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## Update to Growers on Market Access to India for Pulses

While there has been considerable uncertainty regarding market access to India for a few weeks, we have been advised this week that the Government of India plans not to extend the current fumigation derogation for Canadian pulses past March 31, 2017.

India's import requirements for pulses require that prior to export, shipments be fumigated with methyl bromide. Every year since 2004, Canada has re-applied and been granted derogations that allows for shipments of Canadian pulses to be fumigated upon arrival in India instead of in Canada prior to export. One of the reasons for this derogation is that the temperatures in Canada are too low for most of the year for fumigation to be effective. Since 2004, the Canadian pulse industry and the Government of Canada have undertaken significant efforts in Canada and in India to find a permanent resolution to this market access issue.

In the fall of 2016, the Government of India began signaling that they may no longer provide this derogation allowing for Canadian pulse shipments to be fumigated on arrival to India. In response to this, the Canadian Food Inspection Agency (CFIA) worked with Pulse Canada, the Canadian Grain Commission, and other partners to develop workable alternatives to India's blanket fumigation requirements that address India's plant health concerns. Officials in India are currently reviewing alternative options and have agreed to deliver a timely response to Canada in an effort to avoid trade disruptions.

Unfortunately, simultaneous to this review, India has continued to signal their intent to no longer provide additional derogations. This means that unless Canadian and Indian government officials are able to resolve this issue, Canadian pulse shipments arriving in India after March 31 would be required to be fumigated prior to export and that may cause difficulties in Canada.

This does not necessarily mean that exports of Canadian pulses to India will stop after March 31. We expect that in the short term, grower bid prices will continue to be impacted until more clarity is available regarding exactly what will be required of Canadian pulse shipments to India after March 31.

Pulse Canada continues to work closely with Canadian government officials to ensure access for Canadian pulse exports to India are not jeopardized. There remain several technical issues and options that are currently being pursued. The Canadian pulse industry and the Government of Canada are working together to ensure trade of Canadian pulses to India is not interrupted.

Growers know the importance of India as Canada's largest market for pulse crops. Canadian exports to India accounted for more than \$1.1 billion and more than 1.9 million tonnes in 2016. Keeping key



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existing markets open, such as India, is a key part of Saskatchewan Pulse Growers' strategic plan. Growers are highly reliant on just a few export markets with 90 per cent of Canadian yellow peas being exported to just three countries, and 86 per cent of Canadian red lentils being exported to just five countries. This also underscores the importance of undertaking work in areas to build new market demand and alternative use options for Canadian pulses.

We will continue to keep growers apprised of any significant developments on this issue.