



Market Access Concerns Hasten Identification of New Opportunities for Canadian Pulses

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The Canadian pulse industry is beginning to see some exciting prospects on the horizon. Investments in pulse processing continue to be made in Western Canada and there is a growing demand for plant protein from consumers around the globe. While these opportunities continue to add optimism for the future of Canadian pulses, the current reality is a Canadian pulse industry that relies on an export market that can be highly unpredictable. Over 80% of the pulses grown in Canada are exported and access to key markets remains integral for the success of the Canadian pulse industry. This is why ensuring market access for Canadian pulses remains a top priority at Pulse Canada.

Market disruptions in key markets like India underscore the impact that loss of market access in even one market can have on the profitability of growers and the trade. Due to India's imposition of restrictive policy measures (tariffs and quantitative restrictions) beginning in 2017 and India's unnecessary technical requirement to have all exports fumigated with methyl-bromide prior to arrival in India, Canadian pulse exports decreased by 82% from the 2016/17 crop year (approximately 2.85 million tonnes) to the 2017/18 crop year (around 510,000 tonnes).

Although exports to India experienced a 53% increase during the 2018/19 crop year and total pulse exports to all countries rose by 14%, Pulse Canada continues to work to resolve the various market access barriers present in India. We are actively working with the Government of Canada to find a science-based solution to India's fumigation requirements. Canada hosted a delegation of Indian technical officials in late 2018 to showcase Canada's grain handling systems approach to ensuring that Canadian shipments meet India's phytosanitary requirements without the need for fumigation. Progress on this file was slowed with India's general election in May 2019.

Following the election, the Indian government has shown a willingness to re-engage in technical discussions with Canadian officials. In August 2019, the High Commissioner of Canada in India and Global Affairs representatives met with the Indian Secretary of the Ministry of Agriculture and Farmer's Welfare. This was followed up by correspondence from Canada's Minister of International Trade Diversification emphasizing the need to resolve the longstanding issue around fumigation.

India's fumigation requirement applies to all origins, but due to Canada's demonstrated ability to consistently meet India's phytosanitary requirements without fumigating product, Pulse Canada and the Government of Canada will continue to work towards a science-based resolution to this issue as was committed to in the February 2018 joint statement released by Canadian and Indian Prime Ministers.

While Canada continues to strive for a bi-lateral agreement with India on plant protection, pulse exporting nations, including Canada, are addressing the challenge of working with India to improve the predictability and transparency of pulse import policy, including both the quantitative restrictions and import tariffs that have impeded access for pulses into the Indian market. This work is being led by the Global Pulse Confederation (GPC). A Memorandum of Understanding (MoU) was signed between GPC members and Indian government officials from the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) in June 2019. NAFED hosted a delegation of GPC executives in New Delhi, India from August 7-9. The goal was to build off the commitments stated in the MoU and discuss information and data sharing to allow the global marketplace to better understand the domestic factors that inform Indian trade policy. This will help to achieve further predictability and transparency and augment India's domestic support programs with imports.

Pulse Canada has also been involved in work to resolve other market access issues, including phytosanitary barriers into Peru, Vietnam, Pakistan, and Korea. We are also continuing to find new opportunities and end-uses for Canadian pulses. The "25 by 2025" strategy aims to move 25% of Canadian pulse production, or 2 million tonnes of pulses, into new markets and use categories by 2025. The strategy is focused on developing inroads into the human food, animal feed, and pet food manufacturing, processing, and foodservice industries in markets with the greatest volume potential for pulse ingredients.