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CANADA: PULSE AND SPECIAL CROPS OUTLOOK

May 29, 2007

For 2007-08, total area seeded to pulse and special crops in Canada is expected to increase by 4% from 2006-07, as higher areas for dry peas, chickpeas, mustard seed and canary seed are partly offset by lower areas for lentils, dry beans and buckwheat. The sunflower seed area is expected to be the same as in 2006-07. Statistics Canada's (STC) seeding intentions survey, conducted during March 23-31 and released on April 24, provided estimates for most pulse and special crops, but the seeded area for buckwheat was forecast by AAFC. Overall seeding progress has been normal, but there have been delays in parts of northern Saskatchewan and northern Alberta because of excessive moisture. 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 generally good.

Total production in Canada is forecast to increase by 4% to 4.61 million tonnes (Mt). Total supply is expected to decrease by 9% to 5.46 Mt, as the increase in production is more than offset by lower carry-in stocks. This report incorporates information from the STC March 31, 2007 estimates of stocks. Exports and domestic use 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 2007-08, over 2006-07, for dry peas, lentils, dry beans, mustard seed, canary seed, sunflower seed and buckwheat, but decrease for chickpeas. The main factors to watch are exchange rates, petroleum prices, weather and growing conditions in Canada and the major importing and exporting countries.

DRY PEAS

For **2007-08**, production is forecast to increase because of a 2% rise in seeded area and higher yields, while supply decreases slightly, as lower carry-in stocks more than offset the increase in production. The increase in production is expected to be for the yellow type, while production of green and other types remains stable. Total Canadian use is expected to be limited by supply with exports remaining stable, while domestic use decreases slightly. Carry-out stocks are forecast to be the same as for 2006-07, with a stocks-to-use ratio (s/u) of 8%. World supply is forecast to remain stable at 11.1 Mt, as higher production, mainly in Canada, the US and Australia, is offset by lower carry-in stocks. The main factor affecting Canadian prices is world supply, but Canadian supply is a major component of world supply. The average price, over all types, grades, and food and feed markets, is expected to increase slightly from 2006-07 due to sharply lower world and Canadian carry-in stocks.

LENTILS

For **2007-08**, production is forecast to decrease due to the 9% drop in seeded area and lower yields. Production is expected to decrease mainly for large, medium and small green lentils, with a smaller decrease for red lentils. Supply is expected to decrease sharply, as lower carry-in stocks compound the decrease in production. 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 4%. World supply is forecast to decrease by 5% to 4.0 Mt, as slightly higher production, mainly in Australia, is more than offset by lower carry-in stocks. The main factor affecting Canadian prices is world supply, but Canadian supply is a major component of world supply. The average price, over all types and grades, is forecast to increase from 2006-07 because of the lower world and Canadian supply.

DRY BEANS

For **2007-08**, production and supply are forecast to decrease because of the 6% lower seeded area and lower yields. Production is expected to fall for all major classes of dry beans; white pea, pinto, black, dark and light red kidney, cranberry, Great Northern, pink and small red. Canadian exports are forecast to decrease due to the lower supply. Carry-out stocks are expected to fall, with a s/u of 8%. US production is forecast to fall by 7% to 0.96 Mt, while supply falls by 8% to 1.11 Mt, due to lower production and carry-in stocks. The most important factor affecting Canadian prices is US supply and the second most important factor is Canadian supply. The average price, over all types and grades, is forecast to increase because of the lower US and Canadian supply.

CHICKPEAS

For **2007-08,** production and supply are forecast to increase because of the 46% higher seeded area. Production is expected to increase for all types; desi, large kabuli and small kabuli. Although Canadian exports are forecast to increase because of the higher supply, carry-out stocks are expected to rise, with a s/u of 19%. World supply is forecast to increase by 7% to 9.4 Mt, mainly due to higher production in India and Pakistan. The main factor affecting Canadian prices is world supply, but Canada is becoming a significant producer. The average price, over all types and grades, is forecast to decrease due to the higher world and Canadian supply.

MUSTARD SEED

For **2007-08**, production is forecast to increase because of the 18% higher seeded area and higher yields, while supply decreases as lower carry-in stocks more than offset the rise in production. Production is expected to increase for all types, yellow, brown and oriental. Exports are expected to fall slightly due to higher prices. Carry-out stocks are forecast to decrease sharply, with a s/u of 28%. The main factor affecting Canadian prices is Canadian supply. The average price, over all types and grades, is expected to increase due to the lower Canadian supply.

CANARY SEED

For **2007-08**, production is forecast to increase because of the 43% higher seeded area, while supply decreases as lower carry-in stocks more than offset the increase in production. Canadian exports are expected to remain stable. Carry-out stocks are forecast to fall sharply, with a s/u of 36%. World supply is forecast to decrease by 14% to 298,000 t due to lower supply in Canada. The main factor affecting Canadian prices is Canadian supply. The average price is forecast to increase because of the lower Canadian supply.

SUNFLOWER SEED

For **2007-08**, production and supply are forecast to decrease, as a stable seeded area is more than offset by higher abandonment and lower yields. Production is forecast to decrease for both the confectionery and oilseed types. 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 14%. In the US, supply is expected to decrease by 22% to 0.85 Mt for the oilseed type and by 4% to 0.24 Mt for the confectionery type because of lower production and lower carry-in stocks. The most important factor affecting Canadian prices is US supply and the second most important factor is Canadian supply. The average price, over both types and all grades, is forecast to increase because of the lower US and Canadian supply.

BUCKWHEAT

For **2007-08**, production and supply are forecast to fall because of a lower seeded area and lower yields. The average price is expected to rise because of the lower supply.

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CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

May 29, 2007

Grain and Crop Year (a)	Area Seeded	Area Harvested	Yield	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Stocks-to-Use Ratio	Average Price (e)
	thousand ha		t/ha	thousand metric tonnes						%	$/t
Dry Peas											
2003-2004	1,303	1,271	1.67	2,124	24	2,458	1,316	937	205	9	175
2004-2005	1,388	1,345	2.48	3,338	57	3,600	1,853	1,152	595	20	135
2005-2006	1,366	1,319	2.35	3,100	76	3,771	2,567	724	480	15	120
2006-2007f	1,410	1,378	2.04	2,806	75	3,361	2,150	961	250	8	165-195
2007-2008f	1,445	1,395	2.17	3,025	75	3,350	2,150	950	250	8	170-200
Lentils											
2003-2004	554	536	0.97	520	5	580	367	175	38	7	420
2004-2005	778	750	1.28	962	10	1,010	451	314	245	32	310
2005-2006	884	862	1.48	1,278	8	1,531	671	385	475	45	230
2006-2007f	567	555	1.25	693	12	1,180	740	290	150	15	300-330
2007-2008f	514	500	1.23	615	15	780	570	180	30	4	315-345
Dry Beans											
2003-2004	167	167	2.13	356	31	482	344	83	55	13	495
2004-2005	163	126	1.75	220	28	303	278	20	5	2	650
2005-2006	197	175	1.85	324	39	368	284	49	35	11	495
2006-2007f	177	174	2.09	363	35	433	335	53	45	12	510-540
2007-2008f	166	163	1.90	310	35	390	310	50	30	8	565-595
Chickpeas											
2003-2004	63	63	1.08	68	2	150	74	51	25	20	330
2004-2005	47	39	1.31	51	4	80	47	28	5	7	385
2005-2006	79	73	1.42	104	7	116	64	42	10	9	490
2006-2007f	144	144	1.26	182	5	197	135	52	10	5	545-575
2007-2008f	210	196	1.22	240	5	255	155	60	40	19	460-490
Mustard Seed											
2003-2004	340	328	0.69	226	2	288	121	75	92	47	390
2004-2005	317	304	1.01	306	1	399	119	86	194	95	295
2005-2006	212	206	0.98	201	0	395	133	72	190	93	265
2006-2007f	144	140	0.83	116	1	307	135	67	105	52	365-395
2007-2008f	170	164	0.88	145	0	250	130	65	55	28	425-455
Canary Seed											
2003-2004	251	243	0.93	226	0	246	165	14	67	37	345
2004-2005	356	318	0.95	301	0	368	163	37	168	84	230
2005-2006	190	186	1.22	227	0	395	185	20	190	93	195
2006-2007f	119	115	1.02	117	0	307	175	22	110	56	325-355
2007-2008f	170	161	0.96	155	0	265	175	20	70	36	360-390
Sunflower Seed											
2003-2004	119	115	1.30	150	16	201	96	80	25	14	405
2004-2005	87	59	0.92	54	35	114	32	64	18	19	490
2005-2006	93	75	1.19	89	26	133	46	60	27	25	345
2006-2007f	75	75	2.04	153	15	195	90	70	35	22	380-410
2007-2008f	75	71	1.55	110	20	165	75	70	20	14	430-460
Buckwheat											
2003-2004	9	9	1.11	10	1	14	5	7	2	17	355
2004-2005	9	7	0.71	5	1	8	4	4	0	0	355
2005-2006	7	6	1.33	8	1	9	4	5	0	0	355
2006-2007f	6	6	1.17	7	1	8	4	4	0	0	340-370
2007-2008f	5	5	1.00	5	1	6	3	3	0	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	144	5,988	3,764	1,519	705		
2007-2008f	2,755	2,655	1.73	4,605	151	5,461	3,568	1,398	495		

(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, May 29, 2007

Source: Statistics Canada and industry consultations.