

Market Development

MARKET BRIEF ON

PULSES

1993

ITC



INTERNATIONAL TRADE CENTRE UNCTAD/WTO

Pulses - India

Product description

HS 07.13: Beans, peas, lentils and other leguminous vegetables, dried, shelled, whether or not skinned or split.

Production

India is the world's largest producer and consumer of pulses. Production remained relatively stable over the period 1988-1990, with 12.9 million tons in 1988/89 and 13.45 million tons in 1989/90. Pulse production in 1990/1991 was estimated at 13.75 million tons, slightly above the 1989/90 level.

The Government is currently implementing a National Pulses Development Program, with the objective to increase production for domestic consumption and exports. At present, however, domestic production alone does not satisfy local requirements.

Trade

Q: '000 tons	1988		1989		1990	
V: US\$ '000	Q	V	Q	V	Q	V
Imports	858.4	282,466	429.0	136,740	790.0	295,209
Exports	10.2	7,975	11.0	7,000	7.5	5,500

Source: FAO Trade Yearbook.

Market characteristics

Pulses form an integral part of the Indian diet, providing protein to the majority vegetarian population. This is illustrated not only by the volume of domestic production, but also by the total value of imported pulses which, in 1990, accounted for 50% of total world imports of this product group.

In 1990/1991, the principal groups of pulses imported were, in order of importance, beans and peas, urad, moong, lentils and gram. In 1990, the principal suppliers were, in percentage of value, Australia 21.6%, Turkey 11.4% and Hungary 8.1%. However, unspecified sources of supply, including from Asia, accounted for 34.8% of the total value of Indian imports.

Market access

Imports of pulses are subject to an import license registered with the Ministry of Agriculture. The standard rate of duty on dried leguminous vegetables is 100% ad valorem; the preferential rate is 10% less. However, as of February 1992, the Indian Government started the process of easing import restrictions imposed in March 1991. Exporters are therefore recommended to contact the Indian Embassy in their country or the Indian Trade Promotion Organization (see Useful address) for details.

Packaging

Pulses should be in standard packages of 50kg or 100kg sacks; buyers may specify their own requirements.

Prices

While the Government establishes minimum support prices for all major pulses produced locally, open market prices prevail on the domestic market. Indicative prices in the first quarter of 1992 ranged between US\$ 625 and US\$ 833 per ton CIF, with urad and chickpeas quoted at the upper price range.

Distribution channels

Imports of pulses are mainly carried out by parastatal central buying groups ("Canalized Agencies") which supply both wholesalers and retailers.

Commercial practices

Purchase is based on samples and specifications. Terms of payment are usually determined jointly between the buyer and the supplier.

Market opportunities

The Indian market for pulses is a promising one, with imports projected to continue their upward trend over the next five years, despite national efforts to increase local production. However, as the market is a highly price-responsive one at both the importer and consumer levels, exporters offering the lowest prices for equal quality in comparison with local production will have be more likely to penetrate the market.

In addition, with the recent liberalization in India's foreign trade sector, new partners are being actively sought by the Indian business community.

Exporters are recommended to contact the Indian Trade Promotion Organization (ITPO) for assistance in identifying potential importers and for additional market information.

Useful address

Indian Trade Promotion Organization
Pragati Bhavan
Administrative Block
Pragati Maidan
New Delhi 110001
Tel: (91 11) 331 8024
Fax: (91 11) 331 8142

Sources of information

- FAO Production Yearbook
- FAO Trade Yearbook
- UNSO Comtrade database
- ITC information files

ITC/MBDBS - April 1992

This market brief has not been formally edited by ITC.

Pulses - Algeria

in metric tons	1990	1991	1992
Production			
Dried beans	11,000	43,000	39,000
Chickpeas	12,000	20,000	18,000
Lentils	1,000	1,200	1,100
Dried peas	1,000	1,300	1,200
Imports			
Dried beans	35,000	112,400	14,000
Chickpeas	50,700	39,000	35,000
Lentils	47,100	16,100	35,300
Dried peas	13,000	22,100	7,000
Changes in stock (a)			
Dried beans	0	- 45,000	45,000
Chickpeas	- 11,000	2,000	12,000
Lentils -	15,000	12,000	2,000
Dried peas	0	9,000	8,000
Consumption (b)			
Dried beans	46,000	110,400	98,000
Chickpeas	51,700	61,000	67,000
Lentils	33,100	29,300	38,400
Dried peas	14,000	32,400	16,200

(a) A minus sign indicates an increase in stocks.(b) Estimates.

Source: US Department of Agriculture, Washington DC.

Main origin of imports (metric tons, 1992)

Dried beans	Total imports 14,000 of which: China 8,900, EC 1,000, others 4,100.
Chickpeas	Total imports 35,000 of which: Turkey 34,000, others 1,000.
Lentils	Total imports 35,300 of which: Canada 20,000, China 8,900, Turkey 4,400, others 2,000.
Dried peas	Total imports 7,000 of which: Canada 4,000, Turkey 2,500, others 500.

Market characteristics

Pulses are essential components of the traditional Algerian diet and consumption has always been substantial in the country. In recent years, population growth, urbanization and high meat prices have increased the need for affordable protein-rich foods. Consequently, the Algerian market for pulses has expanded, relying on imported products. Virtually all kinds of pulses are consumed, with the highest demand being for dried beans, chickpeas and lentils. Pro capita consumption of pulses averaged 7 kg per year during the period under review.

Market access

Imports are subject to exchange regulations and transactions are carried out by Government agencies and state enterprises within an exchange allocation system. Imports of pulses are subject to the following custom duties and value-added tax. Together, these comprise the so-called "aggregate rate" expressed in %, ad valorem:

	<u>Custom duties</u>	<u>V.A.T.</u>	<u>Aggregate rate</u>
For sowing	3	free	3
Other	7	free	7

Prices

During the period under review the import price of pulses averaged US\$ 420 per metric ton.

Distribution channels

Imports of pulses are handled by the state-run agency OAIC (Office Algérien Interprofessionel des Céréales) who distributes to local wholesalers (see address below).

Commercial practices

Import transactions are normally carried out through international tenders. A performance bond (5% to 15% of the value of the contract) is sometimes required. Imports from intermediaries are prohibited. Suppliers of pulses should, therefore, expressly declare in an official form that they are the producers.

Market opportunities

The decrease of imports in 1992 (except for lentils) was a result of the large stocks purchased in 1991; these stocks are largely depleted. Demand for imported pulses is therefore expected to recover to over 150,000 tons in the current year.

According to trade sources imports should increase steadily in the medium term because of the profitability and the labor requirements of other alternative crops such as cereals which will reduce the domestic output of pulses. An average of 225,000 tons per year of pulses is expected to be imported by Algeria over the period 1994-1996. Moreover, the on-going process of privatization of state-run enterprises and trade liberalization make Algeria a promising market for exporters of pulses.

Useful address

OAIC (Office Algérien Interprofessionel des Céréales)
5, rue Ferhat-Boussaad
Algiers
Tel: 2 - 73 26 59
Fax: 2 - 73 22 11

ITC/MBDBS - May 1993

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Pulses - Egypt

Metric tons	Production	Imports	Exports	Apparent consumption
1990	531,000	43,000	4	570,000
1991	381,000	125,000	2	504,000
1992	267,000	300,000	2	565,000

Source: U.S. Department of Agriculture, Washington DC.

Main origin of imports (1992, metric tons)

Total imports 300,000 of which: China 165,000, European Community 59,000, Australia 32,000, Turkey 30,000 and others 14,000.

Market characteristics

As an affordable, high protein food and an alternative to meat which is expensive, pulses are a basic ingredient of most Egyptians' diets. During the period under review the per capita consumption of pulses averaged 10 kg per year.

Dried beans account for about 75% of Egypt's pulse consumption. In 1992, out of 300,000 tons of imports of pulses, 225,000 tons were of dried beans, mostly horse beans and tic beans; the remaining 75,000 tons were of lentils and, to a lesser extent, of chickpeas.

Dried beans are consumed in paste form for sandwiches or for making "falafel" (fried, mashed beans), whereas lentils are consumed in soups or for preparing the popular "kushary", a traditional dish made with rice.

Market access

Since 1991 Egypt has started an imports liberalization process allowing imports of dried beans, which were banned before, and granting currency exchange authorizations to private firms.

The rate of duty levied on imports of pulses ranges from 1 to 10% (CIF ad valorem). However, tariff rates change frequently and potential exporters are advised to contact the Egyptian Custom Authority for getting the latest legislation on custom tariffs (see address below). Imported agricultural products must be accompanied by a sanitary certificate; a radiation certificate is no longer required although sometimes imported goods are subject to radioactivity inspection upon arrival.

Prices

In 1992 the import price for pulses averaged US\$ 350 per metric ton. For information on current international market prices for pulses, exporters are advised to contact the FAO (see address below).

Distribution channels

Imports are no longer an exclusivity of Government agencies and, since most currency exchange restrictions and requirements for import licenses were lifted, transactions are increasingly carried out by private enterprises and, particularly in the case of pulses, by trading companies (see addresses of importers below). Imported pulses reach the retail market through local wholesalers.

Commercial practices

International tenders for procurement of imported pulses are gradually being replaced by private transactions; letters of credit are the most common form of international payment.

Market opportunities

During the period under review, local production of pulses was reduced by about one half due to the profitability of other alternative crops; imports increased considerably.

In the short and medium terms, imports should continue to increase due to the competitive conditions offered by foreign suppliers but at a slower pace since local production is expected to recover slightly.

On the other hand, given the ongoing process of liberalization of imports and privatization of foreign trade, exporters of pulses from developing countries wishing to enter the Egyptian market can still find good opportunities provided that their products are competitive.

Useful addresses

Public Sector Authority for
Foreign Trade
17, Abdel Salam Aref St.
Cairo
Tel: 202-393 8756
6 Fax: 202-392 252

Federation of Egyptian
Chambers of Commerce
4, El Falaky Square
Cairo
Tel: 202-355 1164
Fax: 202-355 7940

Custom Authority
4, El Tayaran St.
Nasr City
Cairo
Tel: 202-260 5710
Fax: 202-261 5557

Food and Agriculture
Organization (FAO)
Via delle Terme di Caracalla
00100 Rome, Italy
Tel: 6-57971
Fax: 6-5146172

List of importers

(non-exhaustive)

Al-Gawhara International Co.
4, Rashan St.
Dokki, Giza
Cairo
Tel: 202-348 0160
Fax: 202-361 3110

Dally Imports
27, A.Hakim El Refai St.
Nasr City
Cairo
Tel: 202-60 9036
Fax: 202-263 6790

Forem Investment & Management
11, El Sad El Aaly St
Dokki
Cairo
Tel: 202-71 7030

Servac Egypt
8/10, Mathaf El Manial St.
Cairo
Tel: 202-362 0805
Tlx: 20161

Sid Ahmed Import Co.
Kalawon & Ramses St.
P.O.Box 437
Port Said
Tel: 662 7026
Fax: 23 5706

Arab Trading
30, Beirout St., Apt.30
Heliopolis
Cairo
Tel: 202-259 7150
Fax: 202-256 9321

Express Enterprises
P.O.Box 339
Dokki, Giza
Cairo
Tel: 202-349 0521
Tlx: 92605

Marina Office for Imports
P.O.Box 658
21519 Alexandria
Tel: 203-493 7889
Fax: 203-483 3136

Nefely Establishments
127, Ramses St.
Cairo
Tel: 202-91 2626
Tlx: 2568

Wakalex Export-Import
12, El Falaky St.
Alexandria
Tel: 203-482 0804
Fax: 203-482 4171

Pulses - Mexico

Trade

Q: '000 tons	1988		1989		1990		1991		1992	
V: US\$ million	Q	V	Q	V	Q	V	Q	V	Q	V
Imports	53.4	22.1	131.2	95.2	346.2	272.6	50.4	26.6	21.3	8.8
Exports	60.9	25.3	60.9	37.9	54.7	35.3	42.6	32.8	48.2	42.8

Source: UNSO Comtrade

The large majority of imports consist of black beans (US\$ 265.9 million in 1990 and US\$ 18.6 million in 1991); the majority of exports are comprised of chickpeas (US\$ 34.5 million in 1990 and US\$ 32 million in 1991).

Main origin of imports (US\$ million, 1992)

Total imports 8.8 of which: USA 4.5, Canada 4.1. Other suppliers among developing countries include China, Chile, Zimbabwe, India, Peru and Thailand.

Market characteristics

Mexico has a developed agricultural sector and produces a wide range of dried vegetables. Given, however, substantial domestic demand, the market relies on imports.

Among dried vegetables, black beans (frijoles) - which with corn is an essential element of the Mexican diet - show the best sales potential.

Market access

Before Mexico became a contracting party to the GATT, imports of pulses were handled almost exclusively by the government-controlled CONASUPO (Compañía Nacional de Subsistencias Populares). Imports now also come through private channels. No import license is required.

The customs duty levied on pulses is 10 % (ad valorem). Member countries of the Latin America Integration Association (ALADI) are granted a preferential rate ranging from 4% to 9%. Under the provisions of the North American Free Trade Association (NAFTA) imports from the United States and Canada are also granted a preferential rate.

A phytosanitary certificate for imported goods, obtained either in the country of origin or from the Mexican customs authorities, is required.

Distribution channels

Most imported dried vegetables still come through CONASUPO. Its associated company DICCONSA (see addresses below) coordinates a large network of retail outlets. In Mexico City and other major towns there are buying/supplying groups called "Centrales de abastos", managed by the Government, in which distributors and wholesalers participate.

Independent importers are expected to play a more important role in the near future.

Commercial practices

Given the virtual monopoly on imports of CONASUPO and a few other large buying groups, purchases are usually made for significant quantities.

Sellers' offers should specify harvesting year, size, color, level of humidity and packaging: these are important elements in product choice.

Letters of credit are the most common form of payment for imports.

Market opportunities

Imports of pulses fluctuated widely during the period under review. The sharp increase in 1990 is partly attributed to a fall in local production, caused both by the weather and by problems of management and finance in producing enterprises.

The decrease in imports during 1991-1992 was a result of the large stocks purchased in 1990.

However, there is still an underlying increase in demand, and this presents good prospects for those exporters in developing countries meeting the requirements of this market.

Useful addresses

CONASUPO
Compañía Nacional de Subsistencias
Populares
Insurgentes Sur 489
México 06170 D.F.
Tel: 277 1382
Fax: 516 7064

DICCONSA
Gerencia General
Tamaulipas 150
México 06140 D.F.
Tel: 286 7432
Fax: 286 7496

List of importers and buying groups (non-exhaustive)

Gamesa SA
Inguarán 5752
México 14 D.F.
Tel: 577 0566
Fax: 5772380

Surtidora Abarrotera SA
Central de Abastos
Zona 1, Nave E 33
México 09040 D.F.
Tel: 694 0081 / 694 0749
Fax: 6940144

Salvador Castillo Torres
Mesones 167
México 1 D.F.
Tel: 542 4070
Fax: 542 4072

Semillas La Central SA
Central de Abastos, D-4
México 09040 D.F.
Tel: 694 3095

Granos Selectos SA
PC Negrete 1313
Monterrey, Nuevo León
Tel: 756 697

Alimentos Monterrey
Edison Norte 2809
Monterrey, Nuevo León
Tel: 515 813

Granos Semillas de México
Central de Abastos B14
México 09040 D.F
Tel: 694 6366
Fax: 6940103

Lugo SA
Juan Escutia 266
México 09210
Tel: 765 3270

Comercial Proveedor de Sudcal
Jalisco Esquina Yucatán
La Paz, Baja California Sur
Tel: 26 983 Fax: 694 4603

Casa Güemes SA
Central de Abastos H32
Tel: 694 0905

Sources of information

- United Nations Statistical Office (UNSO).
- Secretaria de Comercio y Fomento Industrial - Mexico.
- ITC information files.

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Pulses - Venezuela

Product description

07.13	Leguminous vegetables, dried, shelled, whether or not skinned or split.
07.13.109000	Peas
07.13.209000	Chickpeas
07.13.309010	Black beans (Porotos negros)
07.13.409000	Lentils
07.13.509000	Broad beans and horse beans

Product classification "Nandina" based on the Harmonized System (HS).

Trade in 1991

Q: metric tons V: US\$ '000	Imports		Exports	
	Q	V	Q	V
Peas	22,024	8,424	121	81
Chickpeas	5,951	3,202	1,920	1,190
Lentils	10,671	6,178	14	13
Black beans	38,602	21,104	-	-
Broad/horse beans	72	29	-	-

Source: Instituto de Comercio Exterior, Caracas.

Main origin of imports (US\$ '000, 1991)

Peas Total imports 8,424 of which: Canada 5,024, USA 2,567, Argentina 810, Netherlands 409.

Chickpeas Total imports 3,209 of which: Turkey 2,526, Mexico 360, USA 283.

Black beans Total imports 21,104 of which : Colombia 6,260, Argentina 5,920, Chile 5,548, USA 2,103.

Lentils Total imports 6,178 of which: Canada 3,431, USA 2,423.

Market characteristics

Despite the high demand for many varieties of pulses, especially black beans, peas and chickpeas, which are essential ingredients in many Venezuelan dishes, domestic production is very limited and the market relies heavily on imports.

The agricultural sector experienced a period of recession in Venezuela during the second half of the 1980s. It has recovered somewhat as a consequence of various measures and investments undertaken by the Government.

Market access

Until June 1990, imports of these products were made exclusively by the Government. A gradual process of liberalization has taken place and import duties have been reduced. They now range between 10% and 20% depending on the product and on the country of origin.

A preferential regime is granted to the countries of the Andean group.

A sanitary certificate of the country of origin and a sanitary permit from the Ministry of Agriculture of Venezuela are required.

Commercial practices

INCOTERMS are used for international transactions. The Letter of Credit is the most common form of international payment in this market sector. Prices are generally quoted in US Dollars.

Major Venezuelan ports have handling and storage facilities for pulses; in order to avoid congestion, which are frequent in certain periods of the year, it is advisable to plan delivery schedules.

Market opportunities

The Duties Liberalization Programme (Programa de Liberación de Gravámenes), the privatization of imports, and the substantial demand for the product, all help to make Venezuela a good market for exporters of pulses from developing countries.

Useful addresses

Trade fair

Expo Alimentos
annual (July or August)
Organización Rapale
Albanico a Socorro
Edif.Inorca, Piso 12, Ofc.122
Altagracia
Caracas
Tel: 2 - 561 3936

List of importers/producers (non-exhaustive)

Indugran SA
Industria Procesadora de Granos
San Antonio
Avda. Circunvalación del Sur
Torre B, Piso 9, Ofc. 907
Santa Paula
Caracas
Tel: 2 - 987 9445
Fax: 2 - 987 1476

YUKERY
Venezolana de Alimentos
Avda. Diego Cisneros
Ed. Miranda
Caracas
Tel: 2 - 238 2733
Tlx: 21290 venal vc

Internacional de Desarrollo
Torre Diamen, Piso 9, Ofc.96
Huao
Caracas
Tel: 2 - 24 479

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Sources of information

- Instituto de Comercio Exterior, Caracas
- Ministerio de Agricultura y Cría, Caracas
- Contacts with traders and market experts

ITC/MBDBS - February 1993

Instituto de Comercio Exterior (ICE)
Centro Comercial Los Cedros, Piso 7
Avda.Libertador
Caracas
Tel: 2 - 723 810
Fax: 2 - 723 885

Cámara de Comercio de Caracas
Avda. Andrés Bello Blanco
(Antigua Este 2)
Los Cabos
Caracas
Tel: 2 - 571 3990
Fax: 2 - 571 0050

Cámara Venezolana de la Industria

de Alimentos (CAVIDEA)
Centro Empresarial Los Ruices
Piso 5, Ofc. 510
Av.Principal de Los Ruices
Caracas
Tel: 2 - 239 0918
Fax: 2 - 239 6430

Fondo de Financiamiento a las

Exportaciones (FINEXPO)
Torre Financiera del Banco
Central de Venezuela
Avda. Urdaneta, Esq. Sta.Capilla
Piso 9
Caracas
Tel: 2 - 829 811

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