

Global Economic Outlook for Chickpea & Dry Bean

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Chickpeas

International markets for Kabuli chickpeas and the types of dry edible beans grown in Canada are entering another year with relatively tight supplies, suggesting they could outperform pulses in general during the coming marketing season.

A key reason is that while yields are up significantly over last year in both Canada and the United States (U.S.), land in beans declined because of competition for land use from grains and oilseeds. This had a modest impact on interest in growing chickpeas in the U.S., but not in Canada. Reduced plantings in the U.S. were partly offset by gains in seeded area in Canada.

The reasons for reduced interest in planting beans and other pulses reflects the strength of grain and oilseed markets during the past season. Looking at price indices for those markets, all were above their previous three-year average during the 2021/22 marketing year. But the increases were bigger for grains and oilseeds than pulses.

Combined with weather problems in countries such as Mexico, North America may not have produced enough beans and chickpeas to meet both export and domestic needs, with the result markets are expected to be more focused on North American domestic markets than pursuing export opportunities in other parts of the world.

The problem is most acute in chickpeas. Mexico's harvest was disappointing and while production in Canada and the U.S. are up significantly from last year, the region may have difficulty meeting its domestic needs.

Last year's drought had a major impact on available supplies of chickpeas in North America. Domestic disappearance in the two countries dropped from an estimated 264,100 tonnes in 2020/21 to 221,600 last season. It is expected to advance to 280,700 tonnes during the 2022/23 marketing campaign, but disappearance remains below the levels seen in 2019/20, when they reached and estimated 391,100 tonnes.

Canada and the U.S. are important trading partners for chickpeas. The U.S. emerged as Canada's second most important market after Pakistan last season; while Canada was the second most important market for the U.S., also after Pakistan. Bilateral trade likely includes export movement by both processors and farmers.

Interestingly, though production is up over last year, the available supply of chickpeas is expected to lower based on the latest production estimates from Statistics Canada and the United States Department of Agriculture (USDA). The implication is exports will likely be lower than last season, with Canadian movement possibly dropping from almost 179,300 tonnes to around 149,800; while U.S. exports may be unchanged at a forecast 59,600.

One of the issues facing the two countries through next spring is the fact output in Mexico has been disappointing. Production in the U.S. has shifted strongly toward small caliber varieties because of the needs of hummus manufacturers. As a result, domestic supplies of large caliber chickpeas have been reducing, contributing to import demand from Mexico and Canada.

The bottom line for growers is markets should remain relatively firm until we get a better picture of next year's chickpea harvests in India and Mexico. Given current values, production ought to increase, resulting in stiff competition for available demand in other parts of the world. Though India is a net importer of pulses, its chickpea exports could end up around 305,000 tonnes during the 2022 calendar year, up from just 95,000 last year and 176,000 tonnes in 2020, underscoring its potential influence on international values in 2023.

Global Kabuli Chickpea Supply-Demand Forecast

	2017	2018	2019	2020	2021	2022
Area (hectares)	1,901,000	2,638,000	2,018,000	1,814,000	1,812,000	1,774,000
Yield (kg/ha)	1,310	1,307	1,365	1,327	1,111	1,179
Production	2,490,000	3,448,000	2,755,000	2,407,000	2,014,000	2,092,000
Carry-in	94,000	266,000	660,000	600,000	359,000	222,000
Supply	2,584,000	3,714,000	3,415,000	3,007,000	2,373,000	2,314,000
Trade	793,000	1,193,000	1,133,000	1,199,000	912,000	1,057,000
Inferred Use	2,318,000	3,054,000	2,815,000	2,648,000	2,151,000	2,110,000
Ending Stock	266,000	660,000	600,000	359,000	222,000	204,000
Stock-Use Ratio	11.5%	21.6%	21.3%	13.6%	10.3%	9.7%
Per Capita Use (kg)	0.313	0.408	0.373	0.348	0.280	0.272

Estimates by STAT based data from the FAO, USDA, StatCan, ABARES, and other entities

Beans

Similar to chickpeas, North American dry edible bean markets may be more focused on domestic needs as opposed to potential export demand in other parts of the world. Land in beans was expected to be up over last year, but wet conditions delayed seeding in some key production areas, with the result white bean plantings in both Canada and the U.S. dropped from 393,000 to 294,000 acres, while coloured bean area fell from 1.502 million to 1.331 million.

Average yields are up over last year. Even so, combined white bean production in Canada and the U.S. will drop from 339,000 to 280,000 tonnes based on initial estimates from the USDA and StatCan. On the other hand, coloured bean output in the two countries should advance from 1.116 to 1.176 million tonnes.

Carry overs from the 2021-22 marketing year are relatively high, suggesting the available supply of white beans will slip from 497,000 to 462,000 tonnes, while coloured beans advance from 1.34 to 1.405 million tonnes. Overall disappearance is expected to be good and next summer’s residual supplies of both groups of beans should be down from this year.

Canada’s dry edible bean crop will again be dominated by navy or white pea beans. Most of the production is in Eastern Canada and Manitoba. The second most widely grown class is pinto bean, with most of the production located in Manitoba, followed by Alberta and Saskatchewan. Black beans are the third most important class produced, with Manitoba producing most of the crop, followed by Ontario and Alberta.

There is considerable movement of dry edible beans between the two countries. Canada imported around 14,000 tonnes of navy beans from the U.S. last season, but in the last three marketing years has exported

around 100,000 tonnes of all classes of beans to the U.S., making it the most important destination. Despite the free trade agreement between Canada, U.S., and Mexico, Canada ships limited quantities of beans to Mexico, instead focusing on destinations such as the United Kingdom.

In recent decades, world trade in dry edible beans has seen many changes. China was once a dominating exporter of beans similar to those grown in Canada and the U.S., but farmers have been shifting land into corn and soybeans, reducing its impact on global trade and prices. Argentina remains a major producer, but it focuses on Brazil for black beans and those European destinations which consume large caliber white alubia beans. More competition has been coming from Africa, supported by regional and European demand as well as efforts by India to expand sources of supply for varieties not grown here.

Given the supply outlook for Canada and the U.S., it seems likely exports to countries in other parts of the world will decline, while trade within North American should remain strong, with more of a domestic focus.

Mexico’s crop is expected to disappoint, which would be expected to result in more demand for U.S. origin beans, with Canada likely maintaining export volumes to the U.S. Demand in the U.S. for coloured beans should remain relatively strong. A key factor is that while available supplies of all classes of beans in the U.S. are up over last year, domestic usage and exports may rise to levels which result in a reduction in next summer’s ending stocks.

The net result is prices for dry edible beans are expected to be fairly well supported across the coming marketing season, with movement likely at levels which makes it easier to sell what you grew.

Estimated Bean Production by Class in Canada

Area (acres)	2017	2018	2019	2020	2021	2022
Navy/Pea	103,000	89,400	117,900	132,200	112,900	81,600
Black	49,000	35,800	52,476	61,500	46,400	39,800
Cranberry	8,000	25,700	17,400	19,890	24,800	11,100
Dark Red Kidney	4,000	20,100	23,000	32,500	29,800	15,100
Great Northern	23,000	24,395	25,868	36,400	25,000	10,800
Light Red Kidney	4,000	14,200	N/A	5,700	6,700	6,000
Pinto	80,000	88,500	85,535	125,900	131,200	71,000
Small Red	3,000	7,400	3,735	26,650	19,900	2,300
Other	89,100	63,616	77,587	23,660	48,300	59,300
Total	363,100	369,111	403,500	464,400	445,000	297,000

Production (tonnes)	2017	2018	2019	2020	2021	2022
Navy/Pea	94,700	88,500	86,200	144,800	102,200	80,300
Black	45,300	34,400	43,700	59,300	27,000	39,200
Cranberry	7,700	22,400	16,600	19,600	26,200	12,400
Dark Red Kidney	3,400	19,100	13,800	32,300	32,700	15,600
Great Northern	27,000	32,500	31,000	42,700	23,700	14,500
Light Red Kidney	4,100	10,600	N/A	5,830	5,500	6,300
Pinto	89,900	74,900	71,700	138,800	113,500	78,200
Small Red	4,000	9,000	2,800	34,600	15,000	2,800
Other	78,200	75,500	62,600	18,770	39,900	55,400
Total	354,300	366,900	328,400	496,700	385,700	304,700

Based On StatCan and provincial data

Canada and USA Combined Dry Edible Bean Situation

Area (acres)	2017	2018	2019	2020	2021	2022
Lentils	5,509,000	4,548,000	4,267,000	4,756,000	5,011,000	4,990,000
Peas	5,244,000	4,485,000	5,446,000	5,270,000	4,800,000	4,286,000
White Beans	401,000	357,000	374,000	471,000	393,000	294,000
Coloured Beans	1,477,000	1,276,000	1,364,000	1,795,000	1,502,000	1,331,000
Chickpeas	867,000	1,306,000	845,000	552,000	554,000	593,000
Total	13,498,000	11,972,000	12,296,000	12,844,000	12,260,000	11,494,000

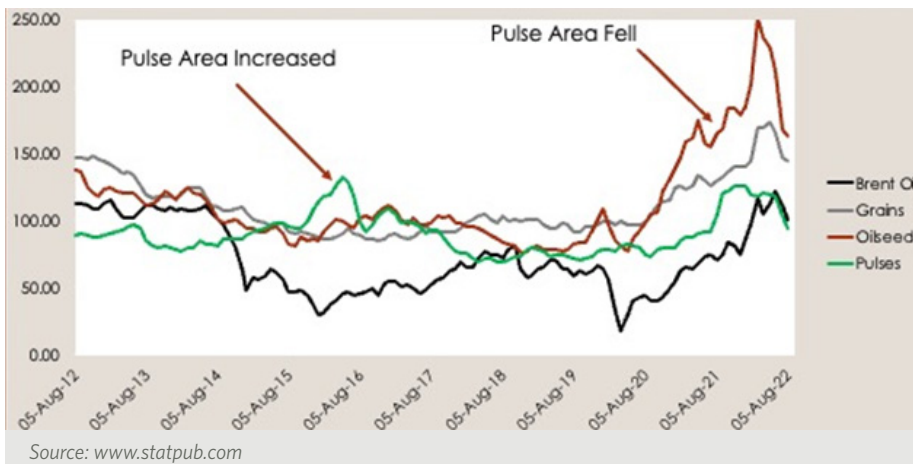
Production (tonnes)	2017	2018	2019	2020	2021	2022
Lentils	2,898,000	2,573,000	2,623,000	3,204,000	1,757,000	2,997,000
Peas	4,761,000	4,309,000	5,252,000	5,585,000	2,648,000	4,089,000
White Beans	377,000	367,000	298,000	457,000	339,000	280,000
Coloured Beans	1,336,000	1,173,000	1,014,000	1,590,000	1,116,000	1,176,000
Chickpeas	469,000	892,000	535,000	400,000	212,000	335,000
Total	9,841,000	9,314,000	9,722,000	11,236,000	6,072,000	8,877,000

Carry In (tonnes)	2017	2018	2019	2020	2021	2022
Lentils	316,000	874,000	857,000	210,000	439,000	225,000
Peas	505,000	814,000	482,000	452,000	669,000	418,000
White Beans	37,000	81,000	108,000	50,000	158,000	182,000
Coloured Beans	145,000	241,000	204,000	31,000	224,000	226,000
Chickpeas	20,000	72,000	388,000	366,000	213,000	64,000
Total	1,023,000	2,082,000	2,039,000	1,109,000	1,703,000	1,115,000

Supply (tonnes)	2017	2018	2019	2020	2021	2022
Lentils	3,214,000	3,447,000	3,480,000	3,414,000	2,196,000	3,222,000
Peas	5,266,000	5,123,000	5,734,000	6,037,000	3,317,000	4,507,000
White Beans	414,000	448,000	406,000	507,000	497,000	462,000
Coloured Beans	1,481,000	1,414,000	1,218,000	1,621,000	1,340,000	1,402,000
Chickpeas	489,000	964,000	923,000	766,000	425,000	399,000
Total	10,864,000	11,396,000	11,761,000	12,345,000	7,775,000	9,992,000

BASED on data from StatCan and USDA

World Price Index Comparison



Note: 2014-2016 equals 100

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