



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

March 12, 2007

For 2006-07, total Canadian exports and carry-out stocks of pulse and special crops are forecast to decrease from 2005-06 due to lower supply and higher domestic use. Average prices, over all types, grades and markets, are forecast to increase for dry peas, lentils, dry beans, chickpeas, mustard seed, canary seed and sunflower seed, and be stable for buckwheat.

For 2007-08, total area seeded to pulse and special crops in Canada is forecast to increase marginally from 2006-07, as increases for chickpeas, mustard seed, canary seed and sunflower seed are mostly offset by decreases for dry peas, lentils and dry beans. It is assumed that precipitation will be normal for the growing and harvest periods, and that the abandonment rate and quality will be normal. Trend yields are assumed for both western and eastern Canada, as soil moisture reserves are good in most areas. Total production in Canada is forecast to increase slightly to 4.49 million tonnes (Mt). Total supply is expected to decrease by 11% to 5.34 Mt, as lower carry-in stocks more than offset the increase in production. Exports, domestic use and carry-out stocks 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 dry peas, lentils, dry beans, mustard seed, canary seed, sunflower seed and buckwheat, but decrease for chickpeas. The main factors to watch are weather conditions, especially precipitation, during the growing and harvest periods in Canada. Other factors to watch are the exchange rates of the Canadian dollar against the US dollar and other currencies, ocean shipping rates and growing conditions in major producing regions, especially India, Pakistan, Mexico, United States, European Union, Turkey and Australia.

DRY PEAS

For 2006-07, exports are forecast to decrease sharply from 2005-06 due to lower production and supply. The average price, over all types, grades and markets, is forecast to increase because of the lower world and Canadian supply. Carry-out stocks are expected to decrease, with a stocks-to-use ratio (s/u) of 8%.

For 2007-08, the area seeded is forecast to decrease marginally from 2006-07 due to good prices for canola. Production is expected to increase due to higher yields, while supply decreases, as lower carry-in stocks more than offset the increase in production. World supply is expected to decrease marginally to 11.1 Mt as slightly higher production is more than offset by lower carry-in stocks. Canadian exports and domestic use are forecast to decrease because of the lower supply. Carry-out stocks are forecast to decrease, with a s/u of 7%. The average price is expected to be slightly higher than in 2006-07 due to the lower world and Canadian supply.

LENTILS

For 2006-07, exports are forecast to increase because of higher production of red lentils and strong demand. The average price, over all types and grades, is expected to increase because of the lower world and Canadian supply. Carry-out stocks are forecast to decrease sharply, with a s/u of 15%.

For 2007-08, the area seeded is forecast to decrease slightly, as a weak contracting program more than offsets the sharply lower carry-in stocks. Production is forecast to decrease due to the lower seeded area and lower yields. Supply is expected to decrease sharply because of lower carry-in stocks. World supply is forecast to decrease by 4% to 3.97 Mt. Canadian exports are expected to decrease due to the lower supply and carry-out stocks are forecast to decrease sharply, with a s/u of 6%. The average price is forecast to increase from 2006-07 because of the lower world and Canadian supply.

DRY BEANS

For 2006-07, exports are forecast to increase due to higher production and supply. Carry-out stocks are forecast to increase, with a s/u of 13%. The average price, over all classes and grades, is forecast to increase because the higher Canadian supply is more than offset by lower US supply.

For 2007-08, the area seeded is forecast to decrease by 15% due to historically low prices. Production and supply are expected to decrease because of the lower area and lower yields. In the US, production is forecast to decrease by 4% to 0.99 Mt, while supply

decreases by 6% to 1.14 Mt, as lower carry-in stocks compound the decrease in production. Canadian exports are forecast to decrease due to the lower supply. Carry-out stocks are expected to decrease, with a s/u of 9%. The average price is forecast to increase because of the lower US and Canadian supply.

CHICKPEAS

For 2006-07, exports are forecast to increase because of higher production and supply. The average price, over all types and grades, is forecast to increase, due to the lower world supply and stronger demand. Carry-out stocks are expected to increase, with a s/u of 11%.

For 2007-08, the area seeded is forecast to increase by 15% because of historically high prices. Production is expected to increase because of the higher seeded area, while supply increases because of the higher production and higher carry-in stocks. World supply is forecast to increase by 8% to 9.6 Mt. Although Canadian exports are forecast to increase due to the higher supply, carry-out stocks are expected to rise, with a s/u of 16%. The average price is forecast to decrease due to the higher world supply.

MUSTARD SEED

For 2006-07, exports are forecast to increase slightly due to stronger demand. Carry-out stocks are expected to decrease sharply, with a s/u of 48%. The average price, over all types and grades, is forecast to increase because of the lower supply.

For 2007-08, the area seeded is expected to increase by 25% due to higher prices and lower carry-in stocks. Production is forecast to increase because of the 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 fall due to higher prices and carry-out stocks are forecast to decrease sharply, with an s/u of 27%. The average price is expected to increase due to the lower supply.

CANARY SEED

For 2006-07, exports are forecast to decrease slightly due to higher prices. Carry-out stocks are expected to fall sharply, with a s/u ratio of 52%. The average price is forecast to increase due to lower supply. For 2007-08, the area seeded is forecast to increase by 15% due to higher prices and lower carry-in stocks. Production is expected to increase because of the higher area, while supply decreases as lower

carry-in stocks more than offset the increase in production. World supply is forecast to decrease by 20% to 275,000 t. Canadian exports are expected to decrease due to higher prices and lower supply. Carry-out stocks are forecast to fall sharply, with a s/u of 24%. The average price is forecast to increase because of the lower supply.

SUNFLOWER SEED

For 2006-07, exports and domestic use are expected to increase due to higher production and supply. Carry-out stocks are forecast to increase, with a s/u of 22%. The average price, over both types and all grades, is forecast to increase as a lower supply in the US more than offsets the higher Canadian supply. For 2007-08, the area seeded is expected to increase by 10% due to higher prices. Production is forecast to decrease as a higher seeded area is more than offset by higher abandonment and lower yields. Supply is expected to decrease as higher carry-in stocks are more than offset by lower production. US supply is expected to increase marginally to 1.34 Mt. Canadian exports are forecast to decrease because of the lower supply, while domestic use remains stable. Carry-out stocks are expected to decrease, with a s/u of 20%. The average price is forecast to increase because of stronger demand, lower Canadian supply and less pressure on prices at the beginning of the crop year because of sharply lower carry-in stocks in the US.

BUCKWHEAT

For 2006-07, total use is forecast to decrease due to the lower supply. The average price is forecast to be the same as in 2005-06.

For 2007-08, the area seeded is forecast to decrease because of good prices for alternative crops. Canadian production and supply are forecast to decrease because of a lower seeded area and lower yields. The average price is expected to increase because of the lower supply.

FURTHER INFORMATION:

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CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

March 12, 2007

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply thousand metric tonnes	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Average Price (e) \$/t
Dry Peas										
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	2,567	724	480	120
2006-2007f	1,410	1,378	2.04	2,806	75	3,361	2,200	911	250	145-175
2007-2008f	1,400	1,353	2.17	2,930	75	3,255	2,150	905	200	150-180
Lentils										
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	671	385	475	230
2006-2007f	567	555	1.25	693	10	1,178	730	298	150	275-305
2007-2008f	560	543	1.23	670	10	830	580	200	50	300-330
Dry Beans										
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	30	428	325	53	50	500-530
2007-2008f	150	147	1.94	285	30	365	285	50	30	565-595
Chickpeas										
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	130	47	20	530-560
2007-2008f	165	154	1.23	190	5	215	135	50	30	445-475
Mustard Seed										
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	0	306	135	71	100	350-380
2007-2008f	180	174	0.89	155	0	255	130	70	55	405-435
Canary Seed										
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	325-355
2007-2008f	137	130	1.00	130	0	235	170	20	45	380-410
Sunflower Seed										
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	85	75	35	365-395
2007-2008f	83	79	1.58	125	20	180	75	75	30	410-440
Buckwheat										
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
2007-2008f	5	5	1.00	5	1	6	3	3	0	350-380
Total Pulse 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	1,357	1,407	
2006-2007f	2,642	2,587	1.72	4,437	136	5,980	3,789	1,481	710	
2007-2008f	2,680	2,585	1.74	4,490	141	5,341	3,528	1,373	440	

(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, March 12, 2007

Source: Statistics Canada and industry consultations.