



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

March 6, 2008

For 2007-08, total Canadian exports, domestic use and carry-out stocks of pulses and special crops are forecast to decrease from 2006-07 due to lower supply. Carry-out stocks are forecast to be low for most crops. 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 and sunflower seed, but decrease for chickpeas.

For 2008-09, total area seeded to pulses and special crops in Canada is forecast to increase by 7% from 2007-08, with increases for dry peas, lentils, mustard seed and canary seed, decreases for dry beans and chickpeas, and a stable area for sunflower seed. 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. Total production in Canada is forecast to increase by 9% to 4.93 million tonnes (Mt). Total supply is expected to increase by 3% to 5.45 Mt, as lower carry-in stocks partly offset the increase in production. Exports, domestic use and carry-out stocks are forecast to increase slightly due to the higher supply. Average prices are forecast to increase for lentils, dry beans, chickpeas, mustard seed, canary seed and sunflower seed, but decrease for dry peas. The main factors to watch are weather conditions, especially precipitation, during the growing and harvest periods in Canada. Soil moisture reserves are good in eastern Canada, but range from dry to good in western 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 2007-08, exports are forecast to increase from 2006-07 due to higher supply. The average price, over all types, grades and markets, is forecast to increase because of the lower world supply and very strong demand. Carry-out stocks are expected to decrease to a very low level.

For 2008-09, the area seeded is forecast to increase by 10% from 2007-08 because of good prices, low carry-in stocks and high prices for nitrogen fertilizer. Production is expected to increase by 12%, as higher yields compound the increase in seeded area. Supply is forecast to increase by 10%, as lower carry-in stocks partly offset the increase in production. World supply is expected to increase by 3% to 10.4 Mt. Canadian exports are forecast to increase because of the higher supply. Although carry-out stocks are forecast to increase, they would still be at a low level. The average price is expected to decrease from 2007-08 due to the higher world and Canadian supply.

LENTILS

For 2007-08, exports are forecast to decrease sharply from 2006-07 because of lower supply. 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 to a very low level.

For 2008-09, the area seeded is forecast to increase by 15% from 2007-08 because of good prices, low carry-in stocks and high prices for nitrogen fertilizer. Production is expected to increase by 11%, as the higher seeded area is partly offset by higher abandonment. Supply is forecast to decrease slightly, as lower carry-in stocks more than offset the increase in production. World supply is forecast to decrease by 5% to 3.56 Mt. Canadian exports are expected to remain stable due to the limited supply and carry-out stocks are forecast to be very low. The average price is forecast to increase from 2007-08 because of the lower world and Canadian supply.

DRY BEANS

For 2007-08, exports are forecast to decrease from 2006-07 due to lower supply. Carry-out stocks are forecast to decrease to a very low level. The average price, over all classes and grades, is forecast to increase because of the lower total US and Canadian supply and very strong demand.

For 2008-09, the area seeded is forecast to decrease by 10% from 2007-08 because of good prices for crops which are easier to produce than dry beans.

Production is expected to decrease by 4%, as the lower seeded area is partly offset by higher yields. Supply is forecast to decrease by 9% because of the lower production and lower carry-in stocks. In the US, production and supply are expected to decrease by 13% and 11% to 0.94 Mt and 1.09 Mt, respectively. Canadian exports are forecast to decrease due to the lower supply and carry-out stocks are forecast to be very low. US supply and, to a lesser extent, Canadian supply are the most important factors affecting Canadian prices. Therefore, the average price is forecast to increase because of the lower US and Canadian supply, and strong demand.

CHICKPEAS

For 2007-08, exports are forecast to increase from 2006-07 because of higher supply. The average price, over all types and grades, is forecast to decrease due to higher world and Canadian supply. Carry-out stocks are expected to increase.

For 2008-09, the area seeded is forecast to decrease by 40% from 2007-08 because of high carry-in stocks and relatively low prices compared to many alternative crops. Production is expected to decrease by 42% due to the lower seeded area and higher abandonment. Supply is forecast to decrease by 19% as the lower production is partly offset by higher carry-in stocks. World supply is forecast to decrease by 4% to 9.34 Mt. Canadian exports are forecast to increase due to stronger demand and carry-out stocks are expected to fall to a low level. The average price is forecast to increase due to lower world and Canadian supply.

MUSTARD SEED

For 2007-08, exports are forecast to decrease from 2006-07 due to lower supply. Carry-out stocks are expected to decrease sharply to a very low level. The average price, over all types and grades, is forecast to increase because of the lower supply. The average price forecast includes both contracted and spot prices because a large portion of the mustard seed was contracted at prices significantly lower than current spot prices.

For 2008-09, the area seeded is expected to increase by 30% from 2007-08 due to high prices and low carry-in stocks. Production is forecast to increase by 62% because of the higher seeded area and higher yields, while supply decreases slightly as lower carry-in stocks more than offset the increase in production. Exports are expected to decrease due to the lower supply and carry-out stocks are forecast to remain at a low level. The main factor affecting Canadian prices

is Canadian supply. However for 2008-09, the average price is expected to increase mainly because of higher contract prices compared to 2007-08, as the supply is forecast to decrease only slightly.

CANARY SEED

For 2007-08, exports are forecast to increase only marginally from 2006-07 because of relatively stable demand, while carry-out stocks fall due to lower supply. The average price is forecast to increase due to the lower supply.

For 2008-09, the area seeded is forecast to increase by 5% from 2007-08 due to higher prices and lower carry-in stocks. Production is expected to increase by 8% because of the higher area and higher yields, while supply decreases by 10% as lower carry-in stocks more than offset the increase in production. World supply is forecast to decrease by 10% to 295,000 t. Canadian exports are expected to remain stable, while carry-out stocks are forecast to fall significantly. The average price is forecast to increase because of the lower world and Canadian supply.

SUNFLOWER SEED

For 2007-08, exports are expected to decrease from 2006-07 due to lower supply. Carry-out stocks are forecast to decrease to a low level. The average price, over both types and all grades, is forecast to increase due to limited supply and very strong demand.

For 2008-09, the area seeded is forecast to be the same as for 2007-08. Production and supply are forecast to decrease slightly due to lower yields and higher abandonment. US supply is expected to decrease by 15% to 1.24 Mt. Canadian exports and domestic use are forecast to be relatively stable. Carry-out stocks are expected to decrease further. US supply and, to a lesser extent, Canadian supply are the most important factors affecting Canadian prices. Therefore, the average price is forecast to increase because of lower total US and Canadian supply, and strong demand.

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/

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

March 6, 2008

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply	Exports (b)	Total		Stocks-to- Use Ratio %	Average Price (e) \$/t
								Domestic Use (d)	Carry-out Stocks		
Dry Peas											
2004-2005	1,283	1,244	2.49	3,098	57	3,360	1,853	912	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	1,469	1,443	2.03	2,935	50	3,190	2,250	790	150	5	275-305
2008-2009f	1,615	1,580	2.09	3,300	50	3,500	2,400	800	300	9	260-290
Lentils											
2004-2005	738	714	1.28	916	10	964	451	268	245	34	310
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	10	823	650	118	55	7	510-540
2008-2009f	620	601	1.25	750	10	815	650	115	50	7	525-555
Dry Beans											
2004-2005	160	123	1.77	218	28	311	278	28	5	2	650
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	152	1.82	277	40	357	290	47	20	6	645-675
2008-2009f	138	136	1.95	265	40	325	265	45	15	5	770-800
Chickpeas											
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	1.29	225	5	240	125	55	60	33	525-555
2008-2009f	104	100	1.30	130	5	195	130	55	10	5	540-570
Mustard Seed											
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	176	0.65	114	0	205	140	50	15	8	670-700
2008-2009f	230	223	0.83	185	0	200	135	50	15	8	755-785
Canary Seed											
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	178	174	0.93	162	0	283	180	23	80	39	490-520
2008-2009f	187	181	0.97	175	0	255	180	25	50	24	535-565
Sunflower Seed											
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	81	79	1.58	125	15	163	90	53	20	14	525-555
2008-2009f	81	78	1.55	121	15	156	90	51	15	11	595-625
Buckwheat*											
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	3	1	14	355
2007-2008f	3	3	1.00	3	1	5	4	1	0	0	365-395
2008-2009**											
Total Pulses and Special Crops (c)											
2004-2005	2,962	2,782	1.77	4,925	136	5,633	2,947	1,417	1,269		
2005-2006	2,846	2,742	1.85	5,080	157	6,506	3,954	1,187	1,365		
2006-2007	2,438	2,384	1.72	4,091	133	5,589	3,741	1,218	630		
2007-2008f	2,774	2,735	1.65	4,515	121	5,266	3,729	1,137	400		
2008-2009f***	2,975	2,899	1.70	4,926	120	5,446	3,850	1,141	455		

(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, March 6, 2008

* For 2004-2005 to 2007-2008, area and production estimates are only for Manitoba, the main producing province.

** For 2008-2009, it is not possible to do a forecast for buckwheat because the area has decreased to a very low level.

*** Excludes buckwheat.

Source: Statistics Canada and industry consultations.