

WORLD AND CANADIAN OUTLOOK FOR PULSE AND SPECIAL CROPS IN 2005-2006

For 2005-2006, total area seeded to pulse and special crops in Canada is forecast to decrease by 5%, from 2004-2005, as increases for dry beans, sunflower seed and chickpeas are more than offset by decreases for mustard seed, lentils and canary seed. Seeded areas for dry peas and buckwheat are expected to be similar to 2004-2005. It is assumed that precipitation will be normal for the winter, spring and summer. Trend yields are assumed for both western and eastern Canada, as soil moisture reserves are generally good. It has been assumed that the abandonment rate and average quality will be normal.

Total production in Canada is forecast to decrease by 10%, from 2004-2005, to 4.69 Mt. Total supply is expected to increase by 2% to 5.95 Mt due to higher carry-in stocks. Exports and domestic use are forecast to increase due to the higher supply and stronger demand. Carry-out stocks are expected to decrease. Average prices, over all types, grades and markets, are forecast to increase for lentils, chickpeas and mustard seed, decrease for dry beans and sunflower seed, and be the same for dry peas, canary seed and buckwheat. However, prices are expected to be very sensitive to any production problems. The main factor to watch will be precipitation during the spring and summer in Canada. Other factors to watch are the exchange rates of the Canadian dollar against the US dollar and other currencies, ocean shipping rates and growing conditions in major producing regions, especially United States, European Union, Australia, Turkey, India and Mexico.

DRY PEAS

World production is forecast to decrease by 4%, from 2004-2005, to 11.7 Mt, but supply is expected to increase by 3% to 12.9 Mt.

Canadian seeded area is forecast to be similar to 2004-2005. Although potential returns for dry peas are as good as, or better than for most alternative crops, higher carry-in stocks are expected to discourage increased area. Production is forecast to decrease by 14% to 2.88 Mt due to lower trend yields, but supply is expected to rise slightly due to higher carry-in stocks. Exports and domestic use are forecast to increase due to expected stronger demand. Carry-out stocks are forecast to decrease, with a stocks-to-use ratio (s/u) of 20%.

The pressure from higher supply is expected to be offset by stronger demand. Therefore, the average price of dry peas, over all grades, types and markets, is forecast to be the same as in 2004-2005.

LENTILS

World production is forecast to decrease by 8% to 3.5 Mt, but supply is expected to remain stable at 3.9 Mt.

Canadian seeded area is forecast to decrease by 5%, because of sharply higher carry-in stocks. Production is forecast to decrease by 13% to 840,000 t, due to the decrease in seeded area and lower trend yields. Supply is expected to remain stable as higher carry-in stocks offset the decrease in production. Exports are forecast to increase due to higher demand, but carry-out stocks are also expected to increase, with an s/u of 23%. The average price of lentils over all grades and types is forecast to increase, as pressure from higher world supply is more than offset by a return to higher normal quality.

DRY BEANS

World production is forecast to increase slightly, but total supply is expected to decrease slightly. However, world production includes many classes of dry beans, most of which do not have any influence on prices of the classes of dry beans produced in Canada. The most important influence on Canadian dry bean prices is US production, which is expected to increase by 47% to 1.15 Mt because of higher seeded area and higher yields. However, US supply is expected to increase by only 16% to 1.22 Mt, due to lower carry-in stocks.

Although prices for most classes of dry beans are attractive, Canadian seeded area is forecast to increase by only 15% due to limited seed supply and the discouragement of some producers in Manitoba because of the poor crop in 2004-2005. Production is forecast to increase by 55% to 340,000 t due to the higher seeded area, lower abandonment and higher yields, but supply is forecast to increase by only 33% due to lower carry-in stocks. Exports are expected to increase due to the higher supply. Carry-out stocks are forecast to increase slightly, with an s/u of 6%. The average price, over all classes and grades, is forecast to decrease because of the higher supply.

CHICKPEAS

World production is forecast to increase by 3% to 8.25 Mt, but supply is expected to decrease marginally to 8.35 Mt.

Canadian seeded area is forecast to increase by 15%, as prices for the kabuli type are attractive. Production is forecast to increase by 18% to 60,000 t, because of the higher seeded area and lower abandonment, but supply is expected to decrease slightly due to lower carry-in stocks. Exports are forecast to remain

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stable and carry-out stocks are expected to remain low. The average price, over all types, grades and sizes, is forecast to rise, assuming a higher normal quality.

MUSTARD SEED

World mustard seed trade is dominated by Canada. Canadian seeded area is forecast to decrease by 25% because of burdensome carry-in stocks. Production is forecast to decrease by 39% to 185,000 t, because of the lower seeded area and lower trend yields, but supply is forecast to decrease by only 14%, due to

higher carry-in stocks. Exports are expected to increase and carry-out stocks are forecast to decrease, with an s/u ratio of 38%. The average price, over all types and grades, is forecast to increase due to the lower supply.

CANARY SEED

World canary seed production is expected to decrease by 22% to 265,000 t, mainly because of lower production in Canada, but supply is expected to increase marginally to 415,000 t, due to higher carry-in stocks.

Canadian seeded area is forecast to decrease by 25% because of burdensome carry-in stocks. Production is forecast to fall by 18% to 245,000 t, as the decrease in seeded area is partly offset by lower abandonment. Supply is forecast to increase slightly due to higher carry-in stocks. Exports are expected to increase and carry-out stocks are forecast to increase, with an s/u ratio of 64%. The average price is forecast to remain stable, in line with the relatively stable supply.

SUNFLOWER SEED

World sunflower production and supply are forecast to increase slightly to 25.7 Mt and 26.9 Mt, respectively. US production is expected to increase by 40% to 1.3 Mt and supply is forecast to increase by 26% to 1.37 Mt.

Canadian seeded area is forecast to increase by 15%. Although potential returns are better than for most other crops, many producers are expected to be discouraged by the poor crop in 2004-2005. Production is forecast to nearly triple to 140,000 t, due to the higher seeded area and a return to normal abandonment and higher trend yields. Supply is forecast to increase by only 54% due to lower carry-in stocks. Exports and domestic use are expected to increase. Carry-out stocks are expected to rise slightly, with a s/u of 7%. The average price, over both types and all grades, is forecast to decrease due to the higher supply in US and Canada.

BUCKWHEAT

Canadian production and supply are forecast to increase, but remain small, with a stable seeded area, lower abandonment and higher trend yields. World supply is expected to decrease by 5% to 2.8 Mt. The average price, over all grades and markets, is forecast to be the same as in 2004-2005 as support for lower world supply is offset by higher Canadian supply.

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WORLD: DRY PEAS SUPPLY AND DISPOSITION

	2001	2002	2003	2004	2005
<i>crop year</i>	-2002	-2003	-2004	-2005f	-2006f
Harvested Area (kha)	6,350	6,290	6,510	6,760	6,800
Yield (t/ha)	1.66	1.59	1.56	1.80	1.72
.....thousand tonnes.....					
Carry-in Stocks	500	500	500	400	1,200
Production	<u>10,540</u>	<u>10,020</u>	<u>10,170</u>	<u>12,160</u>	<u>11,680</u>
Total Supply	11,040	10,520	10,670	12,560	12,880
Total Use	10,540	10,020	10,270	11,360	11,680
Carry-out Stocks	500	500	400	1,200	1,200

WORLD: LENTILS SUPPLY AND DISPOSITION

	2001	2002	2003	2004	2005
<i>crop year</i>	-2002	-2003	-2004	-2005f	-2006f
Harvested Area (kha)	3,955	3,695	3,735	4,075	3,950
Yield (t/ha)	0.79	0.82	0.82	0.93	0.88
.....thousand tonnes.....					
Carry-in Stocks	500	500	100	100	400
Production	<u>3,255</u>	<u>2,905</u>	<u>3,065</u>	<u>3,790</u>	<u>3,490</u>
Total Supply	3,755	3,405	3,165	3,890	3,890
Total Use	3,255	3,305	3,065	3,490	3,540
Carry-out Stocks	500	100	100	400	350

CANADA AND US: DRY BEANS SUPPLY AND DISPOSITION

	2001	2002	2003	2004	2005
<i>crop year</i>	-2002	-2003	-2004	-2005f	-2006f
Harvested Area (kha)	702	731	695	602	810
Yield (t/ha)	1.59	2.37	1.95	1.66	1.84
.....thousand tonnes.....					
Carry-in Stocks	324	125	330	300	80
Production	<u>1,113</u>	<u>1,736</u>	<u>1,357</u>	<u>1,000</u>	<u>1,490</u>
Total Supply	1,437	1,861	1,687	1,300	1,570
Total Use	1,312	1,531	1,387	1,220	1,360
Carry-out Stocks	125	330	300	80	210

f: forecast, AAFC, January 2005

Source: FAO, USDA, UNIP, Pulse Australia, Statistics Canada, AAFC