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Pulses 2017 "The Future of Food" Convention Vancouver

COMMODITY MARKETS: SLOW GROWTH IN DEMAND SEEN KEEPING WORLD PRICES DOWN
By Boubaker Ben-Belhassen

September 2017

FROM THE **PRESIDENT**'S DESK

Dear Colleagues,

On behalf of the Global Pulse Confederations, I wish to thank everyone who attended the Pulses 2017 "Future of Food" convention held in July in Vancouver, Canada along with our friends at the Canadian Special Crops Association. The event was well attended and well received, with informative sessions for all delegates as well as opportunities to meet with friends, discuss our industry and, as always, develop and grow our business. Most importantly, the Pulses 2017 "Future of Food" Convention enjoyed the highest level of delegate attendance in history - truly a success for GPC and our industry overall.

Conventions such as our annual GPC convention are an important information resource and messaging opportunity for our industry and the players in it. With Pulses 2017 and with "Future of Food" as the theme, the messages shared at the Convention were well placed and timely.

In North America, consumption of pulses per capita is low and pulse are viewed as a food for the future where as in traditional markets pulses are food for the past, present and future.

At the conventions, spirited debate on upcoming market trends, speculation on crop size, quality and demand takes place and gives us as an industry "food for thought" throughout the marketing year. I believe this year we had an excellent balance between market and production updates, trade policy discussion and updates on our marketing and branding initiatives for the "Pulses" brand introduced during IYP 2016 – a brand that continues to grow in implementation and provide awareness to consumers everywhere on the nutritional benefit and importance of pulses in global food systems.

And of course, the networking events to spend time seeing old friends and meeting new ones are always important in an industry such as ours.

It was particularly impactful to hold the event in Canada where a significant amount of exported pulse supply originates to world markets such as India; particularly from Vancouver, an important port for shipment of pulses. It demonstrates the importance of resolution of tariff and non-tariff trade barriers in markets around the world. In India particularly, the ongoing issues surrounding fumigation is one that governments and industry associations such as GPC are working diligently to resolve, particularly as we enter the traditional shipment periods for pulses in the latter part of the calendar year and the early part of the next. India is an important driver of the global pulse sector and world supply. It is important to ensure that consumers in India have access to the pulses and staple foods they need to supply quality and nutritious vegetable protein to the world's largest pulse market.

It is at conventions like Pulses 2017 "Future of Food" that we, as a global industry, have the opportunity to discuss these and other issues that face our sector and work collectively to make our sector strong. We look forward to 2018.

Huseyin Arslan
President, Global Pulse Confederation

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COMMENTS AND SUGGESTIONS.

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By Dr. Raj Bhandari MD
Director of Boutique Foods and
Technical Resource for Developing
Operational Protocols for Community
Management of Acute Malnutrition in India

Pulses and Millet as Carriers of Nutrition

What started as an endeavour in trying to ensure nutritionally rich diets to my young patients who comprise infants and adolescents as well, gradually became a passion, more so because of lack of knowledge about healthy food options among general population.

This is where 'Boutique Foods' started to take shape as an idea. After extensive research, and interaction with other domain experts in different fora coupled with in-house trials on the use of Millets and pulses (namely Chickpea) as a substitute for commonly used grains we came to the conclusion that Millets and pulses offer a superior Nutrition mix as compared to wheat and rice.

Millets and pulses are naturally endowed with rich mineral and vitamin content, even offering a better quality of protein content. Further research led me to conclude that Millets and pulses not only offered better food value to children but also to people predisposed to life style diseases like diabetes and cardiovascular disease. Millets based foods, due to their inherent anti-inflammatory, non-allergenic properties on gut health, have the potential to influence the course of some disease conditions like Ulcerative colitis, irritable bowel syndrome, metabolic dysregulation etc.

This is how we formalised the product range with in-house research and with a great help from Boutique Foods's business incubator- International Crops Research Institute for Semi-Arid Tropics (ICRISAT), Hyderabad, who offered their relentless support in scientific techniques and complete access to their state-of-the-art facilities, which led us to bring our products to final stage of manufacturing. Boutique Foods was finally incorporated on 2nd August 2016 with Dr Raj Bhandari as partner and Mentor-in-Chief to other team members.

As on date we have formulated three Products viz Energy Dense Nutritional Food (EDNF), Millet Cookies and Millets intense Flour. We have already filed the final patent application for EDNF, to safeguard our intellectual capital. EDNF is primarily targeted as a support to Government and Corporate interventions to tackle the scourge of Malnutrition among children and pregnant women in our society which is highly prevalent across the country.

EDNF offers Gluten- and Lactose-free energy based nutrition along with the advantage of prebiotics to such groups. Millet intensive Flour and Millet Cookies are targeted as a substantive form of substitute to wheat and rice consumption to general population, helping them manage their life style diseases. These products offer low glycemic index, better quality proteins, slow digesting starch, prebiotic mix, all leading to better quality Nutrition.

At present we are supplying our EDNF and Millet Cookies to ICRISAT's Nutri Basket Project, for supplies to Ministry of Health and Family Welfare, Govt of Telangana which is being distributed to 5000 children and pregnant women in the Districts of Adilabad and Asifabad, under the Integrated Tribal Development Agency, (ITDA). This is an ongoing project for nine months. The outcome of this project will be of immense value to Boutique Foods as a company. Such cost-effective interventions in Government institutions can be a win-win situation for all stakeholders.

The commercial launch of other two products is also on the anvil. These products should hit the markets by September 2017.

This is just the beginning of a long journey but the large scale validation and the faith in our products shown by organisations like ICRISAT for a prestigious and important intervention like this in the state of Telangana is a very good beginning for our team. We fully understand the road ahead will be full of challenges and uncertainties, but we are geared up to the occasion and shall take it through its logical course i.e. make Millets a mass consumption category of for all consumers leading to higher cultivation of millets that helps in providing healthy and nutritious foods in as much as they protect our environment and soil health giving our farmers a better value for their produce.

(Dr. Raj Bhandari MD (Paed.) is the Director of Boutique Foods and technical resource for developing operational protocols for Community management of Acute Malnutrition in India. Served as Country Coordinator for Palliative Care in Mumbai and technical resource for World Bank, Unicef, Unfpa, DFID, Action against Hunger (ACF), Digital Green among several other research publications.)

GPC Pulse Contract # 1

By Jonathan Waters LLB, LLm, MCIArb, Barrister
General Counsel, The Grain and Feed Trade Association

At the 2017 annual convention in Vancouver, GPC launched new standard contract terms for foreign trade in pulses called GPC Pulse Contract # 1 with the aim to make the contractual obligations in world pulse trade more certain and more transparent.

GPC Pulse Contract # 1 is a contract for full container loads (FCLs) bulk or bagged CIF / C&F terms. The contract is effective July 13, 2017. The contract terms were designed in association with GAFTA. Contract performance issues were discussed during the launch of the new contract. A panel of experts explained and clarified a number of questions that delegates raised. Two themes – What is Force Majeure and the Differences between Gafta 125 and Gafta 126 – deserve specific attention.

Jonathan Waters, General Counsel, GAFTA, provides his generic response.

1. What is Force Majeure?

Force Majeure is an exceptional event, outside the control of both parties, which prevents performance of the contract and releases both parties from their contractual obligations without either being in breach of contract.

Force Majeure clauses are common in commodity contracts – including the new GPC contract and in all Gafta standard contracts. Common examples of Force Majeure include: acts of terrorism, acts of God, strikes, riots and Government legislation prohibiting or restricting exports. An 'Act of God' is a phrase which covers natural disasters which are outside of human control – for example, a hurricane or a tsunami.

A party seeking to claim Force Majeure would have to prove that the event in question fell within the contractual definition of force majeure and prevented performance of the contract. In addition, if the Force Majeure clause included an obligation on the party claiming Force Majeure to give notice to their Counter Party, then the notice provision would have to be strictly observed.

If it is not, the ability to claim Force Majeure is highly likely to be lost. In Gafta contracts, there is a separate Notices clause which requires all notices to be given in writing. Oral notice, for example, given during the course of a telephone call, would be ineffective.

As a successful Force Majeure claim enables a party to, effectively, 'walk away from a contract', it is sometimes relied upon, incorrectly, when a party attempts to get out of an unprofitable contract. In practice, there is a high burden of proof required before a court or an arbitration tribunal will accept a Force Majeure argument.

A party who incorrectly claims Force Majeure and walks away from a contract will be at risk of a claim for damages for breach of contract. A party wishing to claim Force Majeure must seek independent legal advice before taking any action.

2. Differences between Gafta 125 and Gafta 126

Both 125 and 126 are arbitration clauses, requiring a party to submit the dispute to Gafta arbitration for resolution. Generally, claims under Gafta 126 are quicker and cheaper.

On average, the cost of a 125 claim (excluding legal costs) is US$ 11,500 whereas the cost of a 126 claim (excluding legal costs) is US$ 7000. 125 claims are normally held before a Tribunal of 3 arbitrators (although, it is possible to have a single arbitrator if both parties agree (unlikely, in practice)) with a right of appeal to a Gafta Appeal Board. 126 claims, however, are held before a single arbitrator, generally appointed by Gafta, with no right of appeal. The intention of 126 is to provide a quick and final determination of a dispute.

Please note that the above is a very brief summary of the key differences. Both the Gafta 125 and 126 Rules are available, free of charge, in the Contracts section of the Gafta website (www.gafta.com).

The GPC contract requires the parties to first consider Gafta Mediation before proceeding to 126. Gafta mediation can be provided by Gafta`s General Counsel, Jonathan Waters, who is a barrister, and is available at a fixed price of approximately US$ 1250 plus 20% VAT.

Another question of general interest relates to whether or not contracts can be clubbed together for purpose of arbitration. Jonathan Waters provides opinion.

GAFTA: 'Each Contract Stands on its Own' -v- Consolidated Arbitration

Q: If there is a string of similar contracts where difference is immaterial (say different contract for each shipment position), in case of dispute will Gafta "link" these different contracts and agree to one consolidated Arbitration hearing?

A: Gafta follows the traditional principle 'Each Contract Stands on its Own'. However, in circumstances where a Claimant has a number of claims arising under a number of separate contracts (containing materially identical terms), then Gafta has the right to **consolidate** what would otherwise have been a number of separate hearings. The advantage to the Claimant is not only a reduction in the arbitration costs but also those of efficiency and consistency – the same Arbitrator(s) having the jurisdiction to hear all of the claims.

For information: In the above situation, if the Arbitrator(s) agree to consolidate multiple cases under one Gafta reference, then Gafta will only issue one award, making reference to the separate contracts. If the Arbitrator(s) agree to run multiple cases concurrently then the hearings and timetables will run together but separate awards will be issued for each Gafta reference. The Arbitrator(s) and Gafta will make this clear during proceedings.

Africa Exposed...

By David Lever, AGT Foods, Africa

The past month or so has vastly exposed just how vulnerable some African countries are when it comes to pulse productions and exports. I am referring to the impact the latest Indian Government policies have had on countries such as Malawi, Mozambique, Tanzania, Sudan and Kenya among others.

These countries have heavy reliance on India for the sale of pigeon peas and whilst they do grow certain other pulse crops the biggest volumes would certainly be Pigeon peas.

The hope is that this perhaps opens up some ideas and some forward thinking so that these same farmers start to branch out and consider other pulse options. There is no doubt as to the might that India has in the pulse business, but to 'leave all of ones eggs in one basket' is just too risky and sadly at this point in time many African farmers will be heavily exposed. This then starts to have political, social and most certainly economic impact on the farmers and the families they support.

Recent calculations have shown that Africa has approximately 600 million hectares of arable land that is uncultivated. This is a staggering amount of land that could have an immense impact on global food security. Hasn't the time finally arrived for industry players and stakeholders in the more developed countries to start serious collaboration in Africa?

Shouldn't we as an industry look to start educating African farmers, provide them with options and alternatives such as beans, peas, lentils, chickpeas etc? This will then allow them at the start of every planting season to make more informed decisions as to what they will grow... By instinct they will always grow what they eat and the rest will be the cash crops we assist them with the truth is African farmers are so far removed from global markets they will always be forced to rely on the information they are given and sadly that information is sometimes manipulated to suit the buyers.

Farming is Africa is no different to commercial farming, it is all about yield and maximising the production per hectare whether you are a farmer growing one hectare or 1000 hectares.

The seed and other inputs need to be the focal point of any conversation regarding productions in Africa and until this is given the time and energy it deserves the African farmer will sadly be trailing behind the rest of the world.

African Farmers need help, they need access to Markets and they need to feel that they are getting taken care of but the rest of the supply chain who is ultimately buying from them and sadly that's just not the case...

COMMODITY MARKETS: SLOW GROWTH IN DEMAND SEEN KEEPING WORLD PRICES DOWN

By BOUBAKER BEN-BELHASSEN
Director, Trade & Markets Division,
United Nations Food and Agriculture Organization (FAO)

Demand: global growth to slowdown

Compared to previous peaks, international food commodity prices are projected to remain low over the next decade, with demand growth in a number of emerging economies expected to slow down considerably and biofuel policies to have a diminished impact on markets, according to the latest edition of the OECD-FAO Agricultural Outlook 2017-2026, published in July.

Over the outlook period (2017-2026), growth in the demand for virtually all the commodities covered by the report is projected lower than the previous decade. Over the last decade, the increase in the demand for agricultural products was driven by two main factors: China and the biofuels sector. In China, income growth pushed up food demand, in particular for meat. In the developed world, while the demand for food stagnated, biofuel support policies strengthened the global demand for maize, sugarcane and vegetable oils.

Globally, per capita food consumption of cereals is expected to be flat until 2026, with growth expected only in least developed countries (LDCs). Prospects for expansion in meat demand are likely to be limited based on recent trends observed in many countries around the globe, where dietary preferences, low relative incomes and supply-side constraints are affecting consumption growth. It also foreseen that additional calorie and protein intakes will come from vegetable oils, sugar and dairy products.

As regards biofuels, the demand for ethanol and biodiesel has weakened as a result of lower fossil fuel prices and fewer policy incentives by governments. Even though energy prices are projected to increase over the coming years, the demand for biofuel feedstocks, particularly maize and sugarcane for ethanol and vegetable oil for biodiesel, is projected to grow slowly, except in some developing countries where demand increases will be induced by policies.

Production: yield growth to drive global crop output

Over the next decade, expansion in crop production will be mostly attained by increasing yields. World production of cereals is projected to increase by about 1 percent per annum, leading to a total increase by 2026 of 11 percent for wheat, 14 percent for maize and 13 percent for rice, with the bulk of the additional output to occur through higher crop yields. The global area cultivated to cereals is projected to increase only marginally, while for soybeans a further expansion of area is foreseen in order to meet the increased demand for animal feed and vegetable oil.

Growth in crop yields is expected to satisfy most of the increasing demand for cereals over the next decade. However, yields may show wide year-to-year variations, depending on weather and climate conditions, such as the El Niño phenomenon. But this is not new. In 2012, for instance, maize yields in the United States fell by 12 percent compared to 2011, reducing the US share in world maize production from 35 to 31 percent. By 2013, US maize yields had fully returned to their long Term trend. Such events can have direct impacts on international prices.

By contrast to the cereals sector, future growth in meat and dairy products will be achieved from both larger herds and higher yields (output per animal). Growth in poultry production is projected to account for almost half of the expansion in total meat production over the decade. Milk production is expected to accelerate compared to the 2007-2016 decade, with a greater share of the growth driven by increases in dairy herds. Production of processed dairy products is projected to grow annually between 1.4 percent for cheese and 2 percent for skim milk powder.

Trade: growth to continue but at a slower rate

Future trade in agricultural commodities is projected to continue to increase, but at a slower rate than in the past. Along with global supply and demand, trade is expected to expand less over the next 10 years than in the previous decade. The slower growth is most apparent for cereals and oilseed, which together account for about 45 percent of the global value of agricultural trade. Modest increases in trade volumes are expected for sugar, sheep meat, butter and cotton.

The slowdown in agricultural trade is not an isolated phenomenon. The growth of global merchandise trade (including agricultural and non-agriculture goods) has been slowing down due primarily to lower GDP growth. Potential reasons for this include: reduced demand growth; slower growth in global supply chain formation; and stagnation in trade reforms. The pace of policy reforms following the Uruguay Round have diminished, and some countries are actually pursuing self-sufficiency, especially in staple crops, to reduce dependency on imports. Removing distortionary domestic production and trade-related policies could stimulate global trade.

Food imports are becoming increasingly important for food security, particularly in Sub-Saharan Africa, North Africa and the Middle East. While for some countries this may reflect increasing demand but insufficient natural resources to grow food domestically, for other countries it may be an indication of agricultural development problems that need urgent attention.

On the export side, agricultural exports are traditionally concentrated among a small number of countries. The largest five exporting countries typically account for 70 percent or more of global export volumes. This export concentration is expected to persist over the next decade. The highest five-country concentration ratio is projected for soybeans, at 95 percent. The concentration ratio for rice is projected at over 80 percent and that of wheat at about 75 percent.

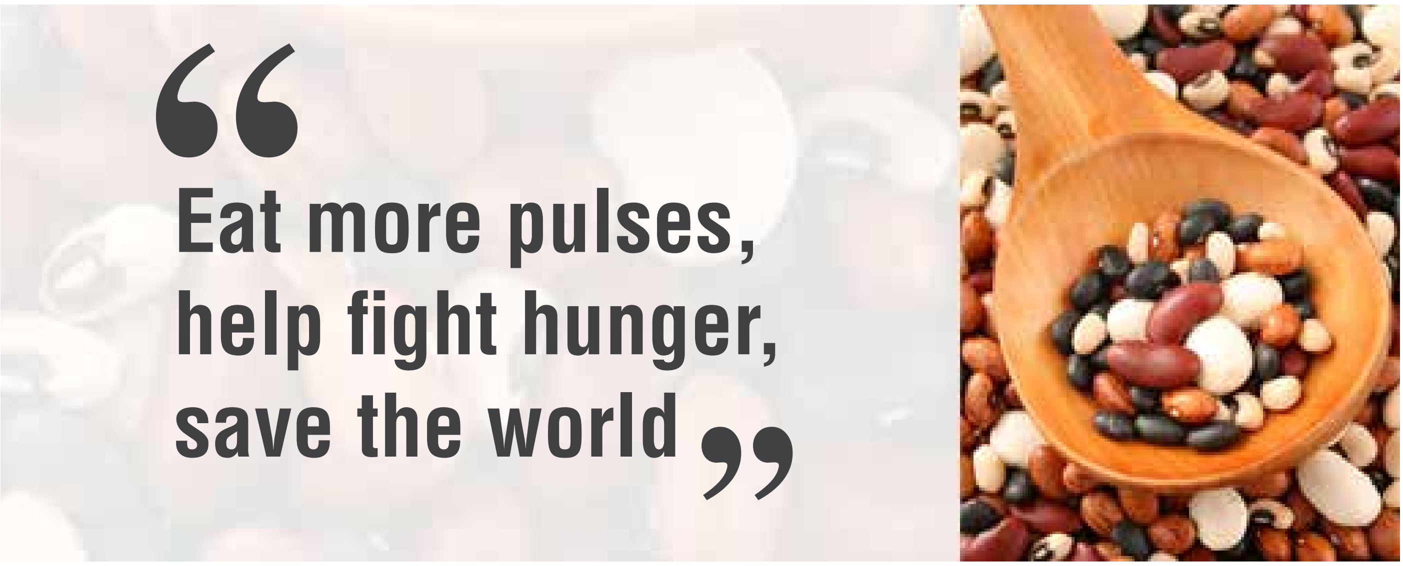
The increased concentration of food exports among a small number of countries may imply a greater susceptibility of world markets to supply shocks, whether stemming from a natural or a policy factor, rather than demand shocks.

World prices: real prices expected to remain at or below current levels

Under the baseline projections of supply and demand conditions, international real prices of most agricultural commodities over the next 10 years are anticipated to follow a slightly declining trend, which would keep them below the peaks reached during the 2006-16 period but above the levels seen in the early 2000s.

However, it must be noted that agricultural prices are by nature subject to considerable volatility and may show large swings from one year to the next. It is essential, in this regard, that governments and all relevant actors continue their efforts to provide stability to world agricultural markets. This should lend more confidence in world markets on the side of importers.

The OECD-FAO report could be accessed here: http://www.fao.org/publications/oecd-fao-agricultural-outlook/en/



India's Policy Intervention Upsets Global Pulse Market

By G. Chandrashekhar

Indian government's sudden, though not completely unexpected, move to restrict import of select pulses – pigeon pea or tur/arhar, moong and urad – has sent ripples through not only the domestic market but also international trade circles.

For 2017-18 financial year (April to March), pigeon pea is allowed under a restricted quota of 200,000 tons. The quota has since been exhausted and there will be no further imports allowed till March 31, 2018 except against specific commitments made by the government in terms of any agreement / MoU with any supplier nation.

The quantitative ceiling for moong and urad is 300,000 tons. It is unclear if the ceiling is
individually for moong and urad or collectively for both.

Be that as it may, global market participants are upset over the policy intervention by the Indian government, and they have reason to. India has been an importer of pulses from early 1980s. Import volumes started to balloon in the last 4-5 years following expansion of demand and sluggish domestic output.

Many countries started to cultivate pulses with India as the target market. India did not disappoint them and continued to import larger and larger volumes to meet its ravenous appetite so much so that imports zoomed to 6.6 million tons in 2016-17 (from 5.9 million tons in the previous year) at a time when domestic production reached a new record of 22.9 million tons (previous year 16.4 million tons).

Humungous domestic production coupled with record imports led to a massive price collapse in the domestic market that hurt growers' interests. The government's efforts to procure / purchase from growers proved inadequate considering large volume of output. The policymakers were therefore forced to restrict imports to protect growers from competition posed by low priced imports.

Clearly, the policy context is quite complex. India is faced with a dilemma – how best to judiciously strike a balance between domestic socio-economic compulsions on the one hand and international trade relations, on the other. It is a tough call and the government decided to bite the bullet.

But look at it another way. When there was a massive shortfall and prices escalated (2015-2016) much to government's discomfiture, several senior government officials went around the world to woo the nations supplying pulses. Now, with import controls, some of them have reason to feel shortchanged.

There are other aspects worth considering. It is true that in imposing quantitative restriction on select pulses, the Indian government's intention is to protect growers most of whom are small and marginal. At the same time, growers of these pulses, especially in Myanmar and East African countries are also small and marginal, and deserving of the same kind of sympathetic treatment. The Indian government's move to restrict import has actually hurt the interests of a large number of small growers in Myanmar and East Africa.

The policy intervention has now stoked fears among major suppliers of pulses (chickpea, lentils, yellow peas) such as Canada, USA and Australia. Will there be any restriction – tariff or non-tariff - on these pulses? No one knows for now. At the same time, the methyl bromide fumigation issue is still hanging like a Damocles sword. Will the exemption be extended?

It stands to reason to believe that the decision to restrict imports of select pulses will be reviewed in due course. Affected countries are sure to lobby and bring pressure on the Indian government. There is always the possibility of finding a middle ground or via media.

Another question that arises is whether the Indian government is justified in imposing quantitative restrictions (QRs) on import of select pulses. More than a decade ago, India committed to the WTO (World Trade Organization) that it was phasing out QRs. The legal aspect needs examination.

An important point worth bearing in mind is whether or not India has the capability to repeat the pulses production performance of 2016-17 (and possibly 2017-18) in the years ahead. Ironically, India is only one bad monsoon or drought year away from a major farm disaster. This vulnerability cannot be overlooked.

(G. Chandrashekhar, Editor, The Pulse Pod, is a global agribusiness and commodities market specialist. Views are personal. He can be reached at +919821147594 and gchandrashekhar@gmail.com)

Report from **Pulse Australia**

By Ron Storey, Chair, Pulse Australia

Ron Storey, Chair of Pulse Australia shares his impressions gathered at 2017 Vancouver convention. Here's what Ron has to say:

The market outlook for pulses needs to be seen from two aspects: Long term (10 years+), and Short term (the next 12 months).

Long Term – to 2025 and beyond is POSITIVE:

- The theme is very positive for pulses; it is a consumer story and about changing behaviours
- There is a transformation taking place in the way we think about food
- There is focus on health, nutrition, affordability, sustainability, provenance and environment - these themes play perfectly into the pulse story. The pulse message is simple and believable
- The western world millennials (18-34) are foodies, on social media, and are fans
- The key drivers for food change are: must taste good, nutrition benefits, health benefits, and also deal with their fears (obesity, cancers, affordability, sustainability)
- The IYP 2016 legacy will be World Pulse Day and "Half Cup Habit" (campaign for diet to include half cup per day of pulses, somewhere in the diet, either cook & eat or as an ingredient)
- In addition, there is growth in animal and pet food requirements for plant protein and other industrial and food ingredient uses of pulse fractions.
- The sense is that we are at the start of a longer term global trend and change in consumer habits
- It's an exciting prospect for pulses.

Shorter Term – 2017/18, is expected to see some price volatility:

- We are coming out of two poor seasons in both India and Pakistan, which are the major buyers of Australian chick peas and lentils.
- The coming 2017/18 season looks more normal with average monsoons to date and therefore likely lower import demand.
- New exporters from Russia and Ukraine are emerging.

The roundup of market direction by commodity was:

Lentils

- Lentils have been one of the star performers for Australian farmers in 2016/17.
- While area planted in 2017 is steady to higher, the yields are expected to return to normal with exports falling in line with lower production.
- Canadian red lentil 2017 production is under pressure with hot weather, with production estimated at 1.8mmt vs 2.5mmt in 2016.
- Expect better quality Canadian crop in 2017.
- Aust crop to decline from 2016 of 7-800kt to 4-500kt.
- Possible lower Indian rabi plantings in late 2017 (wheat prices more attractive to Indian farmer).
- Prices stable to slightly lower, largely dependent on outcome (Aug/Sep) of Canadian crop and the speed of importers to work their way through current pipeline stocks.

Chick Peas (Desi and Kabuli)

- Another star performer for farmers and exporters in 2016/17.
- Area planted in Australia is steady to higher in 2017, but average yields, if achieved, will see a crop more like 1.3-1.5mmt.
- India desi production will depend on monsoons and their planting in Oct/Nov, but under "normal" conditions, we could expect lower imports in 2017/18.
- Pakistan imported 400kt from Australia in 2016/17. Subject to an average local crop in Pakistan, this could be expected to drop to 100-200kt in 2017/18.
- If these "average" conditions do eventuate in Australia, India and Pakistan over the last half of 2017, we can expect desi chick pea prices to ease as we approach the Australian Harvest – remembering that we have seen decile one chick pea prices in the A$700-1100 range over 2016/17..
- Kabuli Chick Peas have had very tight supplies, and record high prices in 2016.
- Expect production to respond in 2017, but at faster pace in 7-9mm, larger size may take longer.
- Supply to grow from Mexico, India, USA, Turkey, Russia, Argentina.
- Demand is steady from South Asia, EU, Middle East and North Africa.
- USA (a Kabuli exporter) 2017 production is under pressure with the extreme hot weather in July in Montana/Dakotas.
- CIF prices to India were quoted at USD1300, with no-one prepared to predict when these levels might ease.

Field Peas

- Major production increases over 2012-2016 period in Canada, USA, Russia.
- Major Indian production fall in 2016 (weather).
- Recent growth in 2016 demand from India (weather), China, and Bangladesh.
- "New" demand appearing from petfood trade for plant protein and pea fractionation for flour ingredient.
- Pea prices have stayed low to date in 2017, but likely to be dragged up by recent wheat price surge and some switching of feed protein demand to peas.
- Current Canada values sees pea protein at 50% cost of soybean meal.
- Australia 2017/18 production estimated at 300-350kt, with expected strong domestic demand from feed industry due to rising prices of protein soybean meal

Faba Beans

- Australian domestic demand in 2016 estimated at 100-120kt.
- Expect 3-400kt 2017 crop, but like field peas, the demand for protein in the local feed market is expected to flow over to faba beans and see prices firm to higher in 2017/18.

CAUTION!!

- The above market and price direction comments are the "combined wisdom" of those at the GPC Conference on 10-13 July 2017.
- As always, the nature of pulse markets with so much depend on weather in both exporting and importing countries still to play out, means we should expect volatility as these events unfold over the balance of 2017.
- Notwithstanding the normal seasonal variability, the underlying long term structure of pulse markets looks strong. Look out for the "Half Cup Habit" to hit your kitchen in the coming 12 months!

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