

# THE PULSE

# pod

POD 2 - NOVEMBER 2016



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**PULSES 2017**  
THE FUTURE OF FOOD

PULSES

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G. Chandrashekhkar

November 2016

## FROM THE PRESIDENT'S DESK



We are well into the International Year of Pulses 2016 and it has been an exciting year with many of the initiatives sponsored by the Global Pulse Confederation as well as the many national organizations around the world showing results as pulses are appearing as topic in the media all over the world. Media stories on the nutritional benefit, the trade and supply components, the functionality and the delicious taste of pulses, with many new recipes being featured, have been seen all over the world. It has certainly been a gratifying year so far for those of us in the pulse industry as we see our hard work come to fruition.

However, we must make sure that the hard work we have done in 2016 continues to pay dividends to the global pulse industry and the markets where pulse consumption is strong and new markets where pulse consumption is growing. When the media reports begin to slow down in prominence, we want to make sure that the market access and trade components of the pulse sector continue unimpeded.

Market access issues like trade barriers, GMO certifications, Maximum Residue Limit (MRL) and other related issues create an environment of uncertainty that impacts trade, food security and pulses' ability to be part of the solution of feeding the world's

population healthy and nutritious vegetable protein.

Trade and trade policies are more than just moving goods from one location to another. They are critical components that enable sector's ability to participate in reducing poverty, advancing broad-based and sustainable economic growth, supporting jobs, raising living standards, enhancing food security, expanding the variety of products available to consumers, and helping people everywhere get accessible safe, affordable, nutritious food in a reliable and efficient way.

Market access issues can be an obstacle in this. In IYP 2016, GPC decided to use the campaign as an opportunity to open a dialogue on improving the regulatory framework in which trade occurs, and to established a broad coalition of industry partners, government and farmers to advocate for international standards and ensure that the trade so critical to the advancement of the global pulse sector continues. We are making advancements in this area, but we must all continue to be diligent and focused on the matter at hand long into the future.

Huseyin Arslan  
President, Global Pulse Confederation

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# Forging a New Future for Pulses



By Hakan Bahceci  
CEO, Hakan Agr DMCC

As the UN has so aptly stated “The climate is changing, food and agriculture must too”. Today’s challenge is to secure a nutritious, efficient and sustainable food supply for the world. We are facing a “double burden of malnutrition” in developing countries. The poorest cannot afford enough food, while the new middle class acquires bad dietary habits.

So perhaps it is not surprising that the changes in diets can have undesired consequences such as chronic health conditions, obesity, and diabetes. One food source which bridges, being both healthy for people and the planet, are pulses. Pulses are a vital source of plant-based proteins for people around the globe and help prevent chronic diseases such as diabetes, coronary conditions and cancer but are often underfunded.

Pulse production and consumption have failed to keep pace with the growth in cereals. The Green Revolution brought dramatic increases in key food crops. It has brought an increase in the production of Soybeans by 842%, Maize by 327%, Rice by 233%, and Wheat by 204% in the past 50 years. But, it has brought an increase of ONLY 73% in Pulse production. Pulse production in 1961 was about one-fifth of major cereals, now it’s only one-tenth!

## A new and innovative project for GPC : The 10-Year Pulse Research Strategy

The International Year of Pulses (IYP) creates a unique moment to showcase transformative research investments that would allow pulse crops to deliver on their full potential as a critical player in the global food system. The Global Pulse Confederation has developed a number of exciting research papers for the Year.

A new global survey among leading agricultural research institutions and personnel shows that the current level of research funding into pulses is too low. This may be handicapping efforts to improve food security and agricultural sustainability. The ‘Global Pulse Productivity & Sustainability Survey’ conducted by the Global Pulse Confederation for the International Year of Pulses suggests that investment hovers at only \$175 million per annum for the 13 crops in the pulse category. Compare this to the billions invested into other crops such as corn.

The bottom line is, we need a 10-fold increase in pulse research funding. With over 800 million people suffering from acute or chronic undernourishment, increasing pulse research is vital. We can only meet the world’s protein needs with better varieties of

chickpeas, peas, beans, and lentils.

In addition to the research the Global Pulse Confederation has conducted, we have also received numerous other technical reports submitted from Argentina, Australia and France. All are available on [www.iyp2016.org](http://www.iyp2016.org).

This large gap between the potential of pulse crops for meeting global sustainability challenges and the current capacity to seize this potential has inspired a new and innovative project for GPC, the 10-Year Pulse Research Strategy. The 10-Year Research Strategy, funded by the IDRC of Canada, will be used to set an agenda for global discussion and mobilize champions to advocate for accelerated pulse research investments. This strategy will aim to:

- Mobilize and establish global and regional networks of leading scientists and industry players to accelerate collaboration toward improved productivity and sustainability of pulses.
- Convene public and private researchers to clarify major knowledge gaps and to establish a shared research agenda across international and national scientific efforts.
- Develop an internationally coordinated pulse crop productivity and sustainability research strategy, which increases the visibility of all pulse research domains, through engagement with governments, researchers, NGOs, associations, and others.
- ‘Expand the pie’ by attracting new types of research investment / investors (e.g. industry funds; public-private partnerships) to achieve adequate funding for both existing research programs and essential but marginalized research issues (eg, orphan crops; integrated approach to productivity, sustainability, nutrition and food security).

The Second International Legume Society Conference in Tróia, Portugal in October provided the perfect venue to work on the new 10-Year Pulse Research Strategy. This scientific conference brought together pulse breeders from all over the world who met to share knowledge and discuss the harsh challenges faced by pulse crops together.

The International Year of Pulses has been a huge success, but there is still a long way to go to increase investments in pulse research globally. The Global Pulse Confederation also calls for pulses to be prioritized in future agronomic research programs and placed at the heart of governments’ nutrition and food security strategies. Let’s work together for Pulses: the Food of the Future.

(Excerpts of speech by Mr. Hakan Bahceci at the International Legumes Society meeting in Portugal in October 2016)

# International Trade Centre, Geneva, puts Pulses on the Menu at Africa's leading Forum on Agriculture

AFRICAN  
GREEN  
REVOLUTION  
FORUM



At this year's African Green Revolution Forum, International Trade Centre (ITC) brought to the forefront of discussions pulses value chain development and the importance of helping smallholder farmers gain more comprehensive insights into regional and global markets to increase exports.

The African Green Revolution Forum (the Forum) held in Nairobi, Kenya during 5-9 September, brought together over 1,500 delegates including heads of state from across East Africa, senior ministers and government officials from around the world, farmers, private agribusiness firms, financial institutions, NGOs, civil society, scientists and international development partners of Africa. Discussions were drawn from this year's theme, "Seize the moment: securing Africa's rise through agricultural transformation." The ITC delegation was made up of its Supporting Indian Trade and Investment for Africa (SITA) team. SITA responds to challenges that selected East African countries – Ethiopia, Kenya, Rwanda, Uganda and the United Republic of Tanzania – face in increasing and diversifying exports. It also addresses trade priorities of the beneficiary countries so they can achieve sustainable development. SITA is funded by UK's Department for International Development and implemented by ITC.

As a major focus of ITC SITA's activities is to build sustainable agricultural exports and facilitate investment in the sector with 70 percent of ITC's technical assistance going to Africa, it was fitting that the ITC participate in two high level events at the Forum. At the Forum's official opening ceremony H.E. Uhuru Kenyatta, President of the Republic of Kenya set the stage by highlighting the importance of agriculture for Africa's development, emphasising that "growth in agriculture is up to eleven times more effective at reducing poverty than growth in any other sector."

Later, ITC Deputy Executive Director, Dorothy Tembo, partook in a high level symposium titled "Accessing New Global, Regional, and National Markets." Using the pulses sector as an example, Ms Tembo spoke of the untapped potential to increase market-focused production. But to do so, there is a need to overcome information asymmetry on prices, production levels, and market dynamics. Making this information accessible through partnerships is key to encourage farmers to grow more pulses and also for exporters to better respond to market opportunities.

"We believe there is a strong case for building both backward and forward linkages to overcome these information and quality asymmetries, thereby enabling farmer organisations to become global market operators," Ms Tembo said. Executive Director

of the World Food Program (WFP), Ertharin Cousin highlighted the Patient Procurement Platform (PPP) which connects farmer organisations directly with large enterprises. SITA is working in partnership with PPP in Tanzania with an expected result that 25% of PPP's farmers will supply pulses to companies from India.

Pete Vowles, Kenya Country Director at DFID, ITC partner and SITA donor, encouraged development partners to focus on interventions that helped communities move from dependence on aid to trade-based self-sufficiency.

In a later session, ITC SITA Coordinator, Govind Venuprasad moderated a high level panel on the Pulses Value Chain to discuss ways to boost production and export of pulses in East Africa. This was the first time the Forum featured a session devoted solely to pulses sector development. The session was a joint initiative of ITC, World Food Program and Alliance for a Green Revolution in Africa with the objective of bringing the pulses sector to the attention of government and the development community.

Mr Venuprasad introduced the session by highlighting the importance of pulses in the fight against malnutrition in both Africa and India, while Mahadevan Ramachandran, Deputy Director of WFP set the stage presenting data and other relevant information about the sector.

The high level panel included high level government officials from East Africa and India as well as representatives from the private sector. Founding director of Bidco, a business conglomerate involved in the manufacture of edible oil and other products, Dr Vimal Shah noted the work of the ITC on the East African value chain roadmaps and called on national stakeholders to collaborate for their comprehensive implementation. Indian High Commissioner to Kenya, Suchitra Durai reiterated the commitment of her government to work with the East African governments in the development of the pulses sector. Representatives from the Bill and Melinda Gates Foundation and Rabo Bank also participated in the session.

In summing up the session, Mr Venuprasad observed the change in stakeholders' perceptions of the pulses sector. "What we have seen here today is very heartening. In May 2015, I noted that many perceived pulses to be a "woman's crop". I'm glad to see that there is now a much greater understanding of the value of developing the pulses sector in East Africa – both for tackling malnutrition in India through increased exports to the country, and for providing an additional source of income for millions of African farmers, men and women."

The Forum culminated with the release of The Nairobi Communiqué: Decisions and Commitments from the 2016 African Green Revolution Forum with stakeholders agreeing to move forward with the implementation of these commitments.

(Report from International Trade Centre, Geneva, a promotional body of United Nations and World Trade Organization)

# “Zero tolerance policies impede trade, food security and innovation”



By June Arnold  
Head of Policy, Gafta



As part of IYP 2016, GPC's Market Access Committee has been actively lobbying in Rome and Geneva on the need to reform Codex processes, against this negative trend towards individual country MRL setting and zero tolerance policies for pesticides or contaminants as we are witnessing increasingly in the trade with default or zero limits.

Ag commodity traders cannot operate nor can the trade fulfil its role in feeding an ever increasing population. Not only is process reform key to further global alignment of MRLs, but also to encourage a wider acceptance of Codex limits globally, to avoid trade disruption, as experienced with glyphosate on lentils to the EU or more recently with changes in ergot limits on grains halting shipments to Egypt.

IYP 2016 has been the launch-pad for these discussions and has brought these trade issues to the attention of member-governments who now have the issue firmly on their radar for the benefit of both importers and exporters, developed and developing worlds.

Advocacy emphasising the need to have robust international standards to facilitate trade continued with GPC organising a

side event in FAO on “The role of standards to facilitate trade of agricultural commodities for food security and nutrition” on 4th October.

The event took place during the Codex Committee on Commodity Problems (CCCP) in FAO with Mr Huseyin Arslan, GPC's President, speaking on the perspectives of the pulses sector, experience with non alignment of MRLs globally and risk for developing countries. He explained the work of the GPC market access committee in addressing capacity and methodology problems, and spoke about the broadening of the coalition to include already 16 commodity sectors facing similar challenges on Codex MRLs, from tea to dried fruits; the aim being develop a catch-up plan quantifying the number of MRLs outstanding which are causing trade problems due to the time lag in Codex setting MRLs after national approvals for use.

Through Ms June Arnold, Gafta, one of the commodity sectors represented in GPC's coalition, emphasised the importance of international standards to commodity traders and the need to have robust Codex MRLs to ensure food safety, facilitate trade and improve food security. Trade unpredictability and trends towards zero thresholds are two examples that have negative impacts

on trade and food security and constrain market access for agricultural commodities, impeding innovation and farmers' access to new techniques and products.

The challenge for the trade is not only to comply with zero tolerances which are commonly applied by countries as they wait for international standards but as testing technology is cheaper, easier and more sensitive it has become a constant problem. The impact of zero tolerance policies needs further discussion and is not well understood. A clear explanation is needed within these regulatory settings to raise awareness of the impact of these decisions which slow down or prohibit trade, particularly with the support of importing countries.

Codex standards are based on best available science, are consensus based and are the only truly global relevant standards in existence. It is for this reason that the coalition is asking member-countries to invest in Codex and provide greater resourcing from financial and technical capacity to make the process more efficient and to consider other measures.

Following this CCCP event, GPC welcomes the news that FAO is now setting up an internal workgroup to look at ways to improve financing of Codex and WHO work, expected to be created in November. The issue is back on the agenda.

Codex members cover 99% of the world's population. More and more developing countries are taking an active part in the Codex process. Being an active member of Codex helps countries to compete in sophisticated world markets - and to improve food safety for their own population. At the same time exporters know what importers demand, and importers are protected from substandard shipments.

During the World Committee on Food Security meeting that took place during 17-21st October in FAO Rome, GPC and Gafta took part in bilateral meetings with several government delegations including Canada, Australia, USA, Switzerland, Egypt, Japan, Iran and Kuwait to underline the impact of zero policies on trade and the need for Codex reform along with a wider acceptance

of Codex MRLs as outlined above. The trade is fatigued chasing this disappearing zero which is counterproductive as it does not provide any additional consumer protection, adds costs to consumers, and additional food waste as perfectly safe food shipments are restricted impacting on food security. "I would again emphasize that the issue here is that regulatory gaps caused shipments of safe, nutritious lentils to be treated as a food safety breach, and rejected - randomly and unpredictably, harming farmers and consumers. While these were Canadian lentils, this concern is as relevant to pulse farmers in Uganda or Ethiopia as it is to Canadian farmers".

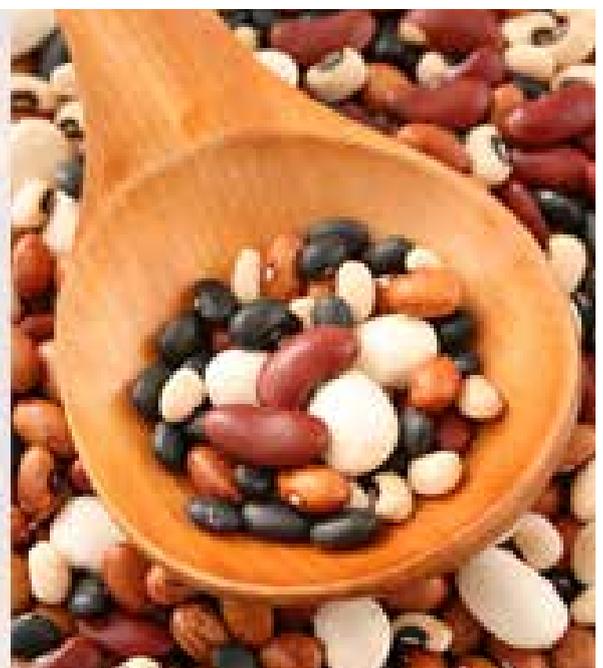
If exporters in developed countries are struggling with the capacity to keep up with these risks, it will be more difficult for emerging markets. Considering it is IYP this year and we have seen countries like Myanmar, Ethiopia and Tanzania rapidly growing their pulse sector, How do they keep up? What of China and India, for whom trade is a vital part of food security? or newly traded commodities such as Quinoa?

An event to underline these broader issues from a scientific viewpoint and supported by importing countries may be organised by the coalition going forward to gain traction beyond 2016. There needs to be recognition that if no MRL exists, should data be lacking, then an international Codex MRL should be acceptable for authorities with a constant focus on harmonisation.

The future that we would propose is a Codex that is fully equipped to develop a timely and fulsome set of tolerances to avert potentially widespread zero tolerances, ensuring the ability of trade to move commodities to the people who need them. We support a strong and well-functioning Codex in principle, as well as in recognition that the alternative is each country with its own system which is disastrous for the trade.

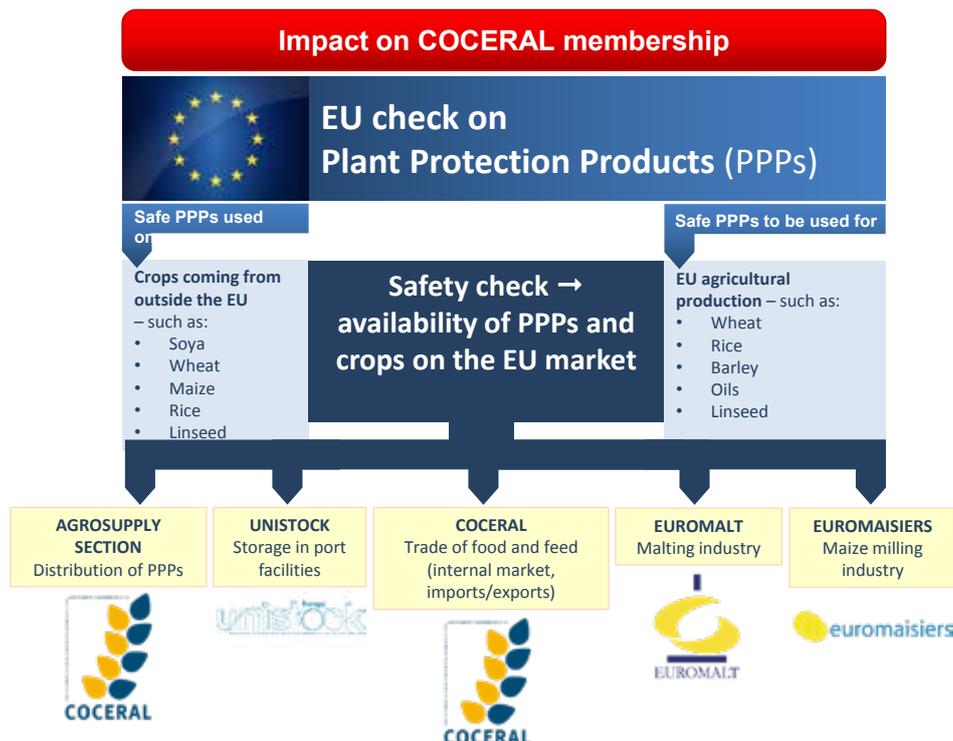
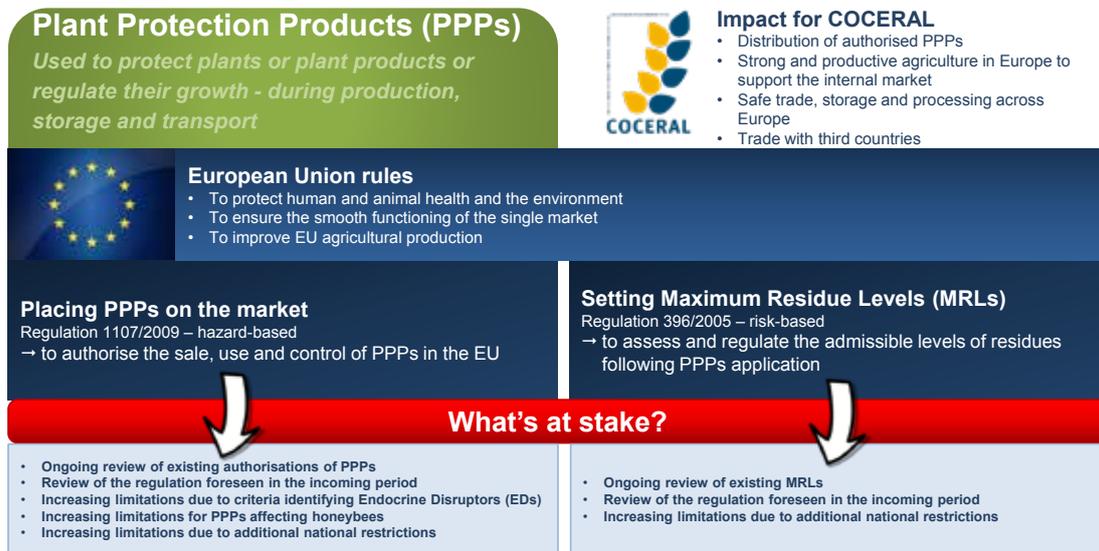
While the potential for disruption of food shipments due to regulatory gaps is not new, I would emphasise that we have the potential together to get in front of this problem. If we're all on the same page about where we're going, we'll have the best chance of actually getting there.

“  
Eat more pulses,  
help fight hunger,  
save the world”



**PPPS AND RELATED IMPACT ON TRADE AND INDUSTRY: COMMUNICATING WHAT IS AT STAKE**

The attention given to **PLANT PROTECTION PRODUCTS (PPPs)** is constantly increasing. The evolving EU rules and issues at stake are increasingly relevant for both trade and industry. It is therefore **important to raise awareness on what it at stake and its implications**. The COCERAL has prepared an **infographic** for your information.



# Australian Pulses 2016- Beauty and Terror combined"



By Nick Goddard  
Pulse Australia

" I love a sunburnt country,  
A land of sweeping plains,  
Of ragged mountain ranges,  
Of droughts and flooding rains.  
I love her far horizons,  
I love her jewel-sea,  
Her beauty and her terror  
The wide brown land for me!"

-Australian Poet, Dorothea Mackellar, 1885-1965

As Australian pulse growers begin to rest after the 2016 harvest, they might sit on their verandah in the hot, star-filled evenings, typical of the Australian summer, and reflect about the season just finished. Some might even think about the words in the famous Australian poem about life in outback Australia, titled "My Country".

Looking over the everlasting sameness of the never-ending plains, typical of pulse growing country in Australia, the words of that poem will have extra meaning after 2016 season. For, it was this season that saw both 'droughts and flooding rains' and the 'beauty and terror' of the pulse crop.

The season started with the end of El Niño – a very hot dry summer, which saw the start of what could have been drought conditions for the winter pulse crop. However, by the time of planting, the impending drought was no more, as rain began to fall, giving growers the opportunity to plant their pulses into moisture, and be assured of good germination and establishment. As the season progressed, the drought conditions soon moved into flood conditions as the rain continued through the winter months. In many pulse growing areas, it was the wettest season for many years.

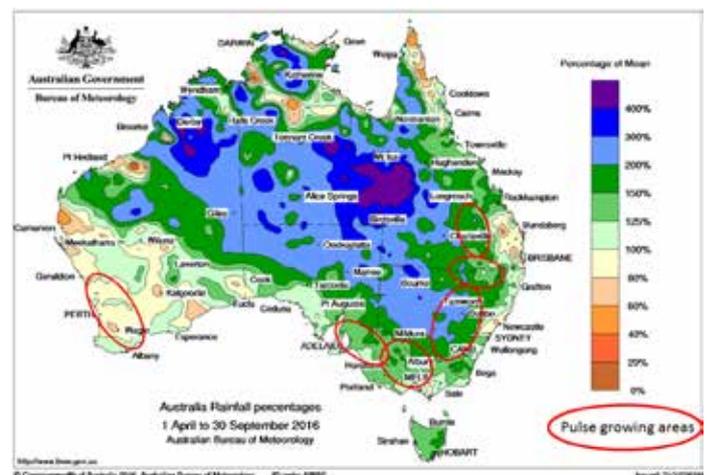
What emerged and began as crops of 'beauty', with the prospect of good yields and large volumes, for many growers, soon became potential crops of 'terror' as the moist conditions brought fear of outbreaks of disease- first, the risk of ascochyta, and as the canopy developed, the risk botrytis grey mould. Bulging rivers also added to the 'terror' with rivers and creeks breaking their banks and inundating pulse crops.

Australian farmers, fortunately, are a pretty resilient and resourceful bunch. Australian agronomists and advisors are equally resourceful. Consequently, when the threat of disease emerged, growers and advisors also emerged from their winter hideaways to aggressively manage the pulse crops with early and

timely application of fungicide sprays. In fact, so responsive were growers to protect their pulse crops, that supplies of fungicide became in short supply. Three, four, five, up to eight applications of fungicide have been applied to ensure disease outbreaks were managed and controlled.

By the time the harvesters began to roll in October, the season had been a story of two halves- a story of outstanding crops, high yields and good quality where diseases were managed well; and a story of crop losses due to flooding and disease. The 'beauty' and 'terror' so typical of Australian country played out all too well for the 2016 Australian pulse crop.

Final crop statistics are still to be finalised, with Pulse Australia estimating well over a million tonnes of chickpeas to be harvested; a million tonnes of lupins; 400,000 tonnes each of lentils and faba beans, and 300,000 tonnes of peas. At over 3 million tonnes of pulses in 2016, this becomes a new record for the Australian pulse industry, and a great testament to the resilience and tenacity of Australian pulse growers to nurture their crop through the 'terror' to deliver pulses of the quality that Australia is renowned for.



As summer begins to settle in for Australian pulse country, baking the earth to a hard crust, preserving the moisture below for next year's crop, echoes of Dorothea Mackellar's famous poem will come to remind pulse farmers that even through adversity and a very tough year, they "love a sunburnt country, a land of sweeping plains, of ragged mountain ranges, of droughts and flooding rains." Map showing rainfall 150%-300% above mean average rainfall in pulse growing areas for the Australian winter pulse growing season.

# Dall processing- Time to look beyond borders?



By Dr. Bharat Kulkarni  
Director, Stalwart Management Consultancy Services



The pulses industry in India is heavily integrated with the processing sector as more than 75% of the pulses consumption is in processed (Dall (that is split) or flour) form. Processed pulse (split, cleaned, graded) called dall is a necessary ingredient in the diet of not only Indian, but also the majority of the South Asian population. These people have carried their food habits, and as a result, there is demand for the dall across the world as they migrated. The demand of the south Asian diaspora was traditionally met through the imports of processed dall from India and neighbouring countries.

This business model, however, was disrupted in 2006 as the Government of India banned the exports of pulses, which was also applied to dall export as a food security measure. The Indian authorities have not looked at lifting the ban ever since. The expanding gap between demand and supply and the volatility in the dall prices in India have meant that this ban is not going to be lifted anytime soon.

The demand from the diaspora community and the export ban in India has pushed the processors and exporters of dall to look for alternative locations. Relocating their processing plants to other locations such as Dubai and Singapore is an option that many have chosen. As the ban is expected to stay in place for the

foreseeable future, the investment in setting up dall processing plants outside of India is becoming more attractive.

If we look at the history of the industry, we find it has been steadily growing. In a span of 25-30 years, the number of dall processing units in India increased significantly. This growth of dall processing plants has been seen in areas like Indore, Jalgaon, Akola etc, where the production of pulses is also quite high. The proximity of production and trading location has been a very important factor that has played a role in geographical spread of the plants.

However the sector's attractiveness is losing its shine in India. Processors are having significant challenges as the industry is becoming more and more unorganised. In absence of branding and brand preference, certainty about the market is absent. Also, the dall processing plants in non-production areas like Chennai and Nagpur have more challenges as the uncertainty of availability of the raw pulses makes it difficult to plan the production schedule. The processing plants in these areas surely need a new opportunity to explore and grow.

These processors can look at the current situation as a blessing in disguise. May be this is the time for them to look beyond the borders and explore new pastures in new locations. The ban on exports and the non-availability of processing facilities in foreign production locations makes the opportunity more lucrative. Dall processing is a very technical area and only experience teaches the processor to produce dall suitable to be cooked. This is also important to keep the costs under check. The experience of the processors is a big plus for them.

As in India, the processors can look at establishing the processing units in pulses growing countries. East Africa is a very attractive destination for it. The availability of the pulses through the network of small holder producers makes it much easy for small processors to buy and process. Also, these countries are promoting exports and industrialisation, making production and exports almost tax free. Further, the cost of labor and power in countries like Kenya and Tanzania are cheaper, making the cost of operations lower. Finally countries like Tanzania and Malawi, being Least Developed Countries (LDC) have access to American and European markets duty-free. The major importing markets of South Asian diaspora are in USA and Europe and a duty-free access to these markets is a big advantage. They would be more competitive as compared to the exporters from Dubai or Singapore. Needless to say, under several support programs, the availability of finance for investments is also many times available at concessional terms.

In Conclusion, it seems that the time is ripe for Indian Dall processing units to look for international facilities and exports. The various assistances through the policies of the governments in Countries like Tanzania and Kenya can be a useful launch pad for their processing units.

## “India’s record pulse harvest pressures global prices; but set to spur consumption”



G. Chandrashekhar

Even as the global pulse market is awash with large harvests in many origins that is creating a near-glut situation, the ongoing record high production of 2016 Kharif (autumn harvest) pulse crops in India is being watched with great interest by market participants primarily because of the country’s dominant position in production, consumption and trade.

There has been a dramatic transformation in market sentiment in the last three months following record planted acreage (14.6 million hectares, an increase of nearly 40 percent from last year) and reasonably well distributed rainfall that has resulted in a new record Kharif season harvest of 8.7 million tons (last year 5.5 million tons). Coming after two years of below-normal rainfall (El Nino effect) and lower harvests, the rebound in overall agricultural production including pulses is set to help raise rural incomes, contain food inflation and spur consumption demand.

Also, the minimum support price (MSP) for pulse growers has been hiked significantly. MSP for Kharif 2016 pulses is above the threshold level of Indian Rupees 5,000 per 100 kilograms equivalent to approximately US\$ 750 a ton.

Table: India’s Pulse Production Kharif 2016-17 (in million tons)

Pulse	Target	Output	2015-16
Tur	3.6	4.3	2.5
Urad	1.5	2.0	1.4
Moong	1.2	1.4	1.0
Others	1.0	1.0	0.6
<b>TOTAL</b>	<b>7.3</b>	<b>8.7</b>	<b>5.4</b>

(Source: Government of India, Ministry of Agriculture)

Note: Tur/Arhar = Pigeon pea; Urad = Black matpe; Moong = green gram / vigna radiate

Simultaneous large harvest in other origins such as Canada, USA, Australia, Black Sea region (Russia, Ukraine), Myanmar and East Africa has resulted in a collapse of export prices. For example, pigeon pea prices that ruled at the scarcity value of around \$ 1100 a ton until about six months ago are now traded at about \$ 640 a ton. Yellow pea rates are down sharply from around \$ 380 a ton to just about \$ 300 a ton, a throwaway price really.

The Indian government was acutely embarrassed by the skyrocketing prices of pulses in the last one year. The ‘dal shock’ as some international media described it, has forced the government to pay more attention to pulses. Procurement of pulses from domestic market and import through government agencies for creation of buffer stock is one of the key measures.

The latest rebound in production and softer prices has come as a big relief to policymakers and consumers alike.

However, a huge rebound in production is creating its own problems. In several marketing centres, prices are ruling below the MSP. The government ought to support growers by purchasing at the specified support price; but the efforts leave much to be desired. This can potentially discourage growers.

In combination with new crop arrivals, imported material have also begun to flow in. India imported about 1.8 million tons from April to September 2016 (as predicted by this author during the Turkey Convention in May this year). The comparative figure for the corresponding period in 2015 was 2.1 million tons.

Import commitments for arrival in the last quarter of the current calendar year are estimated at about 2.2 million tons. These contracts were entered into several months earlier assuming Indian harvest would not rebound. However, the market has its own way of performing. What we see is ‘supply response to prices’. Anecdotal evidence suggests as much as 500,000 tons worth contracts may have been washed out / settled / defaulted because of sharply fallen prices. This can potentially trigger trade disputes.

With the festival season demand tapering off and new crop harvest and imports hitting the market together, there is the risk of further downside price movement. In the event, the Indian policymakers may consider imposing customs duty on imported pulses in order to support domestic growers. In the event, the market risks getting into disarray.

Planting for the Rabi crop (winter planting and spring harvest) will commence soon after the Kharif harvest. Chana or desi chickpea is the dominant Rabi pulse crop. Given the current high prices of chana (scarcity value of \$ 1700 a ton), there is expectation of larger acreage and higher production.

The target for Rabi pulse production is 13.5 million, of which target for chana production is 9.5 million tons. Whether the target will be reached depends primarily on weather conditions. Subsoil moisture conditions are favourable.

Notwithstanding the rebound in domestic output, India will still end up importing 3.8 million to 4.0 million tons during financial year April 2016 to March 2017, far below the record 5.8 million tons in 2015-16.

(The author, Editor of The Pulse Pod, is a Global Agribusiness and Commodity Sector Specialist. He can be reached at +91 9821147594 and gchandrashekhar@gmail.com). Views are personal).



# News & Views

## NEW PULSE AND SOYBEAN PERMITS

Please note that Pulse Australia and the Australian Oilseeds Federation have applied for and been granted additional emergency permits as follows:

### Insecticides:

PER 83373	and PER 83374	Lucerne Seed Web Moth	Lentils
PER 83319		Lucerne Crown Borer	Soybeans

### Fungicides:

PER 83097	Ascochyta Blight	Faba Beans and Field Peas
PER 83305	Ascochyta Blight	Chickpeas, Faba beans, Field Peas & Lentils

These permits are in addition to those already advised.

These and prior permits are listed on the Pulse Australia website under Crop Protection Products. Please ensure you access the permits from the APVMA website and comply with condition, including expiry dates. PER 83374 has been issued, but not yet active on the APVMA website.

## NEW PRODUCT LAUNCH

Warburton Protein loaf (including pulse flours)

**Beans IN toast?** No doubt you are already aware of this?

Beans 'in' toast as opposed to beans on toast!  
<http://www.warburtons.co.uk/products/bread/wholemeal-brown/400g-protein-loaf>

We are at the dawn of a new era in which pulses will become an increasingly significant and widely used food ingredient. I predict that one day, perhaps before the end of this millennium, this will exceed the tonnage used in the legacy business of pulses as a foodstuff. Can we believe IYP2016 acted as a catalyst in this? I think we should.

Marcus Coles (CEO Maviga PLC)  
 (courtesy: Andrew Jacobs, UK Pulses Promotion Group)

## OECD RECENTLY PUBLISHED A REPORT: "EVOLVING AGRICULTURAL POLICIES AND MARKETS: IMPLICATION FOR MULTILATERAL TRADE REFORMS".

This report focuses on the significant developments in world agricultural markets and in the policies of major agricultural producing regions since the latest round of WTO negotiations began in 2001.

World agricultural markets have evolved significantly over the last 15 years. Production, prices and trade flows have been transformed, while over the same period countries have also altered their agricultural trade and domestic support policies. World agricultural markets continue to face distortions from government intervention in the sector, so much so that some of the interventions can exert a negative impact, potentially distorting incomes and welfare, reducing the efficiency of global food production and benefits from trade, says the report.

The results from the study show that the current suite of agricultural policies has a significant and negative effect on agro-food trade. Overall, trade in all agro commodities would be higher if current trade policies were removed. Policies limit both trade in intermediate products and in final consumption goods, suggesting that the development of global value chains (GVCs) in the agro food sector, which have the potential to raise agricultural incomes and sector productivity, have been hampered by current policy arrangements.

A significant finding is that while many trade and domestic support policies are aimed at increasing food production, from a global perspective they do not. What policies do is to alter both the relative mix of products grown and the location of production activities. Policies promote staple products such as rice and wheat at the expense of other production activities.

For developing countries, the benefits of reform are more critically linked to the actions of other developing countries. While arguing for more aggressive policy reforms, the report suggests that there is potentially more value in being able to lock-in the current set of policies than in reaching agreement on small decreases in protection. "Instead of further delays, reaching a binding agreement that locks-in current practices is of value", OECD asserts, adding that the recent WTO agreement reached in Nairobi in 2015 takes some steps in this direction, but more is needed.

For full report, please visit:

[http://www.keepeek.com/Digital-Asset-Management/oecd/agriculture-and-food/evolving-agricultural-policies-and-markets\\_9789264264991-en#.WBNZ0UY-mSA.gmail](http://www.keepeek.com/Digital-Asset-Management/oecd/agriculture-and-food/evolving-agricultural-policies-and-markets_9789264264991-en#.WBNZ0UY-mSA.gmail)

(Source: OECD – excerpts from report)

## INDIA RELEASES NEW VARIETY OF PULSE – PUSA ARHAR 16

A new variety of pulse (pigeon pea) called PUSA Arhar 16 has been released in India. The variety is extra early maturing, semi-dwarf, determinate, high yielding variety and will be available to farmers from next Kharif season. While the traditional varieties take 170 days to mature this new variety take less time to mature that is 120 days only.

PUSA ARHAR-16:-

ICAR-IARI, New Delhi has developed extra early maturing (120 days), semi-dwarf (95 cm to 120 cm tall), determinate, high yielding new plant type genetic material viz., Pusa Arhar 16 which is semi-erect compact plant type. This plant type allows dense plant population of 330,000 plants per hectare when planted with Row X Row spacing of 30 cm and Plant X Plant spacing of 10 cm.

High density planting is important to realize higher yield and mechanization. Traditional varieties do not allow high density planting as their plant type is indeterminate and spreading type. Thus, suitability to high population density of this line allows uniform plant density and ultimately uniform plant stand and thereby reduces losses in yield due to seedling mortality.

In the form of Pusa Arhar 16 ICAR-IARI has tailored a new plant type arhar (pigeon pea) in line with semi-dwarf rice and wheat. The NPT arhar requires a modified agronomy for maximizing the productivity with reduced cost of cultivation, which has been developed. All items of farm machinery used for wheat from sowing to harvesting are fully utilizable for cultivation of NPT Arhar.

Pusa Arhar 16 allows effective spraying of insecticide even with Knapsack sprayer for effective control of insects due to compactness and dwarfness. This new plant type, with synchronous maturity, is also suitable for combine harvesting and thus does not require manual laborers for harvesting and threshing.

Harvesting and threshing in traditional varieties require more manpower and time thereby increasing the cost of cultivation and chances of losses due to damage by untimely rains. This extra early line also allows growing of mustard / potato / wheat in rabi after harvest of pigeonpea successfully. Moreover, as this line is extra early maturing (120 days) it allows flexibility of sowing from onset of monsoon (5th June) to even up to 1st week of July.

(Source: Government of India, Ministry of Agriculture)

## DESICCATION AND CROP-TOPPING: RISKS IN PULSE AND CANOLA CROPS

With the majority of pulses and canola destined for key export markets, ensuring harvested grain complies with prescribed Maximum Residue Levels (MRL) is paramount to ensure ongoing access to these markets. While all members through the value chain have an obligation to ensure MRL compliance, pulse and oilseed producers have a lead responsibility to ensure grain leaving their farms meets the MRL requirements.

The high weed pressure this season, combined with additional biomass in many areas, makes the appropriate use of desiccation and crop-topping chemicals critical as we head into harvest. This information leaflet, Desiccation and Crop-topping: Risks in Pulse and Canola Crops, has been prepared to remind growers of the correct and permitted pulse and canola desiccation and crop-topping chemicals and use-pattern for use at harvest.

Vendor declarations are another core responsibility of growers, so that buyers can be fully informed of the chemicals and use-patterns employed through the season. Correct chemical usage on farm, and accurate vendor declarations form a key component in the value chain to ensure the access to key markets is maintained, and the high reputation of Australian grain is protected.

Nick Goddard, Pulse Australia

