



INDIA - PULSES

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India is the world's largest producer of grain legumes (peas/pulses) with total production varying between 12.0 and 14.0 million metric tonnes (MMT) in recent years. All varieties of pulses, except lupins, faba beans and dun peas, are grown in India.

Pulses are grown over an area of around 23 million hectares accounting for about 18% of total area, and less than 8% of total food grain production, and the yield per hectare ranging between 500 - 600 kgs. These are grown mainly under unirrigated conditions and the irrigated area accounts for less than 10% of the total area. The major pulses grown in India are - Pigeon peas (Arhar) and Tyson chick peas (Gram or Desi Chana). Their share in the total pulses production is about 21% and 33% respectively

Production

There are two crops in India, namely Kharif (Summer crop) harvested in September and Rabi (Winter crop) harvested in March/April. India's pulses production which includes mostly desi chick peas, pigeon peas, lentils, and various types of peas and beans reached a record level of 14.9 MMT in 1998-99. However, due to early withdrawal of monsoon and lack of winter rains in some pulses growing states, particularly Rajasthan and Madhya Pradesh in 1999, production is expected to decline to about 13.6 MMT in 1999-2000. The growth in pulses production has not kept pace with the population growth, resulting in an overall decline in per capita availability and generally higher prices for pulses. Total Production of pulses during the last five years (July-June crop year) is as follows:

Year	Crop	Area (Million ha)	Production (Million tonne)	Yield (kg./ha)
1995-96	Kharif	10.2	4.6	448
	Rabi	12.1	7.7	640
		22.3	12.3	
1996-97	Kharif	10.9	5.5	507
	Rabi	12.3	8.9	727
		23.2	14.4	
1997-98	Kharif	10.5	4.4	450
	Rabi	12.5	8.7	668
		23.0	13.1	

1998-99	Kharif Rabi		5.8 9.1 14.9	
1999-2000 (estimated)	Kharif Rabi	NA	5.5 8.1 13.6	NA

(Source: Directorate of Economics & Stats, Ministry of Agriculture,GOI)

The government has been operating several programmes with the objective to increase production of pulses, namely:

- -National Pulses Development Project funded jointly by the Central and the state governments.
- -Post Harvest Technology in Pulses
- -Price Support and Commercial Operations in pulses

The major Kharif (harvested in Sept/Oct) pulses are -Green beans (moong beans) Black Matpe (Urad), Pigeon Pea (Arhar) and Cow Peas (Lobhia) while major Rabi (harvested in Mar/April) Pulses are Chick peas, green peas, Lentils.

The Department of Food & Civil Supplies of the respective state governments issues licences to wholesalers, commission agents and retailers. A wholesaler can stock up to 2000 bags (200 tonnes), a retailer up to 20 bags (2 tonnes), and a commission agent (middle man) can have unlimited stocks, but has to dispose of the stocks within 15 days. No licence is required in the State of Jammu & Kashmir.

The prices in the domestic market fluctuate according to the demand and supply. Generally, the prices drop when the new crop comes in the market.

Consumption:

Pulses are an important source of protein in the Indian diet. As mentioned above, production growth has not been able to keep pace with the population growth and, as a consequence, India's per capita net availability of pulses has come down to 36.0 grams per day as compared with around 70.0 grams in the sixties. Although particular varieties of Pulses are preferred in different parts of the country, food habits are easily changed according to availability of pulses. Generally main uses of pulses in India are as follows:

Peas/Pulses	Main forms of consumption
Green Beans (Moong beans)	- used as a vegetable and for making snacks
Chick Peas (Desi type)	- used for making besan (fine flour) which is used for making sweets, snacks, and mixed with wheat flour to make chapattis (flat bread)
Pigeon Peas (Arhar)	- used as a vegetable with meals
Black Matpe (Urad)	- used as vegetable with meals and for making pappadam
Chick Pea (Kabuli type)	- used as vegetable with meals
Red Lentils (Masoor)	- used as vegetable with meals (consumed mainly in east Indian states)
White Peas (Matar)	- used as vegetable with meals. Also used for making snack food
Cow Peas (Lobhia)	- used as vegetable with meals
Kidney Beans (Rajmah)	- used as vegetable with meals
Green Peas (Matar)	- used as vegetable with meals and for making snacks.

The chain from the importer to the end-user is as follows:

- -Importer/trader
- -Dal Mills/flour mills (where appropriate)

- -Wholesaler
- -Retailer
- -Consumer

In many cases, importer is also a wholesaler who has offices in more than one city. Of late 4-5 companies make a consortium and import a vessel load (20,000 mt) in loose bulk and do the bagging at the port of discharge. This way, they save about \$15 per tonne. However, some companies also import bagged peas/pulses in containers and avoid the hassle of organising logistics for bagging at the port.

Imports:

The Indian Government continues to permit private trade to import pulses without any licensing restrictions to supplement domestic availability, and, in order to control the prices of pulses in the domestic market, it increases or decreases the import duty. India's imports of peas/pulses (H.S. Code 07.13) during the last three years were as follows:

Year (Apr-March)	Total Imports	Canada's share
1996-97	692,430 MT	53,115 MT (7.7%)
1997-98	1,301,456 MT	151,436 MT (11.6%)
1998-99	608,784 MT	170.316 MT (28.0%)

Main varieties of pulses imported from various sources include: Green peas/dun pea (Canada, USA, Hungary, New Zealand, France and Australia); kidney beans (China, Myanmar); chick peas (Kabli gram - Turkey, Syria, Canada, Australia, Mexico); Lentils (Turkey, Syria) ; green beans (Myanmar, China, Tanzania); chick peas (Desi gram - Australia, Canada); black matpe (Myanmar); pigeon peas (Myanmar). Potential for any other varieties of peas/pulses which are fit for human consumption and are cheaper, can be investigated.

Phyto-sanitary certificate that the 'plants and plant products described in the shipping documents have been inspected according to appropriate procedures and are considered to be free from quarantine pests, and practically free from other injurious pests, and that they are considered to conform with the current phytosanitary regulations of the importing country', issued by a competent authority must accompany each shipment. In the absence of a phyto-sanitary certificate, the shipment is generally not released by the Plant and Quarantine officials at the port of entry.

The present rate of **customs duty** (or import duty) is 'Nil' (effective 23 November 98).

Prior to August 1991, the Canadian peas were not generally known in India except small imports of yellow/green peas were taking place. In August 1991, the Government of Canada sponsored an Indian Peas/Pulses Buyer's Mission to Canada to display Canadian products and grading /processing capabilities. The Mission visited Ontario, Manitoba, Saskatchewan and British Columbia provinces and were quite impressed with the quality of Canadian green peas. As a consequence, the imports of green peas from Canada picked up in 1991-92 and has been increasing ever since. In 1998 Canadian exports of peas/pulses to India reached a highest of 207,450 MT a market share of over 20%. We estimate that Canada's market share will further increase in years to come, if the Canadian suppliers maintained consistent quality and competitive prices. Imports are made throughout the year, except that when the indigenous crops come to the market (March to May for peas and chick peas), the demand for imported peas decline and the prices fall.

The June 2000 indicative import prices of various peas/pulses on C&F basis are as follows:

Canadian Green Peas in bulk	\$US 178.00 PMT
Canadian Yellow Peas in bulk	\$US 176.00 PMT
Australian Chick Peas (Desi type)	\$US 325.00 PMT
Canadian Chick Peas (" ")	\$US 310.00 PMT
Burmese Green Beans (Moong)	\$US 470.00 PMT
Pigeon Peas (Arhar)	\$US 365.00 PMT
Black Matpe (Urad)	\$US 510.00 PMT
Chick peas (Kabuli type)	\$US 680.00 PMT
Australian Dun Peas	\$US 180.00 PMT

Generally, Indians buy against 90 - 120 days Letter of Credit. Some companies also buy on CAD (Cash against documents) basis at about \$10 per tonne price advantage.

Importers:

A list of known pulses importers/traders is attached. We have no reason to doubt the credentials of any of these companies, however, Canadian suppliers should take all trade precautions in dealing with these and other Indian firms. There are several local credit rating agencies who claim to provide independent reports, but we recommend Dun & Bradstreet who have offices in India, for obtaining credit reports on companies.

There are no set standards for quality, but normally fair average quality (FAQ) is acceptable.

Mechanised bulk handling facilities are available only at Tuticorin and Mumbai ports. Handling facilities at all other ports are manual.

Suggested strategy for Canadian Companies:

- India is a big market, with potential to expand upto two million tonnes of peas and pulses annually.
- It is important for Canadian suppliers to maintain consistent quality in order to have a strong foothold in the market.
- Canadian suppliers should visit the market place and meet with individual buyers in order to have an on-the-spot assessment of the Indian needs.
- Indian buyers should be invited to Canada to showcase Canadian products and to build awareness of Canadian supply capabilities among Indian buyers. This could involve a number of initiatives such as incoming and outgoing missions, seminars, etc.

General:

For further information contact the Canadian High Commission at New Delhi, or our offices at Mumbai, Bangalore and Chandigarh.

SOME LEADING INDIAN IMPORTERS OF PEAS & PULSES

Adani Exports Limited

Brig. S.S. Bhatti , VSM
Officer on Special Duty
Adani House, Shrimali Society

Navrangpura
Ahmedabad, Gujarat India 380 009
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Agrimex India Private Limited

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703, Maker Chambers 5,
221 Nariman Point
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Deepak Enterprises

Mr Karan Vir Kapoor
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4067 Naya Bazar
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Phone : 396 4278/392 7719
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Andagro Services Pvt. Ltd.

Mr Pravin Dongre
General Manager
501 Dalamal House
Nariman Point
Bombay, Maharashtra India 400 021.
Phone : 91-22-285 2863, 0758
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Banwari Lal Shiv Chand Rai

Mr Pradeep Runwal
4077-78 Naya Bazar
Delhi India 110 006
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Bheda Brothers

Mr. S. L. Bheda
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Canny Overseas Pvt. Ltd.

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Cargill India Pvt. Ltd.

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Commodities (India) Pvt. Ltd.

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Faqir Chand Vinod Kumar & Co.

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Garg Trading Company

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ITC Limited

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Jhunjhunwala Vanaspati Limited

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Keshav Overseas

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Kothari Fermentation and Biochem Ltd.

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Mahesh Agro (P) Ltd.

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M. Lakhamsi & Co.

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Navjivan Gawar Gum and Dal Mill

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Premji Ghellabhai & Co.

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Producin Ltd.

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Tata International Limited

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