

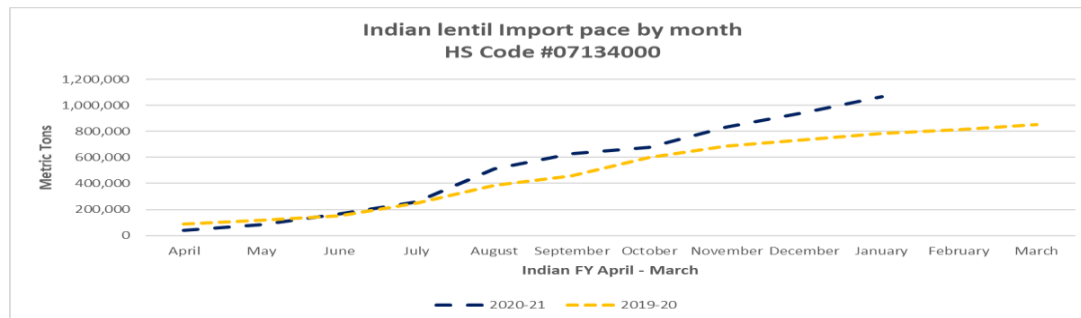
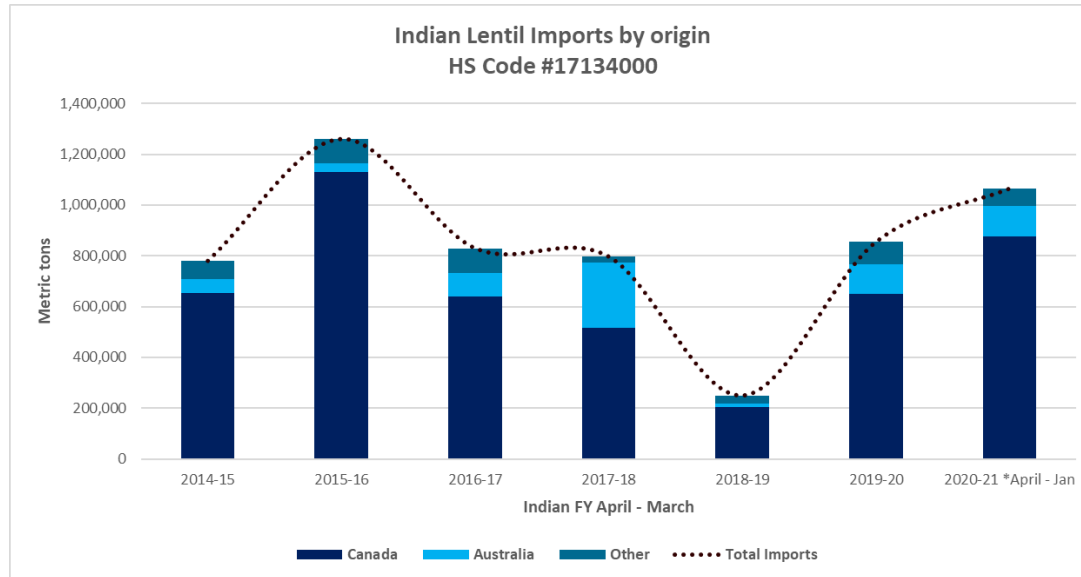
Australian Lentil Crop update 2021.

Nick Poutney

Pulse Australia



Context of the Australian lentil crop



- Represents ~15%-20% of global trade.
- Represents 10%-15% of Indian imports.
- In 2017/18 Australian lentils represented over 30% of Indian imports as Australia had a bumper crop.
- There was a bump in the Indian import arrivals in August & November 2020.

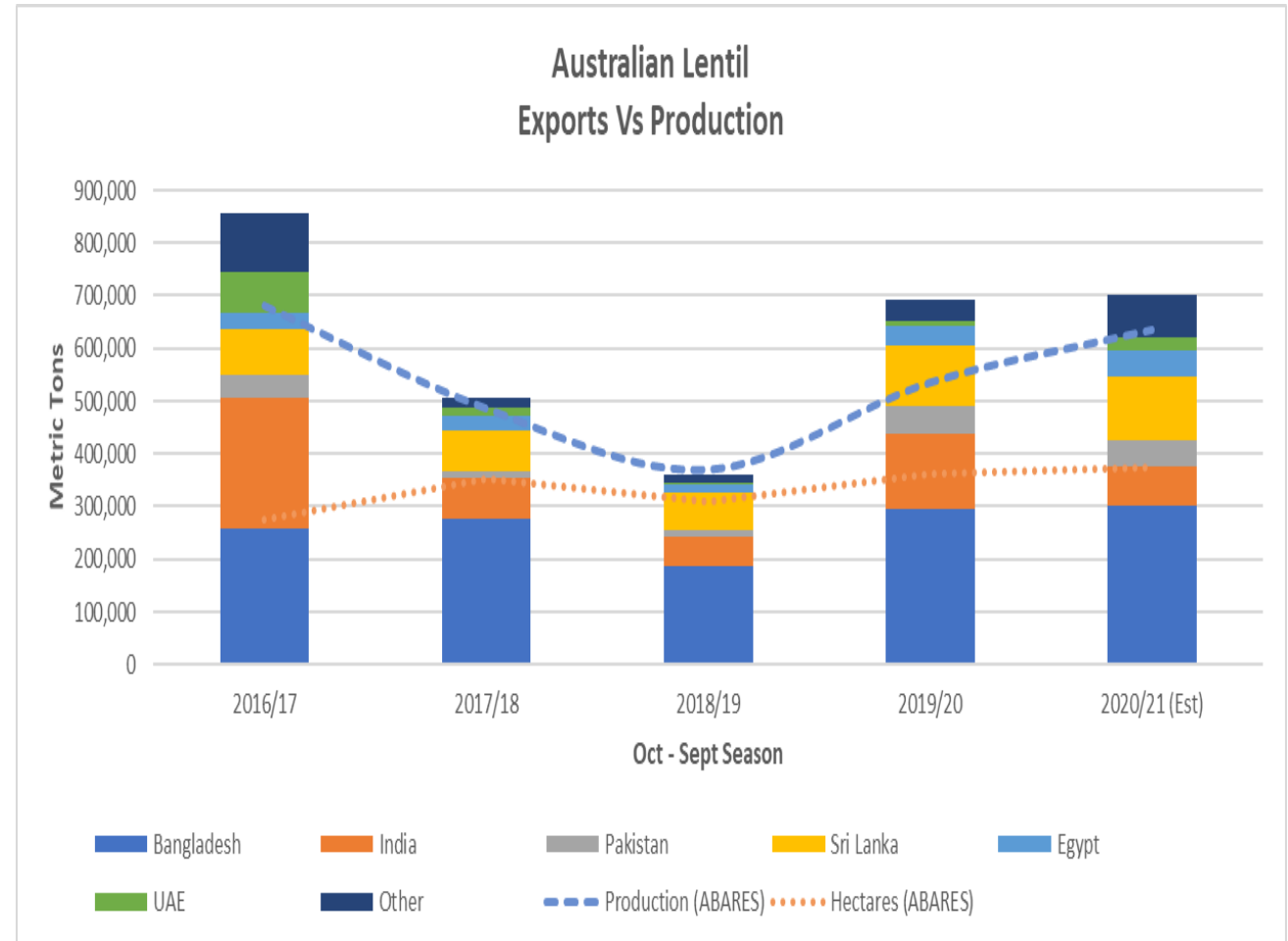
Australian Production Estimates Vs Export Stats.

2 Reference points:

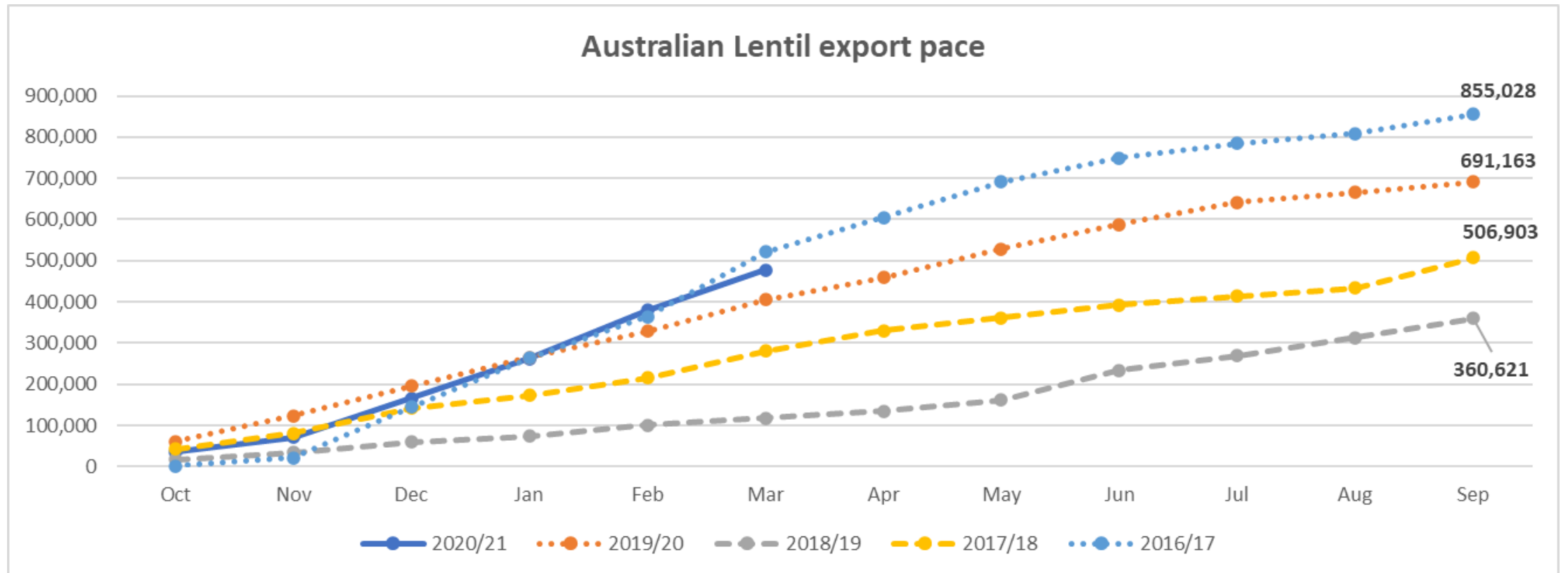
1. ABS are reliable export Stats that indicate the size of production
2. ABARES production estimates are a “best guess” that provide a guide on planting intentions and expected yields.

Take away points:

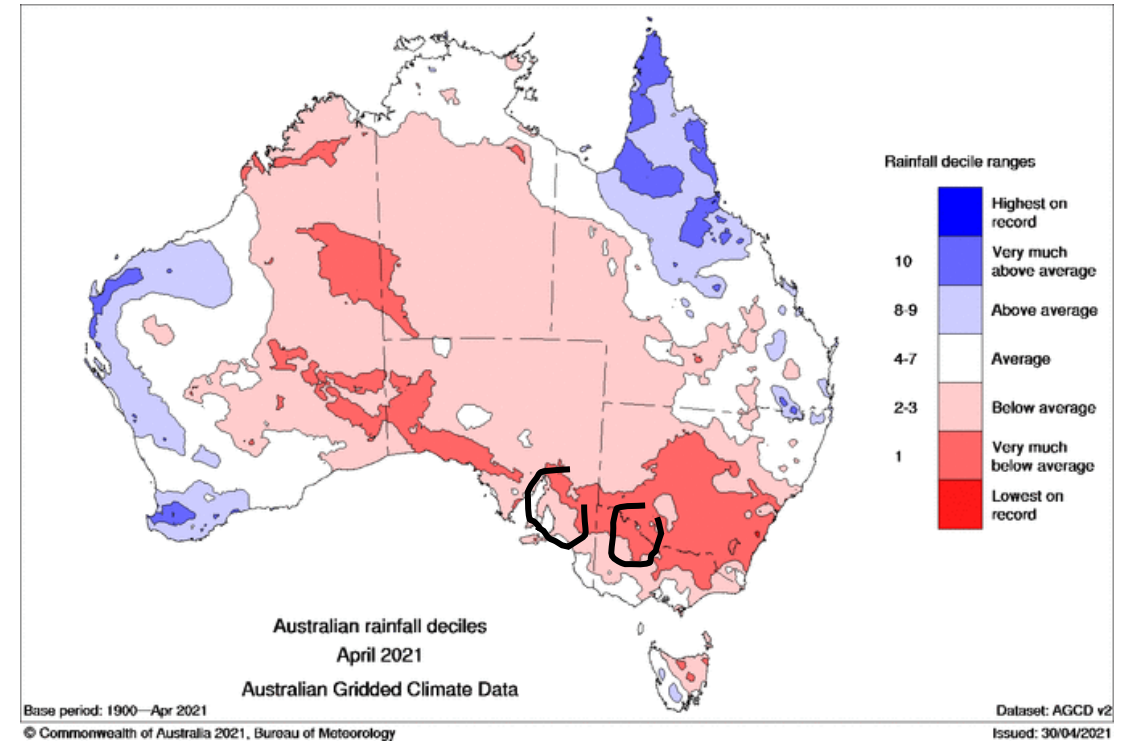
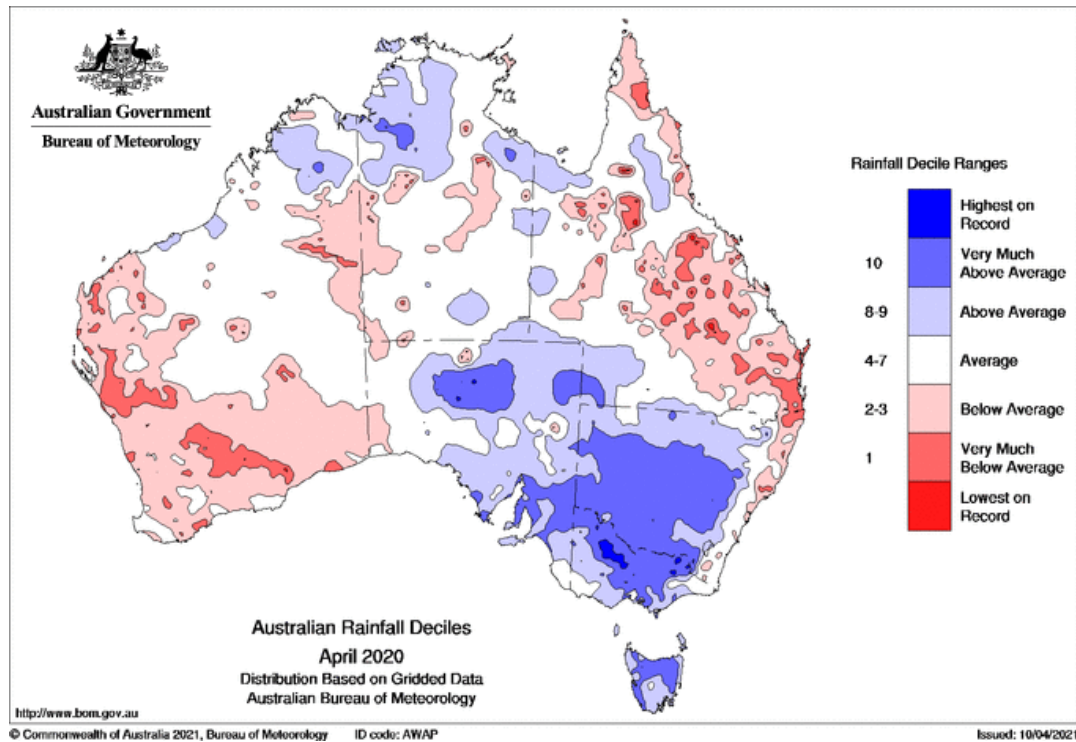
1. ABARES consistently underestimates the lentil crop production.
2. Hectares remain relatively stable with slight growth.
3. The final crop size is more influenced by yields than swings in hectares.



2021 export pace is well above average.
Strong export demand
Growers have generally sold.



Production trend from 2020/21 into 2021/22

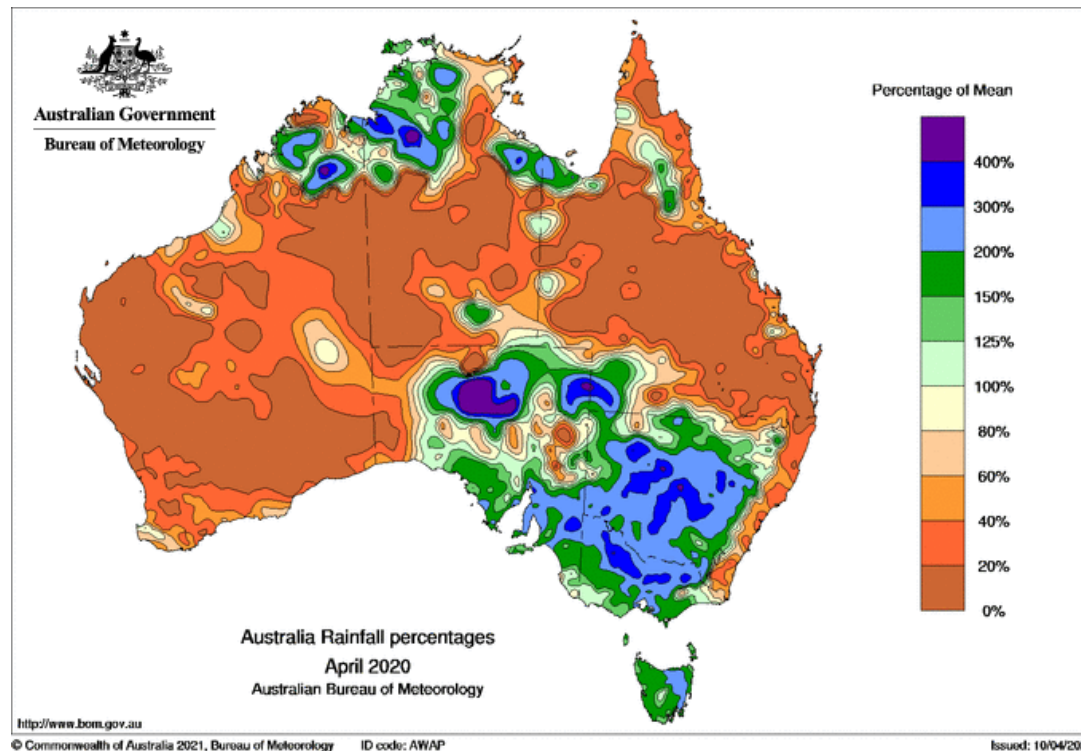


Grower considerations

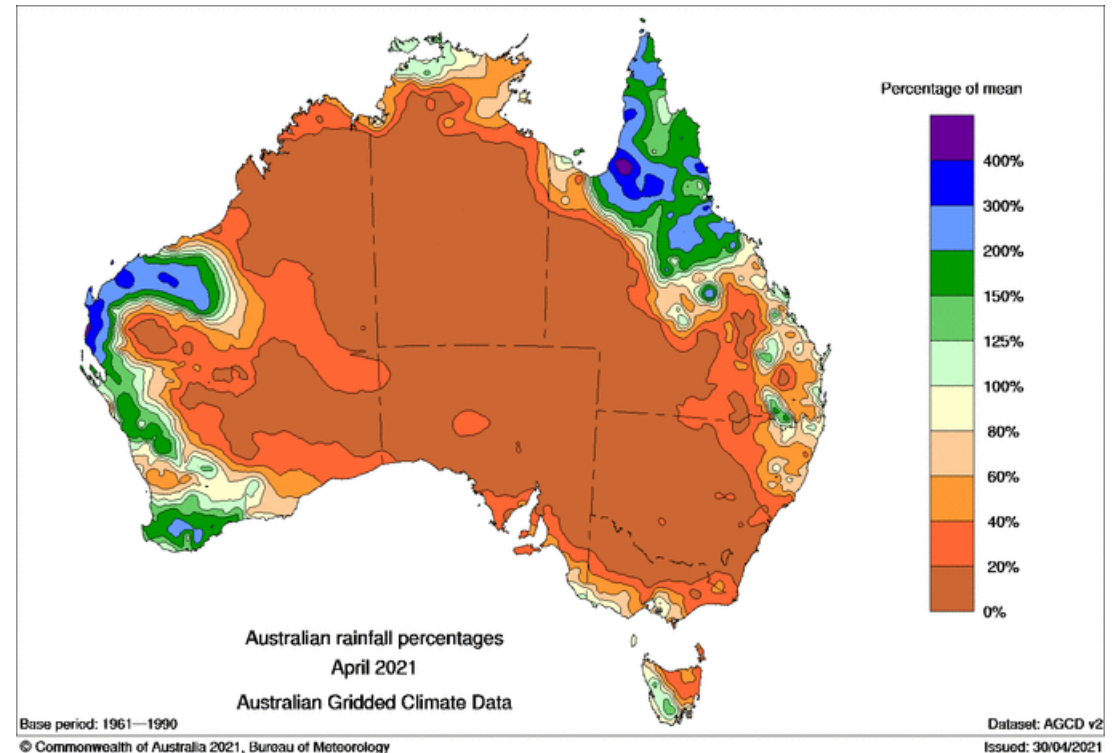
- Strong performance in 2020/21 in yield and price have encouraged growers to plant lentils in 2021/22.
- Considering the general rise in competing crop prices, Lentils are still a profitable part of the strategic crop rotation.
- Growers are indicating the same or slightly higher acreage in 2021.
- Crops are planting in very dry conditions and need follow-up rains.
- 3 main distinct growing regions for lentils are highly concentrated.
 - South Australia, York Penn. only ~20% planted.
 - Victorian Mallee region ~80% planted.
 - Victorian Wimmera region ~50% - 60% planted.

2020/21 comparison with 2021/22

**2020 planted into strong soil moisture profiles.
Crops later received good spring rains.**



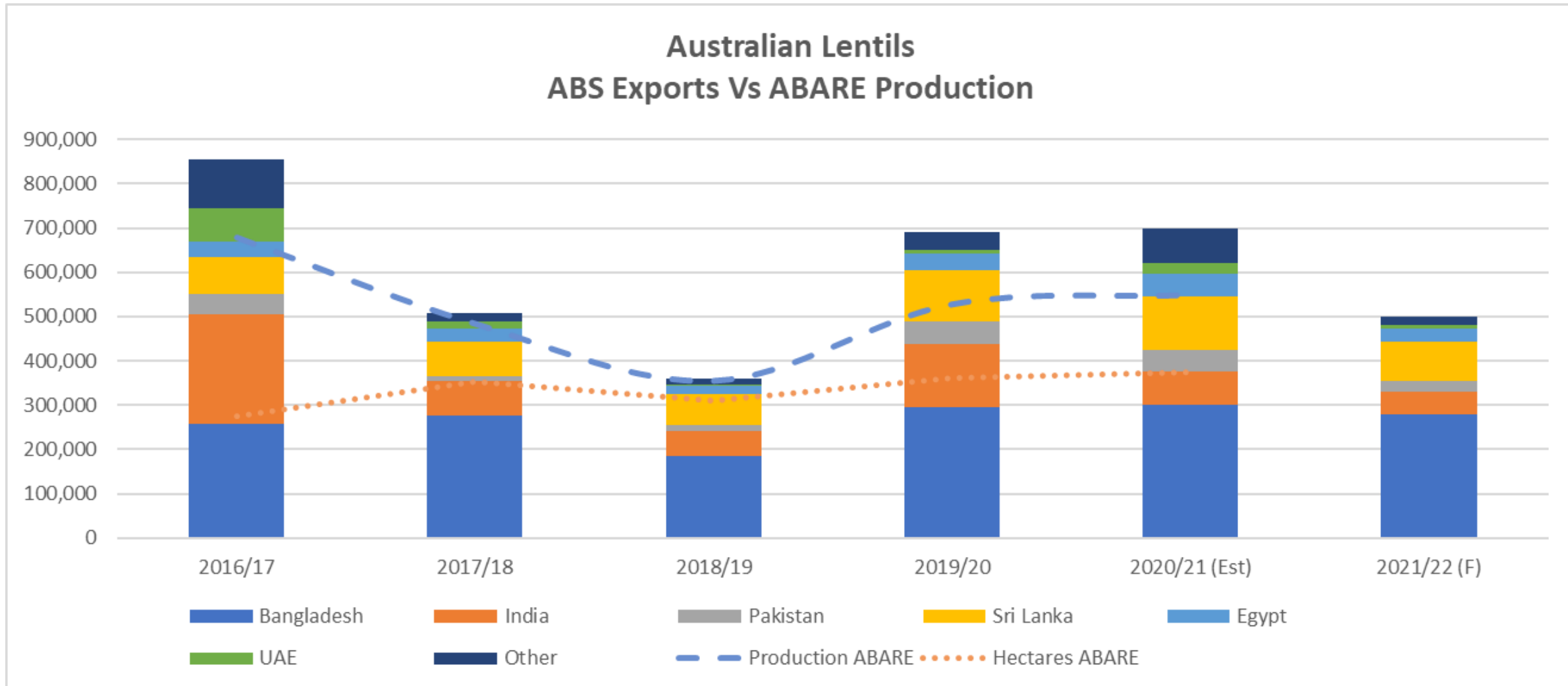
**2021 planting underway in dry soil conditions.
No substantial rains forecast in the next 2 weeks.**



2021/22 Lentil crop planting considerations

- Last season, the 2020/21 crop achieved exceptional yields of ~50%-60% above average expectations.
- Most industry estimates consider the 2020/21 crop at ~800,000mt or higher. (ABARES at 634,000mt).
- With steady to slightly higher acreage planted but with a reversion back to average yields, the 2021/22 crop should achieve ~500,000mt.
- An average yield scenario is conditional on rains arriving to support crop germination. (no rains in the 2 week forecast!).
- Lentil crops usually don't require as much winter rainfall as cereals but lentils require spring rains in September to support yields.

If Australia produced ~500,000mt of Lentils in 2021/22, the export task would be relatively predictable to usual importers.
If India requires stronger imports or Canada fails to export 2.5 mmt then prices should firm.



Final comments

- If Australia produces a ~500,000mt Lentil crop in 2021/22 then it will be relatively easy to export with limited demand from India.
- Based on recent years, Bangladesh is a consistent buyer with demand exceeding 250,000mt. Sri Lankan demand has increased to over 100,000mt. The Balance will export to Egypt, Pakistan, and the UAE.
- If India decides to reduce import duties on lentils to allow imports, this will place pressure on relatively tighter Australian supplies.