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CANADA: PULSES AND SPECIAL CROPS OUTLOOK

September 17, 2007

For 2007-08, total Canadian production of pulse and special crops is estimated to increase by 14%, from 2006-07, to 4.64 million tonnes (Mt), based on Statistics Canada's (STC) July 31 production estimates, except for buckwheat which is an AAFC forecast. STC's yield estimates are lower than trend for dry peas and dry beans, but higher for lentils, chickpeas, mustard seed, canary seed and sunflower seed. Compared to 2006-07, yield estimates are lower for dry peas, dry beans, chickpeas and sunflower seed, but higher for lentils, mustard seed and canary seed. Crop abandonment is estimated to be lower than normal. Harvest progress is behind 2006-07, but ahead of normal, with the dry pea and lentil harvests approaching completion, and most of the chickpeas and mustard seed have been harvested. Harvest is also underway for dry beans and canary seed. The buckwheat and sunflower seed harvests are expected to start in late September. Quality is expected to be normal, assuming normal weather conditions during the remainder of the harvest period. The risk of frost damage is generally low for unharvested fields due to the advanced stage of development.

Total supply is expected to decrease by 3% to 5.4 Mt, as the increase in production is more than offset by lower carry-in stocks. This report incorporates STC's carry-out stock estimates for 2006-07 and export data for all of 2006-07. Exports are forecast to increase slightly, while domestic use and carry-out stocks decrease. Average prices, over all types, grades and markets, are forecast to increase from 2006-07, for dry peas, lentils, dry beans, mustard seed, canary seed, sunflower seed and buckwheat, but decrease for chickpeas. The main factor to watch is weather, especially precipitation, during the remainder of the harvest period. Other factors to watch are crop conditions in other major producing regions, especially the US, Australia, India and Mexico, currency exchange rates and ocean shipping costs.

DRY PEAS

For **2007-08**, production and supply are estimated to increase because of a 17% rise in seeded area. 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 7%. World supply is forecast to decrease by 2% to 10.45 Mt, as slightly higher production is more than offset by lower carry-in stocks. The average price, over all types, grades, and food and feed markets, is expected to increase from 2006-07 due to the lower world supply, of which Canadian supply is a major component.

LENTILS

For **2007-08**, production is estimated to increase because of a 5% rise in seeded area and higher yields. Production is expected to increase for large, medium and small green lentils, but decrease for red lentils. Supply is expected to decrease sharply for all types of lentils due to sharply lower carry-in stocks. Exports are expected to decrease due to the lower supply and carry-out stocks are forecast to fall, with a s/u of 9%. World supply is forecast to decrease by 5% to 3.85 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, of which Canadian supply is a major component. The average price, over all types and grades, is forecast to increase from 2006-07 because of the lower world and Canadian supply and sharply lower carry-in stocks in Canada.

DRY BEANS

For **2007-08**, production and supply are estimated to decrease because of the 16% 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 7%. US production is forecast to fall by 2% to 1.01 Mt, while supply decreases by 3% to 1.17 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. 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 rise, with a s/u of 15%. 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 23%. 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 and higher yields, while supply decreases as lower carry-in stocks more than offset the increase in production. Exports are expected to be similar to 2006-07. Carry-out stocks are expected to fall, with a s/u of 51%. World supply is forecast to decrease by 5% to 345,000 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 is forecast to decrease for the confectionery type, but increase for the oilseed type. Total production, and supply, are forecast to decrease. Exports are forecast to decrease because of the lower supply, while domestic use increases marginally. Carry-out stocks are expected to decrease, with a s/u of 14%. 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. For the types of sunflower seed produced in Canada, the major factors influencing Canadian prices are the US supply and, to a lesser degree, the Canadian supply. The average price, over both types and all grades, is forecast to rise because of the lower total 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.

FURTHER INFORMATION:

Stan Skrypetz ..... (204) 983-8972
E-mail ..... skrypetzs@agr.gc.ca
Fred Oleson, Chief ..... (204) 983-0807
E-mail .....olesonf@agr.gc.ca
www.agr.gc.ca/mad-dam/
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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

September 17, 2007

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Stocks-to-Use Ratio	Average Price (e)
	thousand ha		t/ha	thousand metric tonnes						%	$/t
Dry Peas											
2003-2004	1,169	1,149	1.68	1,931	24	2,265	1,316	744	205	10	175
2004-2005	1,283	1,244	2.49	3,097	57	3,359	1,853	911	595	22	135
2005-2006	1,303	1,267	2.36	2,994	76	3,665	2,567	658	440	14	120
2006-2007	1,261	1,231	2.05	2,520	60	3,020	1,969	846	205	7	180
2007-2008f	1,471	1,447	2.04	2,957	60	3,222	2,250	772	200	7	180-210
Lentils											
2003-2004	513	499	0.97	485	5	545	367	140	38	7	420
2004-2005	738	714	1.28	916	10	964	451	268	245	34	310
2005-2006	802	785	1.48	1,164	8	1,417	671	271	475	50	230
2006-2007	516	504	1.25	630	13	1,118	852	127	139	14	310
2007-2008f	540	532	1.31	698	10	847	650	127	70	9	360-390
Dry Beans											
2003-2004	162	162	2.12	344	31	470	344	71	55	13	495
2004-2005	158	123	1.77	218	28	301	278	18	5	2	650
2005-2006	187	168	1.83	308	39	352	284	38	30	9	495
2006-2007	178	176	2.11	372	40	442	349	53	40	10	520
2007-2008f	149	149	1.93	287	40	367	295	47	25	7	570-600
Chickpeas											
2003-2004	63	63	1.08	68	2	170	74	18	78	85	330
2004-2005	47	39	1.31	51	4	133	47	39	47	55	385
2005-2006	79	73	1.42	104	7	158	64	81	13	9	490
2006-2007	129	128	1.27	163	5	181	115	56	10	6	550
2007-2008f	174	174	1.25	217	5	232	140	62	30	15	480-510
Mustard Seed											
2003-2004	340	328	0.69	226	2	288	121	75	92	47	390
2004-2005	299	285	1.01	287	1	380	119	67	194	104	295
2005-2006	194	188	0.98	184	0	378	133	55	190	101	265
2006-2007	134	130	0.83	108	1	299	153	55	91	44	380
2007-2008f	176	172	0.90	154	0	245	145	55	45	23	460-490
Canary Seed											
2003-2004	251	247	0.91	226	0	246	165	14	67	37	345
2004-2005	348	318	0.95	301	0	368	163	37	168	84	230
2005-2006	184	182	1.25	227	0	395	185	20	190	93	195
2006-2007	136	131	1.02	133	0	323	178	24	121	60	335
2007-2008f	180	172	1.10	189	0	310	180	25	105	51	350-380
Sunflower Seed											
2003-2004	108	106	1.34	142	16	193	96	72	25	15	405
2004-2005	81	55	0.95	52	35	112	32	65	15	15	490
2005-2006	87	71	1.18	84	26	125	46	52	27	28	345
2006-2007	77	77	2.04	157	12	196	121	52	23	13	395
2007-2008f	77	75	1.73	130	15	168	95	53	20	14	435-465
Buckwheat											
2003-2004	9	9	1.11	10	1	14	5	7	2	17	355
2004-2005	6	4	0.50	2	1	5	4	1	0	0	355
2005-2006	4	4	1.25	5	1	6	4	2	0	0	355
2006-2007	7	7	1.00	7	1	8	4	4	0	0	355
2007-2008f	4	4	1.00	4	1	5	3	2	0	0	355-385
Total Pulses and Special Crops (c)											
2003-2004	2,615	2,563	1.34	3,432	81	4,191	2,488	1,141	562		
2004-2005	2,960	2,782	1.77	4,924	136	5,622	2,947	1,406	1,269		
2005-2006	2,840	2,738	1.85	5,070	157	6,496	3,954	1,177	1,365		
2006-2007	2,438	2,384	1.72	4,090	132	5,587	3,741	1,217	629		
2007-2008f	2,771	2,725	1.70	4,636	131	5,396	3,758	1,143	495		

(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.

f: forecast, Agriculture and Agri-Food Canada, September 17, 2007

Source: Statistics Canada and industry consultations.