



CANADA: PULSES AND SPECIAL CROPS OUTLOOK

August 7, 2007

For 2007-08, total area seeded to pulses and special crops in Canada increased by 14% from 2006-07, as higher areas for dry peas, lentils, chickpeas, mustard seed and canary seed were partly offset by lower areas for dry beans and buckwheat. The sunflower seed area was the same as in 2006-07. Statistics Canada's (STC) seeded area survey, conducted during May 25 to June 5 and released on June 26, provided estimates for most pulses and special crops, but the seeded area for buckwheat was forecast by AAFC. Soil moisture conditions are mostly normal, but there are dry areas in western Canada and Ontario. Crop development is mostly ahead of normal because of the hot weather in July. Harvesting of dry peas, lentils and mustard seed has started. Overall, trend yields are expected for dry peas, mustard seed, canary seed and sunflower seed, and below trend for lentils, dry beans, chickpeas and buckwheat, assuming that the weather will be normal for the remainder of the growing period and for the harvest period. Also based on that assumption, the abandonment rate and quality are expected to be normal.

Total production in Canada is forecast to increase by 13% to 4.6 million tonnes (Mt). Total supply is expected to decrease by 6% to 5.28 Mt, as the increase in production is more than offset by lower carry-in stocks. Exports and domestic use are forecast to decrease due to the lower supply. Carry-out stocks are expected to decrease to historically low levels for most crops. Average prices, over all types, grades and markets, are forecast to increase for 2007-08, over 2006-07, for dry peas, lentils, dry beans, mustard seed, canary seed, sunflower seed and buckwheat, but decrease for chickpeas. The main factors to watch are growing and harvest conditions in Canada and in other major producing regions, especially the US, Australia, the EU, the Middle East and India. Other factors to watch are currency exchange rates and ocean shipping costs.

DRY PEAS

For 2007-08, production and supply are forecast to increase because of a 17% rise in seeded area and higher yields. The increase in production is expected to be mainly for the yellow type, although a small increase in production is also expected for the green and other types. Exports are forecast to increase because of the higher supply and strong world demand, especially for the yellow type. Carry-out stocks are forecast to remain low, with a stocks-to-use ratio (s/u) of 5%. World supply is forecast to decrease slightly to 10.6 Mt, as higher production, mainly in Canada and Australia, is more than offset by lower carry-in stocks. The main factor affecting Canadian prices is world supply, but Canadian supply is a major component of world supply. The average price, over all types, grades, and food and feed markets, is expected to increase slightly from 2006-07 due to the lower world supply.

LENTILS

For 2007-08, production is forecast to decrease as a 5% rise in seeded area is more than offset by lower yields. Production is expected to increase for large green lentils, remain stable for medium and small green lentils, and decrease for red lentils. Supply is expected to decrease sharply for all types of lentils, as lower carry-in stocks compound the decrease in production. Exports are expected to decrease sharply due to the lower supply and carry-out stocks are forecast to fall sharply, with a s/u of 4%. World supply is forecast to decrease by 6% to 3.81 Mt, as higher production, mainly in Australia, is more than offset by lower carry-in stocks. The main factor affecting Canadian prices is world supply, but Canadian supply is a major component of world supply. The average price, over all types and grades, is forecast to increase from 2006-07 because of the lower world and Canadian supply.

DRY BEANS

For 2007-08, production and supply are forecast to decrease because of the 15% lower seeded area and lower yields. Production is expected to fall for all major classes of dry beans; white pea, pinto, black, dark and light red

kidney, cranberry, Great Northern, pink and small red. Exports are forecast to decrease due to the lower supply. Carry-out stocks are expected to fall, with a s/u of 9%. US production is forecast to fall by 5% to 0.97 Mt, while supply decreases by 7% to 1.11 Mt, as lower carry-in stocks compound the production decrease. The most important factor affecting Canadian prices is US supply and the second most important factor is Canadian supply. The average price, over all types and grades, is forecast to increase because of the lower US and Canadian supply.

CHICKPEAS

For 2007-08, production and supply are forecast to increase because of the 35% higher seeded area, although lower yields mostly offset the increase in seeded area. Production is expected to increase for all types; desi, large kabuli and small kabuli. Exports are forecast to increase because of the higher supply. Carry-out stocks are expected to remain low, with a s/u of 5%. World supply is forecast to increase by 12% to 9.8 Mt, mainly due to higher production in India and Pakistan. However, demand is expected to increase significantly, especially in India. The main factor affecting Canadian prices is world supply, but Canada is becoming a significant producer. The average price, over all types and grades, is forecast to decrease due to the higher world and Canadian supply.

MUSTARD SEED

For 2007-08, production is forecast to increase because of the 32% higher seeded area and higher yields. Production is expected to increase mainly for yellow and brown types, with only a small increase for the oriental type. Supply is forecast to decrease for all types as lower carry-in stocks more than offset the rise in production. Exports are expected to fall due to the lower supply. Carry-out stocks are forecast to decrease sharply, with a s/u of 20%. The main factor affecting Canadian prices is Canadian supply. The average price, over all types and grades, is expected to increase due to the lower Canadian supply.

CANARY SEED

For 2007-08, production is forecast to increase because of the 33% higher seeded area, while supply decreases as lower carry-in stocks more than offset the increase in production. Exports are expected to remain stable. Carry-out stocks are forecast to fall, with a s/u of 49%. World supply is forecast to decrease by 10% to 328,000 t due to the lower supply in Canada. The main factor affecting Canadian prices is the Canadian supply. The average price is forecast to increase because of the lower Canadian supply.

SUNFLOWER SEED

For 2007-08, production and supply are forecast to decrease, as a stable seeded area is more than offset by higher abandonment and lower yields. Production is forecast to decrease for the confectionery type and be similar to 2006-07 for the oilseed type. Exports are forecast to decrease because of the lower supply, while domestic use remains relatively stable. Carry-out stocks are expected to decrease, with a s/u of 10%. In the US, supply is expected to decrease by 12% to 0.95 Mt for the oilseed type and by 10% to 0.22 Mt for the confectionery type. The most important factor affecting Canadian prices is US supply and the second most important factor is Canadian supply. The average price, over both types and all grades, is forecast to increase because of the lower US and Canadian supply.

BUCKWHEAT

For 2007-08, production and supply are forecast to fall because of a lower seeded area. The average price is expected to rise because of the lower supply.

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

August 3, 2007

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total		Total Domestic Use (d)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (e) \$/t
						Supply thousand	Exports (b) metric tonnes				
Dry Peas											
2003-2004	1,303	1,271	1.67	2,124	24	2,458	1,316	937	205	9	175
2004-2005	1,388	1,345	2.48	3,338	57	3,600	1,853	1,152	595	20	135
2005-2006	1,366	1,319	2.35	3,100	76	3,771	2,567	744	460	14	120
2006-2007p	1,261	1,231	2.05	2,520	65	3,045	2,150	745	150	5	180
2007-2008f	1,471	1,422	2.17	3,080	65	3,295	2,350	795	150	5	170-200
Lentils											
2003-2004	554	536	0.97	520	5	580	367	175	38	7	420
2004-2005	778	750	1.28	962	10	1,010	451	314	245	32	310
2005-2006	884	862	1.48	1,278	8	1,531	671	385	475	45	230
2006-2007p	516	504	1.25	630	12	1,117	760	257	100	10	310
2007-2008f	540	525	1.16	610	15	725	530	165	30	4	335-365
Dry Beans											
2003-2004	167	167	2.13	356	31	482	344	83	55	13	495
2004-2005	163	126	1.75	220	28	303	278	20	5	2	650
2005-2006	197	175	1.85	324	39	368	284	49	35	11	495
2006-2007p	175	173	2.10	364	40	439	345	54	40	10	520
2007-2008f	149	147	1.94	285	40	365	285	50	30	9	570-600
Chickpeas											
2003-2004	63	63	1.08	68	2	150	74	51	25	20	330
2004-2005	47	39	1.31	51	4	80	47	28	5	7	385
2005-2006	79	73	1.42	104	7	116	64	42	10	9	490
2006-2007p	129	128	1.27	163	5	178	130	43	5	3	550
2007-2008f	174	162	1.14	185	5	195	140	45	10	5	480-510
Mustard Seed											
2003-2004	340	328	0.69	226	2	288	121	75	92	47	390
2004-2005	317	304	1.01	306	1	399	119	86	194	95	295
2005-2006	212	206	0.98	201	0	395	133	72	190	93	265
2006-2007p	134	130	0.83	108	1	299	145	64	90	43	380
2007-2008f	176	170	0.88	150	0	240	135	65	40	20	435-465
Canary Seed											
2003-2004	251	243	0.93	226	0	246	165	14	67	37	345
2004-2005	356	318	0.95	301	0	368	163	37	168	84	230
2005-2006	190	186	1.22	227	0	395	185	20	190	93	195
2006-2007p	136	131	1.02	133	0	323	175	23	125	63	335
2007-2008f	180	171	0.96	165	0	290	175	20	95	49	340-370
Sunflower Seed											
2003-2004	119	115	1.30	150	16	201	96	80	25	14	405
2004-2005	87	59	0.92	54	35	114	32	64	18	19	490
2005-2006	93	75	1.19	89	26	133	46	60	27	25	345
2006-2007p	77	77	2.04	157	15	199	100	69	30	18	395
2007-2008f	77	73	1.58	115	20	165	80	70	15	10	425-455
Buckwheat											
2003-2004	9	9	1.11	10	1	14	5	7	2	17	355
2004-2005	9	7	0.71	5	1	8	4	4	0	0	355
2005-2006	7	6	1.33	8	1	9	4	5	0	0	355
2006-2007p	7	7	1.00	7	1	8	4	4	0	0	355
2007-2008f	5	5	1.00	5	1	6	3	3	0	0	350-380
Total Pulses and Special Crops (c)											
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	3,954	1,377	1,387		
2006-2007p	2,435	2,381	1.71	4,082	139	5,608	3,809	1,259	540		
2007-2008f	2,772	2,675	1.72	4,595	146	5,281	3,698	1,213	370		

(a) August-July crop year.

(b) Excludes products.

(c) Includes Pulses (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 3, 2007

Source: Statistics Canada and industry consultations.