



CANADA: PULSE AND SPECIAL CROPS (P&SC) OUTLOOK

March 6, 2009

For 2009-10, total area seeded to P&SC in Canada is forecast to be relatively unchanged from 2008-09, with decreased area for dry peas and dry beans, and increases for chickpeas, lentils, mustard seed, canary seed and sunflower seed. Average yields are generally expected to decrease from 2008 and trend yields are assumed for both western and eastern Canada. Total production in Canada is forecast to fall by 5% to 5.0 million tonnes (Mt). However, total supply is expected to rise by 5% to 6.2 Mt, as large carry-in stocks more than offset the fall in production. Exports, domestic use and carry-out stocks are forecast to rise slightly due to the higher supply. Average prices are generally forecast to fall but remain unchanged for chickpeas and canary seed. The main factors to watch are: commodity prices, input costs, the Canada-US dollar exchange rate, the severity of the world recession and planting progress in major producing regions, especially the Indian subcontinent, United States, European Union, Australia and the Middle East.

DRY PEAS

For 2008-09, exports are forecast to fall from 2007-08 due to lower demand. The average price, over all types, grades and markets, is forecast to fall because of the higher world supply and large carry-out stocks. Carry-out stocks are expected to rise sharply to a record 0.9 Mt.

For 2009-10, seeded area is forecast to fall slightly from 2008-09 because of lower prices and high carry-in stocks. Production is expected to decrease to 3.2 Mt. Supply is forecast to rise to a record 4.1 Mt, as record carry-in stocks more than offset the fall in production. Canadian exports are forecast to increase because of the higher supply. Carry-out stocks are forecast to rise to a record and remain burdensome. The average price is expected to decrease from 2008-09 due to the large Canadian supply.

LENTILS

For 2008-09, exports are expected to rise marginally from 2007-08. Carry-out stocks are forecast to fall from 2007-08. The average price is forecast to rise marginally from last year.

For 2009-10, the area seeded is expected to rise from 2008-09, with production rising for the fourth consecutive year. Supply is forecast to increase slightly, due to the combination of higher carry-in stocks and production. World supply is forecast to rise slightly to 3.8 Mt. Canadian exports are expected to fall despite the increased supply and carry-out stocks are also forecast to increase. The average price is forecast to fall from 2008-09 because of the higher world and Canadian supply.

DRY BEANS

For 2008-09, exports are forecast to decrease from 2007-08 due to lower supply. Carry-out stocks are expected to rise marginally. The average price, over all classes and grades, is forecast to rise because of

the lower total US and Canadian supply.

For 2009-10, the area seeded is forecast to fall marginally from 2008-09 because of good prices for crops which are easier to produce than dry beans. Production is expected to rise as a result of a return to average yields. Supply is forecast to rise marginally. Canadian exports are forecast to rise due to the higher supply and carry-out stocks are expected to rise marginally. The average price is forecast to decrease because of the higher US and Canadian supply.

CHICKPEAS

For 2008-09, exports are expected to be lower than 2007-08 due to lower supply and a lack of export demand. The average price, over all types and grades, is forecast to decrease marginally. Carry-out stocks are also expected to decrease.

For 2009-10, the area seeded is forecast to be similar to 2008-09. Production and supply are expected to fall. World supply is forecast to rise marginally to 9.3 Mt. Canadian exports are forecast to be unchanged and carry-out stocks are expected to fall to a low level. The average price is forecast to remain unchanged as lower Canadian supply is offset by higher world supply.

MUSTARD SEED

For 2008-09, exports are forecast to decrease from 2007-08 due to lower supply. Carry-out stocks are expected to remain at a very low level. The average price, over all types and grades, is forecast to increase because of the lower supply.

For 2009-10, the area seeded is expected to increase due to high prices and low carry-in stocks. Production and supply are forecast to increase. Exports are expected to rise because of the larger supply and carry-out stocks are forecast to fall to a low level. The average price is expected to decrease compared to

2008-09, but remain high by historical standards.

CANARY SEED

For 2008-09, exports are forecast to decrease from 2007-08, while carry-out stocks are forecast to rise. The average price is forecast to fall due to the lower export demand.

For 2009-10, the area seeded is forecast to increase from 2008-09 due to good returns relative to other crops. Production is expected to fall as a return to trend yields more than offsets the higher area. Supply is forecast to fall slightly. Canadian exports are expected to remain unchanged and carry-out stocks are expected to fall. The average price is forecast to remain unchanged from 2008-09.

SUNFLOWER SEED

For 2008-09, exports are expected to decrease from 2007-08 due to lower demand. Carry-out stocks are forecast to rise marginally but remain at a low level. The average price, over both types and all grades, is forecast to increase from 2007-08 due to strong confectionary type prices.

For 2009-10, the area seeded is expected to rise marginally from 2008-09. Production and supply are forecast to rise marginally. Canadian exports are forecast to fall marginally. Carry-out stocks are expected to rise marginally. The average price is forecast to decrease from 2008-09 because of large US and Canadian supplies.

FURTHER INFORMATION:

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION
March 6, 2009

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production ----- thousand	Imports (b) ----- thousand	Total Supply ----- thousand	Exports (b) ----- metric tonnes	Total Domestic Use (d) ----- thousand	Carry-out Stocks	Stocks-to- Use Ratio %	Average Price (e) \$/t
Dry Peas											
2006-2007	1,261	1,231	2.05	2,520	60	2,943	1,969	807	167	6	180
2007-2008	1,469	1,443	2.03	2,935	38	3,140	2,201	684	255	9	305
2008-2009f	1,617	1,582	2.26	3,571	19	3,845	2,150	795	900	31	205-235
2009-2010f	1,500	1,470	2.18	3,200	25	4,125	2,275	900	950	30	195-225
Lentils											
2006-2007	516	504	1.38	693	13	1,191	852	140	199	20	310
2007-2008	540	534	1.37	734	9	942	810	86	46	5	635
2008-2009f	652	631	1.46	920	9	974	850	114	10	1	660-690
2009-2010f	775	764	1.31	1,000	5	1,015	810	125	80	9	495-525
Dry Beans											
2006-2007	178	176	2.12	373	41	444	349	55	40	10	520
2007-2008	153	153	1.82	277	50	367	295	52	20	6	725
2008-2009f	147	145	1.84	266	54	340	255	55	30	10	780-810
2009-2010f	140	138	2.03	280	40	350	265	50	35	11	750-780
Chickpeas											
2006-2007	129	128	1.27	163	5	185	115	60	10	6	550
2007-2008	174	174	1.29	225	8	243	69	82	92	61	560
2008-2009f	53	51	1.56	80	8	180	50	75	55	44	540-570
2009-2010f	58	57	1.32	75	8	138	50	58	30	28	540-570
Mustard Seed											
2006-2007	134	130	0.83	108	2	300	153	56	91	44	380
2007-2008	176	176	0.70	123	1	215	168	20	27	14	695
2008-2009f	194	186	0.87	161	0	188	130	43	15	9	855-885
2009-2010f	210	203	0.86	175	0	190	135	45	10	6	700-730
Canary Seed											
2006-2007	136	131	1.02	133	0	323	178	25	120	59	335
2007-2008	178	174	0.93	162	0	282	204	13	65	30	560
2008-2009f	168	164	1.20	196	0	261	160	26	75	40	415-445
2009-2010f	180	176	0.99	175	0	250	160	25	65	35	415-445
Sunflower Seed											
2006-2007	77	77	2.04	157	12	196	121	57	18	10	395
2007-2008	81	79	1.58	125	17	160	112	36	12	8	585
2008-2009f	69	69	1.63	112	16	140	85	40	15	12	580-610
2009-2010f	72	72	1.60	115	15	145	80	40	25	21	550-580
Total Pulses and Special Crops (c)											
2006-2007	2,431	2,377	1.74	4,147	133	5,582	3,737	1,200	645		
2007-2008	2,771	2,732	1.68	4,581	123	5,349	3,859	973	517		
2008-2009f	2,900	2,828	1.88	5,306	106	5,928	3,680	1,148	1,100		
2009-2010f	2,935	2,880	1.74	5,020	93	6,213	3,775	1,243	1,195		

(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, March 6, 2009

Source: Statistics Canada and industry consultations.