



CANADA: PULSE AND SPECIAL CROPS (P&SC) OUTLOOK

December 15, 2010

For 2010-11, total production of P&SC in Canada fell marginally from last year, to 5.6 million tonnes (Mt), according to Statistics Canada. Supply has increased by 4%, however, as lower production is more than offset by large carry-in stocks. Total domestic use is expected to rise to 1.3 Mt due to the higher proportion of lower grades. Total exports are forecast to increase marginally as higher expected exports of dry peas are partially offset by lower exports of lentils. Total carry-out stocks are forecast to rise by 4% to 1.1 Mt. P&SC prices are forecast to be mixed when compared to the 2009-10 level. Higher prices are expected for dry peas, chickpeas, canary seed and sunflower seed and lower prices are expected for lentils, dry beans and mustard seed. The Canadian dollar is assumed to average slightly stronger than last year vis-à-vis the US dollar. The main factors to watch are exchange rates and the condition of the world crops, particularly the Indian subcontinent, Turkey and Australia.

DRY PEAS

Production fell by 14% to 2.9 Mt, largely due to lower harvested area and yields in Saskatchewan. Yellow pea production fell to 2.3 Mt and green pea production fell to 0.3 Mt. Supply fell by 5% to 3.7 Mt as the lower production is partially offset by the record carry-in stocks. Exports are forecast to increase to 2.4 Mt due to increased demand from the Indian subcontinent, including India, Bangladesh and Pakistan. Domestic use is also expected to decrease marginally but remain historically high. Carry-out stocks are forecast to fall sharply to 0.4 Mt. The average price is expected to rise from 2010-11 due to strong export demand and lower expected carry-out stocks.

LENTILS

Production increased by nearly 30% from 2009-10 to a record 1.9 Mt, due to a record harvested area. Large green lentil production rose marginally to 0.7 Mt and red lentil production rose sharply to 1.1 Mt. Supply rose nearly 30% to a record 2.0 Mt. Exports are expected to decrease due to lower exports to Turkey and the Indian sub-continent. Carry-out stocks are forecast to increase significantly due to the large supply. The average price is forecast to fall from 2009-10 because of the higher Canadian and world supply. Increased export competition with the US, Australia and Turkey in common markets is also expected to pressure Canadian prices.

DRY BEANS

Total production increased to 254 thousand tonnes (kt), largely due to the higher harvested area in Ontario. Total white pea bean production is up sharply from last year at 102 kt and coloured types fell marginally 152 kt. Supply increased by 9%. Exports are forecast to decrease due to lower demand from smaller markets such as Japan, Angola and the Dominican Republic. US dry bean production is forecast by the USDA at a near record 1.4 Mt, due to larger expected North Dakota production of Pinto and Black bean types. Canadian carry-out stocks are expected to increase sharply. The average price over all types and grades is forecast to decrease due to the large North American supply.

CHICKPEAS

Production increased sharply to 128 kt due to higher harvested area. Kabuli production rose while desi production was unchanged. Total supply rose due to the higher production. Exports are forecast to increase as a result of higher demand from markets such as the Middle East, the US and South America. Carry-out stocks are expected to fall. The average price is forecast to increase sharply in 2010-11.

MUSTARD SEED

Production fell to 186 kt due to the lower harvested area. Yellow and brown type production fell while oriental types rose. Total supply increased as a result of high carry-in stocks. Exports are expected to rise,

particularly to the EU-27 and the US. Carry-out stocks are forecast to increase and continue to be burdensome. The average price is expected to decrease compared to 2009-10, due to high carry-out stocks for the second consecutive year.

CANARY SEED

Production decreased to 111 kt due to lower yields. Supply fell sharply due to lower carry-in stocks. Exports are expected to decrease from the limited supply and carry-out stocks are expected to fall to tight levels. As a result, the average price is forecast to be higher than 2009-10.

SUNFLOWER SEED

Production decreased sharply to 68 kt due to lower area and yields. Production of confectionary types rose while oil types remain unchanged. US production fell marginally to 1.3 Mt as lower oil type production is partially offset by higher confectionary type production. Exports are expected to increase despite the lower supply. Canadian carry-out stocks are expected to rise for the third consecutive year. The average price is forecast to rise from 2009-10 because of the smaller US supply and tightening Canadian carry-out stocks.

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Dec 15, 2010

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested	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											
2007-2008	1,469	1,443	2.03	2,935	38	3,139	2,202	683	255	9	305
2008-2009	1,617	1,582	2.26	3,571	15	3,841	2,826	571	445	13	250
2009-2010	1,522	1,487	2.27	3,379	55	3,880	2,178	907	795	26	185
2010-2011f	1,396	1,322	2.17	2,862	30	3,687	2,400	887	400	12	180-210
Lentils											
2007-2008	540	534	1.37	734	9	942	811	80	51	6	635
2008-2009	706	700	1.49	1,043	7	1,102	973	97	32	3	750
2009-2010	971	963	1.57	1,510	10	1,552	1,385	115	52	3	645
2010-2011f	1,408	1,336	1.46	1,947	10	2,009	1,300	209	500	33	620-650
Dry Beans											
2007-2008	153	153	1.82	277	50	367	300	47	20	6	725
2008-2009	128	125	2.12	266	54	340	282	50	8	2	815
2009-2010	121	114	1.96	224	53	285	255	25	5	2	705
2010-2011f	136	127	2.00	254	52	311	230	41	40	15	580-610
Chickpeas											
2007-2008	174	174	1.29	225	8	243	69	83	92	61	560
2008-2009	53	51	1.30	67	4	163	53	48	62	61	560
2009-2010	32	30	2.49	76	5	143	66	57	20	16	540
2010-2011f	83	77	1.67	128	5	153	70	68	15	11	620-650
Mustard Seed											
2007-2008	176	176	0.70	123	0	215	168	20	27	14	695
2008-2009	194	186	0.87	161	1	189	131	14	44	30	845
2009-2010	212	208	1.00	208	0	253	128	25	100	66	510
2010-2011f	194	156	1.19	186	0	286	135	31	120	72	470-500
Canary Seed											
2007-2008	178	174	0.93	162	0	282	204	13	65	30	560
2008-2009	168	164	1.19	196	0	261	153	25	83	47	480
2009-2010	128	121	1.31	159	0	242	181	20	41	20	395
2010-2011f	130	121	0.92	111	0	152	130	17	5	3	480-510
Sunflower Seed											
2007-2008	81	79	1.58	125	18	160	112	37	12	8	585
2008-2009	69	69	1.63	112	20	145	88	35	22	18	630
2009-2010	65	64	1.60	102	26	150	49	59	42	39	505
2010-2011f	55	51	1.32	68	25	135	60	55	20	17	520-550
Total Pulses and Special Crops (c)											
2007-2008	2,771	2,732	1.68	4,581	123	5,348	3,865	962	522		
2008-2009	2,935	2,878	1.88	5,416	102	6,040	4,505	839	696		
2009-2010	3,051	2,988	1.89	5,659	149	6,503	4,241	1,207	1,055		
2010-2011f	3,402	3,190	1.74	5,556	122	6,733	4,325	1,308	1,100		

(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)

(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

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Source: Statistics Canada and industry consultations.