

PULSES



Market Access for Canadian Pulses

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PULSE CANADA



Agriculture et
Agroalimentaire Canada

Agriculture and
Agri-Food Canada

AREAS OF WORK

Contribute to the profitability of the Canadian pulse industry

Corporate Affairs Team:

Lower costs associated with the transportation and marketing of pulses.

Market Innovation Team:

Build new & sustainable demand for Canadian pulses





MARKET ACCESS



REACTIVE

Market disruptions addressed swiftly with customized approaches.

- Example: Change of import requirements in key markets (i.e. Pakistan fumigation)



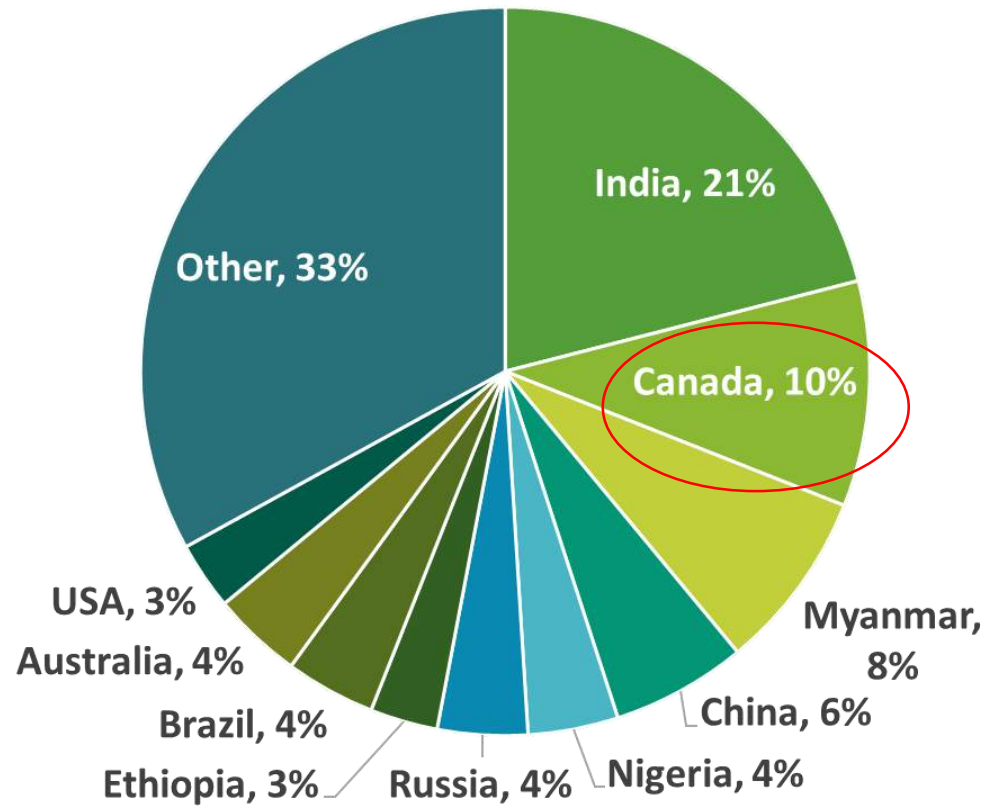
PROACTIVE

Access issues identified in advance and activity to reduce and/or limit their impact on trade in the medium to long term.

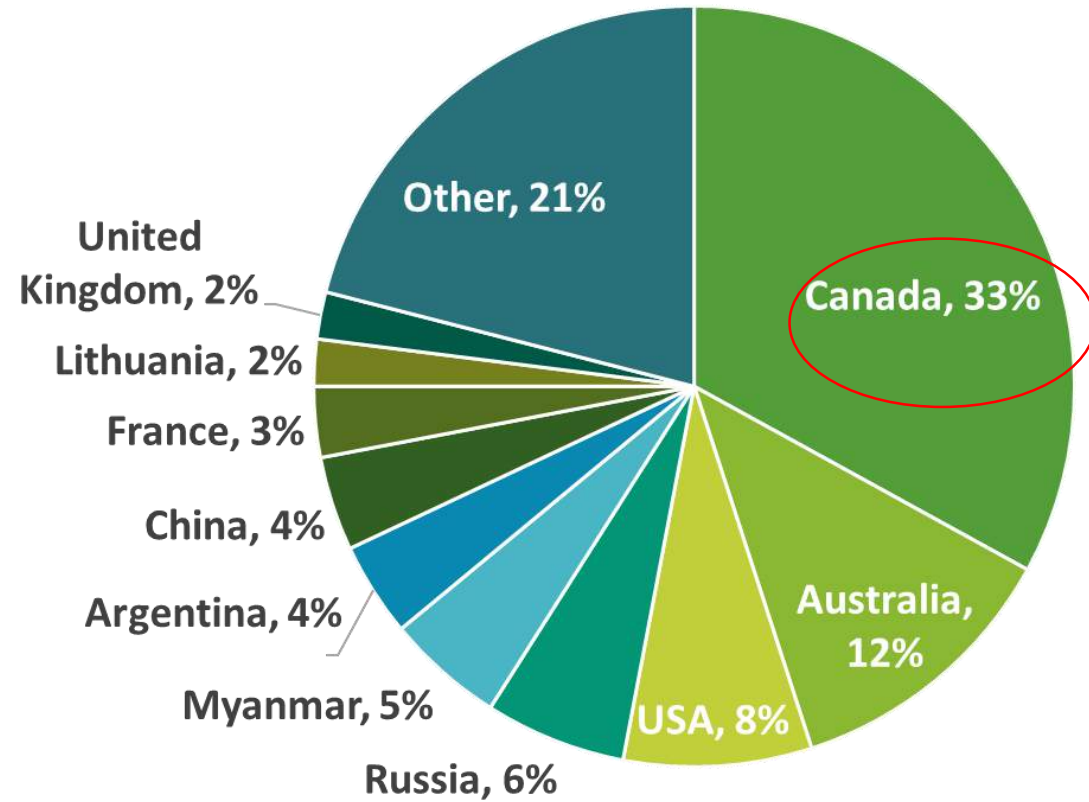
- Example: Pesticide regulatory work (Keep It Clean!, EU advocacy, etc.)

GLOBAL PULSE INDUSTRY

Top Pulse Producers



Top Pulse Exporters



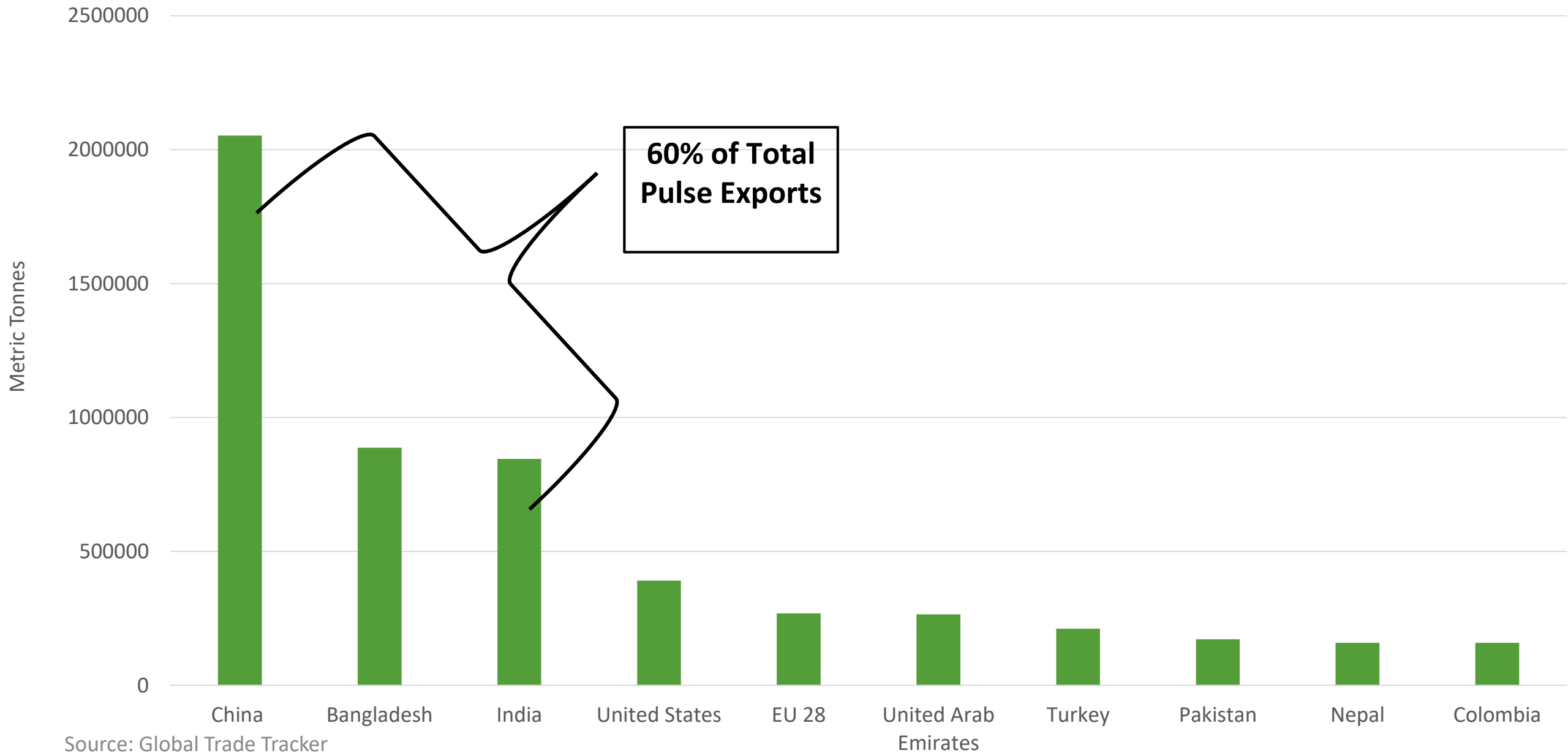
Source: FAO Stat



85% of pulses
grown in Canada
are exported.

Canadian pulses are
exported to over
120 countries.

Top 10 Export Markets for Canadian Pulses in 2019 (Calendar year)



Source: Global Trade Tracker



ERA OF UNCERTAINTY

- Increase in tariff free/reduced access:
 - Canada only G7 country to have trade agreement with every other G7 country
- Increase in non-tariff barriers:
 - Since 2017, protectionist measures disguised as technical and regulatory “requirements” have seen 6-fold increase. (Source: UNCTAD & WTO, 2019)
 - Pulses/India, Canola/China, Durum/Italy, among others.

“Short-term actions that apparently benefit consumers end up hurting them because production and availability of pulses decline over time. In turn, better incentives for farmers in the form of higher MSPs (to reflect the true social value of growing pulses compared to other crops) combined with effective procurement offers the best way of increasing domestic availability and preventing price spikes.”

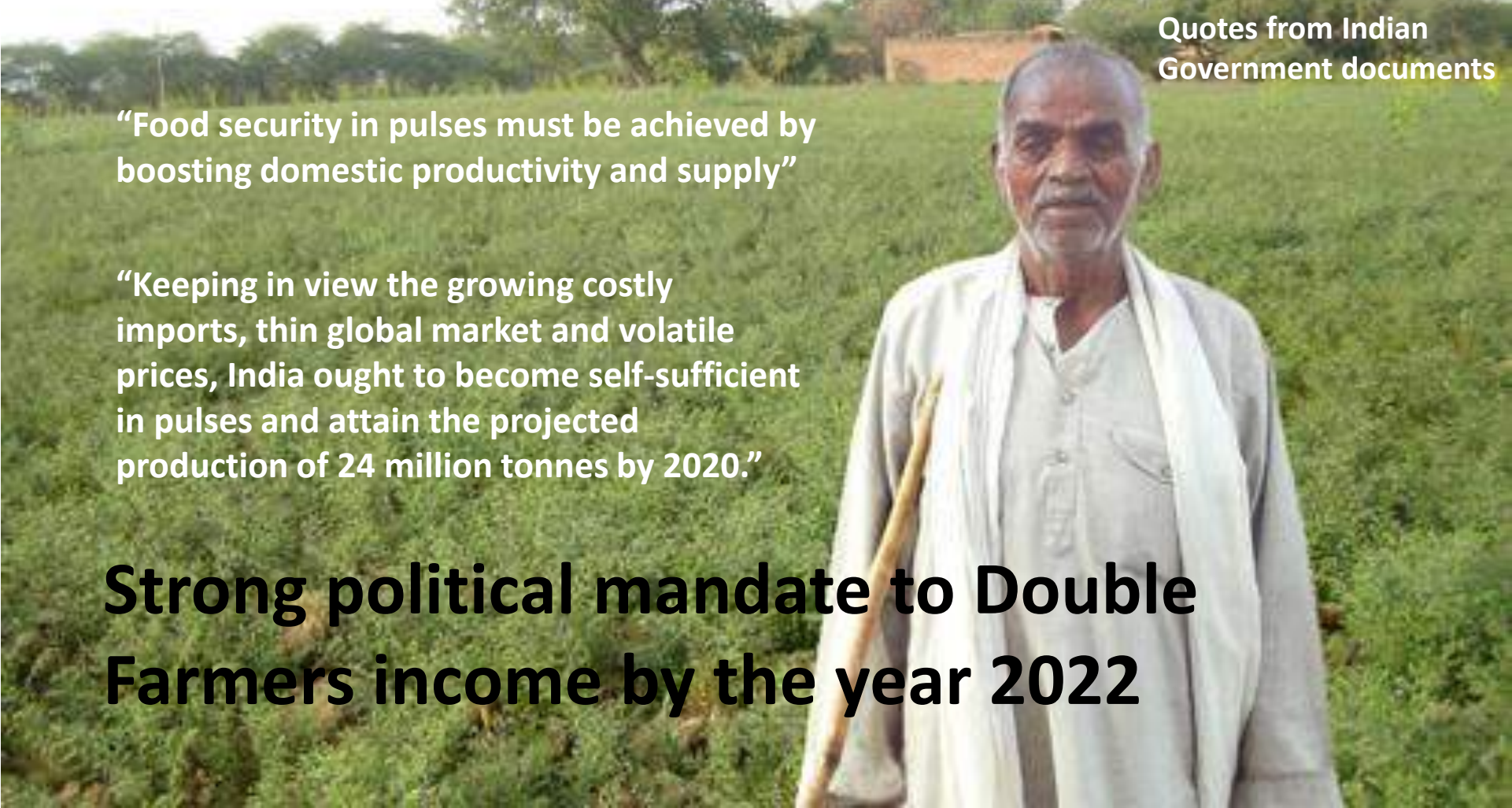
“To this end...government procurement must be on war footing”

Quotes from Indian
Government documents

“Food security in pulses must be achieved by boosting domestic productivity and supply”

“Keeping in view the growing costly imports, thin global market and volatile prices, India ought to become self-sufficient in pulses and attain the projected production of 24 million tonnes by 2020.”

**Strong political mandate to Double
Farmers income by the year 2022**





INDIA – CURRENT BARRIERS TO TRADE

1. Import Policy

- Tariffs: Peas 50%, Lentils 33%, Chickpeas 66%
- Quantitative Restrictions on peas

• What is being done?

- Pulse Canada marshalling global response amongst other pulse exporting nations (GPC)
- Partnership with NAFED – first meeting on February 10th in New Delhi

2. Technical requirements:

- Fumigation
- Concerns raised on weed seeds

• What is being done?

- Pursuing bi-lateral agreement
- Similar to successful approaches in other markets (Pakistan, Vietnam) but without desired result

INDIA – GPC/NAFED Partnership

- MOU signed June 2019
- World Pulse Day Policy Event February 2020
- Start of a global approach to addressing India trade policy restrictions
- Demonstrate the role trade can play in achieving India's domestic objectives



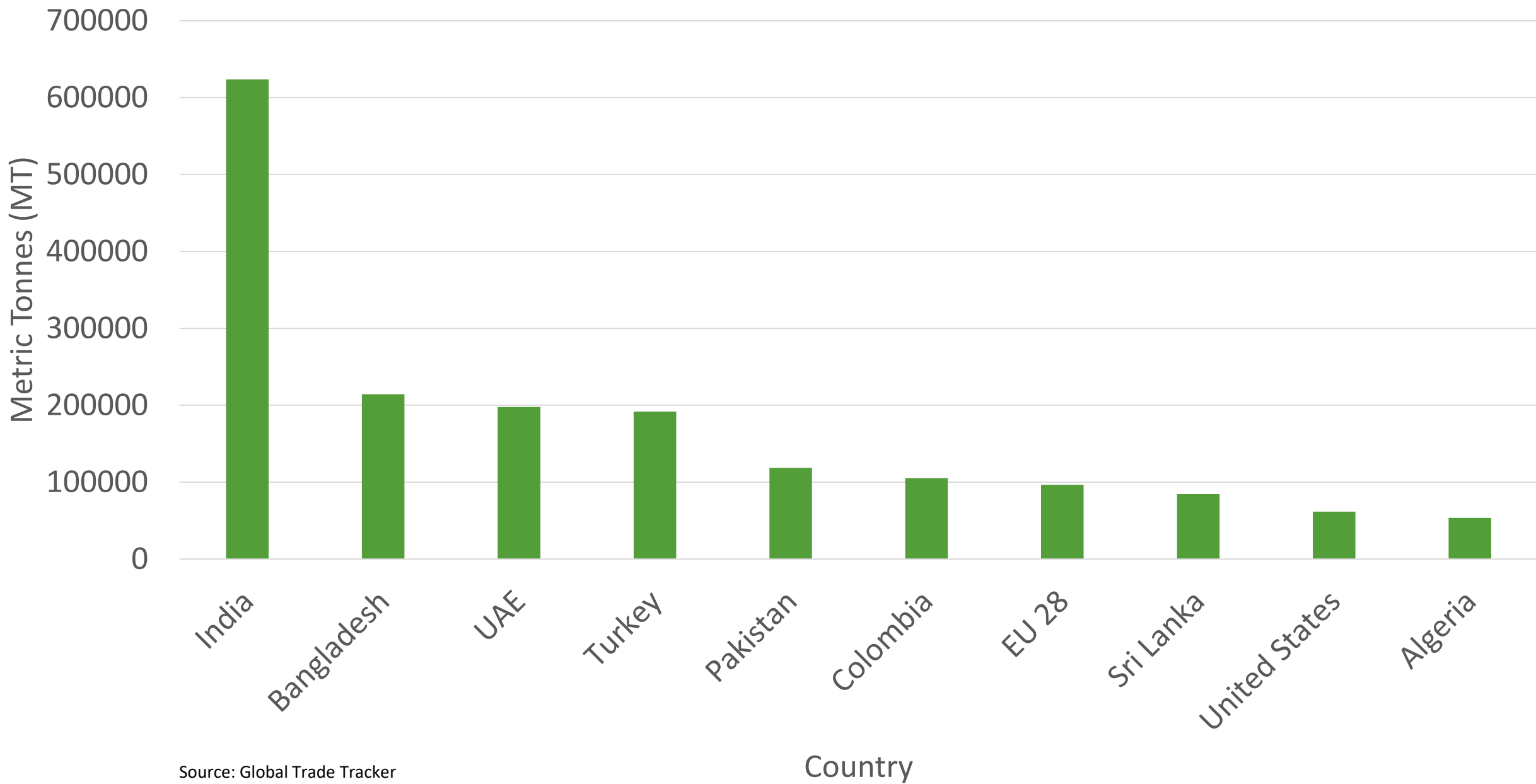
Shri Narendra Singh Tomar - Union Minister for
Agriculture & Farmers Welfare – World Pulse Day
February 2020



INDIA – CONTINUED OPPORTUNITIES

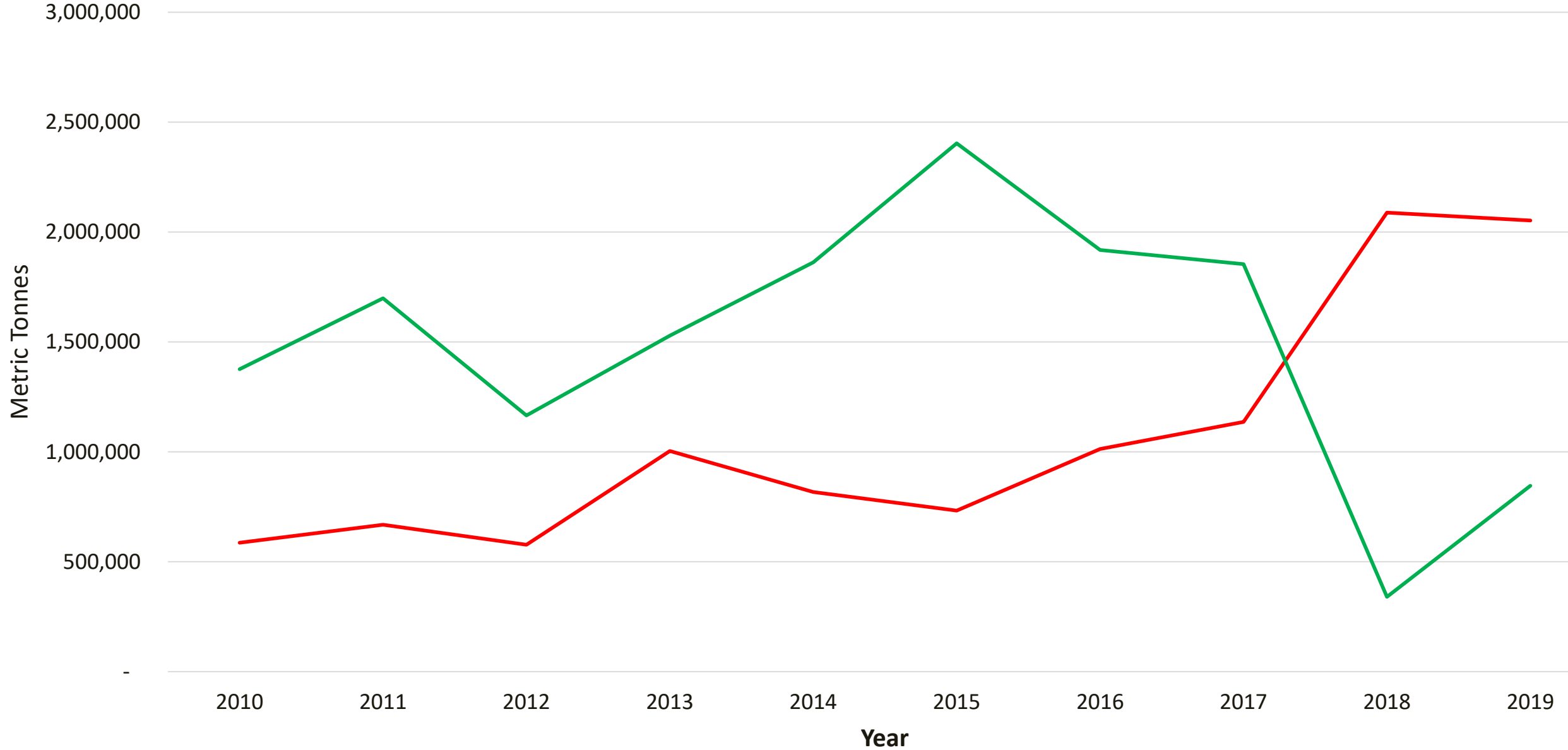
- Pulses remain most affordable protein for India's growing population, a third of which is vegetarian
- Pulse consumption growing
- Continued opportunities to augment domestic programs when India needs it
- Top lentil market in 2019 (return to pre-tariff levels)

2019 (Calendar) Canadian Lentil Exports



Source: Global Trade Tracker

Canadian Pulse Exports



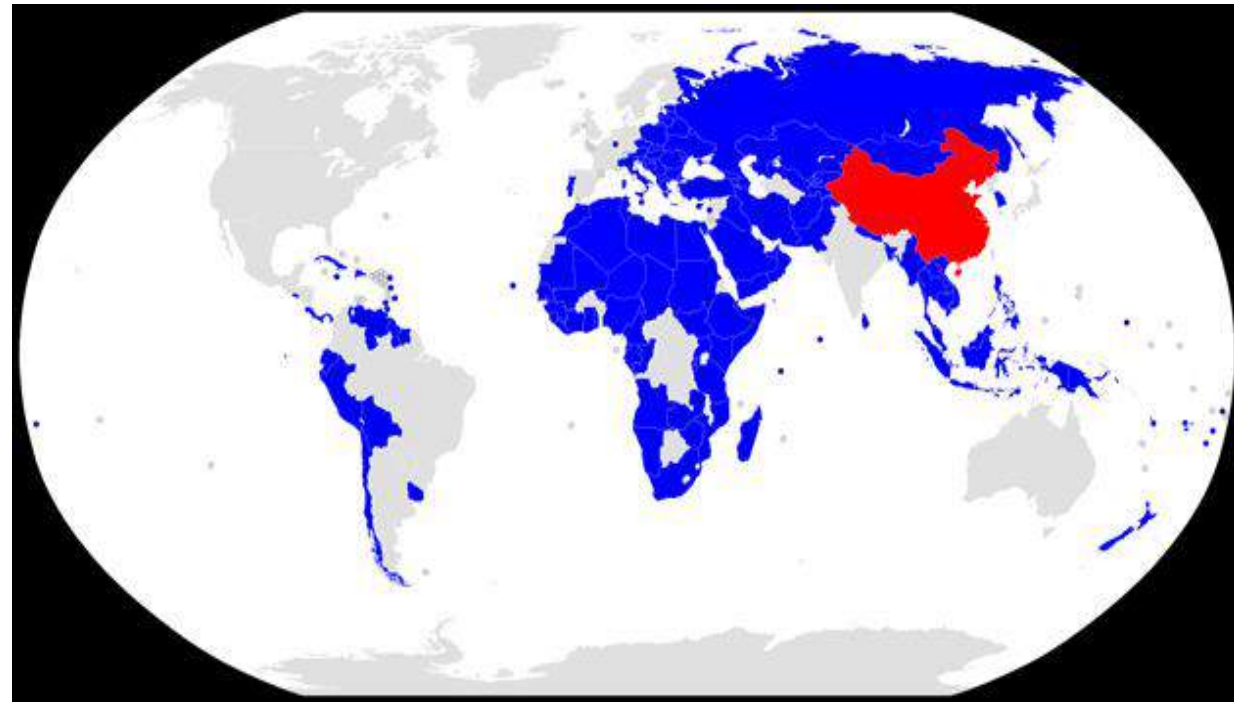
Source: Global Trade Tracker

— China — India

CHINA

- Canada has 95% market share in Chinese pea imports
- Risks:
 - Access for black sea origin pulses
 - Belt and Road Initiative (BRI)
- What is being done?
 - Growing opportunities in pea fractionation
 - Phytosanitary access for dry beans, faba beans, lentils and chickpeas

Countries that have signed co-operation agreements related to China's BRI:



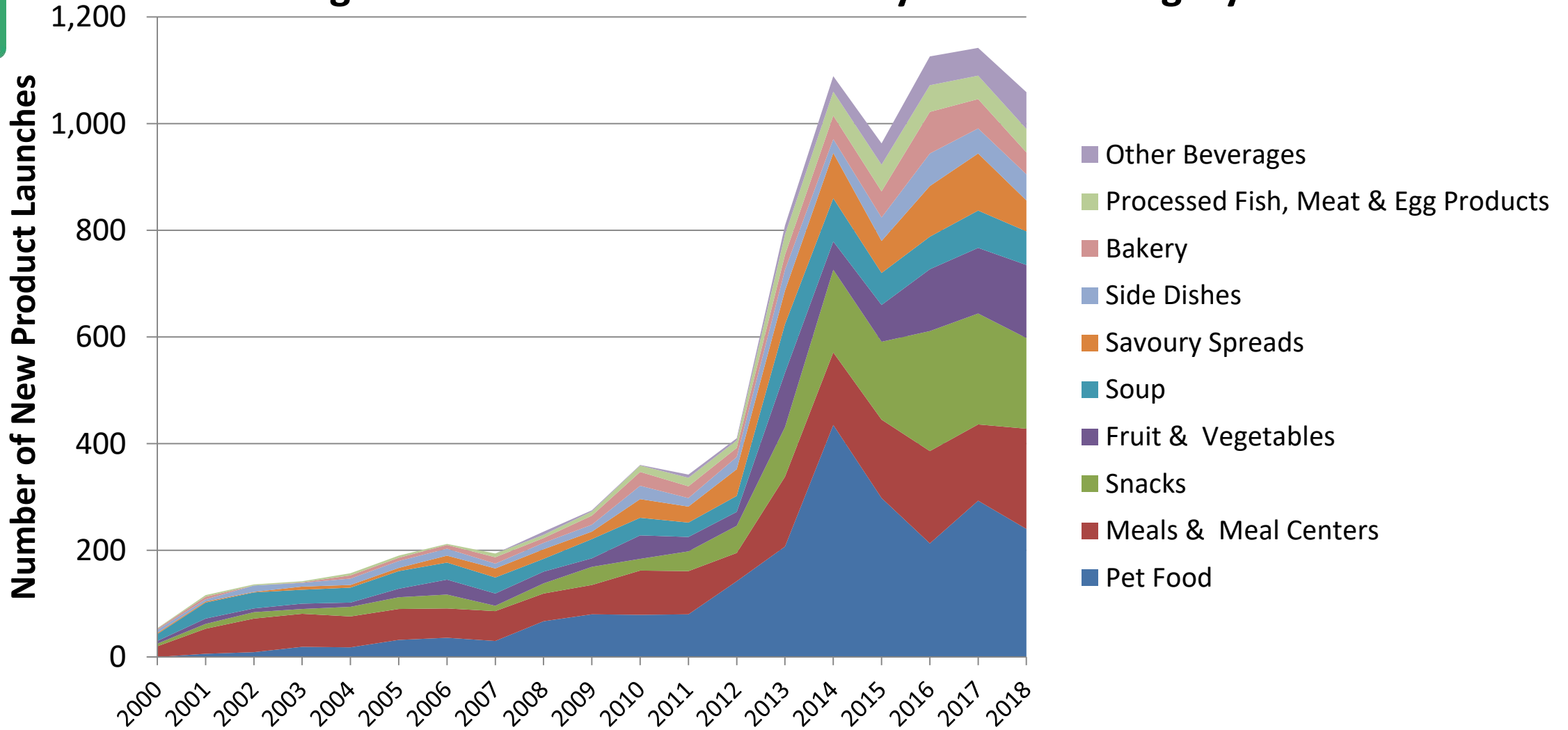
Source: taiwannews.com.tw

MARKET DIVERSIFICATION

New markets or uses for 25% of Canadian pulses by 2025



Food, Drink & Pet Food Product Launches Containing Pulse Ingredients in US and Canada - by Product Category



Source: Mintel GNPD



Thank You

