



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

September 18, 2012

AAFC's outlook for 2012-13 incorporates information from the Statistics Canada's (STC) July Estimates of Principal Field Crop Areas and the STC September 7 report on stocks of field crops at July 31, 2012 for the 2011-12 crop year. In general, harvest has been completed earlier than usual due to early seeding. Yields decreased for most P&SC for 2012-13 compared to last year, with the exception of mustard and sunflower seed.

Total production of P&SC is forecast to increase by 11% to 5.0 million tonnes (Mt). Total supply is forecast to rise marginally to 6.4 Mt, as the increase in production is partially offset by lower carry-in stocks. Domestic use is expected to fall assuming an average quality crop and grade distribution. Exports are expected to rise by 12% to 4.3 Mt due to the higher exportable domestic supply and strong world demand. Total carry-out stocks are expected to fall by 7% to 1.1 Mt. Prices, averaged over all types, grades and markets, are forecast to fall for most crops, with the exception of dry peas and canary seed.

DRY PEAS

For **2012-13**, production is expected to increase by nearly 20% due to higher harvested area and normal abandonment. Yellow pea production is forecast to rise sharply to 2.5 Mt and green pea production is forecast to increase to nearly 0.5 Mt. Total supply is forecast to increase by only 8% as higher production is partially offset by lower carry-in stocks. Exports are forecast to increase 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 decrease due to an expected rise in US dry pea production.

For 2012-13, US dry pea harvested area is estimated by the USDA at 0.24 Mha, up 65% 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 rise but remain tight. The average price is expected to increase from the record prices in 2011-12, despite the higher

Canadian supply and carry-out stocks. Green dry pea prices are expected to maintain a C\$50/t or more premium over yellow dry pea prices throughout the crop year, which is above the historical average.

LENTILS

For **2012-13**, total lentil production is expected to fall by 11% to 1.4 Mt, due to lower harvested area and yields. Production of red types is expected to fall to 0.6 Mt, while large green type production is forecast to be similar to last year at 0.6 Mt. Supply is forecast to decrease by only 6% to 2.2 Mt due to record high carry-in stocks. Exports are forecast to increase 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 forecast to fall but remain burdensome for the third consecutive year.

The average price is forecast to fall from 2011-12 due to the large expected carry-out stocks. Large

green lentil prices are forecast to maintain a C\$70/t premium over red lentil prices, compared to a C\$195/t premium in 2011-12.

For 2012-13, US lentil harvested area is estimated by the USDA at 0.2 Mha, up 12% from 2011-12. US lentil production, mostly green types, is forecast by AAFC at 0.2 Mt, 7% above 2011-12.

DRY BEANS

For **2012-13**, total Canadian production is forecast to rise sharply to 235 thousand tonnes (kt), consisting of 81 kt of white pea bean types and 154 kt of colored types. Production in Ontario is expected to rise sharply, mostly due to an increase in area devoted to white pea bean types. In Manitoba, production is estimated to have nearly doubled, due to larger areas for colored and white pea bean types. Exports are forecast to increase due to the increased supply. 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 exported to Japan and countries in Africa.

US dry bean harvested area is estimated by the USDA to have risen sharply to 0.75 Mha, due to record prices in 2011-12, particularly in North Dakota. Total US dry bean production is estimated by the USDA to have increased by 37% to 1.1 Mt. The largest increases in production are expected to be pinto bean types, followed by white pea and black bean types. This is expected to pressure US and Canadian dry bean prices downward in 2012-13.

CHICKPEAS

For **2012-13**, production is estimated to have risen by 15% to 105 kt, despite lower yields. Production for desi types is expected to decrease while kabuli chickpea production is expected to increase compared to 2011-12. Supply is forecast to be higher than last year and, as a result, exports are expected to rise to 50 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 sharply, due to higher Canadian and world supply.

US chickpea harvested area is estimated by the USDA at 78 kha, up 45% from 2011-12. Assuming normal yields and abandonment, US chickpea production, is forecast by AAFC at a record 125 kt, up 29% from 2011-12.

MUSTARD SEED

For **2012-13**, total production is forecast to increase by 10% to 138 kt. Yields are also expected to be higher than in 2011-12. Production for yellow types is forecast to rise, while production of brown types is expected to remain unchanged from last year. Production of oriental types is

forecast to fall due to lower seeded area, as a result of lower 2011-12 prices compared to yellow and brown types. Supply is expected to fall due to smaller carry-in stocks.

In the US, mustard harvested area more than doubled and, as a result, production is forecast by AAFC to rise sharply to 20 kt. Despite this increase, the US and the EU-27 are expected to remain the main export 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**, production is estimated to have increased by 13% to 146 kt, due to the higher area, and despite lower yields. Supply is forecast to rise marginally due to lower carry-in stocks. Exports are expected to be similar to last year due to the relatively constant 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, but remain near the historical high set in 2011-12.

SUNFLOWER SEED

For **2012-13**, production is forecast to increase sharply to 74 kt, due to the higher harvested area and yields. Production of confectionery and oilseed types is forecast to be similar to this year. Supply is also expected to rise sharply to 107 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.

For the US, sunflower seed harvested area is estimated by the

USDA to have risen by 19% and, as a result, production is expected to rise by 21% to 1.1 Mt. About 85% of the US sunflower seed crop is expected to be oilseed types, similar to last year.

World sunflower seed supply is estimated by the USDA to fall marginally to 41 Mt, but the second highest on record. Lower expected production in Russia and the EU-27 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:

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CANADA: PULSES AND SPECIAL CROPS SUPPLY AND DISPOSITION

September 18, 2012

Grain and Crop Year (a)	Area Seeded thousand ha	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											
2009-2010	1,522	1,487	2.27	3,379	55	3,879	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	2.74	2,501	12	3,048	2,139	633	276	10	310
2012-2013f	1,301	1,245	2.39	2,981	20	3,277	2,400	577	300	10	300-330
Lentils											
2009-2010	971	963	1.57	1,510	8	1,550	1,387	126	38	3	645
2010-2011	1,408	1,336	1.46	1,947	29	2,014	1,105	159	750	59	440
2011-2012f	1,040	998	1.53	1,532	11	2,293	1,154	352	788	52	470
2012-2013f	967	913	1.50	1,367	10	2,165	1,300	215	650	43	445-475
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	111	109	2.16	235	55	295	235	35	25	9	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	36	73	12	11	830
2012-2013f	66	60	1.75	105	8	125	50	55	20	19	700-730
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	1	250	120	43	88	54	685
2012-2013f	148	136	1.02	138	0	226	125	26	75	50	710-740
Canary Seed											
2009-2010	128	121	1.62	196	0	269	181	19	69	34	395
2010-2011	158	152	1.01	154	0	223	179	14	30	16	560
2011-2012f	95	93	1.39	129	0	159	126	16	17	12	580
2012-2013f	121	117	1.25	146	0	163	125	13	25	18	540-570
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	32	81	33	42	6	8	710
2012-2013f	45	43	1.70	74	27	107	45	47	15	16	660-690
Total Pulses and Special Crops (c)											
2009-2010	3,051	2,988	1.91	5,695	150	6,531	4,244	1,133	1,154		
2010-2011	3,430	3,251	1.77	5,755	159	7,068	4,791	757	1,521		
2011-2012f	2,338	2,259	2.01	4,542	119	6,182	3,807	1,183	1,192		
2012-2013f	2,759	2,624	1.92	5,046	120	6,358	4,280	968	1,110		

(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, September 18, 2012

Source: Statistics Canada and industry consultations.