

GROWER NEWSLETTER

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In this month's issue:

- Canadians to plant more pulses
- Pea prices higher to cater to Indian demand
- Little change in ABARES Crop Report

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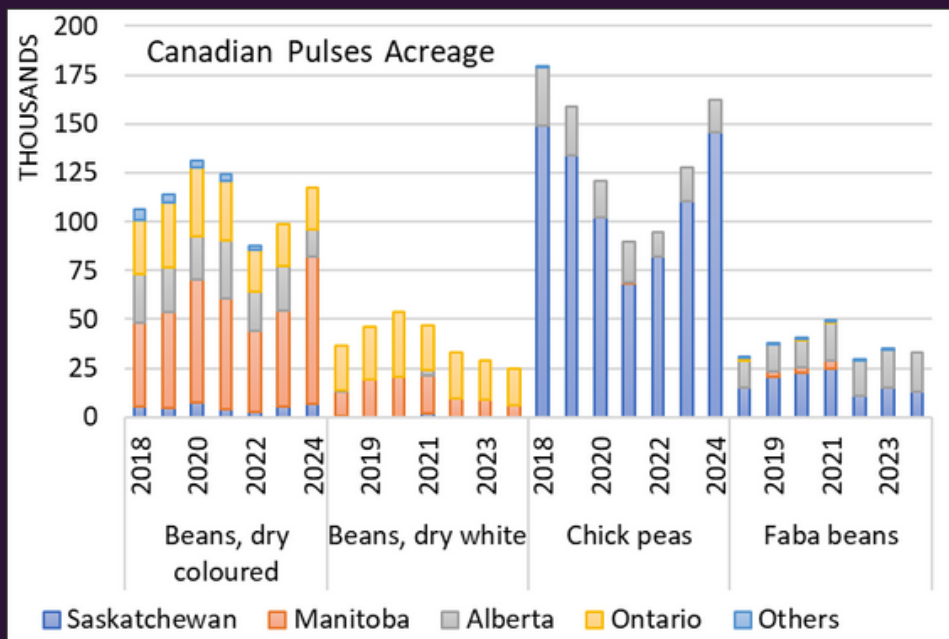
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CANADIANS TO PLANT MORE PULSES

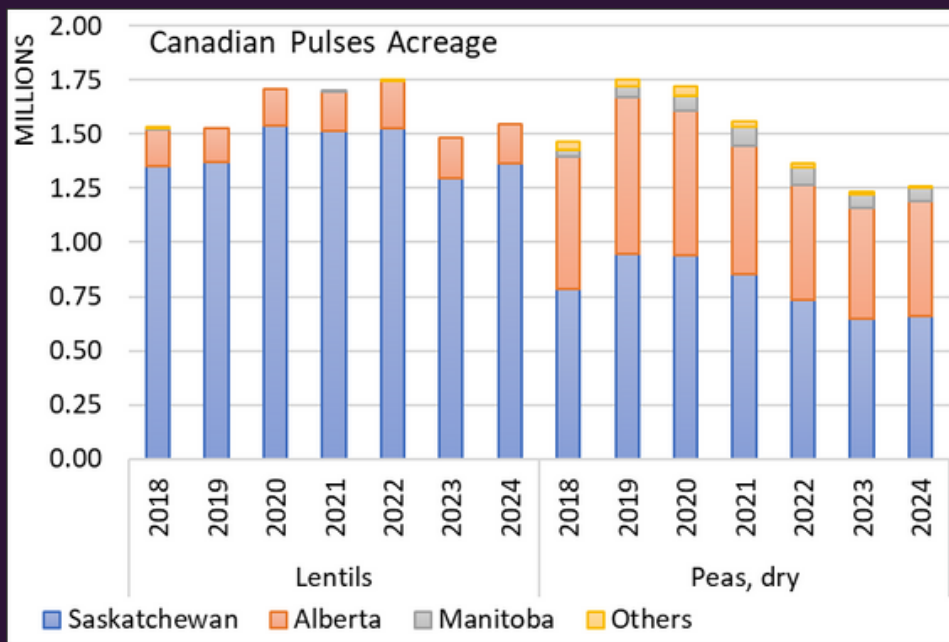
As per the latest StatsCan report, Canadian growers intend to allocate more land to the pulses crops for 2024 sowing campaign. The largest percentage increase is reported in chickpeas at 27% y-o-y. For lentils, Canadian growers intend to plant on 1.55 million hectares, a jump of 4% from last year's extremely poor campaign. Pea acreage, though 2% bigger than 2023, will still be second smallest in 13 years.

Even with the elevated international prices of pulses, the uncertainty about Indian market and rising competition from Russia is making the growers nervous about increasing acreage substantially. After snatching Canadian market share in Chinese pea markets, Russia is poised to repeat the same with red lentils in Indian market. Russian exporters can now export lentils to India, thanks to a policy change last year, and with the largest lentil markets in sight, Russian growers are likely to increase their lentil acreage further this year.



The prevailing high prices of kabuli chickpeas has incentivised growers across the world to plant more of the crop. India is slated to harvest more than half a million tonnes of kabulis this season, Russian production was three quarters of a million and will likely increase further and now Canadians intend to increase acreage by 27% and we expect their US brethren to replicate the same.

How are you positioned for 2024 season?



PEA PRICES HIGHER TO CATER TO INDIAN DEMAND

Another policy change from the land of pulses and uncertainty! Indian government extended its zero-duty pea import policy further until bill of lading date of April 30, 2024. This has essentially extended the initial deadline (arrival by March 31) by three months and the prices jumped again. This will nearly wipe out all old crop inventories at origins and create a deficit at other major destinations like China, Pakistan, Bangladesh, Türkiye as well.

Will India extend the policy further? Likely not immediately, however, there is a chance that the policy may make a comeback, once the 2024 crops are harvested in Canada and Russia. Meanwhile, the Chinese importers will be looking at alternate origins to fill their requirements, in a similar fashion that they did in 2022. Australian pea varieties have high acceptance rate in China and the demand can move cash prices northward.

Pea Stocks to Use Ratio						
MY	'000 MT	Canada	Russia	Ukraine	USA	Total
2020-21	Disposal	4,349	2,639	582	1,242	8,812
	Carryout	559	494	54	148	1,255
	Ratio	13%	19%	9%	12%	14%
2021-22	Disposal	2,494	3,156	509	830	6,989
	Carryout	339	515	128	147	1,129
	Ratio	14%	16%	25%	18%	16%
2022-23	Disposal	3,299	3,326	352	960	7,937
	Carryout	498	815	48	177	1,538
	Ratio	15%	25%	14%	18%	19%
2023-24	Disposal	2,900	5,070	418	1,155	9,543
	Carryout	225	422	31	140	818
	Ratio	8%	8%	7%	12%	9%

NO SIGNIFICANT CHANGE IN ABARES CROP REPORT

Last week, Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) released its crop report. Pulses production was little changed.

Lentils

Last week, Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) released its crop report. Pulses production was little changed.

Chickpeas

For chickpeas, there was no change for two large producing states, NSW and QLD, however, there was a small increase in production of South Australia, leading to a net increase of 1% in the country's production estimate. For chickpeas, our yield model has similar figure as that of ABARES and the country will be able to export over 700 KMT, depleting its 2022 inventory.

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Darlington Point to Grong Grong, NSW
18th - 22nd March

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