



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

July 8, 2010

For 2010-11, total area seeded to P&SC in Canada is forecast to increase by 16% from 2009-10 according to Statistics Canada's survey conducted in May. However due to the excessive rain, a significant portion of this area did not get seeded and will not be harvested. The total area harvested is forecast to be only marginally higher than 2009-10 with a significant decrease in area harvested for peas and lentils. Excess moisture will also decrease the average yield per harvested acre and increase the incidence of disease, pests and weed issues. Normal weather conditions have been assumed for the remainder of the growing and harvest periods. The majority of the impact of the increase in area seeded, as reported by Statistics Canada will be offset by high abandonment and lower yields.

The total production of P&SC is forecast to decrease by 13% to 4.9 million tonnes (Mt). Supply is forecast to decrease less dramatically due to high carry-in stocks. Total exports are forecast to increase but only marginally as higher exports of peas are largely offset by lower exports of lentils. Average prices are generally forecast to decrease due to slow world economic conditions. The main factors to watch are: commodity prices, input costs, the Canada-US dollar exchange rate and crop development in the major producing regions.

DRY PEAS

For 2010-11, area seeded is estimated to be marginally higher than 2009-10 which may be due to strong returns for peas relative to other crop alternatives. Production is expected to fall by 20% due to a significant decrease in harvested area and, to a lesser extent, lower yields. Supply is expected to remain unchanged due to the excessively large carry-in stocks. Exports are forecast to increase due to lower prices. Carry-out stocks are forecast to decrease significantly but remain historically high. The average price is expected to fall from 2009-10 due to the large Canadian supply.

LENTILS

For 2010-11, area seeded, as estimated by Statistic Canada, increased by 40% to a record level. However, production is forecast to decrease by 8% from 2009-10 due to a higher than average abandonment rate and below-trend yields. Supply is forecast to fall by 7% due to the low production. 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 lower exports. The average price is forecast to fall from 2009-10 because of the higher global supply.

DRY BEANS

For 2010-11, total area seeded increased due to high prices. The area seeded to white beans is expected to increase sharply while the area seeded

to the coloured varieties is expected to increase marginally. Total production is expected to increase due to the larger area and higher yields in Ontario. Supply is expected to increase substantially. Exports are forecast to increase due to larger North American demand. Carry-out stocks are expected increase as the larger supply is greater than the increase in exports. The average price over all types and grades is forecast to decrease but the price for the coloured varieties is expected to decline the least due to lower supply.

CHICKPEAS

For 2010-11, area seeded increased dramatically but production is expected to increase only modestly due to lower yields. Supply is forecast to be unchanged due to high carry-in stocks. Exports are forecast to decrease as a result of lower demand from Asia. Carry-out stocks are expected to fall marginally. The average price is forecast to remain unchanged as lower Canadian supply is offset by higher world supply.

MUSTARD SEED

For 2010-11, the area seeded fell marginally but production is forecast to decrease sharply due to a lower harvested area and yields. However, supply is forecast to increase slightly due to very high carry-in stocks. Exports are expected to rise because of strong demand for the yellow variety. Carry-out stocks are forecast to increase and continue to be

burdensome. The average price is expected to remain weak and decrease compared to 2009-10 due to high stocks-to-use ratio.

CANARY SEED

For 2010-11, the area seeded increased sharply from 2009-10 due to good returns relative to other crops. Production is expected to increase modestly while supply is forecast to decrease due to lower carry-in stocks. Exports are expected to decrease as a result of the limited supply and carry-out stocks are expected to decrease. The average price is forecast to be unchanged from 2009-10.

SUNFLOWER SEED

For 2010-11, the area seeded fell marginally from 2009-10. Production and supply are also forecast to fall due to lower harvested area and yields. Exports, domestic use and carry-out stocks are expected to decrease due to lower supply. The average price is also forecast to decrease from 2009-10 because of larger US supplies.

FURTHER INFORMATION:

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION
July 8, 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
2009-2010f	1,522	1,487	2.27	3,379	10	3,834	2,200	654	980	34	165-195
2010-2011f	1,536	1,275	2.12	2,700	8	3,688	2,500	633	555	18	140-180
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	6	1,548	1,395	128	25	2	620-640
2010-2011f	1,360	1,141	1.25	1,425	4	1,454	1,130	149	175	14	535-575
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	205	47	20	8	650-690
2010-2011f	132	125	2.02	254	47	321	220	41	60	23	630-670
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
2009-2010f	42	40	1.87	76	5	143	60	50	33	30	560-600
2010-2011f	81	73	1.42	103	5	140	56	54	30	28	520-560
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
2009-2010f	212	208	1.00	208	0	252	115	22	115	84	510-550
2010-2011f	206	182	0.84	153	0	268	125	23	120	81	450-490
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	170	20	35	18	360-400
2010-2011f	176	159	0.98	155	0	190	158	17	15	9	360-400
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	64	1.60	102	20	144	66	43	35	32	530-570
2010-2011f	61	54	1.49	81	15	131	68	43	20	18	510-550
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	101	6,040	4,502	840	698		
2009-2010f	3,059	3,003	1.87	5,629	91	6,418	4,211	964	1,243		
2010-2011f	3,551	3,008	1.62	4,871	79	6,193	4,257	960	976		

(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 July 8, 2010

Source: Statistics Canada and industry consultations.