

## 2019 SEEDING INTENTIONS



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Statistics Canada's (StatCan) seeding intentions report for 2019 says land in peas, beans, lentils, and chickpeas will be down slightly as declines in chickpea and lentil area were

offset by gains in peas.

Farmers say they intend to plant 8.1 million (M) acres of the main pulses, compared to 8.19 M last year, and the recent five-year average of 8.68 M acres. Average yields would see production advance from 6.35 M tonnes to 6.48 M, down from the recent five-year average of 6.83 M tonnes.

However, this could be one of those years where all assumptions about total land in pulses could end up still being wrong. StatCan conducted its seeding intentions survey in March, the same month China placed restrictions on imports of canola.

Many farmers are committed to the mix of crops they will plant for agronomic reasons, and because they bought seed and chemicals before the dispute became a factor. Some have more flexibility.

Weather is another wild card. Assuming good seeding conditions, roughly half the peas, lentils, and chickpeas that will be sown by the end of May, with seeding complete by the middle of June.

However, many parts of Saskatchewan are reporting dry soil conditions, which could slow planting progress and possibly change what is finally planted. Crops like peas have an advantage in that they can be planted deeper and hopefully closer to subsoil moisture. It is important to remember, a couple of well-timed soaking rains can change the yield outlook even if the province appears to be facing drought-like conditions.

This mix of factors could see markets view the June 26 seeded area estimates as the second seeding intentions report,

waiting for the August 28 crop estimates for final confirmation of what was planting and the first indication of yields.

There can be a big differences between intentions and actual seeding. Last year's final lentil and pea areas were 7% less than the intentions, while land in chickpeas was 35% higher.

When last year's seeding intentions were released, new import restrictions from India and last year's monsoon forecasts did not have an impact on intended field pea area because of timing. The only good news while last year's crops were being planted was the rising demand from China. Though China is still buying peas and grains from Canada, there is an underlying fear that could end, which could influence last minute decisions by some farmers.

As expected, this year's seeding intentions report showed that farmers plan to sharply reduce how many chickpea acres they plant. Land in the crop sank from 442,900 to 334,300 acres. Average yields would see production sink from 311,300 to 209,000 tonnes.

Export movement has been disappointing so far during the 2018/19 marketing year, with the result that Canada will likely finish the marketing year with 146,000 tonnes of chickpeas in all positions, enough to cover almost nine months of normal demand. Even if exports could rebound from this year's forecast of 100,200 tonnes to around 163,000 in the coming marketing year, residual stocks will remain high at around 143,000 tonnes.

The implication is farmers will likely remain at the low end of their historic price ranges unless there is a major problem with production in other parts of the world. It is hard to see a good reason to sit on product, waiting for markets to rebound. It might be smarter to take advantage of chances to sell product.

The amount of land farmers plan to devote to lentils is down from last year, though the drop is not as big as initially expected. StatCan says area could drop

from 3.76 M to 3.41 M acres. It did not break down seeded area by class, but green lentil area is probably down close to 400,000 acres at an estimated 856,000. By contrast, red lentil plantings likely increased from 2.04 to 2.19 M acres.

Average yields would see production of all classes of lentils drop from 2.97 M to 2.6 M tonnes.

Though lentil movement has been good this season, prices remain at the bottom end of the historic range and prospective gross returns per acre are below both last year and their recent three-year average versus wheat, durum, barley, and canola. Since 2002, when the gross income potential of lentils rises above the previous three-year average versus grains and oilseeds, land has tended to increase while falling when it drops below the previous three-year average. This has been the case 87% of the time for all lentils, 67% for large green lentils, 47% for small green lentils, and 87% for red lentils.

Movement also influences grower interest in various crops. Lentil exports so far this marketing year are up significantly over last season and are on pace to finish the season around 1.96 M tonnes, versus 1.54 M last season. If this is the case, ending stocks could drop from 876,000 to 557,000 tonnes for a 23% stocks-to-use ratio. This is a lot better than feared when the marketing year started.

Average yields would result in a 2.05 M tonnes harvest, down from 2.09 M last year. Available supplies of lentils should drop from 2.98 to 2.62 M tonnes, creating a chance that the coming marketing year will see ending stocks sink to around 260,000 by the end of the 2019/20 marketing campaign. Though not sold out, it suggests there is some potential for prices to be somewhat higher on average.

Green lentils might struggle because available supplies in the United States (U.S.) could climb from just over 521,000 to 543,000 tonnes. The implication is competition for available demand could remain strong for another year. If exporters in the U.S. are not price

competitive with Canada, they could see stocks remain at unusually high levels for another year.

In many ways, it is not surprising to see farmers say they will increase pea area from 3.62 M to almost 4.04 M acres. Movement has been excellent so far this season, with exports on pace to push past 3 M tonnes. Ending stocks could sink from 650,000 to 207,000 tonnes. The stocks-to-use ratio would only be 5% if that is the case, which is effectively sold out. More importantly, it appears that will not change in the coming marketing year.

A large part of last year's crop went into livestock feed markets in China and domestically. Prices were competitive with protein meal and because peas also

contribute energy to livestock rations and lysine, an essential amino acid, they worked well against other crops.

China's hog herd has fallen sharply because of African swine fever. By March, the national herd was down 19% and the number of female hogs was down 21%, suggesting the herd will continue to get smaller. There has been rationalization in the industry, which some observers think will result in a smaller change in demand for commercial feed. If that is the case, Canada could continue to see solid demand for peas from China as long as prices are competitive.

If that is the case, farmers should continue to see strong demand for peas from primary elevators after the coming

harvest. Prices would be expected to set their season lows early and if enough product is exported, they could start trending upward in the new year. The problem is that the more farmers count on that kind of price pattern the less likely it is to happen because the amount of peas looking for a home would increase relative to demand.

The implication is growers may want to sell their crop in stages in hopes the final 25% results in good average returns.

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### SUPPLY AND DEMAND ESTIMATE FOR CANADIAN LENTILS IN 2018/19

	Large Green	Medium Green	Small Green	Extra-Small Red	Small Red	All Red	Other	All
Area (acres)	1,252,600	48,000	415,600	57,000	1,979,900	2,036,900	15,000	3,768,100
Yield (lb/ac)	1,048	1,286	1,314	1,276	1,309	1,308	1,808	1,224
Production	595,700	28,000	247,700	33,000	1,175,500	1,208,500	12,300	2,092,200
Carry-In	5,000	3,000	29,000	15,000	823,000	838,000	1,000	876,000
Supply	600,700	31,000	276,700	48,000	1,998,500	2,046,500	13,300	2,968,200
Exports	496,500	20,500	182,600	31,700	1,218,900	1,250,600	8,800	1,959,000
Seed	34,900	1,000	7,100	1,300	67,800	69,100	300	112,400
Feed, Waste, and Other	59,300	4,500	33,000	8,000	231,800	239,800	3,200	339,800
<b>Total Usage</b>	<b>590,700</b>	<b>26,000</b>	<b>222,700</b>	<b>41,000</b>	<b>1,518,500</b>	<b>1,559,500</b>	<b>12,300</b>	<b>2,411,200</b>
<b>Ending Stocks</b>	<b>10,000</b>	<b>5,000</b>	<b>54,000</b>	<b>7,000</b>	<b>480,000</b>	<b>487,000</b>	<b>1,000</b>	<b>557,000</b>
<b>Stocks/Use</b>	<b>2%</b>	<b>19%</b>	<b>24%</b>	<b>17%</b>	<b>32%</b>	<b>31%</b>	<b>8%</b>	<b>23%</b>

*\*All quantities in tonnes  
Source: STAT Publishing Ltd.*

### SUPPLY AND DEMAND FORECAST FOR CANADIAN LENTILS IN 2019/20

	Large Green	Medium Green	Small Green	Extra-Small Red	Small Red	All Red	Other	All
Area (acres)	855,800	32,000	312,000	59,000	2,135,000	2,194,000	11,000	3,404,800
Yield (lb/ac)	1,231	1,240	1,328	1,308	1,365	1,364	1,203	1,325
Production	478,000	18,000	188,000	35,000	1,322,000	1,357,000	6,000	2,047,000
Carry-In	10,000	5,000	54,000	7,000	480,000	487,000	1,000	557,000
Supply	488,000	23,000	242,000	42,000	1,802,000	1,844,000	7,000	2,604,000
Exports	357,400	16,800	177,200	30,800	1,319,700	1,350,500	5,100	1,907,000
Seed	25,900	900	6,400	1,400	74,300	75,700	200	109,100
Feed, Waste, and Other	61,700	2,300	31,400	6,800	225,000	231,800	700	327,700
<b>Total Usage</b>	<b>445,000</b>	<b>20,000</b>	<b>215,000</b>	<b>39,000</b>	<b>1,619,000</b>	<b>1,658,000</b>	<b>6,000</b>	<b>2,344,000</b>
<b>Ending Stocks</b>	<b>43,000</b>	<b>3,000</b>	<b>27,000</b>	<b>3,000</b>	<b>183,000</b>	<b>186,000</b>	<b>1,000</b>	<b>260,000</b>
<b>Stocks/Use</b>	<b>10%</b>	<b>15%</b>	<b>13%</b>	<b>8%</b>	<b>11%</b>	<b>11%</b>	<b>17%</b>	<b>11%</b>

*\*All quantities in tonnes  
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## SUPPLY AND DEMAND ESTIMATE FOR CANADIAN CHICKPEAS AND FIELD PEAS IN 2018/19

	Desi Chickpeas	Kabuli Chickpeas	Small Kabuli Chickpeas	All Chickpeas	Yellow Peas	Green Peas	Other Peas	All Peas
Area (acres)	13,800	421,900	7,300	443,000	3,080,000	459,800	75,500	3,615,300
Yield (lb/ac)	2,284	1,379	1,631	1,549	2,164	2,294	2,316	2,184
Production	14,300	263,900	5,400	311,300	3,023,200	478,400	79,300	3,580,900
Carry-In	0	2,800	200	3,000	569,000	80,000	1,000	650,000
Imports	0	29,000	0	29,000	71,600	45,600	3,800	121,000
Supply	14,300	295,700	5,600	343,300	3,663,800	604,000	84,100	4,351,900
Exports	6,000	93,200	1,000	100,200	2,432,200	513,800	58,000	3,004,000
Seed	405	24,800	1,000	26,205	236,000	42,000	6,000	284,000
Feed, Waste, and Other	3,895	35,700	3,600	70,895	794,600	43,200	19,100	856,900
<b>Total Usage</b>	<b>10,300</b>	<b>153,700</b>	<b>5,600</b>	<b>197,300</b>	<b>3,462,800</b>	<b>599,000</b>	<b>83,100</b>	<b>4,144,900</b>
<b>Ending Stocks</b>	<b>4,000</b>	<b>142,000</b>	<b>0</b>	<b>146,000</b>	<b>201,000</b>	<b>5,000</b>	<b>1,000</b>	<b>207,000</b>
<b>Stocks/Use</b>	<b>39%</b>	<b>92%</b>	<b>0%</b>	<b>74%</b>	<b>6%</b>	<b>1%</b>	<b>1%</b>	<b>5%</b>

\*All quantities in tonnes  
Source: STAT Publishing Ltd.

## SUPPLY AND DEMAND FORECAST FOR CANADIAN CHICKPEAS AND FIELD PEAS IN 2019/20

	Desi Chickpeas	Kabuli Chickpeas	Small Kabuli Chickpeas	All Chickpeas	Yellow Peas	Green Peas	Other Peas	All Peas
Area (acres)	10,000	306,000	18,000	334,000	3,354,100	599,600	82,200	4,035,900
Yield (lb/ac)	2,271	1,416	1,555	1,380	2,188	2,107	1,754	2,168
Production	10,300	196,500	12,700	209,000	3,329,500	573,100	65,400	3,968,000
Carry-In	4,000	142,000	0	146,000	201,000	5,000	1,000	207,000
Imports	0	34,000	0	34,000	72,200	46,000	3,800	122,000
Supply	14,300	372,500	12,700	389,000	3,602,700	624,100	70,200	4,297,000
Exports	6,000	150,600	6,000	162,600	2,418,900	469,100	48,000	2,936,000
Seed	405	15,900	300	16,605	248,000	40,000	4,000	292,000
Feed, Waste, and Other	2,895	71,000	3,400	66,795	762,800	89,000	17,200	869,000
<b>Total Usage</b>	<b>9,300</b>	<b>237,500</b>	<b>9,700</b>	<b>246,000</b>	<b>3,429,700</b>	<b>598,100</b>	<b>69,200</b>	<b>4,097,000</b>
<b>Ending Stocks</b>	<b>5,000</b>	<b>135,000</b>	<b>3,000</b>	<b>143,000</b>	<b>173,000</b>	<b>26,000</b>	<b>1,000</b>	<b>200,000</b>
<b>Stocks/Use</b>	<b>54%</b>	<b>57%</b>	<b>31%</b>	<b>58%</b>	<b>5%</b>	<b>4%</b>	<b>1%</b>	<b>5%</b>

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