



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

December 13, 2006

For 2006-07, total Canadian production of pulse and special crops decreased by 17%, from 2005-06, to 4.44 million tonnes (Mt), based on Statistics Canada's (STC) November production estimates. Average yields were lower than trend for dry peas and mustard seed, higher than trend for dry beans, chickpeas and sunflower seed, and at near trend levels for lentils, canary seed and buckwheat. Crop abandonment was lower than normal. Harvest progress was ahead of 2005-06 and ahead of normal. Quality is, in general, normal to higher than normal.

Total supply decreased by 11% to 5.97 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 remains relatively stable. Average prices, over all types, grades and markets, are forecast to increase for dry peas, lentils, chickpeas, mustard seed, canary seed and sunflower seed, decrease for dry beans 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 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 India, Pakistan and Mexico.

DRY PEAS

For 2006-07, production and supply decreased, as lower yields more than offset the 3% increase in seeded area. Production was similar to 2005-06 for the yellow type, but decreased for green and other types. World supply decreased by 10% to 11.07 Mt, mainly because of lower production in Canada, France and Australia, and lower carry-in stocks. Canadian exports are expected 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 12%. The average price, over all types, grades and markets, is expected to rise from 2005-06 due to the lower supply and because a larger portion of the dry peas are expected to be sold into the higher priced food market.

LENTILS

For 2006-07, production and supply decreased due to a 36% lower seeded area and lower yields. Production decreased sharply for large, medium and small green lentils, but increased for red lentils. Carry-in stocks were high for green lentils, but low for red lentils. World supply decreased by 10% to 4.15 Mt, mainly because of lower production in Canada, Australia and the US. Canadian exports are expected to increase because of a higher Canadian supply of red lentils and sharply lower production in Australia, which produces red lentils. Carry-out stocks are forecast to decrease, with a s/u of 16%. The average price is expected to increase because of the lower world supply, with the price of green lentils increasing more than for red lentils. Over all types and grades, the average price is forecast to increase.

DRY BEANS

For 2006-07, production and supply increased, as a 10% lower seeded area was more than offset by lower abandonment and higher yields.

Production increased for white pea, Great Northern, pinto and black beans, decreased for dark red kidney and cranberry beans, and remained relatively stable for light red kidney, pink and small red beans. In the US, production fell by 12% to 1.02 Mt, while supply decreased by only 8% to 1.20 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 13%. 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 increased, as an 82% higher seeded area more than offset lower yields. Production increased for all types, large kabuli, small kabuli and desi. World supply is similar to 2005-06 at 8.9 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 and strong demand, carry-out stocks are expected to rise, with a s/u of 18%. The average price of the large kabuli type is forecast to fall because of higher world supply, while average prices for the small kabuli and desi types are forecast to increase because of lower world supply, stronger demand and higher quality. Therefore, the average price, over all types and grades, is forecast to increase.

MUSTARD SEED

For 2006-07, production and supply decreased because of a 32% lower seeded area and lower yields. Production decreased for all types, yellow, brown and oriental. A significant portion of the carry-in stocks were 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 48%. The average price, over all types and grades, is forecast to increase due to the lower supply.

CANARY SEED

For 2006-07, production and supply decreased due to a 37% lower seeded area and lower yields. World supply decreased by 21% to 345,000 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 sharply because of the lower supply.

SUNFLOWER SEED

For 2006-07, production and supply increased as a 19% lower seeded area was more than offset by lower abandonment and higher yields. Production increased for both types, confectionery and oilseed. US supply decreased by 29% to 1.39 Mt. Canadian exports are forecast to rise sharply 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 decreased because of a lower seeded area and lower yields. The average price is forecast to be the same as in 2005-06.

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CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

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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
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
2005-2006	1,366	1,319	2.35	3,100	76	3,771	2,566	725	480	120
2006-2007f	1,410	1,378	2.04	2,806	70	3,356	2,200	806	350	135-165
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
2005-2006	884	862	1.48	1,278	8	1,531	669	387	475	230
2006-2007f	567	555	1.25	693	10	1,178	730	288	160	270-300
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
2005-2006	197	175	1.85	324	39	368	284	49	35	495
2006-2007f	177	174	2.09	363	25	423	320	53	50	470-500
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
2005-2006	79	73	1.42	104	7	116	64	42	10	490
2006-2007f	144	144	1.26	182	5	197	120	47	30	520-550
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
2005-2006	212	206	0.98	201	0	395	133	72	190	265
2006-2007f	144	140	0.83	116	1	307	135	72	100	310-340
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	37	168	230
2005-2006	190	186	1.22	227	0	395	185	20	190	195
2006-2007f	119	115	1.02	117	0	307	180	22	105	305-335
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
2005-2006	93	75	1.19	89	26	133	46	60	27	345
2006-2007f	75	75	2.04	153	15	195	90	70	35	345-375
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
2005-2006	7	6	1.33	8	1	9	4	5	0	355
2006-2007f	6	6	1.17	7	1	8	4	4	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	1,705	1,230	
2005-2006	3,028	2,902	1.84	5,331	157	6,718	3,951	1,360	1,407	
2006-2007f	2,642	2,587	1.72	4,437	127	5,971	3,779	1,362	830	

(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, December 13, 2006

Source: Statistics Canada and industry consultations.