



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

April 28, 2006

For 2006-07, the total area seeded to pulse and special crops in Canada is expected to decrease by 14% from 2005-06, as higher areas for dry peas, chickpeas, sunflower seed and buckwheat are more than offset by lower areas for lentils, dry beans, mustard seed and canary seed. Statistics Canada's (STC) seeding intentions survey, conducted during March 17-31 and released on April 25, provided estimates for most pulse and special crops by province, but in some cases the area seeded has been forecast by AAFC. The actual seeded areas may differ from the intentions due to changes in the market outlook and expected prices, producer reaction to the STC seeding intentions report and soil moisture conditions at the time of seeding. To date, only a small amount of seeding has been completed. It is assumed that precipitation will be normal for the seeding, 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, although there are dry areas in northern Alberta and areas of excessive moisture in Manitoba and Saskatchewan.

Total production in Canada is forecast to decrease by 17%, from 2005-06, to 4.41 million tonnes (Mt). Total supply is expected to decrease by 12% to 5.90 Mt, as higher carry-in stocks offset some of the decrease in production. Exports and carry-out stocks are forecast to decrease because of lower supply. Average prices, over all types, grades and markets, are forecast to increase for dry peas, lentils, mustard seed and canary seed, decrease for dry beans and chickpeas, and be the same for sunflower seed and buckwheat. The main factors to watch are weather conditions, especially precipitation, during the seeding, 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 the major producing regions, especially the United States, the European Union, Turkey, Australia, India and Mexico.

DRY PEAS

For 2006-07, production and supply are forecast to decrease, as lower yields more than offset the 2% increase in seeded area. Production is expected to decrease for yellow, green and other types. World supply is expected to increase only slightly to 12.3 Mt as higher production, mainly in the US and EU, is mostly offset by lower carry-in stocks. Canadian exports are forecast to decrease because of lower Canadian supply and lower demand in the EU feed markets, while domestic use increases marginally. Carry-out stocks are forecast to decrease, with a s/u of 6%. The average price, over all types, grades and markets, is expected to be slightly higher than in 2005-06 due to the lower Canadian supply.

LENTILS

For 2006-07, production and supply are forecast to decrease sharply due to a 40% lower seeded area and lower yields. Production is expected to decrease sharply for large, medium and small green lentils. Although the seeded area is forecast to increase for red lentils, production is expected to decrease moderately due to lower trend yields. Carry-in stocks are forecast to be high for green lentils, but low for red lentils. World supply is forecast to decrease by 5% to 4.4 Mt. Canadian exports are expected to remain relatively stable and carry-out stocks are forecast to decrease sharply, with a s/u of 43%. The average price, over all types and grades, is forecast to increase because of the lower supply.

DRY BEANS

For 2006-07, production and supply are expected to decrease, as a 20% lower seeded area more than offsets lower abandonment and higher yields. Production is forecast to decrease for dark red kidney and cranberry

beans, and remain relatively stable for white pea, Great Northern, pinto, light red kidney, black, small red and pink beans. In the US, production is expected to decrease by 4% to 1.13 Mt, while supply increases by 3% to 1.37 Mt due to higher carry-in stocks. Canadian exports are forecast to decrease due to the lower supply. Carry-out stocks are expected to decrease, with a s/u of 6%. The average price, over all classes and grades, is forecast to decrease because of the higher US supply.

CHICKPEAS

For 2006-07, production and supply are forecast to increase, as a 51% higher seeded area more than offsets lower yields. Production is expected to increase for all types, large kabuli, small kabuli and desi. World supply is expected to decrease by 3% to 9.0 Mt, as an increase for the kabuli type is more than offset by a decrease for the desi type. Although Canadian exports are forecast to increase because of the higher supply, carry-out stocks are expected to rise, with a s/u of 21%. The average price, over all types and grades, is forecast to decrease due to higher world supply of the kabuli type, which accounts for about 85% of Canadian production.

MUSTARD SEED

For 2006-07, production and supply are forecast to decrease because of a 22% lower seeded area and lower yields. Production is expected to decrease for all types, yellow, brown and oriental. A significant portion of the carry-in stocks is expected to be low quality seed. Exports are expected to rise due to higher demand and carry-out stocks are forecast to decrease, with a s/u of 51%. The average price, over all types and grades, is expected to increase due to the lower supply.

CANARY SEED

For 2006-07, production and supply are forecast to decrease due to a 34% lower seeded area and lower yields. World supply is forecast to decrease by 21% to 345,000 t. Canadian exports are expected to remain stable in line with stable demand, while carry-out stocks decrease, with a s/u of 45%. The average price is forecast to increase because of the lower supply.

SUNFLOWER SEED

For 2006-07, production and supply are forecast to increase due to a 10% higher seeded area, lower abandonment and higher yields. US supply is expected to decrease by 15% to 1.63 Mt. World supply is forecast to decrease slightly to 30.2 Mt. Canadian exports are forecast to increase because of the higher supply. Carry-out stocks are expected to increase, with a s/u of 13%. The average price is forecast to be the same as in 2005-06, as pressure from higher Canadian supply is offset by support from lower US supply.

BUCKWHEAT

For 2006-07, Canadian production and supply are forecast to remain stable, as a higher seeded area is offset by lower yields. The average price is expected to be the same as in 2005-06.

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CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

April 28, 2006

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply	Exports (b)	Total		Average Price (e) \$/t
								Domestic Use (d)	Carry-out Stocks	
Dry Peas										
2002-2003	1,297	1,050	1.30	1,365	41	1,681	626	745	310	210
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
2005-2006f	1,366	1,319	2.35	3,100	90	3,785	2,300	1,185	300	105-135
2006-2007f	1,398	1,349	2.19	2,950	100	3,350	1,950	1,200	200	110-140
Lentils										
2002-2003	601	387	0.91	354	9	494	320	119	55	390
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
2005-2006f	884	862	1.48	1,278	10	1,533	635	298	600	220-250
2006-2007f	535	508	1.23	625	10	1,235	640	225	370	245-275
Dry Beans										
2002-2003	230	219	1.89	414	40	489	298	96	95	445
2003-2004	167	167	2.13	356	31	482	344	83	55	495
2004-2005	163	126	1.75	220	28	303	277	21	5	650
2005-2006f	200	177	1.84	326	40	371	300	46	25	485-515
2006-2007f	159	156	1.92	300	30	355	290	45	20	465-495
Chickpeas										
2002-2003	221	154	1.01	156	9	345	105	160	80	300
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
2005-2006f	79	73	1.42	104	5	114	70	34	10	470-500
2006-2007f	119	110	1.18	130	5	145	85	35	25	395-425
Mustard Seed										
2002-2003	289	255	0.60	154	9	196	114	22	60	595
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
2005-2006f	212	206	0.98	201	1	396	130	81	185	255-285
2006-2007f	166	160	0.88	140	1	326	140	76	110	275-305
Canary Seed										
2002-2003	287	227	0.78	176	0	206	160	26	20	575
2003-2004	251	243	0.93	226	0	246	165	14	67	345
2004-2005	356	318	0.95	301	0	368	163	35	170	230
2005-2006f	190	186	1.22	227	0	397	175	37	185	175-205
2006-2007f	126	120	1.00	120	0	305	175	35	95	195-225
Sunflower Seed										
2002-2003	100	95	1.65	157	21	200	105	60	35	440
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
2005-2006f	93	75	1.19	89	25	132	45	72	15	330-360
2006-2007f	102	96	1.46	140	20	175	80	75	20	330-360
Buckwheat										
2002-2003	12	12	1.00	12	1	16	6	7	3	340
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
2005-2006f	7	6	1.33	8	1	9	4	5	0	340-370
2006-2007f	8	7	1.14	8	1	9	4	5	0	340-370
Total Pulse And Special Crops (c)										
2002-2003	3,036	2,399	1.16	2,788	130	3,627	1,734	1,235	658	
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	2,946	1,704	1,232	
2005-2006f	3,031	2,904	1.84	5,333	172	6,737	3,659	1,758	1,320	
2006-2007f	2,613	2,506	1.76	4,413	167	5,900	3,364	1,696	840	

(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, April 28, 2006

Source: Statistics Canada and industry consultations.