as higher carry-in stocks partly offset the decrease in production. Exports and carry-out stocks are forecast to decrease because of the lower supply, while domestic use increases slightly. 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 Canadian weather conditions, especially precipitation, during the remainder of the harvest period. 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 other major producing countries, especially the United States, Australia, India and Mexico.

### DRY PEAS

For 2006-07, production and supply are estimated to decrease, as lower yields more than offset the 4% increase in seeded area. Production is expected to decrease for yellow, green and other types. World supply is forecast to decrease by 6% to 11.5 Mt because of lower production and lower carry-in stocks. Canadian exports are forecast to decrease because of the lower Canadian supply and lower demand in EU feed markets. Carry-out stocks are forecast to decrease, with a stocks-to-use ratio (s/u) of 10%. The average price, over all types, grades and markets, is expected to rise from 2005-06 due to the lower supply.

### LENTILS

For 2006-07, production and supply are estimated to decrease 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 estimated to be high for green lentils, but low for red lentils. World supply is forecast to decrease by 6% to 4.31 Mt. Canadian exports are expected to increase because of a higher supply of red lentils and lower production in some competing countries. Carry-out stocks are forecast to decrease, with a s/u of 15%. The average price is forecast to increase for green lentils, as the world supply of green lentils decreases, but remain stable for red lentils, in line with the relatively stable world supply of red lentils. Over all types and grades, the average price is forecast to increase.

### DRY BEANS

For 2006-07, production and supply are estimated to increase, as an 11% lower seeded area is more than offset by lower abandonment and higher yields. Production is expected to increase for white pea, Great Northern, pinto and black beans, decrease for light and dark red

kidney and cranberry beans, and remain stable for pink and small red beans. In the US, production is expected to fall by 15% to 1.01 Mt, while supply decreases by only 11% to 1.185 Mt due to higher carry-in stocks. Canadian exports are forecast to increase due to the higher supply and strong demand. Carry-out stocks are expected to increase, with a s/u of 12%. The average price, over all classes and grades, is forecast to decrease because of the higher Canadian supply, increased share of lower priced classes of beans in total production, and the stronger Canadian dollar.

### CHICKPEAS

For 2006-07, production and supply are estimated to increase, as an 82% higher seeded area more than offsets lower yields. Production is expected to increase for all types, large kabuli, small kabuli and desi. World supply is expected to remain stable at 9.1 Mt, as an increase for the kabuli type is 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 14%. The average price, over all types and grades, is forecast to fall due to the higher world supply of the kabuli type, which accounts for about 87% of Canadian production, although the price of the desi type is forecast to increase.

### MUSTARD SEED

For 2006-07, production and supply are estimated 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 estimated to be low quality seed. Exports are expected to rise slightly due to higher demand and carry-out stocks are forecast to decrease sharply, with a s/u of 51%.

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 estimated to decrease due to a 34% lower seeded area and lower yields. World supply is forecast to decrease by 20% to 348,000 t. Canadian exports are expected to decrease slightly because of higher prices, while carry-out stocks decrease sharply, with a s/u of 52%. The average price is forecast to rise because of the lower supply.

### SUNFLOWER SEED

For 2006-07, production and supply are estimated to increase as a 13% 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 29% to 1.39 Mt. Canadian exports are forecast to increase because of the higher supply and strong demand. Carry-out stocks are expected to increase, with a s/u of 22%. The average price, over both types, is forecast to increase because of the lower total US and Canadian supply.

### BUCKWHEAT

For 2006-07, Canadian production and supply are forecast to remain stable, as a higher seeded area is offset by lower yields. 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**

**October 12, 2006**

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply thousand	Exports (b) metric tonnes	Total Domestic Use (d)	Carry-out Stocks	Average Price (e) \$/t
<b>Dry Peas</b>										
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
2005-2006	1,366	1,319	2.35	3,100	75	3,770	2,566	724	480	120
2006-2007f	1,420	1,386	1.99	2,753	80	3,313	2,200	813	300	120-150
<b>Lentils</b>										
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
2005-2006	884	862	1.48	1,278	8	1,531	669	387	475	230
2006-2007f	587	571	1.18	673	10	1,158	710	298	150	260-290
<b>Dry Beans</b>										
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
2005-2006	197	175	1.85	324	39	368	284	49	35	495
2006-2007f	176	176	2.01	353	25	413	315	53	45	465-495
<b>Chickpeas</b>										
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
2005-2006	79	73	1.42	104	7	116	64	42	10	490
2006-2007f	144	142	1.06	150	5	165	100	45	20	460-490
<b>Mustard Seed</b>										
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
2005-2006	212	206	0.98	201	0	395	133	72	190	265
2006-2007f	140	132	0.91	120	1	311	135	71	105	290-320
<b>Canary Seed</b>										
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	37	168	230
2005-2006	190	186	1.22	227	0	395	185	20	190	195
2006-2007f	125	123	0.96	118	0	308	180	23	105	215-245
<b>Sunflower Seed</b>										
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
2005-2006	93	75	1.19	89	26	133	46	60	27	345
2006-2007f	81	74	1.65	122	20	169	75	64	30	345-375
<b>Buckwheat</b>										
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
2005-2006	7	6	1.33	8	1	9	4	5	0	355
2006-2007f	10	9	0.89	8	1	9	4	5	0	340-370
<b>Total Pulse And Special Crops (c)</b>										
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	1,705	1,230	
2005-2006	3,028	2,902	1.84	5,331	156	6,717	3,951	1,359	1,407	
2006-2007f	2,683	2,613	1.64	4,297	142	5,846	3,719	1,372	755	

(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, October 12, 2006

Source: Statistics Canada and industry consultations.