THE GLOBAL PULSE MARKETS: recent trends and outlook

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Presentation outline

- production of pulses
- consumption of pulses
- trade in pulses: imports/exports
- pulse food aid
- price trends
- short-term market outlook
- future challenges for the industry
Trends in production

million tonnes

World
Developing countries
Developed countries

Patterns of production by variety

(2001-2003 averages)
## Major producing countries

<table>
<thead>
<tr>
<th>Pulses, Total</th>
<th>Production 2001-2003</th>
<th>Top Producer</th>
<th>Other Major Producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>55.7 million tonnes</td>
<td>India (22%)</td>
<td>China (10%), EU (9%), Brazil (5%), Canada (5%), Myanmar (5%), Australia (4%)</td>
<td></td>
</tr>
<tr>
<td>Dry Beans</td>
<td>18.3 million tonnes</td>
<td>Brazil (16%)</td>
<td>India (14%), China (11%), Myanmar (9%), Mexico (7%), U.S.A (6%)</td>
</tr>
<tr>
<td>Dry Peas</td>
<td>10.3 million tonnes</td>
<td>EU (30%)</td>
<td>Canada (18%), China (13%), Russia (12%), India (7%), Ukraine (5%), Australia (3%)</td>
</tr>
<tr>
<td>Chickpeas</td>
<td>7.4 million tonnes</td>
<td>India (60%)</td>
<td>Turkey (8%), Pakistan (6%), Iran (4), Mexico (4%), Canada (3%), Australia (3%)</td>
</tr>
<tr>
<td>Dry Broad Beans</td>
<td>4.1 million tonnes</td>
<td>China (47%)</td>
<td>EU (13%), Ethiopia (11%), Egypt (11%), Australia (6%), Sudan (2%), Morocco (2%)</td>
</tr>
<tr>
<td>Lentils</td>
<td>3.1 million tonnes</td>
<td>India (30%)</td>
<td>Turkey (18%), Canada (16%), Australia (5%), Syria (5%), Nepal (5%), China (4%), USA (4%), Bangladesh (4%), Iran (4%)</td>
</tr>
<tr>
<td>Cow Peas</td>
<td>3.7 million tonnes</td>
<td>Nigeria (60%)</td>
<td>Niger (10%), Burkina Faso (9%), Myanmar (6%), Mali (3%), Cameroon (2%)</td>
</tr>
<tr>
<td>Pigeon Peas</td>
<td>3 million tonnes</td>
<td>India (76%)</td>
<td>Myanmar (14), Malawi (3%), Uganda (3%), Kenya (2%), Tanzania (2%)</td>
</tr>
<tr>
<td>Lupins</td>
<td>1.2 million tonnes</td>
<td>Australia (87%)</td>
<td>EU (5%), Chile (3%), Russia (2%)</td>
</tr>
</tbody>
</table>
How are pulses used?

- Total utilization of pulses averaged about 55 million tonnes in 2001-2003
- Out of the total, 65% is for human consumption, while feed use accounts for about 25%
  ... but with large differences between developing and developed countries (as groups)
  - in developing countries: the bulk of total use is food
  - in developed countries: the major part is feed
- The demand for pulses in developing countries depend largely on prices, due to the limited purchasing power of consumers
Trade in pulses

- Global pulse exports have increased from some 3 million tonnes in 1980-82 to somewhere about 10 million tonnes in 2000-02
- In 2002, total pulse exports were valued at about US$ 3 billion
- Pulse import demand is volatile; it depends on domestic production in many countries
- The bulk of pulse imports are made by developing countries, where foreign exchange and financing could limit purchases
Factors affecting pulse import demand

- Domestic production
- Prices in world markets
- Prices of other commodities (substitutes)
- Livestock production (feed grade)
- Exchange rate
- Foreign exchange availability, especially for low-income countries
- Financing mechanisms for imports
Global pulse exports: 2000-02

volume: 10.2 million tonnes

value: US$2.97 billion
Dry bean major importers, 2002

- India 10%
- U.S.A. 7%
- Japan 6%
- Mexico 5%
- Italy 4%
- Pakistan 4%
- Brazil 4%
- Netherlands 3%
- Cuba 3%
- U.K. 5%
- Venezuela 3%
- ROW 46%
- U.S.A. 7%
- India 10%
Dry bean major exporters, 2002

- Myanmar: 33%
- China: 23%
- U.S.A: 10%
- Canada: 8%
- Argentina: 7%
- U.K.: 2%
- ROW: 17%
Dry pea major importers, 2002

- India 33%
- Bangladesh 10%
- Belgium 8%
- China 4%
- Italy 4%
- Netherlands 4%
- Spain 8%
- Pakistan 3%
- ROW 26%
- Netherlands 4%
Dry pea major exporters, 2002

- France: 30%
- Canada: 25%
- Australia: 14%
- Ukraine: 7%
- Russia: 5%
- U.S.A.: 3%
- U.K.: 3%
- Germany: 3%
- Denmark: 3%
- ROW: 7%
Lentil major importers, 2002

- Egypt 9%
- Pakistan 6%
- India 6%
- Colombia 6%
- Bangladesh 6%
- Algeria 6%
- Spain 4%
- Sri Lanka 10%
- ROW 47%
Lentil major exporters, 2002

- Canada: 34%
- Australia: 24%
- Turkey: 12%
- U.S.A.: 10%
- China: 2%
- India: 9%
- ROW: 9%
- India: 9%
- Turkey: 12%
- Australia: 24%
Chickpea major importers, 2002

- **India**: 25%
- **Pakistan**: 22%
- **Spain**: 7%
- **Bangladesh**: 7%
- **Algeria**: 4%
- **Saudi Arabia**: 3%
- **Italy**: 3%
- **Jordan**: 2%
- **Tunisia**: 2%
- **ROW**: 25%

**Pie Chart Representation**

- **India**: Blue, 25%
- **Pakistan**: Purple, 22%
- **Spain**: Yellow, 7%
- **Bangladesh**: Green, 7%
- **Algeria**: Light Blue, 4%
- **Saudi Arabia**: Orange, 3%
- **Italy**: Pink, 3%
- **Jordan**: Dark Blue, 2%
- **Tunisia**: Light Green, 2%
- **ROW**: Magenta, 25%
Chickpea major exporters, 2002

- Mexico: 19%
- Iran: 19%
- Canada: 15%
- Turkey: 14%
- Australia: 13%
- ROW: 7%
- Tanzania: 3%
- U.S.A.: 3%
- Ethiopia: 7%
- U.S.A.: 3%
Broad bean major importers, 2002

- Egypt: 47%
- Italy: 29%
- Spain: 8%
- Morocco: 2%
- ROW: 14%
Broad bean major exporters, 2002

- Australia: 49%
- France: 23%
- U.K.: 17%
- China: 4%
- ROW: 7%
Pulses food aid

World export prices

Prices are average export unit values. Source: FAOSTAT (2004)
Our market outlook for 2004

- our assessment is based on market information available to us as of May 2004
- unfortunately information on pulses is not easy to obtain
- the general assumption is normal weather conditions throughout the remainder of the seasons
- important to note there is always uncertainty associated with any market outlook
world production forecast to hit a record in 2004 ...

<table>
<thead>
<tr>
<th>Region</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004f</th>
</tr>
</thead>
<tbody>
<tr>
<td>(................ million tonnes ............）</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Africa</td>
<td>9.4</td>
<td>9.6</td>
<td>9.3</td>
<td>9.8</td>
</tr>
<tr>
<td>Asia</td>
<td>23.2</td>
<td>26.9</td>
<td>25.2</td>
<td>29.0</td>
</tr>
<tr>
<td>Europe</td>
<td>8.0</td>
<td>8.0</td>
<td>7.8</td>
<td>7.9</td>
</tr>
<tr>
<td>Latin Amer. &amp; Caribbean</td>
<td>5.6</td>
<td>6.6</td>
<td>6.4</td>
<td>6.6</td>
</tr>
<tr>
<td>North America</td>
<td>4.6</td>
<td>4.0</td>
<td>4.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Oceania</td>
<td>2.6</td>
<td>1.1</td>
<td>2.0</td>
<td>2.1</td>
</tr>
<tr>
<td>World</td>
<td>53.3</td>
<td>56.2</td>
<td>55.2</td>
<td>60.3</td>
</tr>
<tr>
<td>Developing countries</td>
<td>37.9</td>
<td>42.7</td>
<td>40.5</td>
<td>45.3</td>
</tr>
<tr>
<td>Developed countries</td>
<td>15.4</td>
<td>13.5</td>
<td>14.6</td>
<td>15.0</td>
</tr>
</tbody>
</table>
... improved global supplies to boost consumption ...

- total pulse utilization in 2004 is forecast at about 59 million tonnes:
  - food use: 39 million tonnes
  - feed use: 13 million tonnes
  - the rest: seed + other uses

- for developing countries, the increase in pulse utilization is mostly food; while in developed countries, it is mostly feed
global trade in pulses in 2004 is forecast at 10 million tonnes, 9% up from 2003

the increase in trade is due to:

– large exportable supplies in major exporting countries

– strong import demand by countries in South Asia, Middle East and North Africa, prompted largely by increasing incomes
... prices, recent trends ...

- U.S. prices -

Dealer prices, except dry beans grower prices

Source: USDA, April 2004
Canadian prices

All grower prices
Source: Agriculture and Agri-Food Canada, 2004
- China’s export prices -

Source: USDA/FAS, Attaché Report, April 2004 (from Customs data)
... and what about the outlook

- dry bean prices: likely to strengthen, due to smaller crop prospects in the United States and Canada, and low overall stock levels
- dry pea prices: likely to weaken, in view of larger supplies in several exporting countries
- lentils prices: forecast to decline in response to larger exportable supplies
- chickpea prices: likely to increase, reflecting tighter supplies and better quality (larger output share of *kabuli* type chickpeas)
Emerging issues in pulse trade

- **SPS measures:**
  amidst growth in pulse import and export sectors and further dismantling of trade barriers, there is a growing need to keep the industry up to date with the prevailing sanitary and phyto-sanitary standards.

- **Quality standards (branding):**
  - with the growing consumer awareness about food, it is important that branded pulses become a normal practice in business – IPQC.
  - global trade should be enhanced through the establishment of standard brands of pulses.