



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

March 10, 2010

For 2010-11, total area seeded to P&SC in Canada is forecast to increase by 8% from 2009-10. The areas seeded to lentils, chickpeas, canary seed, sunflower and dry beans are expected to increase. The areas seeded to dry peas and mustard seed are expected to decline. Average yields are generally assumed to decrease to a trend level for both western and eastern Canada. Total production in Canada is forecast to decrease slightly to 5.5 million tonnes (Mt) but supply is expected to increase slightly to 6.6 Mt due to high carry-in stocks. Exports and domestic use are forecast to rise slightly due to the higher supply. Average prices are generally forecast to fall, except for chickpeas which remain unchanged. The main factors to watch are: commodity prices, input costs, the Canada-US dollar exchange rate and planting progress in major producing regions, especially the Indian subcontinent, United States, European Union, Australia and the Middle East.

DRY PEAS

For 2009-10, exports are forecast to fall from 2008-09 due to lower demand. The average price, is forecast to fall because of the higher world supply. Carry-out stocks are expected to rise sharply to a record level. For 2010-11, seeded area is forecast to fall slightly from 2009-10 because of lower prices and record carry-in stocks. Production and supply are expected to decrease slightly. Canadian exports are forecast to remain at high levels because of strong demand. Carry-out stocks are forecast to fall but remain high. The average price is expected to fall from 2009-10 due to the large Canadian supply.

LENTILS

For 2009-10, exports and carry-out are expected to increase sharply from 2008-09 due to increased supply. The average price is expected to significantly decrease from last year but remain historically high. For 2010-11, the area seeded is expected to rise to a record high. However, production is expected to increase only marginally due to lower yields. Supply is forecast to increase significantly due to high carry-in stocks. Exports are expected to increase slightly. However carry-out stocks are forecast to increase to near record levels. The average price is forecast to fall 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. For 2010-11, the area seeded is forecast to rise marginally due to low

carry-in stocks. Production is expected to rise as a result of a return to average yields which will result in larger supply. Canadian exports are forecast to rise due to higher North American demand. Stocks are expected to rise marginally. 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 strong demand. Carry-out stocks are expected to decrease to low levels. The average price is forecast to rise. For 2010-11, the area seeded is forecast to increase significantly from the low level in 2009. Despite higher production, supply is expected to fall due to low carry-in stocks. Canadian exports are forecast to be lower as a result of lower supply. Stocks are expected to increase slightly. 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 decrease from 2008-09 due to lower demand. Carry-out stocks are expected to increase sharply. The average price is also forecast to fall sharply because of the higher supply. For 2010-11, the area seeded is expected to decrease due to declining prices and high carry-in stocks. Production is forecast to decrease. However, supply is forecast to increase due to the high carry-in stocks. Exports are expected to rise slightly because of strong demand. Carry-out stocks are forecast to increase to burdensome levels. The average price is expected to decrease

compared to 2009-10 due to the high supply.

CANARY SEED

For 2009-10, both exports 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 from 2009-10 due to good returns relative to other crops. Production is expected to increase marginally due to lower yields. Supply is forecast to decrease marginally. Canadian exports are expected to increase 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 rise marginally. The average price, over both types and all grades, is forecast to decrease from 2008-09 due to lower demand. For 2010-11, the area seeded is expected to rise from 2009-10. Production and supply are forecast to rise marginally. Exports are forecast to increase due to strong demand. Carry-out stocks are also expected to rise. The average price is forecast to decrease from 2009-10 because of larger US and Canadian supplies.

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION
March 10, 2010

| Grain and Crop Year (a) | Area Seeded thousand | Area Harvested | Yield t/ha | Production ----- | Imports (b) | Total Supply | Exports (b) | Total Domestic Use (d) | Carry-out Stocks | Stocks-to- Use Ratio % | Average Price (e) \$/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 | 32 | 3,856 | 2,700 | 631 | 525 | 16 | 185-215 |
| 2010-2011f | 1,500 | 1,429 | 2.23 | 3,182 | 15 | 3,722 | 2,700 | 622 | 400 | 12 | 170-200 |
| 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 | 1,119 | 129 | 300 | 24 | 620-640 |
| 2010-2011f | 1,184 | 1,127 | 1.34 | 1,514 | 7 | 1,821 | 1,179 | 177 | 465 | 34 | 510-550 |
| 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 | 720-760 |
| 2010-2011f | 121 | 116 | 2.04 | 237 | 45 | 307 | 231 | 46 | 30 | 11 | 700-740 |
| 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 | 68 | 15 | 12 | 560-600 |
| 2010-2011f | 72 | 67 | 1.40 | 94 | 7 | 116 | 53 | 38 | 25 | 28 | 560-600 |
| 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 | 200 | 193 | 0.86 | 166 | 0 | 281 | 125 | 21 | 135 | 92 | 470-510 |
| 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 | 130 | 20 | 75 | 50 | 390-430 |
| 2010-2011f | 148 | 141 | 1.05 | 148 | 0 | 223 | 142 | 21 | 60 | 37 | 380-420 |
| 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 | 76 | 43 | 25 | 21 | 530-570 |
| 2010-2011f | 75 | 68 | 1.57 | 108 | 15 | 148 | 85 | 33 | 30 | 26 | 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 | 3,004 | 1.87 | 5,629 | 113 | 6,440 | 4,400 | 960 | 1,080 | | |
| 2010-2011f | 3,300 | 3,142 | 1.73 | 5,450 | 89 | 6,620 | 4,515 | 958 | 1,146 | | |

(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 March 10, 2010

Source: Statistics Canada and industry consultations.