

Pulse Market Report

December 2014
Mid-Month Report

The Pulse Market Report is a monthly newsletter featuring market analysis and commentary aimed at helping Saskatchewan pulse producers make the best decisions for their crop production and marketing.

Implications from the Latest Statistics Canada Numbers



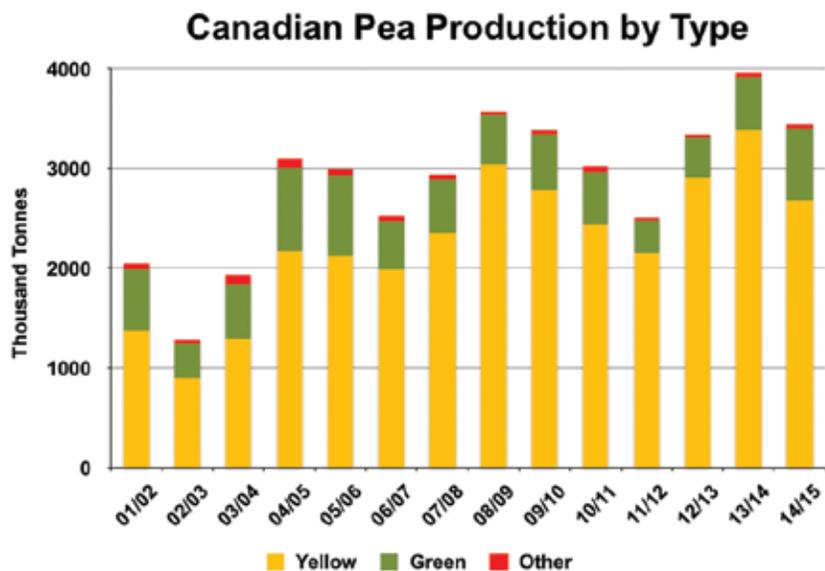
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There is usually some skepticism about the yield and production estimates coming from Statistics Canada (StatsCan). We have our own questions at times, but until someone else comes

up with a 26,000 person survey, it's the best we've got.

By this time of the year, traders already have a pretty good feel for crop supplies based on their ability to buy from farmers. That's why the December StatsCan report usually confirms those ideas and rarely shifts the market too much. Still, it's an important measuring stick of the 2014 crop outcome, especially since it provides a more detailed breakdown for classes of pulse crops.

The overall size of the 2014 pea crop was 3.4 million (M) tonnes - about a half million less than last year. On the surface, that makes this StatsCan report friendly. However, because the yellow and green pea markets are distinctly different, production by type is the most useful indicator. The yellow pea crop was estimated 21% smaller than last year, and when that number is combined with a record export pace early in 2014/15, it's quite bullish. Prices had already been responding positively prior to the report and will continue to do so.



Source: StatsCan

For green peas, it's not such a friendly outlook. StatsCan reported the 2014 green pea crop is 35% larger than last year. There were a number of people still wondering if the green pea crop would really be much bigger than last year, especially since prices weren't showing much weakness. Reluctant farmer selling and a poor quality crop are the main reasons for the firm prices, but supplies are comfortable. That means limited opportunity for price gains.

StatsCan raised the lentil crop estimate from its previous report, but at 1.84 M tonnes the crop is still 16% smaller than last year. Again, the breakdown by type shows large differences. The red lentil crop is 8% larger than last year, while

green lentil production is down more than 40%. The numbers don't reflect the heavy damage to quality, which shrinks exportable supplies even further. Demand for both red lentils and green lentils have been very strong and will drain almost all of the lentils out of the country by the end of 2014/15. Prices could strengthen even more from the already high levels.

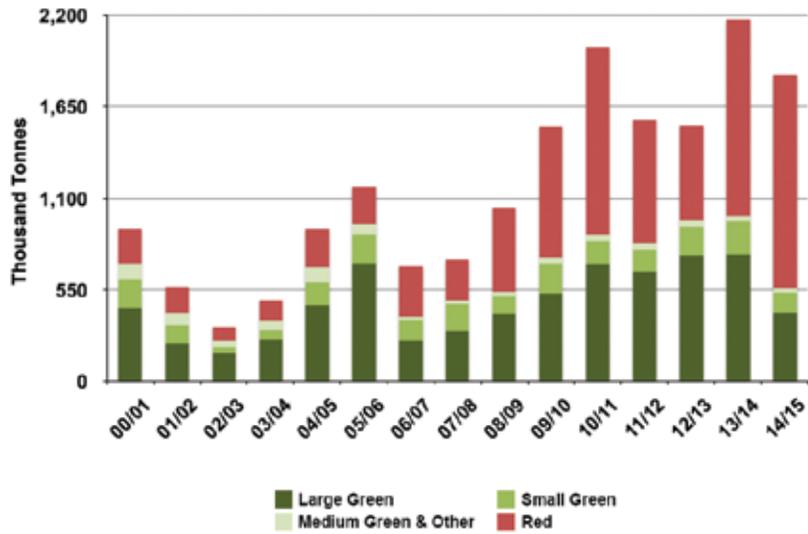
The 2014 chickpea crop estimate was estimated lower than last year by roughly 50,000 tonnes, with the vast majority being Kabuli types. This smaller crop won't necessarily provide much price support because large supplies were carried over from the previous year. Still, it's a move in the right direction.

StatsCan's estimate of the 2014 dry bean crop was up 10% over last year but down slightly from its previous estimate. Even though StatsCan only uses broad categories, the breakdown by type shows a 14% drop for the white bean crop, while coloured bean production was up 25% from last year. So far, these estimates haven't affected the market, but that's largely because the U.S. crop dominates the price outlook.

For the first time ever, StatsCan provided a production estimate for faba beans, but only for Alberta. Production for the province was set at 107,500 tonnes, based on 75,000 acres and a yield of 3,120 pounds (52 bushels) per acre. We estimate another 20,000 acres were planted in Saskatchewan and 5,000 in Manitoba for an additional 25,000 tonnes. That would bring the total to 130-135,000 tonnes, about as much as expected.

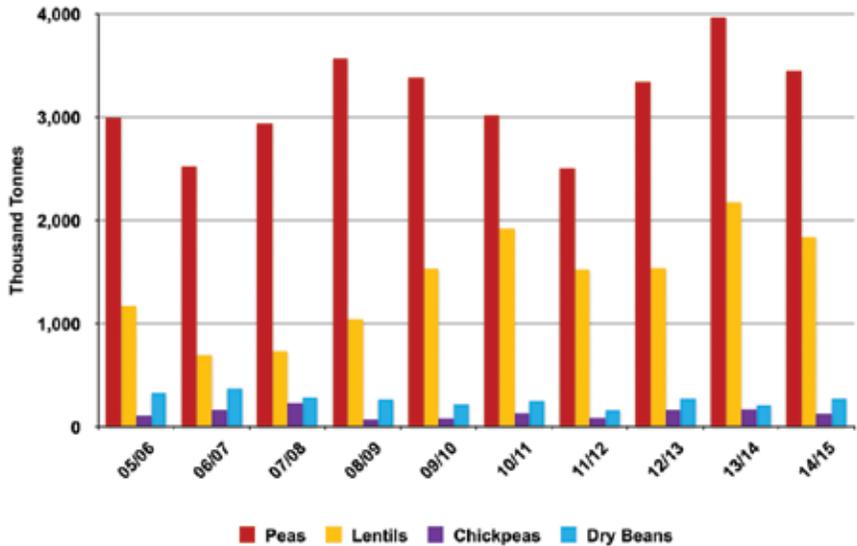
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Canadian Lentil Production by Type



Source: StatsCan

Canadian Pulse Crop Production



Source: StatsCan



This is a mid-month version of Saskatchewan Pulse Growers' Pulse Market Report. To receive this report by email please visit [the SPG website](#)

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