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

**July 5, 2011**

**Canadian producers decreased the area seeded to all P&SC for 2011-12, compared to last year. Seeding progress was generally later than normal and as a result crop development is behind normal. Significant areas in Manitoba and Saskatchewan were not seeded because of excessive moisture. The soil moisture problems and seeding delays are expected to result in higher than normal abandonment. Normal precipitation, crop quality, and trend yields have been assumed for both western and eastern Canada.**

**Total production of P&SC is forecast to decrease by 28% to 4.0 million tonnes (Mt). Total supply is forecast to fall by 26% to 5.0 Mt, as the decrease in carry-in stocks combines with the fall in production. Domestic use is expected to fall below 1.0 Mt. Exports are expected to fall by 28% to 3.5 Mt due to the lower exportable domestic supply and world demand. Total carry-out stocks are expected to tighten by 25% to 0.6 Mt, the lowest since 2007-08. This is expected to provide positive support for prices. Prices, averaged over all types, grades and markets are forecast to rise for most crops, with the exception of chickpeas. Prices are expected to be pressured by the strong Canadian dollar which is forecast to be above par relative to the US dollar.**

## DRY PEAS

For **2011-12**, seeded area is estimated to fall by 27% from 2010-11. The proportion of area seeded to yellow pea types relative to green types in 2011-12 is expected to be same as 2010-11. Harvested area is forecast to fall 25% compared to 2010-11. Production is forecast to fall by 26% due lower expected yields and high abandonment. Supply is forecast to fall sharply due to lower production and significantly lower carry-in stocks. Exports will be limited in 2011-12 by the lower exportable supply to 1.8 Mt. Carry-out stocks are expected to fall to 0.1 Mt, the lowest since 1993-94. The average price is expected to increase from 2010-11 due to the smaller Canadian supply and tighter carry-out stocks. For 2010-11, Canada's dry pea exports are expected to reach a record 3.0 Mt. The increase was largely due to record imports by India, which is expected to take over 50% of Canada's pea exports, mostly the yellow types. Canada increased its export market share in China, the EU-27 and Pakistan for 2010-11.

## LENTILS

For **2011-12**, seeded area is estimated to decrease by 20% from 2010-11. The majority of the fall in area is expected to be area that had been intended to be used for red lentil types. Harvested area is forecast to fall by 22% due to high abandonment rates. Production is expected to fall sharply to 1.6 Mt. However, supply is forecast to decrease only marginally as lower production is partly offset by the record carry-in stocks of lower quality lentils. Exports are forecast to remain unchanged from 2010-11 due to a more favourable grade distribution. Carry-out stocks are expected to fall but remain historically high due to the larger supply and lower expected domestic use. The average price is forecast to rise from 2010-11 as lower expected prices are offset by a more normal grade distribution. Canada's lentil exports are on pace to reach 1.2 Mt for 2010-11, down from 1.4 Mt in 2009-10, although supply increased significantly. This was due to an unfavourable grade distribution, heavily weighted by low grade red lentils. Turkey, India and the EU-27 remain the largest markets for Canadian lentils, with smaller volumes going to various countries in the Middle East and South America.

## DRY BEANS

For **2011-12**, seeded area is expected to fall sharply from 2010-11 to 78,000 hectares (ha). This is much lower than originally intended because of excessive moisture in many growing areas. Harvested area is expected to fall sharply from last year with high abandonment rates. Production is expected to fall sharply to 145 thousand tonnes (kt), the lowest since 1996-97. Exports will be constrained by the limited supply and are expected to fall to 190 kt. Despite the lower export forecast, carry-out stocks are expected to decrease. The US and the EU-27 will continue to be the main markets for Canadian dry beans, with smaller volumes going to Japan. US dry bean area is expected to fall sharply, due to more attractive alternative crops and excessive moisture, particularly in North Dakota. US dry bean production is expected to produce its smallest dry bean crop since 2004-05 at 0.9 Mt. This is expected to drive US and Canadian dry bean prices up sharply in 2011-12.

**CHICKPEAS**
For **2011-12,** seeded area is forecast to fall by 48% from 2010-11. This is much lower than originally intended because of excessive moisture in many growing areas. Production is expected to fall sharply to 65 kt, the lowest since 2004-05. Supply is forecast to be lower than last year and is expected to limit exports. Exports are expected to fall to 50 kt and carry-out stocks will tighten as a result. The average price is forecast to decrease, due to larger crop potential in India, Turkey and Australia.

**MUSTARD SEED**
For **2011-12**, seeded area is estimated to fall by 25% from 2010-11. Yields are also expected to fall from 2010-11. Production is forecast to fall by 30% to 130 kt but supply is expected to fall only marginally due to large carry-in stocks. The US and the EU-27 are expected to remain the main markets for Canadian mustard seed. Carry-out stocks are forecast to fall which will support prices in 2011-12.

**CANARY SEED**
For **2011-12**, seeded area is expected to fall by 11% compared to 2010-11. Production is expected to decrease 10% due to the fall in area and lower yields. Supply is forecast to decrease 30% due to low carry-in stocks from 2010-11. Exports are expected to fall with the decrease in supply. The EU-27 is forecast to be the main market for Canadian canary seed, with smaller volumes going to Brazil and the US. Carry-out stocks are expected to continue to remain tight. The average price is forecast to rise compared to 2010-11. On June 21, 2011, the interim agreement between Mexican and Canadian plant protection officials regarding weeds of quarantine concern expired. While negotiations are still underway, terms of a new agreement have not been reached and there is no indication if trade will continue with Canada's largest export canary seed market.

**SUNFLOWER SEED**
For **2011-12**, seeded area is forecast to decrease by over 42% compared to 2010-11. Production is forecast to fall by over 40% to 40 kt. Supply is also expected to fall sharply to 95 kt. As a result, exports and carry-out stocks are forecast to fall. The US is forecast to continue to be Canada's main export market for sunflower seed. US sunflower seed area is expected to fall due to more attractive alternative crops and excessive moisture in North Dakota. As a result, US sunflower seed production is expected to fall below 1.0 Mt. World sunflower seed supply is forecast by the USDA to rise by 10% to a record 37 Mt due larger expected crops in Ukraine and Russia. The average Canadian price is forecast to increase from 2010-11, due to forecasts for strong world demand for vegoils and lower sunflower seed supply in North America.

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## CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

**July 5, 2011**

| 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** | | | | | | | | | | | |
| 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 | 40 | 3,697 | 3,000 | 497 | 200 | 6 | 235-265 |
| 2011-2012f | 1,018 | 990 | 2.15 | 2,125 | 40 | 2,365 | 1,800 | 465 | 100 | 4 | 245-275 |
| **Lentils** | | | | | | | | | | | |
| 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 | 120 | 45 | 3 | 645 |
| 2010-2011f | 1,408 | 1,336 | 1.46 | 1,947 | 35 | 2,027 | 1,200 | 377 | 450 | 29 | 425-455 |
| 2011-2012f | 1,133 | 1,045 | 1.36 | 1,425 | 15 | 1,890 | 1,200 | 265 | 425 | 29 | 475-515 |
| **Dry Beans** | | | | | | | | | | | |
| 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 |
| 2010-2011f | 136 | 127 | 2.00 | 254 | 55 | 314 | 245 | 44 | 25 | 9 | 635-665 |
| 2011-2012f | 78 | 74 | 1.97 | 145 | 55 | 225 | 190 | 25 | 10 | 5 | 750-780 |
| **Chickpeas** | | | | | | | | | | | |
| 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 | 8 | 156 | 95 | 46 | 15 | 11 | 635-665 |
| 2011-2012f | 43 | 40 | 1.63 | 65 | 8 | 88 | 50 | 33 | 5 | 6 | 620-650 |
| **Mustard Seed** | | | | | | | | | | | |
| 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 |
| 2010-2011f | 194 | 186 | 1.00 | 186 | 0 | 266 | 120 | 46 | 100 | 60 | 565-595 |
| 2011-2012f | 146 | 140 | 0.93 | 130 | 0 | 230 | 130 | 35 | 65 | 39 | 675-705 |
| **Canary Seed** | | | | | | | | | | | |
| 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 | 545-575 |
| 2011-2012f | 118 | 112 | 0.89 | 100 | 0 | 105 | 85 | 15 | 5 | 5 | 555-585 |
| **Sunflower Seed** | | | | | | | | | | | |
| 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 | 30 | 140 | 55 | 60 | 25 | 22 | 605-635 |
| 2011-2012f | 32 | 31 | 1.29 | 40 | 30 | 95 | 40 | 50 | 5 | 6 | 635-665 |
| **Total Pulses and Special Crops (c)** | | | | | | | | | | | |
| 2008-2009 | 2,935 | 2,878 | 1.88 | 5,417 | 102 | 6,041 | 4,505 | 839 | 696 | | |
| 2009-2010 | 3,051 | 2,988 | 1.89 | 5,658 | 151 | 6,505 | 4,244 | 1,233 | 1,028 | | |
| 2010-2011f | 3,402 | 3,220 | 1.73 | 5,556 | 168 | 6,752 | 4,845 | 1,087 | 820 | | |
| 2011-2012f | 2,568 | 2,432 | 1.66 | 4,030 | 148 | 4,998 | 3,495 | 888 | 615 | | |

(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 5, 2011
Source: Statistics Canada and industry consultations.