Agriculture and Agri-Food Canada / Agriculture et Agroalimentaire Canada

CANADA: PULSE AND SPECIAL CROPS (P&SC) OUTLOOK December 15, 2011

For 2010-11, total production of P&SC in Canada, as estimated by Statistics Canada, fell by 28% from last year to 4.1 million tonnes (Mt), due to lower harvested area and despite higher yields. Supply has decreased by only 18%, however, as the lower production is partly offset by record-high carry-in stocks. The quality of the crop has generally been average to above-average. Total domestic use is expected to be similar to last year at 0.8 Mt. Total exports are forecast to fall by 20% mainly due to lower exports of dry peas. Total carry-out stocks are forecast to fall by 22% to 1.2 Mt. P&SC prices are forecast to rise from the 2010-11 level, and for some crops to historically high levels, due to tight Canadian and world supply. The main factors to watch are the global financial situation, especially in the European Union, exchange rates and the condition of the world crops, particularly in the Indian subcontinent, Turkey and Australia.

DRY PEAS

Production fell by 30% to 2.1 Mt, largely due to lower harvested area in Saskatchewan. Yellow and green pea production fell to 1.8 and 0.3 Mt, respectively. Total supply fell by 32% to 2.7 Mt as the lower production combined with lower carry-in stocks. Exports are expected to fall to 2.1 Mt due to an expected decrease in demand from the Indian subcontinent due to large domestic supply. To-date the Canadian dry pea export pace is only slightly behind last year's record pace despite lower supply. China and Bangladesh are the main markets driving exports to date. Domestic use is also expected to decrease marginally due to a larger proportion of good quality dry peas. Carry-out stocks are forecast to fall sharply to 0.2 Mt. For 2011-12, US dry pea production is expected to decrease by over 60% to 0.25 Mt, due to a sharp decrease in harvested area. Total EU-27 production is estimated to be lower than last year and the majority of this crop is expected to be consumed domestically. There are also doubts about India's ability to seed as much area to pulses for the winter (rabi) crop, with seeding nearing completion. As a result, Canadian dry pea prices have been supported this crop year to-date by the smaller size of this year's world dry pea crop and steady world demand. For 2011-12, the average price is expected to rise from 2010-11 due to the tight Canadian and world supply.

LENTILS

Production decreased by nearly 21% from 2010-11 to 1.5 Mt. Large green lentil production decreased by 13% to 0.6 Mt and red lentil production fell by 27% to 0.8 Mt. Supply rose by 14% to a record 2.3 Mt. US lentil production is estimated to have fallen by 46% to 0.2 Mt compared to 2010-11. Exports are expected to increase due to higher sales to Turkey, the Middle East and South America. With the large carry-in stocks from 2010-11, lentil exports were able to get off to a strong start in the first quarter of the crop year. The majority of Canadian lentil exports have been to Turkey. Carry-out stocks are forecast to increase due to the burdensome supply. Increased export competition from Australia and Turkey in common markets is also expected to limit Canadian prices.

The average price, over all grades and types, is forecast to rise from 2010-11. The larger proportion of higher grades this year is expected to be offset by lower prices compared to last year.

DRY BEANS

Total production decreased by 43% to 145 thousand tonnes (kt). Both white pea bean and coloured bean production fell sharply to 42 kt and 103 kt, respectively. Supply decreased by only 27% due to high carry-in stocks. Exports are forecast to fall to 190 kt due to lower demand from the US and the EU-27. US dry bean production is estimated by the USDA at 0.9 Mt, a 37% reduction from 2010-11, due to smaller expected North Dakota production of Pinto and Navy bean types. Canadian carry-out stocks are expected to decrease. The average price over all types and grades is forecast to increase to record levels due to the small North American supply and moderate export demand.

CHICKPEAS

Production decreased 29% to 91 kt due to lower harvested area. Kabuli and desi type production is forecast to fall to 63 kt and 28 kt, respectively. Total supply fell to tight levels due to low carry-in stocks and production. US chickpea production is forecast to decrease by 15% to 75 kt due to lower harvested area. Canadian chickpea prices, particularly kabuli types peaked in October and fell marginally in November. However, prices remain historically high. Exports are forecast to decrease as a result of the reduced supply and extremely high export values. Carry-out stocks are expected to fall. The average price for all chickpea types is forecast to increase sharply in 2011-12.

MUSTARD SEED

Production fell by 33% to 125 kt. Yellow and oriental type production is decreased to 50 kt and 33 kt, respectively, while brown type production increased to 43 kt from 2010-11. Total supply decreased marginally as a result of high carry-in stocks. Exports are expected to rise, largely to the US. US production is estimated to decrease by 47% to 10 kt, the lowest since 1996-97 due to smaller harvested area. Carry-out stocks are forecast to decrease and the average price is expected to increase compared to 2010-11.

CANARY SEED

Production fell by 34% to 102 kt. Supply fell sharply due to lower carry-in stocks and production. Exports are expected to decrease due to the limited supply and carry-out stocks are expected to fall. Mexican restrictions on canary seed imports that recently came into effect have limited Canadian exports to-date. This is expected to continue until Mexican supply tightens and the issue is revisited. The main markets are expected to be the US, EU-27 and Brazil. As a result of the tight Canadian supply, the average price is forecast to be higher than 2010-11.

SUNFLOWER SEED

Production decreased to a record low 20 kt with lower production of both oil types and confectionary types. Exports are expected to fall due to lower supply. Canadian carry-out stocks are expected to decrease for the third consecutive year to 5 kt. US production is forecast to fall by 24% to 0.95 Mt. US oil and confectionary type production is forecast to fall sharply to 0.8 Mt and 0.15 Mt, respectively. The average Canadian price is forecast to increase from 2010-11 due to the sharp fall in North American supply and expectations for a stronger soy complex in 2011-12. However, prices are expected to be pressured by record world sunflower seed production. For 2011-12, the USDA has estimated world sunflower seed production to increase by 17% to a record 36 Mt, largely due to record harvested area in Russia and Ukraine.

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

December 15, 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	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	40	2,691	2,100	391	200	8	290-320
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	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	15	2,297	1,200	247	850	59	500-530
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
2010-2011	136	127	2.00	254	55	314	240	44	30	11	655
2011-2012f	69	66	2.18	145	55	230	190	30	10	5	970-1000
Chickpeas											
2008-2009	53	51	1.30	67	4	163	53	48	62	61	560
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	50	51	20	20	920-950
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
2010-2011	194	186	1.00	187	1	267	124	19	125	88	570
2011-2012f	128	123	1.01	125	0	250	130	25	95	61	675-705
Canary Seed											
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	158	152	1.01	154	0	235	179	17	39	20	560
2011-2012f	95	93	1.10	102	0	141	110	11	20	16	580-610
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
2010-2011	55	51	1.32	68	33	142	46	68	29	26	625
2011-2012f	14	14	1.43	20	30	79	35	39	5	7	735-765
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	1.91	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	766	1,530		
2011-2012f	2,338	2,259	1.83	4,130	148	5,808	3,815	793	1,200		

(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 December 15, 2011
Source: Statistics Canada and industry consultations.