GLOBAL PULSE MARKETS: situation and outlook

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Presentation outline

- Production of pulses
- Consumption of pulses
- International trade in pulses
- A look at the MENA region
- FAO short-term market outlook
- Factors to affect pulse trade
- Conclusion
Global pulse production (1)
Global pulse production (2)

![Graph showing global pulse production from 1990 to 2004 for developing and developed countries.](image)
Pulse yields

2002-2004 averages
Developed: 1.75 tonne/ha
Developing: 0.70 tonne/ha
Sources of pulse output growth

- there is a clear yield differential between developed and developing countries, with a ratio of 2.5 in 2002-2004

- output growth in developing countries is due more to area expansion; yields are stagnant

- in developed countries, by contrast, output growth has been driven to a large extend by yield improvements
Pulse production in 2004
a record 61.4 million tonnes!

- Dry Beans: 31%
- Dry Peas: 20%
- Chickpeas: 14%
- Dry Broad Beans: 7%
- Cow Peas: 6%
- Lentils: 6%
- Pigeon Peas: 5%
- Other pulses: 11%
- Other pulses: 11%
Pulse utilization

- globally, the bulk of pulses is for human consumption (2/3) versus a much smaller share for animal feeding (1/4)

- developing countries account for the bulk of total pulse utilization (~75%), while the developed countries account for the rest

- in 2004, global pulse utilization is estimated at a record 59.6 million tonnes, as a result of increased production – 70% as food use and 22% as feed use
Global trade in pulses

- World exports of pulses more than doubled over the past 20 years, increasing from 4.5 million tonnes in the mid-80s to some 10 million tonnes currently.

- Value of total pulse exports is estimated at US$ 2.8 billion (in 2003).

- Presently, about 15% of global production is traded internationally, compared to 10% twenty years ago.

- International pulse market is a relatively thin market, with traded volumes volatile.
Global pulse exports in 2003

volume: 8.6 million tonnes

value: US$ 2.82 billion

- Dry peas: 26%
- Dry beans: 33%
- Chickpeas: 10%
- Broad beans: 6%
- Lentils: 12%
- Lupins: 9%
- Other pulses: 4%

- Dry peas: 18%
- Dry beans: 41%
- Chickpeas: 13%
- Broad beans: 4%
- Lupins: 5%
- Other pulses: 4%
- Lentils: 15%
## Pulse exports in 2003
(in million tonnes)

<table>
<thead>
<tr>
<th>Pulse type</th>
<th>World</th>
<th>Developed countries</th>
<th>Developing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry beans</td>
<td>2.80</td>
<td>0.85</td>
<td>1.95</td>
</tr>
<tr>
<td>Dry peas</td>
<td>2.23</td>
<td>2.15</td>
<td>0.08</td>
</tr>
<tr>
<td>Lentils</td>
<td>1.00</td>
<td>0.58</td>
<td>0.40</td>
</tr>
<tr>
<td>Chickpeas</td>
<td>0.86</td>
<td>0.29</td>
<td>0.57</td>
</tr>
<tr>
<td>Dry broad beans</td>
<td>0.54</td>
<td>0.47</td>
<td>0.07</td>
</tr>
</tbody>
</table>

Source: FAOSTAT, May 2005; data includes EU intra-trade
## Pulse imports in 2003

(in million tonnes)

<table>
<thead>
<tr>
<th>Pulse type</th>
<th>World</th>
<th>Developed countries</th>
<th>Developing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry beans</td>
<td>2.83</td>
<td>1.06</td>
<td>1.77</td>
</tr>
<tr>
<td>Dry peas</td>
<td>2.47</td>
<td>1.09</td>
<td>1.38</td>
</tr>
<tr>
<td>Lentils</td>
<td>1.05</td>
<td>0.23</td>
<td>0.82</td>
</tr>
<tr>
<td>Chickpeas</td>
<td>0.88</td>
<td>0.15</td>
<td>0.73</td>
</tr>
<tr>
<td>Dry broad beans</td>
<td>0.68</td>
<td>0.27</td>
<td>0.41</td>
</tr>
</tbody>
</table>

Source: FAOSTAT, May 2005; data includes EU intra-trade
A close look at the MENA region

- MENA is a very important region for pulse markets. Pulses represent an essential item in local diets. They contribute to the protein and energy intakes for a lot of people.

- Most of the protein and energy intake sources are vegetable products: they contribute about 75-80% of proteins and 90% of energy.

- The main pulses produced and consumed in MENA countries: chickpeas, lentils, dry broad beans and dry beans.

- Market size: population in 2004 is about 467 millions
Pulse production in MENA region

million tonnes

- Chickpeas
- Lentils
- Broad beans
- Dry beans
- Other pulses
MENA pulse production in 2004

(3.7 million tonnes)

2004 vs. 1995

- Chickpeas: -12%
- Lentils: -14%
- Dry broad beans: +15%
- Dry beans: +35%
## Pulse imports by MENA countries

<table>
<thead>
<tr>
<th>Pulse type</th>
<th>Volume (1000 tonnes)</th>
<th>Value (millions US$)</th>
<th>Major importing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulses, Total</td>
<td>1,080</td>
<td>438.4</td>
<td>Egypt (36%); Algeria (16%); UAE (8%); Turkey (8%); Saudi Arabia (7%)</td>
</tr>
<tr>
<td>Broad beans</td>
<td>341</td>
<td>96.0</td>
<td>Egypt (82%); Saudi Arabia (5%); Sudan (4%)</td>
</tr>
<tr>
<td>Lentils</td>
<td>301</td>
<td>134.1</td>
<td>Egypt (30%); Algeria (19%); Turkey (15%); UAE (7%); Saudi Arabia (6%)</td>
</tr>
<tr>
<td>Chickpeas</td>
<td>186</td>
<td>93.0</td>
<td>Algeria (27%); UAE (17%); Jordan (12%); S. Arabia (11%); Tunisia (10%)</td>
</tr>
<tr>
<td>Dry beans</td>
<td>137</td>
<td>72.6</td>
<td>Algeria (36%); Turkey (20%); Egypt (8%); UAE (7%); Tunisia (6%)</td>
</tr>
<tr>
<td>Dry peas</td>
<td>46</td>
<td>17.1</td>
<td>UAE (28%); Algeria (21%); Morocco (14%); Sudan (10%); S. Arabia (9%); Egypt (7%)</td>
</tr>
</tbody>
</table>

FAO market outlook for 2005

- assessment is based on information available up to May 2005
- unfortunately information on pulses is not easy to obtain
- the outlook assumes normal weather conditions throughout the remainder of the seasons
- however, there is always uncertainty associated with any market outlook
2005 global output seen sliding a bit

<table>
<thead>
<tr>
<th>Region</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005f</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>(...... million tonnes .......)</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>27.1</td>
<td>27.0</td>
<td>29.7</td>
<td>28.8</td>
</tr>
<tr>
<td>Africa</td>
<td>9.3</td>
<td>9.5</td>
<td>9.6</td>
<td>9.5</td>
</tr>
<tr>
<td>Latin Amer. &amp; Caribbean</td>
<td>6.6</td>
<td>6.8</td>
<td>6.5</td>
<td>6.2</td>
</tr>
<tr>
<td>Europe</td>
<td>8.1</td>
<td>7.8</td>
<td>8.2</td>
<td>8.1</td>
</tr>
<tr>
<td>North America</td>
<td>4.0</td>
<td>4.5</td>
<td>6.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Oceania</td>
<td>1.3</td>
<td>2.2</td>
<td>1.3</td>
<td>2.1</td>
</tr>
<tr>
<td>World</td>
<td>56.5</td>
<td>57.7</td>
<td>61.4</td>
<td>60.9</td>
</tr>
<tr>
<td>Developing countries</td>
<td>4.27</td>
<td>43.0</td>
<td>45.0</td>
<td>44.2</td>
</tr>
<tr>
<td>Developed countries</td>
<td>13.8</td>
<td>14.7</td>
<td>16.4</td>
<td>16.7</td>
</tr>
</tbody>
</table>
**total pulse utilization also to slip**

- in view of reduced production, utilization of pulses is expected to fall
- consumption of pulses depends to a large extent on domestic production, especially in low income countries
- in 2005, global pulse utilization is forecast at some 59 million tonnes:
  - food use: 40 million tonnes
  - feed use: 13 million tonnes
  - the rest: other uses (seed, waste)
... still global trade could rise

- due to larger supplies anticipated in several exporting countries, coupled with production shortfalls in some major importing countries, global pulse trade in 2005 is seen up

- world exports of pulses in 2005 is forecast at close to 10 million tonnes, some 5% above last year

- pulse imports are expected to increase in South Asia, the Middle East and North Africa and Latin America
recent trends in U.S. prices

Dealer prices, except dry beans grower prices

Source: USDA, April 2005
... and in Canadian prices

All grower prices
Source: Agriculture and Agri-Food Canada, May 2005
the outlook, will prices weaken?...

- **Dry beans**: prices are expected to remain strong in the coming 2-3 months. Situation may be reversed toward end of year with arrival of new crops in North America.

- **Chickpeas**: likely to come under downward pressure as a result of increased output in several countries (Australia, India, Mexico, Turkey, Syria).

- **Lentils**: could remain under pressure, due to larger crops expected in Australia and the USA, along with ample carryover stocks in Canada.

- **Dry peas**: prices could recover, in light of smaller crops in some countries, especially if import demand proves to be strong during the rest of the year.
factors to affect pulse trade

- output forecasts in major exporting countries materialize, i.e. Australia, Canada, the United States, France, China, Myanmar, Turkey
- developments in related markets: livestock and feed markets (especially for feed-type pulses)
- exchange rates: they determine the purchasing power of importers, especially that the bulk of imports are made by developing countries who lack foreign exchange
- freight rates: they add to the import cost; have effects on both the volume and flow of trade
Conclusion

- Collaboration between CICILS-IPTIC and FAO is extremely important

- Need collaboration on data and market information: vital for good market analysis and outlook work

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