



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

September 13, 2011

**Total production of P&SC in Canada is estimated by Statistics Canada at 4.2 million tonnes (Mt), 28% below last year, due to a significant decrease in the area seeded to peas and lentils. As a result, the supply of P&SC is estimated to decrease by 18%, despite record high carry-in stocks. The outlook assumes near normal crop quality. Exports are forecast to decrease by 22% to 3.7 Mt, largely due to the lower exports of dry peas. Total domestic use is expected to be similar to 2010-11 at 0.8 Mt. Total carry-out stocks are forecast to fall to 1.3 Mt. High carry-out stocks of lentils are forecast to be offset by low carry-out stocks of dry peas. In general, P&SC prices are forecast to increase from the 2010-11 level and in some crops, to historically high levels, due to lower supply in Canada and also the world. The value of the Canadian dollar is assumed to remain at a slight premium to the US dollar, and slightly stronger than last year. The main factors to watch are harvesting conditions, temperatures and precipitation, exchange rates and the condition of the world crops.**

### **DRY PEAS**

Production is estimated at 2.1 Mt, down 29% from 2010-11, largely due to lower seeded area in Saskatchewan. If realized, this will be the lowest production since 2003-04. Yellow pea production is expected to fall to 1.8 Mt and green pea production is forecast to rise to 0.3 Mt. Total harvested area decreased by 32%, but yields are expected to be well above the five year average. Supply is estimated to decrease by 32% to 2.7 Mt due to lower production and lower carry-in stocks. As a result, exports are forecast to fall. There is also expected to be reduced demand from the Indian subcontinent due to its record domestic pulse crop. Domestic use is also expected to decrease. Carry-out stocks are forecast to decrease sharply and remain historically low. The average price is expected to rise from 2010-11 due to the lower Canadian supply.

For 2011-12, US dry pea production is expected to fall sharply to 0.4 Mt, due to lower harvested area. Canada's dry pea exports are forecast to fall sharply to 2.0 Mt, due to reduced export demand of yellow types from India, Bangladesh and Pakistan.

### **LENTILS**

Production is estimated to decrease by 18% from 2010-11 due to a sharply lower area, despite near record yields. Large green lentil production is forecast to fall marginally to 0.6 Mt and red lentil production is expected to fall sharply to 0.8 Mt. Harvested area decreased by 24%, mostly due to lower area in Saskatchewan. Supply is estimated to rise by 17% to a record 2.4 Mt due to high carry-in stocks. Exports are expected to increase due to increased demand from Turkey and South America. Exports to the EU-27 may be constrained by the low limits for

glyphosate established for lentil imports. The May 2011 application by the Canadian pulse industry to establish a maximum residue limit for glyphosate on lentils is currently moving through the EU regulatory review process. Carry-out stocks are forecast to increase due to the record supply. The average price, over all grades and types, is forecast to rise from 2010-11 as lower expected prices are offset by a more normal grade distribution. Increased export competition with the US and Australia in common markets is also expected to pressure Canadian prices.

### **DRY BEANS**

Total production is expected to decrease by 43% to 146 thousand tonnes (kt) due to the sharply lower harvested area in Ontario. Total White pea and coloured bean production is expected to fall sharply. Total harvested area

fell 40% from last year. This is much lower than originally intended because of excessive moisture in many growing areas. Yields are estimated to be lower than last year and below the five year average. Supply is estimated to decrease by 26% due to higher carry-in stocks. Exports are forecast to fall to 190 kt as the supply limits exports to the US and the EU-27. US dry bean production is forecast by the USDA to fall by 37% to below 0.9 Mt, due to lower expected North Dakota production of pinto, white pea and black bean types. Canadian carry-out stocks are expected to decrease. The USDA has forecast record average dry bean price for 2011-12. The average Canadian price over all types and grades is forecast to increase sharply due to the small North American supply.

### **CHICKPEAS**

Production is expected to decrease by 58% to 54 kt due to sharply lower harvested area although average yields are estimated to be above the 5 year average. Kabuli and desi types are both expected to be reduced from 2010-11. Although market prices were at a record high in 2010-11, high production costs, and the risk associated with growing chickpeas, caused producers to shift some area out of chickpeas in 2011-12. Total supply is estimated to fall sharply. Exports are forecast to decrease as a result of lower available supply. Carry-out stocks are expected to fall sharply. The average price is

forecast to remain unchanged due to lower supply in Australia and Turkey. US chickpea production is expected to fall by 10% to 80 kt due to lower harvested area.

### **MUSTARD SEED**

Production is estimated to decrease by 37% to 118 kt due to lower harvested area, despite higher yields. Yellow and oriental type production is expected to fall while brown types remain mostly unchanged. Total supply is estimated to decrease due to high carry-in stocks. Exports are expected to remain unchanged, with the main markets continuing to be the EU-27 and the US. Carry-out stocks are forecast to decrease. The average price is expected to increase compared to 2010-11.

US production is forecast to fall by 47% to 10 kt, the lowest since 1996-97 due to lower harvested area.

### **CANARY SEED**

Production is estimated to decrease sharply to 102 kt as lower harvested area combines with lower yields. Supply is estimated to fall by 40% due to lower production and carry-in stocks. Exports are expected to fall from the reduced supply. With access to the Mexico market remaining unclear, the US, EU-27 and Brazil are expected to remain the main markets for Canadian canary seed. Carry-out stocks are expected to fall sharply to very low levels. As a result, the average price is forecast to rise from 2010-11.

### **SUNFLOWER SEED**

Production is estimated to decrease sharply to only 16 kt due to very low harvested area in Manitoba, despite higher yields. Production of both oil and confectionary types is expected to fall. Exports are expected to decrease due to the lower supply. Canadian carry-out stocks are expected to fall for the third consecutive year. The average price is also forecast to rise from 2010-11 because of the lower US supply and falling Canadian carry-out stocks.

US production is forecast by the USDA to fall by 13% to 1.1 Mt as production of the confectionary type more-than offsets higher production of the oil type. World sunflower seed production is forecast by the USDA to rise by 12% to a record 35 Mt, largely due to record harvested area in Russia and Ukraine.

### **FURTHER INFORMATION:**

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**CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION**
**September 13, 2011**

Grain and Crop Year (a)	Area		Yield t/ha	Production	Imports (b)	Total Supply	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Stocks- to-Use Ratio	Average Price (e)
	Seeded thousand ha	Harvested									
-----thousand metric tonnes-----											
											\$/t
<b>Dry Peas</b>											
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	802	900	30	185
2010-2011	1,396	1,322	2.28	3,018	32	3,950	3,013	402	535	16	250
2011-2012f	931	900	2.36	2,128	40	2,703	2,000	383	320	13	245-275
<b>Lentils</b>											
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	1,387	121	44	3	645
2010-2011	1,408	1,336	1.46	1,947	29	2,020	1,053	217	750	59	440
2011-2012f	1,072	1,022	1.57	1,600	15	2,365	1,200	315	850	56	475-515
<b>Dry Beans</b>											
2008-2009	128	125	2.13	266	54	341	282	50	8	2	815
2009-2010	121	114	1.96	224	55	287	256	26	5	2	705
2010-2011	136	127	2.00	254	55	314	240	44	30	11	655
2011-2012f	77	76	1.92	146	55	231	190	31	10	5	800-830
<b>Chickpeas</b>											
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
2010-2011	83	77	1.67	128	8	156	87	48	22	16	655
2011-2012f	30	30	1.80	54	8	84	50	29	5	6	640-670
<b>Mustard Seed</b>											
2008-2009	194	186	0.87	161	1	189	131	14	44	30	845
2009-2010	212	208	1.00	208	0	253	128	45	80	46	510
2010-2011	194	186	1.00	187	1	267	121	21	125	88	570
2011-2012f	111	107	1.10	118	0	243	120	33	90	59	675-705
<b>Canary Seed</b>											
2008-2009	168	164	1.19	196	0	261	153	25	83	47	480
2009-2010	128	121	1.62	196	0	279	181	17	81	41	395
2010-2011	130	121	1.27	154	0	235	178	17	39	20	560
2011-2012f	111	107	0.95	102	0	141	110	16	15	12	565-595
<b>Sunflower Seed</b>											
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
2010-2011	55	51	1.32	68	32	142	46	66	29	26	625
2011-2012f	10	10	1.60	16	30	75	30	35	10	15	635-665
<b>Total Pulses and Special Crops (c)</b>											
2008-2009	2,935	2,878	1.88	5,417	102	6,041	4,505	839	696		
2009-2010	3,051	2,988	1.91	5,695	151	6,542	4,244	1,126	1,172		
2010-2011	3,402	3,220	1.79	5,755	156	7,084	4,739	815	1,530		
2011-2012f	2,342	2,252	1.85	4,164	148	5,842	3,700	842	1,300		

(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 September 13, 2011

Source: Statistics Canada and industry consultations.