



International
Trade
Centre



Africa Pulses Sector Opportunities and Challenges

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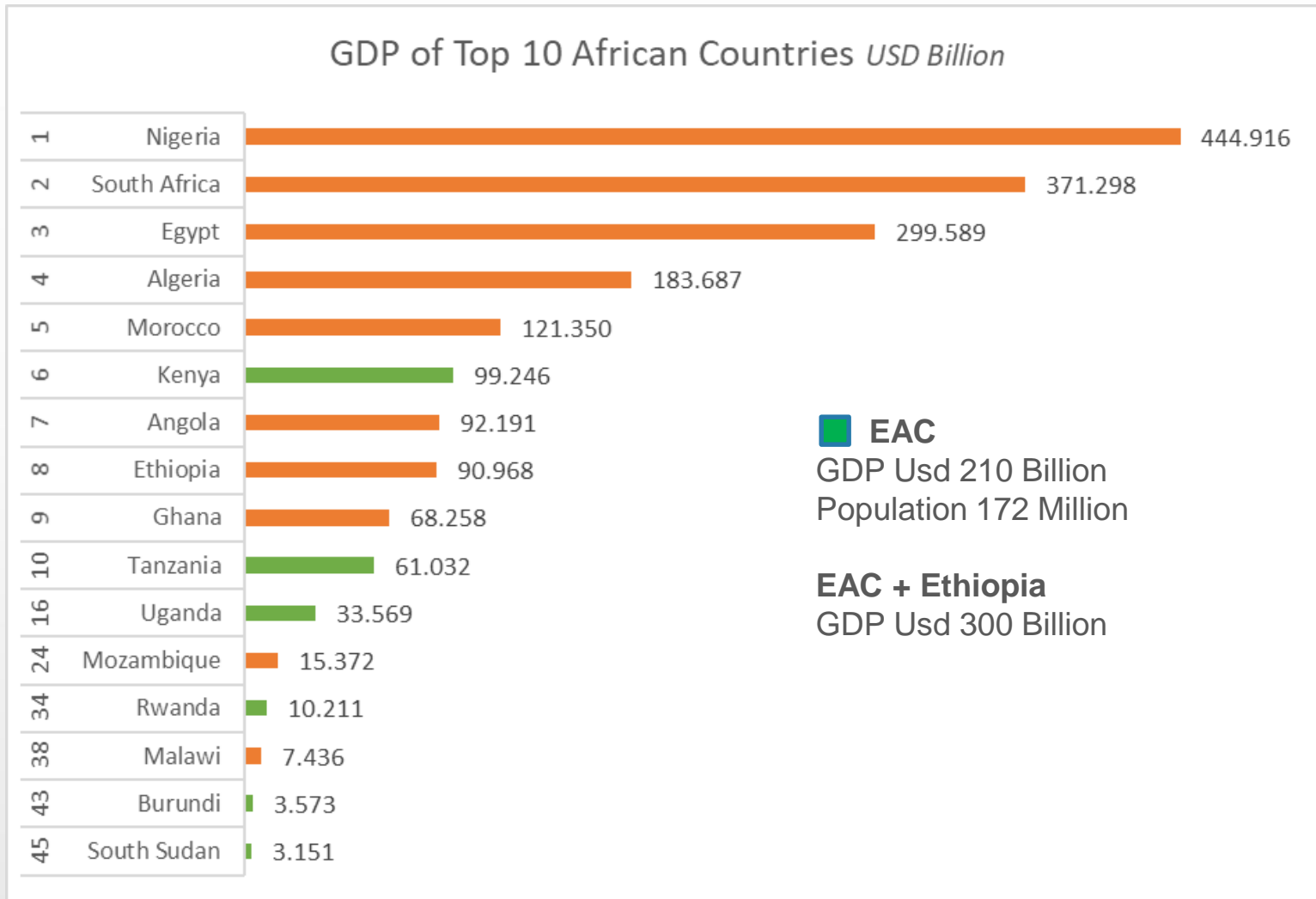


Why East Africa?

- EA growing - 5.7% in 2018 - agriculture contributing most to real GDP
- Increasing public investment - enabling environment, infrastructure and services
- Increasing production base
- Under-utilized agricultural land - scope for increased cultivation
- Proximity to consumer markets
- Climate change is a reality – diversification of supply geographies as a mitigation strategy



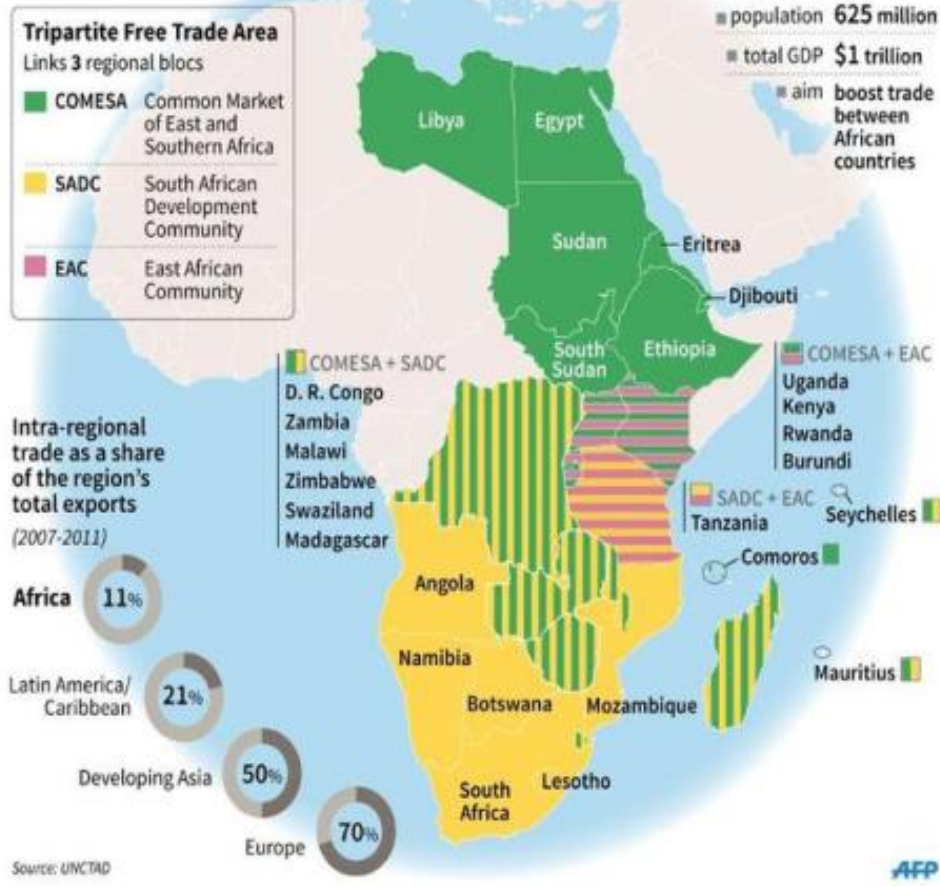
Why East Africa?



Access to regional markets

A common market spanning half of Africa

A step towards a continental free trade area



EAC - 172 Million
COMESA - 390 Million
SADC - 277 Million
TFTA - Common market from Cairo to Cape town-
625 Million

GDP
EAC - 210 Billion Usd
COMESA - 760 Billion Usd
SADC - 700 Billion Usd

Access to regional markets



- Ratifying parties
- Signed March 2018, not ratified
- Signed July 2018 or later, not ratified

- Free trade area among 54 of 55 African Union nations
- The AfCFTA initially requires members to remove tariffs from 90% of goods, allowing free access to commodities, goods, and services across the continent
- The agreement will boost intra-African trade by 52 percent by 2022
- **Kenya and Tanzania can be the gateway to this area comprising of 1 billion people who depend on export markets and Investments in Pulses Sector**

Production and trade scenario

- **96** Million MT of Pulses are produced globally valued at 13.5 billion USD
- Nearly **84%** of Pulses Consumed at origin. **16%** of Pulses Exported
- **35 African** Countries feature in top 100 pulses producing countries of the world – Producing 19.57 Million MT
- Nigeria is the largest pulses producer in Africa with 3.5 Million MT with only 20,000 MT of exports

Top 6 Exporting Countries in the World (MMT)	
Canada	5.00
Australia	1.40
Myanmar	1.30
USA	1.10
China	0.80
Africa (6 Countries) #	1.30
Top 6 Importing Countries in the World (MMT)	
India	3.80
China	1.10
Bangladesh	0.80
Pakistan	0.40
Egypt	0.40
UAE	0.40
<i># 6 Countries include Ethiopia, Uganda, Kenya, Tanzania, Mozambique and Malawi (MMT: Million Metric Tons)</i>	

Production and trade scenario

East African Pulses Production and Exports (2017)

MT

S.No	Country	2017 Production	Rank in World	Exports	Exports to India	% of Exports
1	Ethiopia	2,922,922	10	340,000	52,100	15
2	Tanzania	2,000,163	12	300,000	111,535	37
3	Kenya	1,247,439	14	120,000	60,200	50
4	Uganda	1,068,870	17	80,000	26,400	33
5	Mozambique	748,105	20	367,000	156,438	43
6	Malawi	356,285	39	100,000	59,400	59
		8,343,784		1,307,000	466,073	36

Production and trade scenario

East African Pulses Exports to India

MT

S.No	Country	2014	2015	2016	2017	2018	2019
1	Ethiopia	51,770	63,290	62,770	52,100	54,000	59,000
2	Tanzania	219,200	208,300	313,000	111,535	98,000	118,000
3	Kenya	53,400	52,500	84,700	60,200	38,000	44,400
4	Uganda	50,360	26,900	20,221	26,400	16,800	17,200
5	Mozambique	96,500	110,600	148,400	156,438	179,000	228,000
6	Malawi	62,600	75,700	54,700	59,400	37,000	38,340
		533,830	537,290	683,791	466,073	422,800	504,940

Key Demand & Supply Side Concerns

Demand Concerns

1. QR

- Indian Government
- Trade Restrictions
 - Tariff Restrictions
 - Inconsistent policies

2. Climate

- Import Window
- Cropping Pattern
 - New Areas
 - New Seasons

Supply Concerns

1. Quality

- Quality and standard of product in line with market requirements
- Quality of Seed variety used

2. Cost

- Optimal management of costs of production to ensure sustainability of the business

Opportunities in Pulses Trade

- Positive Impact of QR
 - Increased pulses consumption (Change in food habits)
 - Increase in Intra-African Pulses Trade
 - Investments in local processing facilities
 - New markets for EA in Europe and USA



SITA
Intervention in
Trade

Improved the
competitiveness of
select value chains
in Pulses Sector

Opportunities in Pulses Trade

Processing

- Canning Sector - Beans
- Pigeon Peas Processing

Grading

- Basic Grading to advanced facilities

Research

- R&D in Seed Development
- For Seed Companies

Insurance

- Small scale insurance as a back bone for farmers

Storage

- Farm Storage
- Storage at Aggregation centers
- Port Logistics

Marketing

- Local Marketing/ Retail sector
- Intra Africa Trade
- Exports to developed countries

Finance

- Microfinance as a back bone for farmers

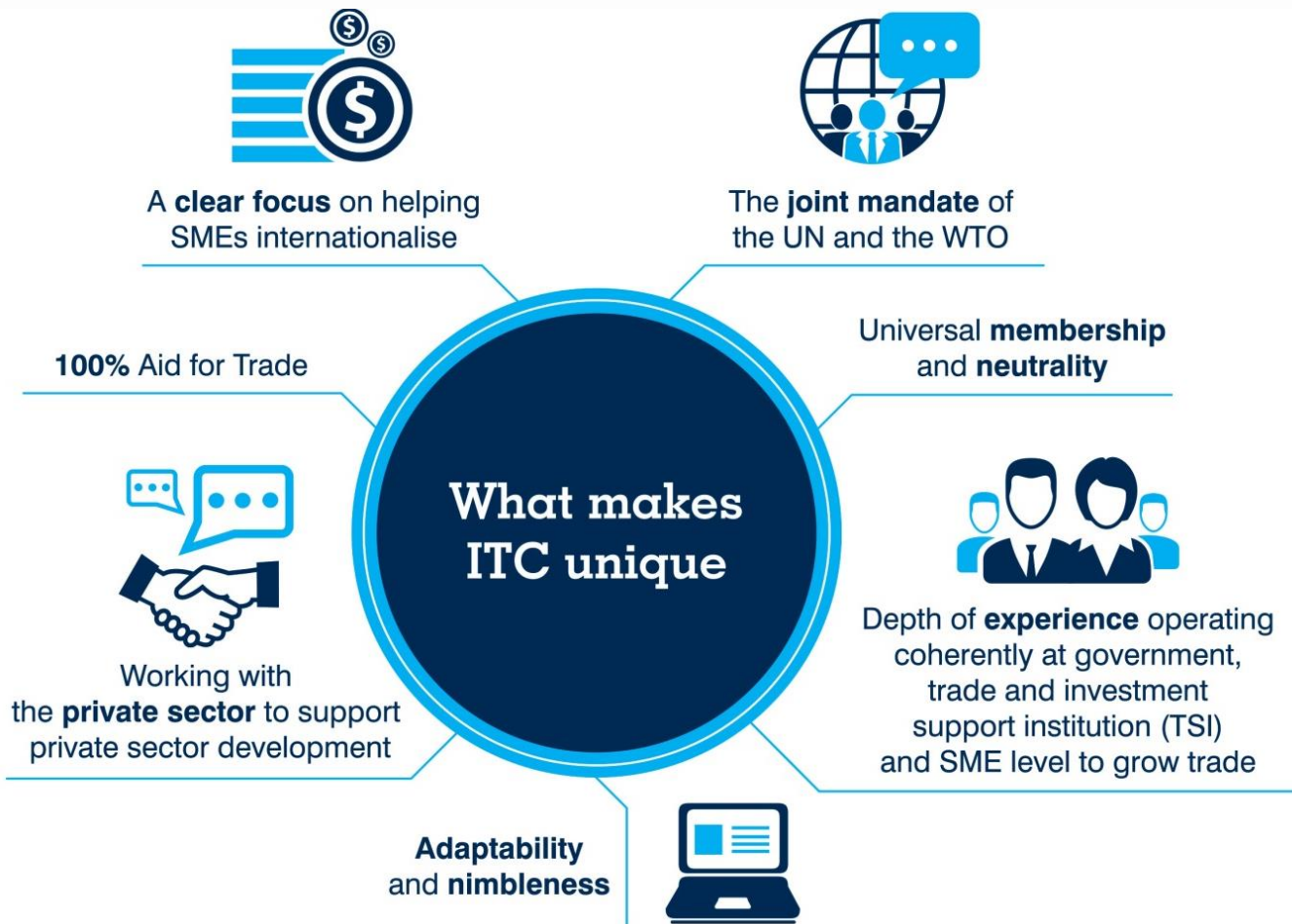
Agri Tech

- Applications on Information services
- Data base
- Climate data

Vertical Linkages : Farmers, Millers, Traders, Exporters

Horizontal Linkages : Associations, Peers in Subsectors

International Trade Centre (ITC) at a Glance



SITA is one of the several projects under

South-South Trade and Investment Programme

linking

Emerging Economies

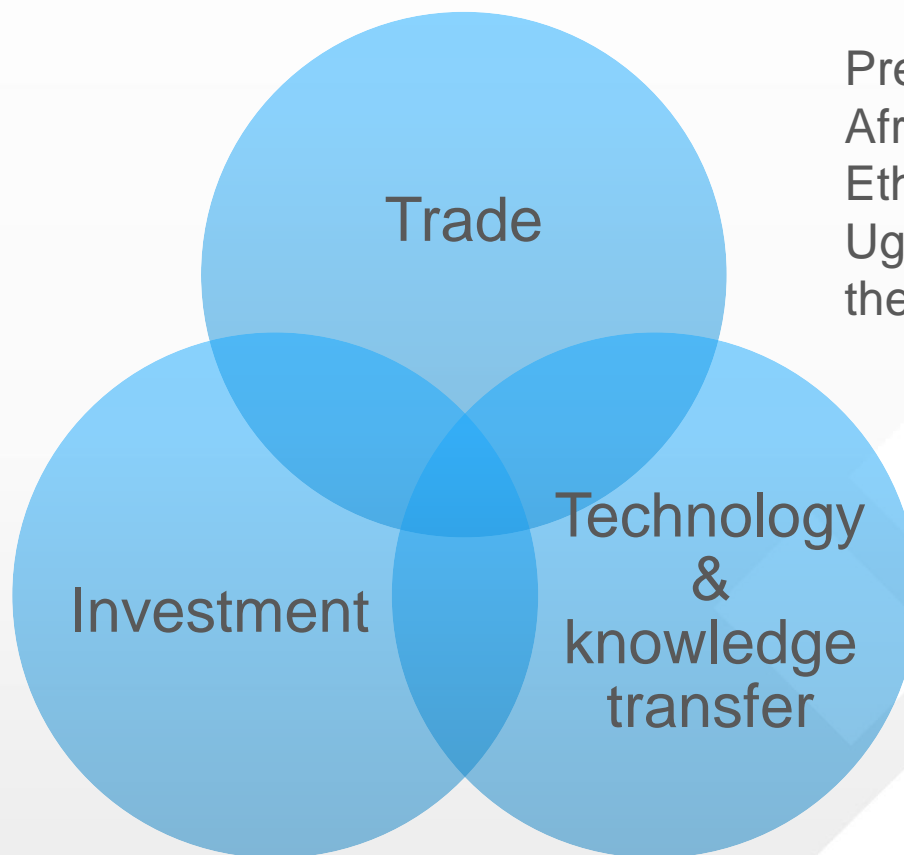
Developing Countries

Least Developed Countries

SITA at a Glance

(Supporting Indian Trade and Investment of Africa)

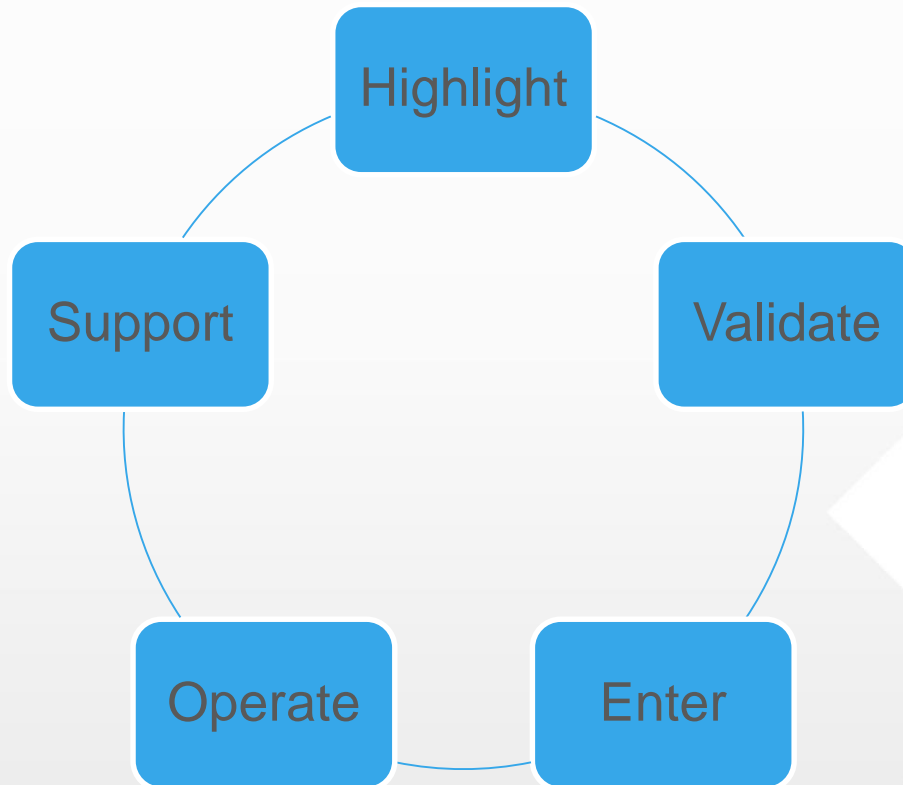
To improve the competitiveness of select value chains in Pulses Sector



Present in five East African countries: Ethiopia, Kenya, Uganda, Rwanda and the Tanzania

Partnerships from institutions and business from India.

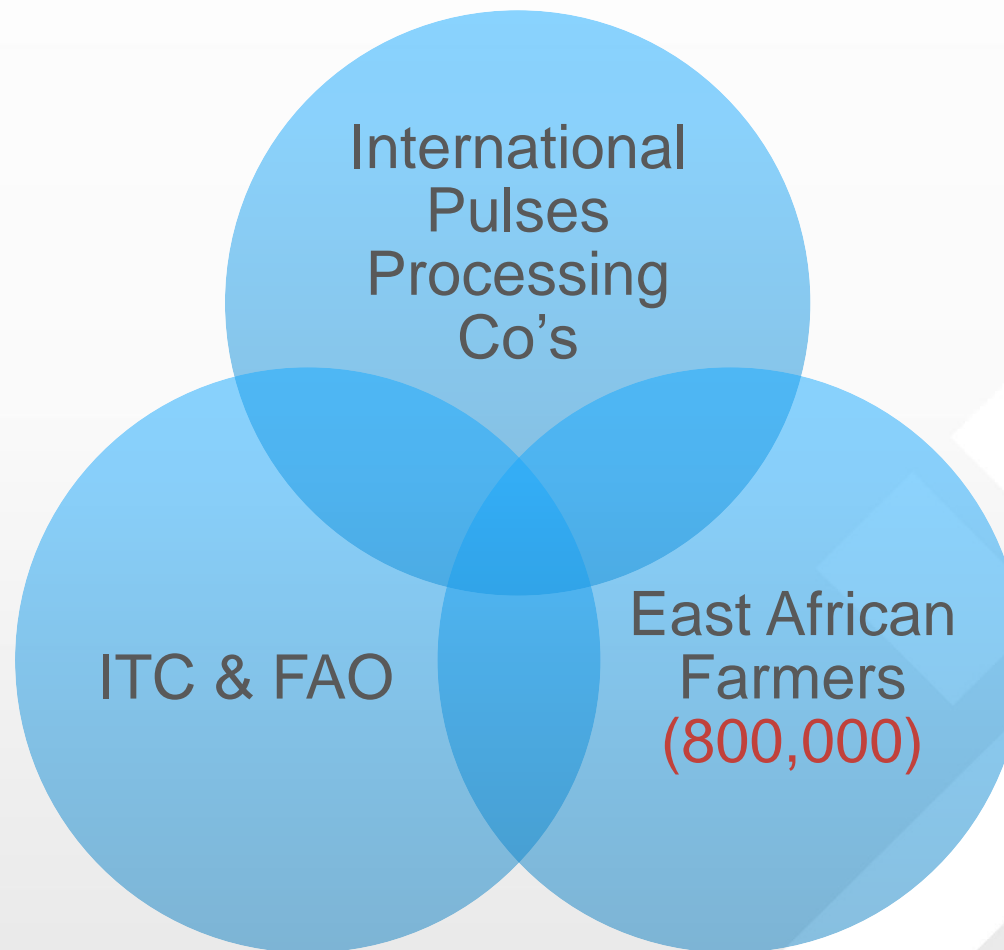
Our support to clients



Expected results

1. Increased productivity and production
2. Production that is fit-for-market
3. Use of advanced technology in processing Pulses
4. De-risked supply chain due to diversification
5. Efficient ecosystem to support the Pulses value chain

Tripartite Partnership for Investment



Ask from clients

Through partnership with ITC & FAO under a multi-year project framework, we invite businesses to:

1. Engage with farmer organizations in East Africa to source raw material
 - Enhanced control of quality & opportunity to trigger increased production
2. Establish processing units in East Africa
 - Proximity to consumer markets which are growing and under exploited
3. Explore other opportunities in the Pulses value chain (including production of hybrid seed)

Thank you!