CANADA: PULSE AND SPECIAL CROPS (P&SC) OUTLOOK **August 13, 2012**

AAFC's outlook for 2012-13 incorporates information from the Statistics Canada's (STC) June Estimates of Principal Field Crop Areas and the STC May 7 report on stocks of field crops at March 31, 2011 for the 2011-12 crop year. Area seeded increased for all P&SC for 2012-13, compared to last year. The outlook assumes normal precipitation, abandonment and crop quality. Trend yields are assumed. In general, harvest is expected to be completed earlier than usual due to early seeding.

Total production of P&SC is forecast to increase by 29% to 5.3 million tonnes (Mt). Total supply is forecast to rise by 12% to 6.5 Mt, as the rise in production is partially offset by lower carry-in stocks. Domestic use is expected to fall to 0.9 Mt assuming average quality crop and grade distribution. Exports are expected to rise by 12% to 4.2 Mt due to the higher exportable domestic supply and world demand. Total carry-out stocks are expected to rise by 28% to 1.4 Mt, which is expected to pressure prices. Prices, averaged over all types, grades and markets are forecast to fall for most crops, with the exception of mustard.

DRY PEAS

For **2012-13**, harvested area is forecast to rise 50% from 2011-12. The proportion of area seeded to yellow pea types relative to green types is expected to be the same as 2011-12. Yellow pea production is expected to be about 2.6 Mt and green pea production is forecast to rise to 0.5 Mt. Total production is forecast to rise by 45% despite lower expected yields and normal abandonment. Supply is forecast to rise by only 20% as higher production is partially offset by lower carry-in stocks. Exports are forecast to rise to 2.4 Mt due to increased exports to China and the Indian subcontinent (India, Pakistan and Bangladesh). Exports to the US are forecast to fall due to an expected increase in US dry pea production.

For 2012-13, US dry pea harvested area is forecast by AAFC at 0.24 Mha, up 70% from 2011-12. Assuming normal yields and abandonment, US dry pea production is forecast by AAFC at 0.5 Mt, double the output in 2011-12. Canadian carry-out stocks are expected to increase but remain tight. The average price is expected to decrease from the record prices in 2011-12, but remain historically high, due to the higher Canadian supply and carry-out stocks.

LENTILS

For **2012-13**, harvested area is forecast to rise by 3% due to lower abandonment rates. Area for red lentils is expected to decrease as 2011-12 prices fell to their lowest level since 2006-07. Production of red types is expected to fall to 0.6 Mt, while large green type production is expected to rise to 0.7 Mt. Total lentil production is expected to rise to 1.6 Mt. Supply is forecast to increase to a record 2.4 Mt due to record carry-in stocks. Exports are forecast to rise from 2011-12 as Canada expects to regain some of its export market share in the Indian subcontinent and maintain its market share in the Middle East, South America and the EU-27. Carry-out stocks are expected to rise and remain historically high due to the larger supply and lower expected domestic use. The average price is forecast to fall from 2011-12 due to the burdensome carry-out stocks.
For 2012-13, US lentil harvested area is forecast by AAFC at 0.2 Mha, up over 20% from 2011-12. US lentil production, mostly green types, is forecast by AAFC at 0.3 Mt, 30% above 2011-12.

DRY BEANS

For **2012-13**, harvested area in Ontario is forecast to rise by 34%, mostly due to an increase in area devoted to white pea bean types. In Manitoba, harvested area is forecast to nearly double, due to larger areas for colored and white pea bean types. Total Canadian harvested area is expected to rise sharply from last year with lower abandonment rates. Production is expected to rise sharply to 242 thousand tonnes (kt), consisting of 81 kt of white pea bean types and 161 kt of colored types. Exports are forecast to increase due to the increased supply and carry-out stocks are expected to rise. The US and the EU-27 are forecast to remain the main markets for Canadian dry beans, with smaller volumes going to Japan and countries in Africa.

US dry bean harvested area is expected to rise sharply, due to record prices in 2011-12, particularly in North Dakota. US dry bean production is expected to rise by nearly 40% to 1.1 Mt. This is expected to pressure US and Canadian dry bean prices downward in 2012-13.

CHICKPEAS

For **2012-13,** harvested area is expected to increase by 40% from 2011-12. This is much lower than originally intended. Harvested area for desi types is expected to fall while kabuli chickpea area is expected to rise sharply compared to 2011-12. Production is expected to rise sharply to 120 kt. Supply is forecast to be higher than last year and as a result, exports are expected to rise to 55 kt. Carry-out stocks are also expected to rise. The EU-27, the US, the Middle East and the Indian subcontinent are forecast to remain the main markets for Canadian chickpeas. The average price is forecast to fall, but remain high from a historical perspective, due to higher Canadian and world supply. US chickpea harvested area is forecast by AAFC at 73 kha, up 36% from 2011-12. Assuming normal yields and abandonment, US chickpea production, is forecast by AAFC at 120 kt, up 24% from 2011-12.

MUSTARD SEED

For **2012-13**, harvested area is forecast to increase by 14%. Harvested area for yellow types is forecast to rise, while area to brown types is expected to remain unchanged from last year. Harvested area for oriental types is forecast to fall due to lower 2011-12 prices compared to yellow and brown types. Yields are also expected to fall from the highs of 2011-12. Production is forecast to increase by 12% to 140 kt but supply is expected to fall due to smaller carry-in stocks. US mustard harvested area more than doubled and as a result, production is expected to rise sharply to 20 kt. The US and the EU-27 are expected to remain the main markets for Canadian mustard seed. For 2012-13, exports to the EU-27 are expected to return to a more normal level. Carry-out stocks are forecast to fall which will support prices in 2012-13.

CANARY SEED

For **2012-13**, harvested area is expected to increase by 24% compared to 2011-12. Production is expected to increase by 27% due to the rise in area and yields. However, supply is forecast to decrease by 6% due to lower carry-in stocks from 2011-12. Exports are expected to be limited due to the lower supply. The EU-27 and Mexico are forecast to remain the main markets for Canadian canary seed, with smaller volumes going to the US. Carry-out stocks are expected to rise but remain historically tight. The average price is forecast to fall marginally, but remain near the historical high set in 2011-12.

SUNFLOWER SEED

For **2012-13**, harvested area is forecast to triple compared to 2011-12. It is expected that area for confectionery and oilseed types will be similar this year. Production is forecast to rise sharply to 73 kt. Supply is also expected to rise sharply to 105 kt. As a result, exports and carry-out stocks are forecast to rise.
The US is expected to remain Canada's main export market for sunflower seed. Harvested area in the US is expected to increase by 19% and as a result, production is expected to rise by 24% to 1.1 Mt. About 85% of the US sunflower seed crop is expected to be oilseed types.

World sunflower seed supply is forecast by the USDA to fall marginally to 42 Mt, but remain historically high. Lower expected production Russia is being partially offset by increased production in Argentina. The average Canadian price is forecast to decrease from 2011-12, due to forecasts for higher sunflower seed supply in North America.

FURTHER INFORMATION:

Bobby Morgan ....(204) 983-8465

E-mail…bobby.morgan@agr.gc.ca

Fred Oleson…………(204) 983-0807

E-mail….fred.oleson@agr.gc.ca

CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

August 13, 2012

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											
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	33	3,951	3,012	404	535	16	250
2011-2012f	942	914	2.31	2,116	10	2,661	2,100	461	100	4	310
2012-2013f	1,414	1,373	2.23	3,065	20	3,185	2,400	485	300	10	265-295
Lentils											
2009-2010	971	963	1.57	1,510	9	1,551	1,387	120	44	3	645
2010-2011	1,408	1,336	1.46	1,947	29	2,020	1,105	165	750	59	440
2011-2012f	1,040	998	1.53	1,532	10	2,292	1,100	392	800	54	470
2012-2013f	1,056	1,025	1.52	1,560	10	2,370	1,200	220	950	67	425-455
Dry Beans											
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	69	66	2.18	145	55	230	200	25	5	2	1,000
2012-2013f	118	115	2.10	242	55	302	235	37	30	11	910-940
Chickpeas											
2009-2010	32	30	2.49	76	6	143	66	58	20	16	540
2010-2011	83	77	1.67	128	9	158	86	50	22	16	655
2011-2012f	51	50	1.83	91	8	121	45	56	20	20	830
2012-2013f	73	70	1.71	120	8	148	55	53	40	37	755-785
Mustard Seed											
2009-2010	212	208	1.00	208	0	253	128	45	80	46	510
2010-2011	194	186	1.00	187	1	267	124	19	125	88	570
2011-2012f	128	123	1.01	125	0	250	125	30	95	61	685
2012-2013f	148	140	1.00	140	0	235	125	25	85	57	675-705
Canary Seed											
2009-2010	128	121	1.62	196	0	279	181	17	81	41	395
2010-2011	158	152	1.01	154	0	235	179	15	41	21	560
2011-2012f	95	93	1.10	102	0	143	125	13	5	4	580
2012-2013f	121	115	1.13	130	0	135	115	10	10	8	560-590
Sunflower Seed											
2009-2010	65	64	1.60	102	26	150	49	59	42	39	505
2010-2011	55	51	1.32	68	33	142	46	68	29	26	630
2011-2012f	14	14	1.43	20	30	79	35	39	5	7	710
2012-2013f	51	48	1.52	73	27	105	45	45	15	17	695-725
Total Pulses and Special Crops (c)											
2009-2010	3,051	2,988	1.91	5,695	151	6,542	4,244	1,125	1,172		
2010-2011	3,430	3,251	1.77	5,755	159	7,086	4,791	764	1,532		
2011-2012f	2,338	2,259	1.83	4,130	113	5,775	3,730	1,015	1,030		
2012-2013f	2,981	2,886	1.85	5,330	120	6,480	4,175	875	1,430		

(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 by Agriculture and Agri-Food Canada, August 13, 2012
Source: Statistics Canada and industry consultations.