

GROWER NEWSLETTER

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GET IN TOUCH WITH US

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OVERSUPPLY OF LENTILS?

For the past few weeks, lentil prices are falling globally. What is to blame; oversupply or sluggish demand?

The last two years saw increased lentil demand from India, Türkiye and Iraq; where Indian government created a stock, while Iraqi government distributed imported lentils to its populace.

To catch up with the demand, farmers globally upped their lentil acreage, including us, where the acreage for 2024 has been a record high. Acreage was notably increased in Russia and Kazakhstan. The weather has also been conducive in many of the regions, including May rains in Canadian Prairies, incessant showers in Russia and Kazakh and finally precipitation in Victoria. One of the key regions, which is drier than normal is South Australia.

Onto the demand, India is experiencing good monsoon rains this year and the growers have dedicated additional acres to pigeon peas, a crop which lentils were substituting. The heavy pea import in 2024 has also skewed the pulses consumption in the country and therefore a demand cut of nearly half a million metric tonnes is expected in MY 2024/25 (Apr-Mar). The monsoon showers will also up the soil moisture and fill the reservoirs, which will come in handy for Rabi season.

To the best of our understanding, the world is oversupplied with lentils by a minimum of one million metric tonnes and we are not sure who will be stocking it into the next season. The supply pipelines in Asia and North Africa will get filled up this season, which may keep demand subdued in 2025 as well.

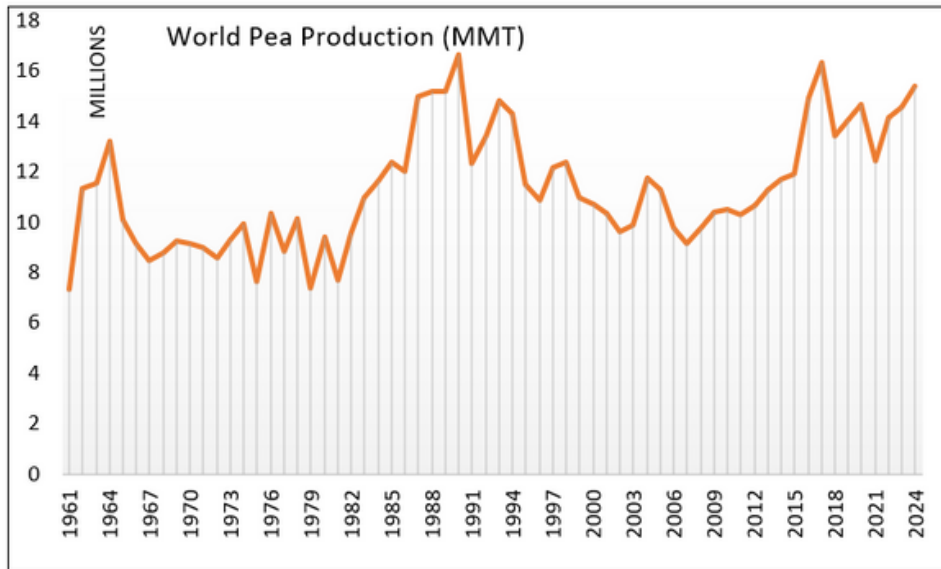
Lentil Supply Demand for MY 2024/25

Export		Import	
Country	Qty	Country	Qty
Canada	2,120	India	1,150
Australia	1,550	Pakistan	150
Russia	440	Bangladesh	400
USA	250	Turkey	400
Turkey	420	UAE	340
Others	780	Sri Lanka	200
Total	5,560	Iraq	195
		Egypt	155
		Algeria	140
		Others	1,037
		Total	4,167

GLOBAL PEA SUPPLIES

A similar situation is emerging in pea markets, where the growers globally have responded to change in Indian import policy. Acreages were reported higher across European Union, Russia, Canada, Ukraine and USA, which will push the 2024 global production to over 15 MMT. While the demand since the new crop arrival has stalled.

Feed demand of peas has subdued, for the uncompetitive prices versus other feeds like corn and oilmeals, protein extraction demand has also taken a beating in China for the US anti-dumping duties on the finished product. Food demand is the sole head, which has seen a jump, compared to 2023 and that is stemming only from India. If India doesn't extend its zero-tariff policy further, it will be difficult for the pea traders to find a home for the produce.



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