Agriculture and Agri-Food Canada / Agriculture et Agroalimentaire Canada

CANADA: PULSES AND SPECIAL CROPS OUTLOOK

December 12, 2007

For 2007-08, total production of pulses and special crops in Canada increased by 10% from 2006-07 to 4.51 million tonnes (Mt), based on Statistics Canada's (STC) November production estimates. Compared to 2006-07, average yields were lower for dry peas, dry beans, mustard seed, canary seed and sunflower seed, but higher for lentils and chickpeas. Crop abandonment was generally lower than for 2006-07 and lower than normal. Quality was generally lower than for 2006-07, but higher than normal.

Total supply decreased by 6% to 5.28 Mt due to lower carry-in stocks, causing exports, domestic use and carry-out stocks to decrease. 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, sunflower seed and buckwheat, but decrease marginally for chickpeas. The main factors to watch are currency exchange rates, ocean shipping costs and crop conditions in India, Pakistan, Mexico and the Middle East.

DRY PEAS
For **2007-08,** production and supply increased because of a 16% rise in seeded area. Production of the yellow type increased, while production of the green and other types was unchanged. Exports are forecast to increase because of the higher supply and strong world demand, especially for the yellow type. Carry-out stocks are forecast to remain low. World supply decreased by 6% to 10.05 Mt due to lower production and lower carry-in stocks. The average price, over all types, grades and markets, is expected to increase from 2006-07 due to the lower world supply, of which Canadian supply is a major component.

LENTILS
For **2007-08,** production increased because of a 5% rise in seeded area. Production increased for large, medium and small green lentils, but decreased for red lentils. Supply decreased sharply for all types of lentils due to sharply lower carry-in stocks. Exports are expected to decrease due to the lower supply and carry-out stocks are forecast to fall to a low level. World supply decreased by 8% to 3.74 Mt, as slightly higher production was more than offset by lower carry-in stocks. The major factor affecting Canadian prices is world supply, of which Canadian supply is a major component. The average price, over all types and grades, is forecast to increase sharply from 2006-07 because of the lower world and Canadian supply.

DRY BEANS
For **2007-08**, production and supply decreased because of the 14% lower seeded area and lower yields. Production fell for all major classes of dry beans; white pea, pinto, black, dark and light red kidney, cranberry, Great Northern, pink and small red. Exports are forecast to decrease due to the lower supply. Carry-out stocks are expected to fall to a low level. US production increased by 4% to 1.07 Mt, while supply increased only marginally to 1.22 Mt, as lower carry-in stocks offset most of the production increase. US supply and, to a lesser extent, Canadian supply are the most important factors affecting Canadian prices. The average price, over all types and grades, is forecast to increase because of the lower total US and Canadian supply.

CHICKPEAS
For **2007-08,** production and supply increased because of the 35% higher seeded area. Production rose for all types; desi, large kabuli and small kabuli. Exports are forecast to increase because of the higher supply and strong world demand. Carry-out stocks are expected to rise, but remain relatively low. World supply increased by 11% to 9.75 Mt, mainly due to higher production in India, Pakistan and Australia. However, demand is expected to increase significantly, especially in India. 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 marginally due to the higher world and Canadian supply.

MUSTARD SEED
For **2007-08**, production increased only slightly as the 31% higher seeded area was nearly offset by lower yields. Production increased slightly for the yellow and brown types, but decreased for the oriental type. Supply decreased sharply for all types, as lower carry-in stocks more than offset the rise in production. Exports are expected to fall due to the lower supply. Carry-out stocks are forecast to decrease sharply to a very low level. The main factor affecting Canadian prices is Canadian supply. The average price, over all types and grades, is expected to increase sharply due to the lower Canadian supply. The average price forecast includes both contracted prices and spot prices because a large portion of the mustard seed was contracted at prices significantly lower than current spot prices.

CANARY SEED
For **2007-08**, production increased because of the 31% higher seeded area, while supply decreased as lower carry-in stocks more than offset the increase in production. Exports are expected to be similar to 2006-07. Carry-out stocks are expected to fall. World supply decreased by 12% to 320,000 t due to the lower supply in Canada. The main factor affecting Canadian prices is the Canadian supply. The average price is forecast to increase because of the lower Canadian supply.

SUNFLOWER SEED
For **2007-08**, production and supply decreased because of lower yields. Production decreased for the confectionery type, but increased for the oilseed type. Exports are forecast to decrease because of the lower supply, while domestic use remains relatively stable as domestic processors need the seed to supply their markets. Carry-out stocks are expected to decrease to a low level. In the US, supply is estimated to increase by 10% to 1.19 Mt for the oilseed type and increase by 7% to 0.26 Mt for the confectionery type. World supply decreased by 9% to 30 Mt. For the types of sunflower seed produced in Canada, the main factors influencing Canadian prices are the US supply and, to a lesser degree, the Canadian supply. The average price, over both types and all grades, is forecast to rise mainly because of the lower total US and Canadian supply for the confectionery type and stronger demand for the oilseed type, although lower world supply will also contribute to the price increase.

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

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/

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

December 12, 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	1,169	1,149	1.68	1,931	24	2,265	1,316	744	205	10	175
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	60	3,200	2,200	800	200	7	240-270
Lentils											
2003-2004	513	499	0.97	485	5	545	367	140	38	7	420
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	630	123	70	9	450-480
Dry Beans											
2003-2004	163	163	2.13	348	31	484	344	75	65	16	495
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	605-635
Chickpeas											
2003-2004	63	63	1.08	68	2	170	74	18	78	85	330
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	150	60	30	14	530-560
Mustard Seed											
2003-2004	340	328	0.69	226	2	288	121	75	92	47	390
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	135	50	20	11	615-645
Canary Seed											
2003-2004	251	247	0.92	227	0	247	165	15	67	37	345
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	450-480
Sunflower Seed											
2003-2004	108	106	1.34	142	16	193	96	72	25	15	405
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	460-490
Buckwheat											
2003-2004	9	9	1.11	10	1	14	5	7	2	17	355
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	4	0	0	355
2007-2008f	3	3	1.00	3	1	4	2	2	0	0	365-395
Total Pulses and Special Crops (c)											
2003-2004	2,616	2,564	1.34	3,437	81	4,206	2,488	1,146	572		
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	1,219	629		
2007-2008f	2,774	2,735	1.65	4,515	131	5,275	3,677	1,158	440		

(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, December 12, 2007
Source: Statistics Canada and industry consultations.