



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

September 17, 2008

For 2008-09, total supply of pulse and special crops in Canada is expected to rise slightly to 5.7 million tonnes (Mt), as higher supplies for dry peas and lentils are partly offset by lower supplies for dry beans, chickpeas, and canary seed. Harvest progress is behind 2007-08, with the dry pea and lentil harvests approaching completion. Harvest is also underway for chickpeas, mustard and canary seed. The dry bean harvest is expected to start in the next two weeks and the sunflower seed harvest is expected to begin 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 exports are forecast to rise marginally to 3.9 Mt. Carry-out stocks are expected to rise, but remain historically low for most crops. Average prices, over all types, grades and markets, are forecast to remain similar to or increase from 2007-08 for all pulse and special crops, with the exception of dry peas. The other main factors to watch are crop conditions in the US, the EU, Australia, the Middle East and the Indian subcontinent.

DRY PEAS

For **2008-09**, supply is expected to increase by 12% due to higher carry-in stocks and production. Yellow pea production is forecast to increase while production of green pea and other types remain relatively unchanged. Exports are projected to rise marginally to 2.4 Mt. Carry-out stocks are expected to rise by 57% to 0.4 Mt. World supply is forecast to rise marginally to over 10.0 Mt, mostly due to higher production in Canada, the EU and Ukraine. This is expected to result in the average price, over all types, grades, and food and feed markets, to fall slightly from 2007-08.

LENTILS

For **2008-09**, total supply is forecast to rise by 12% as lower carry-in stocks partially offset the increased production. Production for red and large green lentils are expected to rise while medium and small green lentil production is projected to decline. Canadian exports are expected to fall by 7% to 0.75 Mt and carry-out stocks are forecast to rise but remain historically low. World supply is forecast to fall marginally to 3.8 Mt, as lower production in Turkey, Syria, the US and India combines with lower carry-in stocks. The average price, over all types and grades, is forecast to rise by about 22% from 2007-08 based on the midpoint of AAFC's price forecast.

DRY BEANS

Supplies in **2008-09** are forecast to fall marginally to 0.35 Mt due to lower carry-in stocks. Canadian exports are projected to decline by 20,000 t due to the reduced supply. Carry-out stocks are also expected to remain unchanged. US production is forecast to fall by 10% to 1.0 Mt, largely due to lower production in North Dakota. The average price, over all types and grades, is forecast to rise by about 23%, based on the midpoint of AAFC's price forecast.

CHICKPEAS

For **2008-09**, supply is expected to fall by about 9% as lower production will be partly offset by high carry-in stocks. However, Canadian exports are forecast to increase as Canada regains some of its traditional export markets. Carry-out stocks are also expected to fall to 70,000 t. The average price, over all types and grades, is forecast to rise.

MUSTARD SEED

For **2008-09**, supplies are projected to be similar to last year as lower carry-in stocks mostly offset the higher production. Production is expected to increase for all types of mustard seed. Exports are expected to fall to 135,000 t. Carry-out stocks are forecast to fall to their lowest level since 1995-96. The average price,

over all types and grades, is expected to rise by about 28% based on the midpoint of AAFC's price forecast.

CANARY SEED

For **2008-09**, supply is expected to decrease to 0.25 Mt as lower carry-in stocks offset the higher production. Canadian exports are expected to fall by 12% to 180,000 t and are accompanied by a sharp fall in carry-out stocks. As a result, the average price is forecast to remain similar to or increase from 2007-08 levels.

SUNFLOWER SEED

Supplies in **2008-09** are forecast to remain unchanged as lower carry-in stocks offset the higher production. Canadian exports are forecast to fall marginally while domestic use is projected to increase by 25% over a year ago. Carry-out stocks are expected to fall to their lowest level since 1989-90. The average price, over both types and all grades, is forecast to increase.

FURTHER INFORMATION:

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

September 17, 2008

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production ----- thousand metric tonnes-----	Imports (b)	Total Supply thousand metric tonnes	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (e) \$/t
Dry Peas											
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	1,469	1,443	2.03	2,935	37	3,177	2,201	721	255	9	305
2008-2009f	1,536	1,495	2.19	3,272	35	3,562	2,350	812	400	13	270-300
Lentils											
2005-2006	803	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	534	1.26	674	9	822	810	-39	51	7	635
2008-2009f	631	623	1.39	863	6	920	750	125	45	5	760-790
Dry Beans											
2005-2006	192	172	1.85	318	39	362	284	48	30	9	495
2006-2007	178	176	2.12	373	41	444	349	55	40	10	520
2007-2008f	153	153	1.82	277	50	367	295	52	20	6	725
2008-2009f	147	141	1.99	281	45	346	275	51	20	6	875-905
Chickpeas											
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	1.29	225	8	243	68	83	92	61	560
2008-2009f	83	83	1.48	123	5	220	85	65	70	47	570-600
Mustard Seed											
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	176	0.65	114	1	206	168	11	27	15	695
2008-2009f	198	186	0.95	177	0	204	135	49	20	11	875-905
Canary Seed											
2005-2006	184	182	1.25	227	0	395	185	20	190	93	195
2006-2007	136	131	1.02	133	0	323	178	25	120	59	335
2007-2008f	178	174	0.93	162	0	282	204	11	67	31	560
2008-2009f	164	160	1.12	179	0	246	180	26	40	19	560-590
Sunflower Seed											
2005-2006	87	71	1.18	84	26	125	46	52	27	28	345
2006-2007	77	77	2.04	157	12	196	121	57	18	10	395
2007-2008f	81	79	1.58	125	17	160	112	36	12	8	585
2008-2009f	71	71	1.82	129	19	160	105	45	10	7	630-660
Total Pulses and Special Crops (c)											
2005-2006	2,842	2,738	1.85	5,075	156	6,500	3,950	1,185	1,365		
2006-2007	2,431	2,377	1.72	4,084	132	5,581	3,737	1,221	623		
2007-2008f	2,771	2,732	1.65	4,512	122	5,257	3,858	875	524		
2008-2009f	2,830	2,759	1.82	5,024	110	5,658	3,880	1,173	605		

(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)

(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, 2008

Source: Statistics Canada and industry consultations.