Agriculture and Agri-Food Canada / Agriculture et Agroalimentaire Canada

CANADA: PULSE AND SPECIAL CROPS OUTLOOK

January 28, 2010

For 2009-10, prices for all pulse and special crops (P&SC) in Canada have averaged lower than 2008-09. Total exports and carry-out stocks in Canada are forecast to increase due to higher supply. Carry-out stocks are forecast to rise sharply for lentils and slightly for mustard seed and dry beans while decreasing for the remaining crops.

For 2010-11, total area seeded to P&SC in Canada is forecast to increase by more than 9% from 2009-10. All crops are expected to increase area with the exception of coloured beans. Average yields are generally expected to decrease from the high levels attained in 2009 and trend yields are assumed for both western and eastern Canada. Total production in Canada is forecast to fall marginally to 5.6 million tonnes (Mt). Total production and supply are expected to decrease marginally and exports are expected to decrease accordingly. Domestic use and carry-out stocks are forecast to rise slightly. Prices, averaged over all types, grades and markets, are forecast to fall for all crops. The main factors to watch are commodity prices and input costs, precipitation in Canada over the winter and the Canada-US exchange rate.

DRY PEAS

For **2009-10**, exports are forecast to increase marginally from 2008-09 due to higher demand. The average price is forecast to fall because of higher world supply. Carry-out stocks in Canada are expected to decline but remain high.
For **2010-11**, seeded area is forecast to increase slightly from 2009-10 because good returns relative to other crops. Production is expected to increase slightly but supply is forecast to decrease due to lower carry-in stocks. Exports are forecast to decrease marginally to 2.8 Mt. Carry-out stocks are also forecast to fall but remain high. The average price is expected to decrease from 2009-10 due to the large Canadian supply and foreign competition.

LENTILS

For **2009-10**, exports and carry-out stocks are forecast to increase sharply from 2008-09 due to increased supply. The average price is forecast to fall only marginally from last year due to strong demand.
For **2010-11**, the area seeded is expected to increase due to good returns and lower risks compared to other pulse crops. Supply is forecast to increase slightly as higher carry-in stocks will more than offset the lower production. Exports are expected to remain near the record level at 1.2 Mt. Carry-out stocks are forecast to rise due to the larger supply. The average price is forecast to fall significantly from 2009-10 because of the higher world and Canadian supply.

DRY BEANS

For **2009-10**, exports are forecast to decrease from 2008-09 due to lower supply. Carry-out stocks are expected to rise marginally. The average price is forecast to fall because of the higher world supply.
For **2010-11**, the area seeded is forecast to remain unchanged from 2009-10 because of good returns. Production is expected to rise as average yields return to normal. Supply is forecast to rise marginally. Exports are forecast to rise due to the higher supply and carry-out stocks are expected to remain unchanged. The average price is forecast to decrease because of the higher US and Canadian supply.

CHICKPEAS

For **2009-10**, exports are expected to be higher than 2008-09 due to higher demand. The average price is forecast to increase. Lower supply and higher exports will decrease carry-out stocks.
For **2010-11,** the area seeded is forecast to rise sharply from 2009-10 because of low carry-in stocks and relatively high prices compared to many alternative crops. Production is expected to rise only marginally due to a return to lower, but normal, yields. Supply is forecast to fall significantly from last year due to the lower carry-in stocks. Exports are forecast to decline and carry-out stocks are expected to fall to a low level. The average price is forecast to remain unchanged as lower Canadian supply is offset by higher world supply.

MUSTARD SEED

For **2009-10**, exports are forecast to increase from 2008-09 due to higher demand. Larger supplies will result in higher carry-out stocks. The average price, over all types and grades, is forecast to decrease but remain historically high.
For **2010-11**, the area seeded is expected to increase due to high prices. Lower yields will reduce production while the higher stocks are forecast to increase supply slightly. Exports are expected to decline because of the larger world supply. Stocks are forecast to increase from last year. The average price is expected to decrease compared to 2009-10, but remain high by historical standards.

CANARY SEED

For **2009-10**, exports are expected to remain unchanged and carry-out stocks are forecast to decrease from 2008-09. The average price is forecast to fall due to the lower export demand.
For **2010-11**, the area seeded is forecast to increase due to good returns relative to other crops and lower carry-in stocks. Production is expected to increase marginally as the return to trend yields more than offsets the higher area. Supply is forecast to fall slightly. Exports are expected to remain unchanged and carry-out stocks are expected to fall. The average price is forecast to decline slightly from 2009-10.

SUNFLOWER SEED

For **2009-10,** exports are expected to decrease from 2008-09 due to lower demand. Carry-out stocks are forecast to fall marginally but remain at a low level. The average price, over both types and all grades, is forecast to decrease significantly from 2008-09 due to weaker prices for confectionery type seed.
For **2010-11**, the area seeded is expected to increase. Production and supply are expected to be similar to 2009-10. Exports and domestic use are forecast to fall leading to higher carry-out stocks. The average price is forecast to decrease from 2009-08 because of large US and Canadian supplies.

FURTHER INFORMATION:

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION **January 28, 2010**

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		t/ha	--------------						%	$/t
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
2009-2010f	1,522	1,487	2.27	3,379	20	3,844	2,878	624	343	10	200-230
2010-2011f	1,605	1,528	2.23	3,407	15	3,765	2,800	655	310	9	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	972	98	32	3	750
2009-2010f	971	963	1.57	1,510	7	1,549	1,220	129	200	15	640-680
2010-2011f	1,115	1,060	1.33	1,406	7	1,613	1,175	183	255	19	530-570
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	280	50	10	3	815
2009-2010f	119	113	1.88	212	50	272	200	47	25	10	760-790
2010-2011f	118	113	2.04	231	45	301	230	46	25	9	740-770
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	43	67	70	560
2009-2010f	42	40	1.87	76	5	148	60	68	20	16	560-600
2010-2011f	60	56	1.39	78	8	106	53	38	15	16	550-590
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	13	45	31	845
2009-2010f	212	208	1.00	208	0	253	150	23	80	46	700-740
2010-2011f	220	212	0.86	183	0	263	140	20	103	64	690-730
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
2009-2010f	128	128	1.11	142	0	225	145	20	60	36	420-450
2010-2011f	148	141	1.05	148	0	208	145	21	42	25	400-430
Sunflower Seed											
2007-2008	81	79	1.58	125	18	160	112	37	12	8	585
2008-2009	69	69	1.63	112	20	144	88	34	22	18	630
2009-2010f	65	65	1.57	102	20	144	85	39	20	16	490-520
2010-2011f	75	68	1.57	108	15	143	80	32	31	27	470-510
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	101	6,040	4,502	834	704		
2009-2010f	3,059	3,004	1.87	5,629	102	6,435	4,738	949	748		
2010-2011f	3,341	3,179	1.75	5,560	90	6,398	4,623	995	780		

(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 January 28, 2010
Source: Statistics Canada and industry consultations.