

# PULSE INDIA

AN INDIA PULSES AND GRAINS ASSOCIATION PUBLICATION



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*From the Chairman's Desk*

Dear friends,

It is my pleasure to present to you the inaugural issue of IPGA's magazine **PULSE INDIA**.

**PULSE INDIA**, across different issues, will seek to cover a variety of topics including Investment opportunities Domestic / International Market Outlook, Policy announcements by the Government, R & D initiatives, Milling industry developments, Farm Mechanisation, Technological advances in farming and processing, weather news, and Statistics, to name some.

The articles for **PULSE INDIA** will be contributed by sectoral experts from India and overseas. This inaugural issue of **PULSE INDIA** has contributions from the likes of Gordon Bacon, CEO - Pulse Canada, Peter Wilson, CEO - Australia Milling Group, Brian Clancey of STAT Publishing, Dr. Bharat Kulkarni, Consultant - Trade Policies and Markets for Agricultural

Commodities – Malawi and Mr. Gnanasekar Thiagarajan – CommTrendz, Dr. C L L Gowda of ICRISAT.

**PULSE INDIA**, Keeping in mind the sensitivity that changing Government policies have on this industry, **Pulse India** will seek articles and viewpoints from Government officials both in India and overseas.

Before I sign off, I would like to request you to please mail back your comments on this issue, its contents as well as any thoughts to make **PULSE INDIA** the mouth piece of the India Pulses Industry.

It will also be our pleasure to receive your contributory articles for **PULSE INDIA** for which you may contact Pradeep Ghorpade at [pradeep@ipga.co.in](mailto:pradeep@ipga.co.in).

Last but not the least; I would like to thank all our advertisers for their support.

**Pravin Dongre**

CHAIRMAN

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## Indian Pulses Sector – Ready for Transformation

G. Chandrashekhar

Despite the fact that India is the world's largest producer, processor, importer and consumer of pulses, the country's pulses sector – from input supplies till retail consumption – is characterized by a long and inefficient chain that often pushes costs higher without corresponding economic benefits. The structural issues along the value chain have been ignored for long years.

Transformation of the entire supply chain is the necessity of the times. Indian pulses sector deserves to be infused with efficiency so as to capture value at every stage and become globally competitive.

I would define global competitiveness as the ability to produce globally acceptable quality at globally comparable cost'; and today, sadly, Indian pulses cannot be said to be globally competitive.

The pulses sector in the country has suffered because of lack of policy support, research support and investment support for decades. It is in search of a trigger to transform. The United Nations declared International Year of Pulses 2016 can well be the trigger.

If there is any one country in the world that can demonstrate a 'quantum jump' in pulses production and /or consumption, it is India.

The country is uniquely placed to make an impacting difference to the global pulses sector by focusing on infusing efficiencies in the pulses value chain.

For India Pulses and Grains Association (IPGA),

the apex body for the country's pulses industry and trade, it is time to seize the opportunity.

I would think IPGA's overarching theme in the run up to IYoP 2016 ought to be: Expansion of domestic production and consumption coupled with liberalization of trade and modernization of milling / processing industry to make Indian pulses sector globally competitive.

There are various stakeholder groups that have to be brought together. These include input suppliers (seed, fertilizers, agro-chemicals); growers (mostly small and marginal); processors (dal mills numbering 15,000 mostly with antiquated plant & machinery); importers and exporters (large and small trading houses); local traders; indenters; food processing companies; consumers (institutional and household); policymakers (Federal and States); research institutions as well as service providers (banks, surveyors, warehouses, laboratories, shipping companies, C & F agents, transporters and so on).

IPGA should set off a dialogue and work with the aforesaid stakeholders operating in different parts of the country to pursue the following objectives:

- To create awareness about IYoP 2016
- To initiate stakeholder consultation on way forward
- Ascertain broad contours of each stakeholder group's plans
- Dovetail the plans into a national agenda

IPGA has a certain moral responsibility to catalyze and facilitate the transformation. It must undertake a series of initiatives. For instance, as a priority, it must seek to create



a Research-Industry Interface by liaising with leading research institutions (ICAR, ICRISAT, IIPR, TNAU); and provide forward guidance on market-need oriented research priorities. Low yields are a bane of the pulses sector. Yield enhancement strategies have to be adopted for which requisite resources – financial, technological and human - have to be organised.

Another area that cries for attention is the processing industry. The milling capacity is highly fragmented and mills fail to capture scale economies. Work towards consolidation of fragmented capacities deserves high priority. Simultaneously, dal mill modernization brooks no delay. IPGA should work with policymakers to create a dal mill modernization fund. If the process of modernization is embarked upon in right earnest, there is scope for attracting foreign direct investment in the dal milling industry.

Food safety, hygiene and quality standards deserve attention. IPGA must act as facilitator to create awareness and educate stakeholders about compliance with food laws, especially Food Safety and Standards Act.

Consumer interest deserves to be advanced. IPGA must seek to address the scourge of malnutrition and under-nutrition (protein deficiency) especially among the poor. For the

purpose it is imperative the association works with policymakers to promote consumption of pulses through various public welfare programs.

Work with food technological research institutions as well as food processing companies to research utilisation of pulses to produce protein-rich, ready-to-eat, economically-priced snacks / foods for mass consumption will take the industry and utilisation of pulses to a higher level.

While pulses imports are liberal, exports are highly restricted. A restricted export policy works against growers' interest. Keeping both export and import open and free would make for a progressive foreign trade policy. Exports would improve the marketability of the crop, benefit growers, enhance capacity utilisation in the processing industry and earn foreign exchange.

Because South Asia is the world's largest import region and issues related to pulses production and trade are similar, it would be the country's interest to work closely with counterparts in Pakistan, Bangladesh and Sri Lanka.

Transforming the pulses sector is without doubt a daunting challenge. IPGA – go ahead and seize the opportunity.



## Ethiopia- An emerging opportunity in Pulses trade

~ Dr. Bharat Kulkarni

**Ethiopia, a country with wide potential** - Ethiopia, a country strategically located within the horn of Africa, is one of the biggest economies in the region. It is one of the fastest growing countries in the world and is second most populous country in Africa. As per the World Bank estimates, Ethiopia registered more than 10% yearly average growth rate between 2009 and 2013. Major contributor to this has been agriculture, which has registered an 8-10% growth rate in the recent past.



Ethiopia commands rich agro-biodiversity resulting from its geography, climatic differences, ethnic diversity and strong food culture. The great variation in altitude ranging from sea level up to 4500 meters provides a great variation in climate as well.

Although Ethiopia lies within the tropics, temperatures range from a mean annual high of 30 degrees Celsius to a mean annual low of 10 degrees Celsius.

When the hot lowlands are suitable for crops like sugarcane, palm oil, maize, cotton and sesame, the higher altitudes offer scope for crops like coffee, tea, teff and roses.

Pulses, is again an important crop group and occupies approximately 13% of cultivated land. It also accounts for about 10% of the agricultural value addition. Pulses are also important as a foreign exchange earner for the country as the third-largest export crop after coffee and sesame.



**Pulses in Ethiopian Agriculture** - Though the focus of the policy had been primarily on coffee and sesame, as potential export crops, the pulse sector in Ethiopia has shown remarkable development and scope to increase the export earnings. Rough calculations suggest that Ethiopia could expand its foreign market presence from its current levels of USD 100 million through increased production levels.

Presently the production of pulses in Ethiopia is about 2 million tons. The major pulses exported are Haricot beans, pea-beans, horse beans, chick peas and lentils. The major export destinations are the Gulf States (Saudi Arabia, Yemen, Israel), European Union, Asian countries (mainly Pakistan) and the neighboring African countries.

Eleven pulse species are grown in the country. Pulses cultivated on the cooler highlands include faba bean, field pea, chickpea, lentil, grass pea, fenu greek and lupine. In the warmer and low lands, the major pulses grown are haricot bean, cowpea, pigeon pea and mung beans. The largest variety grown is the faba beans (broadly known as horse beans) accounts for the greatest portion of production, followed by haricot beans and chickpeas. Other varieties like lentils, white peas, Red Kidney Beans, lupines, and mung beans share the remaining production.

Chickpea is one of the major pulses from trading and export perspective. Ethiopia is currently the largest producer in Africa for chick peas. As Chickpeas is known to the "pro-poor" crop, it is widely cultivated by farmers and used for crop rotation with teff and wheat. Chickpeas also command a significant commercial demand, both locally and internationally.

The geographic position of Ethiopia provides a competitive advantage for exports, mainly due

to the relative proximity to major chickpea importing countries. Ethiopia has a better logistics proximity with the world's leading four importers- India, Pakistan, Algeria, and United Arab Emirates. Another type of pulses is the Green Mung.

As per the Ministry of Trade (MoT), Ethiopia exported 17400 MT of green mung beans in the concluded year of 2012/13, with the demand going up from India, Indonesia, Belgium and the UAE.

**Opportunities for Indian traders** - The growing pulses sector in Ethiopia offers opportunity for pulses traders in India. India currently imports about 15-20% of total domestic availability. India imports white peas, green peas (dried) from Canada, while Myanmar supplies mostly urad beans, mung beans and pigeon peas.

India also imports dried peas and chickpeas from Australia, chickpeas and Pigeon peas from Tanzania, dry peas from France and red kidney beans from China. Though recently, the imports from Ethiopia have seen a rise, with major pulses imported being Chickpeas. The potential for white pea beans and red kidney beans is also high.

**Importing from Ethiopia** - India has an increasing opportunity to import from Ethiopia. However, since pulses were never a focus crop, the pulses exporters have a capacity challenge in connecting to Indian buyers. The government of Ethiopia has realized this challenge and is presently in process of implementing a strategy for intervention to build such capacity.

Also, the government company Ethiopian Grain Trade Enterprise is a viable partner. Further, realizing the potential of pulses export, several exporters have organized



themselves into Ethiopian Pulses, Oilseeds and Spices Processors and Exporters Association (EPOSPEA), which has a total membership of 85 companies currently.

As far as prices are concerned, the prices of chickpeas vary between USD 500 to 600 per MT. The prices of Mung beans have been USD 1250-1500 USD per MT. White Pea beans are traded at about USD 1000 – 1100 USD per MT.

**Conclusion-** Ethiopia has not been a conventional exporting country. However, with the potential the country has, Ethiopia can be explored as a viable partner for trade and the proximity with India can be used for the advantage. Agencies like the Ethiopian Agricultural Transformation Agency is working hard in this direction and plans to remove the policy impediments to make the trade between the two countries more efficient. With the efforts of the Government and the interest of the private sector exporters, Ethiopia may soon emerge as a key exporting country in Pulses.

*Dr. Bharat Kulkarni, a PhD in Commodity Markets, is a consultant on trade policies and markets for agricultural commodities. Dr. Kulkarni has worked as a consultant for governments of Ethiopia, Tanzania and Malawi. He has worked for agencies like United Nations Development Program, IFPRI and Exchanges like MCX, ECX, and AHCX. He has set up successful exchanges like Ethiopia Commodity Exchange (Ethiopia) and AHL commodities Exchange (Malawi).*

The price quoted is Ex – warehouse, and the exporter needs to incur a cost of USD 100-125 per ton on clearing, forwarding, transport to Djibouti and all other incidental expenses for a FOB delivery at Djibouti port. Then the freight from Djibouti to India is estimated at about USD 400 per container. Ethiopia being a land locked country, the cost of export is on a higher side.

### India, Weekly Crop Weather Watch Report as on August 01, 2014

Ministry of Agriculture

Cumulative Rainfall for the country as a whole during the period 1st June to 30th July, 2014 is (-) 23% lower than LPA.

As per latest information available on sowing of crops, around 67.0% of the normal area under kharif crops have been sown upto 01.08.2014. Area sown under all kharif crops taken together has been reported to be 706.25 lakh hectares at All India level as compared to 820.47 lakh hectares in the corresponding period of last year.

Area coverage was lower by 19.0 lakh ha. under Rice, 11.3 lakh ha. under Jowar, 16.6 lakh ha. under Bajra, 9.8 lakh ha. under Maize, 4.6 lakh ha. under Tur, 2.0 lakh ha. under Urad, 4.2 lakh ha. under Moong, 6.6 lakh ha. under Groundnut, 3.2 lakh ha. under Soyabean, 2.5 lakh ha. Under Cotton and 1.9 lakh ha. under Sugarcane as compared to average area (as on date).



## El Nino likely to impact on crop production in north and eastern Australia

~ Peter Wilson, Chairman – Pulse Australia

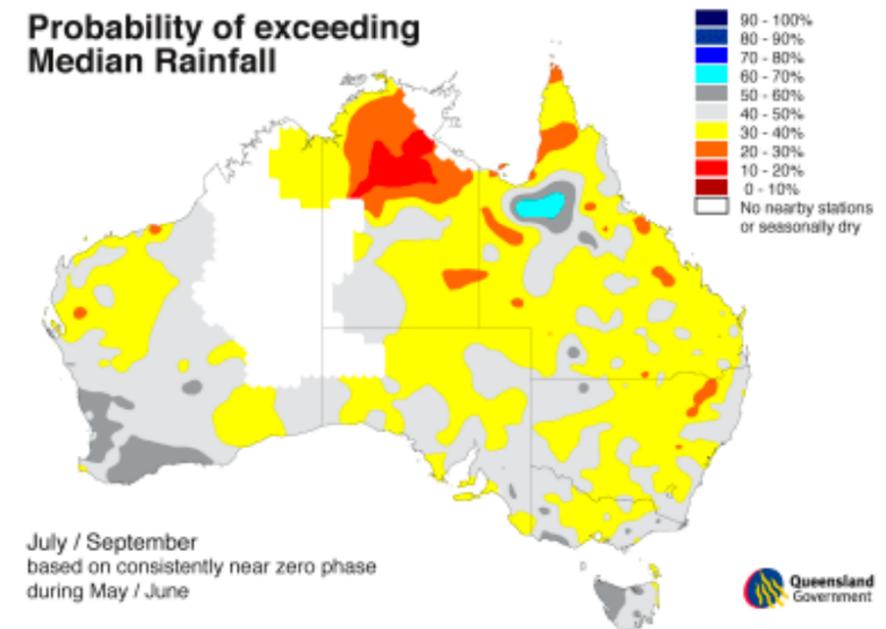
In north-eastern Australia, rainfall for 2014 so far has been generally below average, leading to low stored soil moisture percentages and lower sowing rates for next year's harvest. Southern grain growing regions in Australia have fared better – receiving enough rain to allow most sowing to occur as scheduled. Despite this, farmers are looking for rain to fortify their soil moisture profiles and improve their crop prospects. When considered together, there is an average production outlook across Australia.

The outlook for northern Australia however, is bleak. In particular, Queensland, which is already 75% drought declared and the climatic

forecast data to date is indicative of a building El Nino weather event.

El Nino is likely to result in lower rainfall across the north and eastern portion of the continent and will have a negative impact on crop production in these regions.

As an overall prediction of our winter-spring production, the Australian Bureau of Meteorology indicates a 70% likelihood of less than average rainfall in northern NSW and 60% likelihood of less than average rainfall across Western Australia. The probability index for July-September can be seen in the figure below.

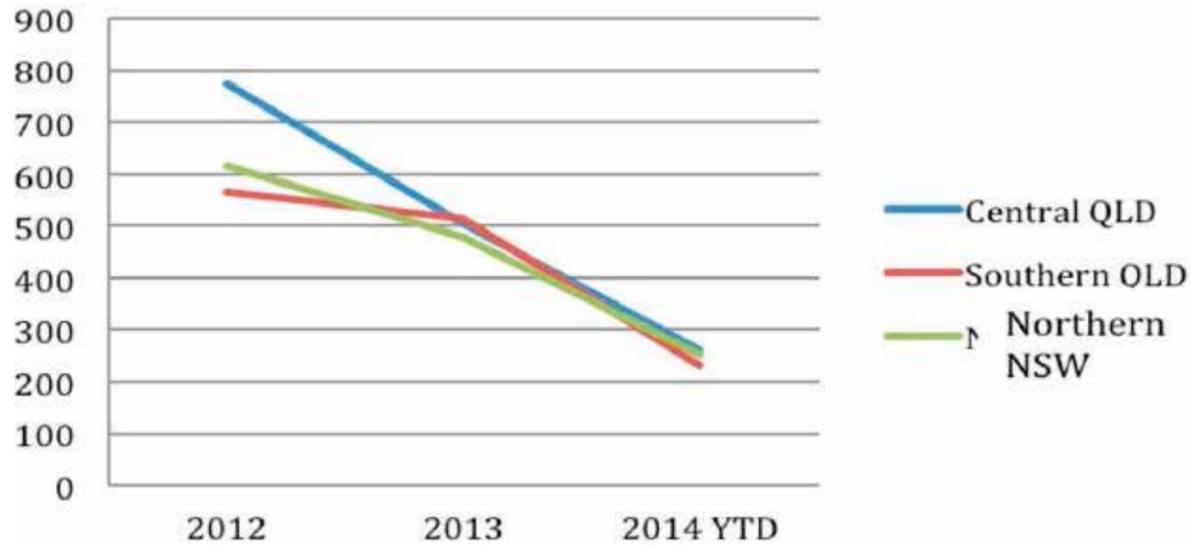




Current models also predict El Nino threshold effects to continue through until March 2015, indicating a sustained outlook for drought conditions across north-eastern Australia,

which will have an escalated impact on 2015 crops and future harvest potential until there is a shift in global weather pattern

## Average Rainfall - Northern AUS



The issue in north-eastern Australia is not limited to the El Nino pattern developing, as there has also been failed summer rainfall over the past two years (indicated in the graph below) that has significantly depleted soil moisture levels. This has led to lowered confidence in regards to planting and sale of retained stock, fuelled by the negative weather outlook.

According to the Australian Department of Agriculture, the unfavourable conditions in northern Australia during the 2013–14 summer crop window resulted in an overall reduction in summer crops of 15%, following a decline in winter crop production of around 14% from last year, which reflects a similar decrease in yield per hectare as planting area remained relatively similar.

Conversely, South Australia, Victoria and Western Australia have seen an increase in yield from previous years and future yield advantage will be encouraged by the grower's ability to meet suitable production windows.

In summary, the current main focus in Australia is on the weather and how the season is likely to develop over the coming months. Key crops that the dry weather will affect are cereals, chickpeas and faba beans grown in northern Australia.

Crops such as cereals, canola, peas, lentils and beans grown in southern Australia are likely to continue to enjoy a positive crop rating outlook.



## The Pulses Conclave 2014, Goa



India Pulses and Grains Association successfully hosted THE PULSES CONCLAVE 2014, a three day mega event for the global pulses trade and industry during February 19- 21 in Goa. Over 800 delegates from India and across 24 countries including **Australia, USA, Canada, Russia, Spain, Pakistan, Kenya, Myanmar** to name a few participated in the Conclave. Business worth over Rs. 500 crore was transacted.

Hon. Minister of Agriculture, Mr. Lyle Stewart, Govt. of Saskatchewan, Canada led a 10-member trade delegation to the Conclave which underscored the importance of India as a market and demonstrates the confidence and commitment the global pulses industry has for India as well as the association. Canada is also exploring a tie-up with ICRISAT, for transfer of R & D technology opportunities with India to boost the yield and quality of the pulses.

The Pulses Conclave received a stupendous response from the trade and industry across India and the world. The Conclave has provided a huge opportunity for all participants to Converge-Connect-Capitalise through trade tie-ups and strategic alliances. India is the epicenter of global pulses trade and this is the Association's endeavor to bring the trade across geographies closer.

A key highlight of the Conclave was the signing of a Memorandum of Understanding between India Pulses and Grains Association (IPGA) and the National Commodity and Derivatives Exchange (NCDEX) to work in collaboration for increasing effectiveness of trade tools including lifting of trading restrictions through continuous dialogue with regulator and policymakers.





The Conclave also witnessed the presence of senior officials like Mr. Ramesh Abhishek, IAS, Chairman, Forward Markets Commission, Govt. of India; Dr. Swapan Datta, Deputy Director General, ICAR; and Dr. C.L.L Gowda, DDG, ICARISAT. Other key speakers included Mr Brian Clancey, VP, Marketing and Sales, STAT Communication Ltd, Canada, and Mr. Gordon Bacon, CEO, Pulse Canada. The theme of The Pulses Conclave 2014 was “**The Power of Pulses**” and highlighted ‘**Pulses Market & Price Outlook for 2014-2015**’ and the role of pulses in global food security through various panel discussions by eminent industry experts.

The Pulses Conclave 2014 had three key components viz., a Seminar, an Exhibition and a series of B2B meetings between stakeholders. The seminar comprised of a series of stimulating presentations by speakers from India and abroad as well as insightful panel discussions by policymakers, domain experts and agri-business professionals who covered key areas like global agri-market drivers and price outlook. The origin presentations from America, Myanmar, Africa and Australia as well as market and price outlook for each pulse category such as Chick Peas, Lentils and others are expected to impart a renewed dynamism to international trade.

**Former Union Minister Shri Suresh Prabhu; Hon. Minister Mr. Lyle Stewart, Ministry of Agriculture, Govt. of Saskatchewan, Canada; Mr. Hakan Bahceci, President, CICILS (Global Confederation); Mr. Pravin Dongre, Chairman, IPGA and Mr. Bimal Kothari, Vice-Chairman, IPGA** graced the inaugural ceremony of the Pulses Conclave. **Hon’ble Mr. H. E. Dr. Perks Ligoya, High Commissioner, Malawi** inaugurated the Exhibition at The Conclave.



## Canada’s Pulse Industry

~ Gordon Bacon, CEO – Pulse Canada

For many years Canada has supplied the majority of India’s pulse import requirements in peas and lentils and remains the world’s largest producer and exporter of these important pulse crops.



Canada has only one crop per year as the period of frost free days in Canada’s pea and lentil growing area is approximately 120 days! The planting of lentils and peas takes place in May and harvesting starts in August and is completed in September. While Pulse Canada does not conduct any analysis of planting and expected yields, there are links on the Pulse Canada website ([www.pulsecanada.com](http://www.pulsecanada.com)) to estimates that are put out by the Government of Canada.

It is estimated that the area seeded to peas increased by 21% from 1.3 million hectares (ha) in 2013 to 1.6 million ha in 2014. As it is early in the growing season, analysts have predicted a normal yield after the record yields of 2013. While the planted areas are up, total production in 2014 is forecast to be the same as production in 2013.

Traders will want to watch weather forecasts and crop reports throughout the critical period of July when crops are flowering and setting seed. 67% of the pea crop is grown in the province of Saskatchewan with the province of Alberta accounting for 32% of the area planted to peas.

The lentil seeded area has also increased by 21% rising from 968,000 ha in 2013 to an estimated 115,700 ha in 2014. As was the case with peas, analysts are using an average yield more in line with historical averages, and total production in 2014 is estimated to be 1,850,000 tonnes which is slightly below the total production seen in 2013.

Moisture and temperature are the key factors to watch during Canada’s growing season. The month of June was cooler and wetter than average across much of Canada’s pulse growing region of interest to the Indian market making the July and August period critical to the 2014 crop. With production spread over a vast area of Western Canada, generalizations about the moisture situation must also take into account that rainfall can vary greatly across very small distances.



In addition to the updates put out by the Government of Canada on seeded area and estimated yield, there are various market analysts that sell subscriptions to their forecasting of production. Pulse Canada subscribes to several of these sources and encourages members of the trade to discuss which source they see as being timely and accurate.

**Transportation:**

Moving Canada’s 2013 crop to market was an enormous challenge. All grains, oilseeds and pulses experienced record yields and Canada’s agricultural sector shares rail capacity with mining, forestry and fertilizer such as potash exports from Canada. Railways did not increase their capacity to haul the record crop and many shippers experienced long delays in receiving shipments.

Pulse Canada is working with many other segments of the Canadian exporter community,

and with the Government of Canada, to address the poor record of meeting importer demand in a timely manner. The Government of Canada has set volume targets for Canadian railways to hit with the threat of penalties if these unload targets are not met.

The Government of Canada has also passed new legislation that requires export grain movement targets to be set, and gives the government the ability to increase the volume of grain that the railways are expected to move. These initiatives are designed to improve the predictability of cargo arrival when buying from Canadian suppliers.

**Looking Ahead**

In future editions of this magazine Pulse Canada will provide some important information on work in the area of pulse nutrition and health. While India has understood the value of pulses in the diet for centuries, manufacturers of processed foods are increasingly interested in reformulating wheat, corn and rice based foods using peas and lentils to increase protein content and quality, and change how those foods impact blood sugar levels. As diets evolve and people eat more processed foods and snack foods, pulses could play an important new role in keeping people healthy.

Pulse Canada is also planning to undertake a number of projects as part of the United Nations designation of 2016 as the “International Year of Pulses”. Pulse Canada will use the opportunity of writing for this magazine to share some of the results of these projects with you to supply the pulse trade with important information and to continue to allow the pulse industry to promote pulse consumption to all consumers.



## Analyzing Future Trends in Commodities

~ Gnanasekar Thiagarajan

*Technical analysis and fundamental analysis deals are two coins of analyzing a market. These terms refer to two different methodologies used for researching and forecasting the future trends of a commodity. Like any investment strategy or philosophy, both have their advocates and adversaries. Here are the defining principles of each of these methods of stock analysis:*



Fundamental analysis is a method of evaluating demand/supply by attempting to measure the value of a commodity in a future month. Fundamental analysts study everything from the demand side, supply side, overall economy and industry conditions to the financial condition and management of companies.

Technical analysis is the evaluation of commodities by means of studying statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a commodity’s intrinsic value but instead use charts to identify patterns and trends that may suggest what a commodity will do in the future.

In the world of financial market analysis, fundamental and technical analysis is on completely opposite sides of the spectrum.

Demand, supply and weather are all important characteristics to fundamental analysts, whereas technical analysts could not care less about these numbers. Which strategy works best is always debated, and many volumes of textbooks have been written on both of these methods.

**What Is Technical Analysis?**

Technical analysis is a method of evaluating commodities by analyzing the statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a commodity’s intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.



Just as there are many investment styles on the fundamental side, there are also many different types of technical traders. Some rely on chart patterns, others use technical indicators and oscillators, and most use some combination of the two. In any case, technical analysts' exclusive use of historical price and volume data is what separates them from their fundamental counterparts.

The field of technical analysis is based on three assumptions:

### 1. The market discounts everything.

A major criticism of technical analysis is that it only considers price movement, ignoring the fundamental factors of the company. However, technical analysis assumes that, at any given time, a stock's price reflects everything that has or could affect the market - including fundamental factors.

Technical analysts believe that the fundamentals, along with broader economic factors and market psychology, are all priced into the commodity price, removing the need to actually consider these factors separately. This only leaves the analysis of price movement, which technical theory views as a product of the supply and demand in the market.

This means that the actual price is a reflection

of everything that is known to the market that could affect it, for example, supply and demand, political factors and market sentiment. The pure technical analyst is only concerned with price movements, not with the reasons for any changes.

### 2. Price Moves in Trends

In technical analysis, price movements are believed to follow trends. This means that after a trend has been established, the future price movement is more likely to be in the same direction as the trend than to be against it. Most technical trading strategies are based on this assumption.

### 3. History Tends To Repeat Itself

Another important idea in technical analysis is that history tends to repeat itself, mainly in terms of price movement. The repetitive nature of price movements is attributed to market psychology; in other words, market participants tend to provide a consistent reaction to similar market stimuli over time. Technical analysis uses chart patterns to analyze market movements and understand trends. Although many of these charts have been used for more than 100 years, they are still believed to be relevant because they illustrate patterns in price movements that often repeat themselves.



## BENCHMARK NCDEX CHANA FUTRES PRICE OUTLOOK



As mentioned above, we will dwell on technical factors and statistical indicators to analyse and endeavour to forecast the prices movement of Chana futures and for that purpose, we are taking the benchmark NCDEX Chana futures chart.

Firstly, there is an extremely bearish pattern on the bigger picture. The fall from the high of 5014 does not look like it has seen a clear bottom yet. In between, there were hopes when prices recovered to 3400 levels that a possible bottom has been put in place. However, that is not the case and the current price structures warn of a sharp decline in the coming months.

Two potential targets emerge as a part of this massive bearishness.

1. The first target which is a near-term target is at 2550-75 levels.
2. A more medium-term target is near 2000-2,100 levels.

**RISK:** This view could go wrong and we will be forced to change our view if prices close above 2950.

**CONCLUSION:** While 2900-2950 remains undefeated, the above-mentioned targets look very likely.

The author is Director of CommTrendz Research and the views expressed in this column are his own and the author is not liable for any loss or damage, including without limitations, any profit or loss which may arise directly or indirectly from the use of above information

# GLENCORE

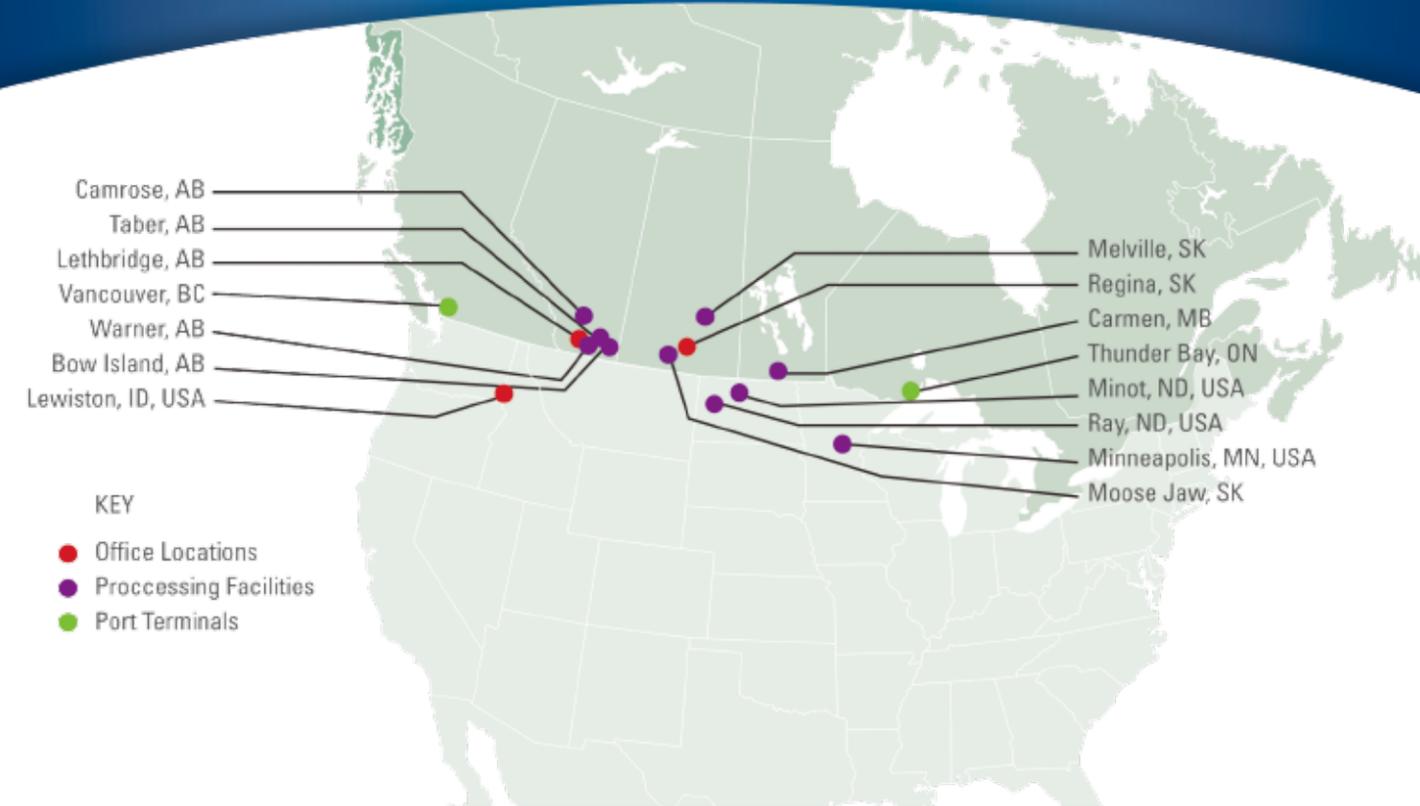
## PULSE + SPECIAL CROPS

PROVIDING QUALITY INGREDIENTS TO THE WORLD'S LEADING FOOD MANUFACTURERS.

Our extensive network, advanced expertise and global intelligence give us the ability to source pulse crops from multiple points of origin and deliver them to growing markets around the world.



North America



### PRODUCTS

#### CANARY SEED

#### DRY BEANS

- BLACK
- GREAT NORTHERN
- NAVY
- PINTO
- SMALL RED
- YELLOW

#### DRY PEAS

- GREEN
- YELLOW
- SPLITS
- DUN

#### FABABEANS

#### CHICKPEAS

- DESI
- KABULI

#### LENTILS

- GREEN
- RED

#### MUSTARD

- WHOLE, GROUND, DEHEATED
- YELLOW
- BROWN
- ORIENTAL

### ADDITIONAL INFORMATION

#### FOOD SAFETY CERTIFICATION

North American and Australian processing facilities:

- ISO 22000 : 2005 compliant
- HACCP compliant
- Viterra pulse facilities are certified to FSSC 22000, a scheme recognized by the Global Food Safety Initiative

#### PROCESSING CAPABILITIES

Utilizing modern equipment and the latest in cleaning and sorting technology, we provide quality pulses that meet food buyer requirements.

#### PACKAGING OPTIONS

- Bulk vessel
- Bulk containers
- Bagged
- Bulk Totes

### MERCHANDISING CONTACTS

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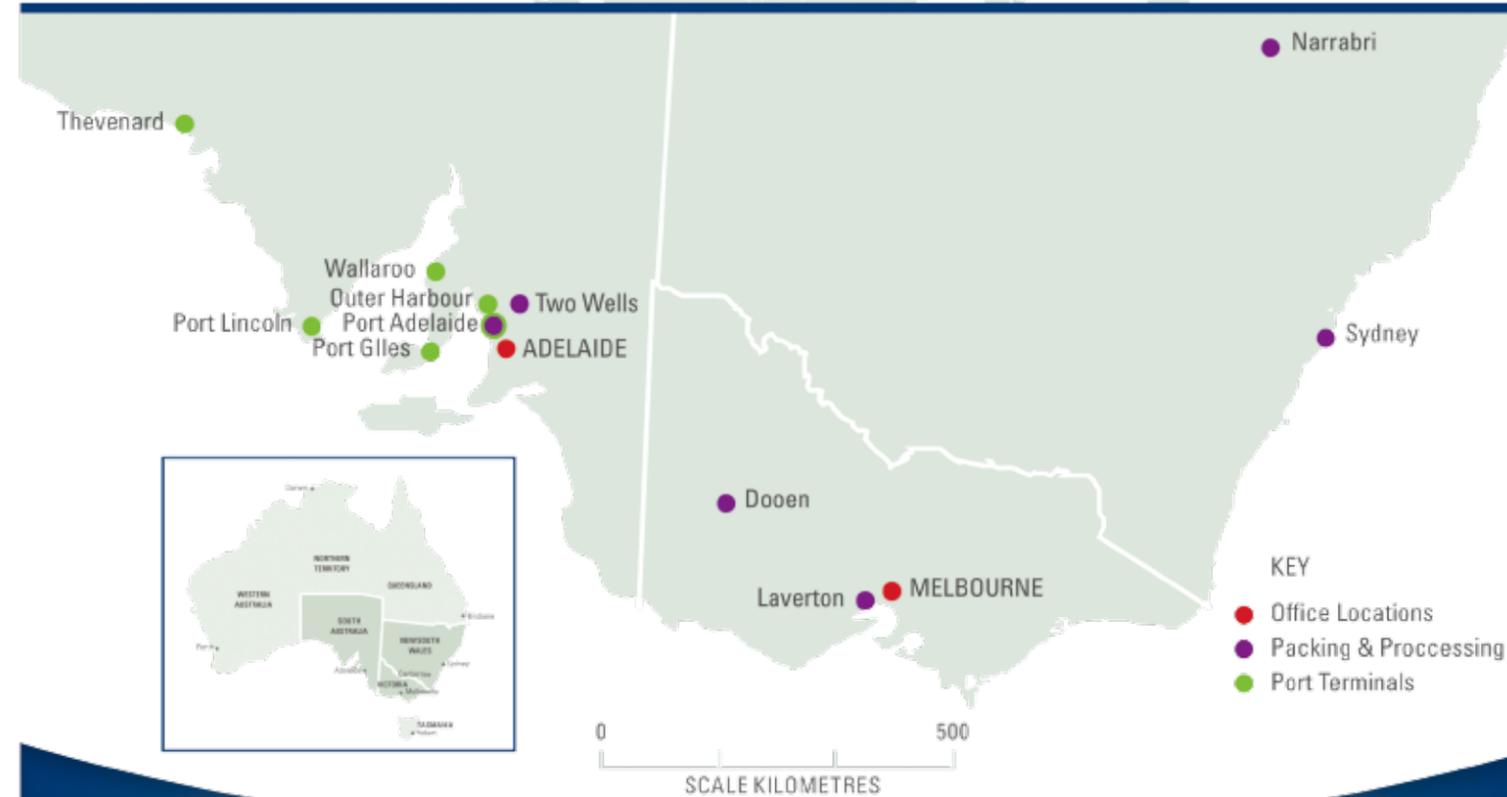
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## Revitalizing Pulses Supply Management Mechanism

~ Pallavi Oak, Knowledge Management Group - NCDEX

Pulses, many a times, have been in the news because of wrong reasons than the right ones. Inflationary expectations in pulses once again have gathered a steam with June rainfall this year being the most deficient since 2009 amid the forecast for an El Nino that has a history of hampering crop production. Timely anchoring inflationary expectations assumes a priority given the past experience that flare-up in pulses prices had led to economy-wide distortions in 2007.

India has undertaken a number of initiative including substantial hikes in Minimum Support Prices (MSP) for all major pulses, use of improved seed varieties and crop management techniques, allowing imports at zero duty and banning exports to augment domestic supplies. In spite of that net availability of pulses is still lagging behind their requirement creating price pressures at intermittent intervals and increasing import dependency.

The critical link missing is here is efficient supply management system that guarantees a farmer assured returns on his investment through an assured purchase of his produce, while simultaneously making the commodity easily accessible and affordable for the consumers. This calls for developing a robust procurement and distribution network for pulses in the country.

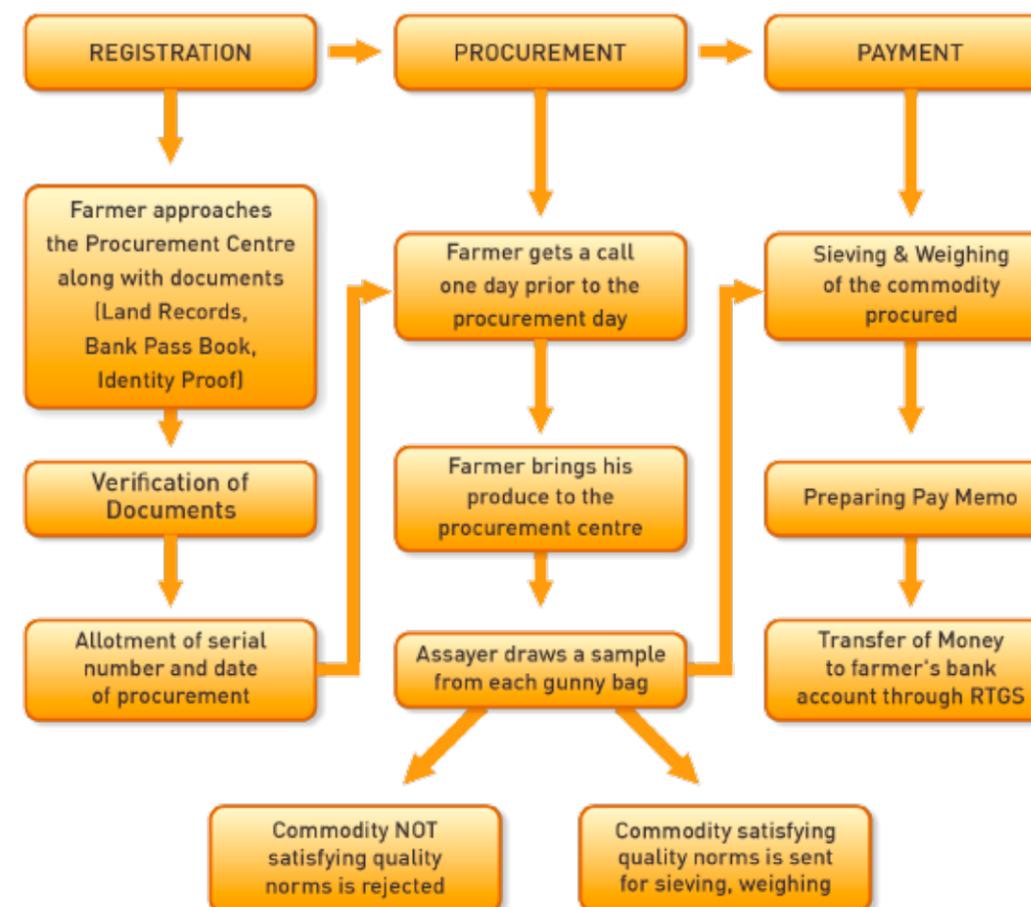
Collaborative efforts initiated by NCDEX spot arm, NCDEX Spot Exchange Ltd. (NSPOT) and

Kanarataka Togadi Abhivrudhi Mandal Limited (KTAML/ Tur Board), to procure tur on behalf of state government of Karnataka three years back render a constructive step forward in this regard. NSPOT became the key facilitating agency to support KTAML purchase tur (FAQ quality) at the minimum support prices by ensuring smooth procurement operations. Procurement drive began in 2011-12 covering key tur growing districts in Karnataka, viz., Gulbarga, Bidar and Yadgir, which together accounts for 85% of the state tur production.

Though the procurement process involved a standard sequence of activities, NSPOT has paid special attention to make the process more effective capitalising on the technological advancement to bring in automation and transparency; thus minimising the scope for manipulation and human error. Registration of farmers based on documents including Pahani (RTC), Bank account passbook (Photocopy), Photo ID proof and their mobile number has enabled verifying the farmer identity and building on electronic database. Video monitoring of the procurement process introduced in 2013 procurement season at selected centres like Aland, Jewargi, Sedam and Gulbarga has refined the registration process further preventing sale of tur by traders instead of or on behalf of farmers. The arrangement of calling the registered farmers in different batches to deliver tur at the designated procurement centres by informing them a day in advance through phone/sms has facilitated systematic and orderly execution procurement activities.



## Process Flow of Procurement Operations



With the aim of enhancing authenticity of the assaying and grading practices, NSPOT has appointed professional third party agency which tests the sample of tur in the presence of its producer primarily for moisture and foreign matter content by adopting scientific techniques. Use of uniform sieves (of mesh size 3.75 mm) across all procurement centres for cleaning of tur and electronic weighing balance for accuracy in weight has ruled out scope for manipulations and has improved farmers' confidence in the process. Variety-wise segregation, packing in gunny bags and stacking them in the warehouse has

improved efficiency in logistical operations and monitoring of the warehoused stocks.

What has turned out a breakthrough feature is electronic mode of payment. KTAML pays the beneficiary farmers directly to their account using NSPOT platform through NEFT/RTGS mode.

Online cash transfer takes maximum 7 days and farmers are thus rest assured of receiving their payment as against the alternative system of procurement where beneficiary farmers are paid by cheques, which take one



to two months to get cleared, causing farmers await actual realisation of their returns.

Since it was started, the operations have become a benchmark in efficient procurement.

Encouraged by the incredible response received in the three districts, NSPOT-KTAML has expanded their procurement activities to include two more districts, viz., Raichur and Bijapur in 2013-14 covering 23 centres and extending the benefit to 15,142 tur growers.

**Progress of Tur Procurement Activities NCDEX-KTAML**

Progress of Tur Procurement Activities NCDEX-KTAML						
Year	Quantity Procured (Quintals)	MSP (Rs/ Quintal)	Value (Rs lakh)	Beneficiaries	No of Districts Covered	No of Procurement Centres
2011-12	55113	4000	2205	1796	3	16
2012-13	53485	4500	2407	4470	3	16
2013-14*	251012	5000	12551	15142	5	23

Source: NCDEX Spot Exchange Ltd

NSPOT-KTAML promoted modernized procurement system is more than just reduction in manual intervention. The system, in effect, leads to a complete overhaul of the supply chain system from purchase of commodity to payment. Procurement activities in Karnataka have benefited tur value chain in multiple ways.

Tur growers in Karnataka are not only assured of the purchase of their produce and returns, the new system have reduced their dependence on the middlemen. Farmers no more have to part away with a certain portion of their produce as “Soot” under the NSPOT-KTAML promoted system, which they used to give to arhtiyas as commission and thus their real returns are secured.

The system has created huge employment opportunities; right from assaying and grading personnel to labourers involved in loading and unloading, cleaning, sorting, weighing, lifting operations to transporters and gunny bag suppliers, all have got additional avenue to earn their livelihood. The system has helped inculcate quality consciousness among tur value chain participants, besides increasing literacy among farmers about bank transactions.

The e-procurement system, if implemented on a wider scale, thus has immense potential in contributing towards holistic growth of the agricultural sector and empowerment of people recognised as thrust areas for economic development in India.



## *Problem of Pulses in India*

~ Dr. Madhoo Pavaskar

### *Supply-Demand Mismatch*

The Food Security Act, 2013, brought on the statute book by the United Progressive Alliance (UPA) government aimed at providing subsidized food grains like rice, wheat, or coarse grains to approximately two thirds of India’s 1.2 billion people. Disappointingly, the Act excludes from its purview proteins and fats, which are ideally required by the people for a balanced nutritional diet. If the Act were implemented by the present National Democratic Alliance (NDA) government, it would create a further bias in the country’s cropping pattern against pulses and oilseeds, which are already in short supply, necessitating imports of both select pulses and edible oils year after year.

Leave aside the nutritional needs of fats; pulses constitute the major source of proteins for most Indians, who are generally vegetarian, not so much due to any religious sanctions as because fish and meat products are, by and large, beyond their means. They therefore fall back on vegie proteins, mainly pulses. Disappointingly, domestic pulses production in India has been always falling short of demand, necessitating increasing imports year after year. Such imports notwithstanding, prices of pulses are continuously escalating to the detriment of consuming households. This is because the real demand for pulses is running far ahead of available supplies.

This is not surprising, for demand for pulses like that of any other food item is essentially a function of population and income elasticity.

With the country’s population growing at not less than 1.5% per annum, and the per capita income increasing on an average at a little over 5% yearly through the past decade, even at unity level of income elasticity, the true demand for pulses at constant prices must have been expanding at 6.5% annually during the last 10 years. In fact, income elasticity of demand for pulses for the growing middle-class in the country should surely be more than unity.

Hence, the growth in demand for pulses, in all probability, is likely to be nearly 10%, or even more. No wonder, pulses prices are going through the roof, with conceivably its high price elasticity. As the new NDA government is now focused on accelerating the country’s economic growth, it seems certain that the overall supply-demand mismatch in pulses would be a matter of great concern to the current government.

### *Problem of Pulses*

The problem of pulse cultivation in India lays not so much in acreage under pulses as in their productivity. The area under pulses has been hovering around 23 million hectares for the past five years, while the aggregate production of all pulses together averaged about 18.5 million tonnes, yielding an average productivity of 800 kg per hectare.

In fact, whenever pulse acreage has expanded, productivity has invariably declined. Only chickpea cultivation gives yields of around a tonne per hectare.



Pulses are grown in India on mainly rainfed areas. Not much area under pulses is irrigated. Expansion in irrigation absorbs mostly cash crops like cotton and sugarcane, and to some extent such food grains as rice and wheat, which have export potential. Pulses receive very low priority in any new irrigation project.

Moreover, the prospects for expansion in overall acreage under pulses is also limited because the country would prefer to use more area (if wastelands and other neglected lands were brought under cultivation by developing them suitably) for calorie and energy intensive crops to feed its poor (who account for a third of the nation's population, according to the recent Rangrajan Committee report, which drew new poverty lines) than for protein concentrated crops like pulses. As it is, almost all the available cultivable land is already sown with some or other crops.

The real problem of pulses in India is not so much with their area as with their yield. True, chickpea yields are high. But the country is already self-sufficient in the production of chickpeas, which are even allowed to be exported. The real shortfall is in other pulses, notably, tur, moong, urad, lentils, and peas – both green and dry, the yields of which are as low as 700 kg per hectare, or even less.

For India, the problem of pulses can be resolved in only two ways. First and foremost, pulse yields in the country need to be improved substantially. For most pulse producing countries in the world, yields are high at not less than one tonne per hectare, let alone countries like Canada and France where yields are as high as two and four tonnes a hectare.

Obviously, the scope for improving the yield of different pulses seems prima facie quite high. Indian Pulse Research Institute (IPRI) has been carrying out several field studies to find out methods and procedures for improving yields of quite a few pulses. It has also been carrying field trials to bring more land and improve yields through alternative crop sequences, including those with such food grains as maize, wheat, and rice. Some of these trials have shown noticeable improvements in yields in mostly Uttar Pradesh for mainly chickpeas, and to some extent moong. But much remains to be done in especially the area of developing transgenic high-yielding, pest resistant varieties.

Most of the work of the Institute is confined to diagnosing the pulse crop diseases/insect-pests, and suggesting most appropriate control measures. Not only should IPRI be strengthened with financial resources and more agronomists, having expertise in both soil management and crop production practices, and development of transgenic varieties, but it must seek collaboration with its parallel institutes abroad, more particularly in Canada and USA.

Secondly, Indian pulse trade and industry should acquire suitable land for pulse cultivation in East Africa, where pulse cultivation is finding new roots. The extant NDA government should come to the rescue of the pulse trade and industry for acquisition of such land. That should help India to not only augment supplies to bridge the growing pulse supply-demand gap in the future, but also ensure vegetable protein security, and restrain domestic inflation.



## *World Pulse Supply and Demand Situation*

*~ Brian Clancey, President – STAT Publishing*

The tension between buyers and sellers is becoming almost palpable as consumers begin to believe world pulse production could reach record levels across the 2014-15 marketing year. On the other hand, the weather story has rarely been as powerful as it appears to be this summer.

Initial fear of an El Nino event has been replaced by bored expressions as meteorologists downgrade their forecasts of its intensity. Markets are now less worried about how far below normal this year's monsoon might end up and less fearful of drought during the coming rabi growing season.

By contrast, cool and wet weather in western Canada is attracting attention. Many people are wondering whether Canada's harvest be more like 2010 or 2013? Both years started cool and damp. Conditions never improved in 2010 resulting in an over-abundance of off-grade pulses. Last year turned hot and dry, resulting in record high yields and excellent quality.

By the first week of July, there was stronger feeling that Canada could be experiencing a repeat of 2010. Torrential rains in parts of southeast Saskatchewan and heavy rains in western Manitoba during the last weekend in June resulted in localized flooding. Flooded crops could drown, while excess soil moisture can cause root rot and contribute to the development of a wide range of plant diseases. Diseases can reduce both the size and quality of the harvest.

Of greater significance is the fact that every week in June, the proportion of crops which

are developing slower than normal got higher.

Buyers are approaching the situation from a wide range of perspectives. Some do not want to cover more of their future needs until they know the quality of the harvest. Others are adding to positions out of concern that the useable supply will not be enough to cover needs in the coming year. On the other hand, some sellers feel they need to pursue business because crops in their local areas look good and because total seeded area is up over last year.

Canadian farmers planted a record quantity of pulses this year, even though they did not set new records for peas, lentils, chickpeas or dry edible beans. On the other hand, if yields are at their recent five-year average, Canada will harvest a record 2.1 million metric ton lentil crop and match the previous record for field peas of 3.85 million metric tons.

Despite the potential size of this year's lentil crop, Canada could have grown more without destabilizing supply and demand fundamentals.

It seems likely that Canada will export a record 1.69 million metric tons of lentils during the 2013-14 marketing year and could export up to 1.79 million in the coming season. After struggling to move massive surpluses in 2011 and 2012, Canada will finish the 2013-14 marketing year with bare cupboards. The implication is that while available supplies will be up over last summer, they are only 103,000 metric tons above the previous five-year average of 2.13 million.



Roughly 65% of the coming crop is expected to red lentils. For the second year in a row, demand is expected to remain strong from both the Indian subcontinent and the Middle East. Market participants both inside and outside India have already built a below normal monsoon and possible rabi season drought into the price.

This has resulted in a classic set up for the old strategy of: “buy the rumor and sell the fact”. Significant quantities of red lentils and yellow peas have already been bought for shipment through December. Some buyers have already bet that a weak monsoon and El Nino will combine to result in smaller harvests for both the kharif and rabi crops, causing prices on the Indian subcontinent to rise.

India was already expected to produce fewer pulses in the coming season that was the case in 2013-14. There is a risk production will drop from as record 19.57 million in 2013-14 to around 17.54 million in the coming season. Better than expected monsoon rainfall accumulations and distribution would result in bigger crops from this kharif and next year’s rabi harvests.

The bigger the coming pulse crop on the Indian subcontinent, the more it will impact peas and chickpeas. World field pea production is expected to be up again this year, rising 6% to 11.82 million metric tons. However, residual supplies are up over the previous season, with the result the available supplies of field peas is expected to rise 11% to 12.77 million metric tons. While world trade is expected to rise, there is a significant risk residual supplies of peas could top a million metric tons by the summer of 2015.

From the perspective of importers on the Indian subcontinent and China, this opens the

door to lower average prices in the coming marketing year than was the case this past season. However, two things could strengthen the price outlook.

Rail transportation remains an issue in North America. Politically, it has been solved. More grain, oilseeds and pulses are moving from the interior to ports. But, smaller shippers complain they are having a harder time getting the railways to spot cars than in the past.

To meet government imposed quotas, smaller shippers believe the railways are paying more attention to locations which can handle 100 cars at a time. Furthermore, they complain, railways are not eager to supply cars if they are not going to be unloaded at a single facility in the port.

The implication is that one sector of the export industry could face more frequent technical squeezes, which has the potential to keep spot markets strong. Another is that markets may include more transportation risk in pricing than might otherwise be the case.

Pulse markets are evolving in different ways. Livestock feed markets have always set a floor price for pulses and that will never change. What will change, however, is the way in which pulses are used. More food manufacturers are incorporating pulse starch, protein, fiber and other fractions in their products. This is resulting in steady increases in the quantity of peas being diverted into higher value food products.

Value added processing has become significant enough in China to turn that country into becoming the world’s second largest importer. Similar efforts are aimed at turning the United States and Canada into significant consumers of peas and other pulses. It appears that while

a traditional splitter and miller might think pulses are expensive, major food companies disagree, helping expand the market without

waiting for unusually low prices. A new dynamism is entered markets.

### World Pulse Supply and Demand Situation

<i>Production</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>5-Year Average</b>
<b>Beans</b>	22,757,000	24,256,000	23,107,000	23,974,000	23,361,200
<b>Chickpeas</b>	11,851,000	11,386,000	12,688,000	13,466,200	11,474,800
<b>Lentils</b>	4,401,000	4,425,000	3,812,000	4,382,000	4,308,200
<b>Peas</b>	10,010,000	10,457,000	11,117,000	11,821,000	10,477,600
<b>Total</b>	49,019,000	50,524,000	50,724,000	53,643,200	49,621,800
<i>Total Supply</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>5-Year Average</b>
<b>Beans</b>	23,948,000	24,708,000	24,006,000	24,883,000	24,345,000
<b>Chickpeas</b>	12,053,000	11,676,000	13,059,000	13,846,200	11,744,400
<b>Lentils</b>	5,416,000	5,434,000	4,183,000	4,598,000	4,817,400
<b>Peas</b>	11,000,000	11,007,000	11,527,000	12,771,000	11,245,600
<b>Total</b>	52,417,000	52,825,000	52,775,000	56,098,200	52,152,400
<i>Trade</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>5-Year Average</b>
<b>Beans</b>	4,330,000	4,510,000	5,273,000	4,838,000	4,533,400
<b>Chickpeas</b>	1,295,914	1,888,820	1,016,000	1,216,000	1,312,664
<b>Lentils</b>	1,835,000	2,330,000	2,351,000	2,315,000	2,083,400
<b>Peas</b>	3,160,000	3,810,000	4,040,000	4,460,000	3,948,000
<b>Total</b>	10,620,914	12,538,820	12,680,000	12,829,000	11,877,464
<i>Inferred Use</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>5-Year Average</b>
<b>Beans</b>	23,496,000	23,809,000	23,097,000	24,156,000	23,405,600
<b>Chickpeas</b>	11,763,000	11,305,000	12,679,000	13,522,200	11,453,000
<b>Lentils</b>	4,407,000	5,063,000	3,967,000	4,314,000	4,275,800
<b>Peas</b>	10,450,000	10,597,000	10,577,000	11,561,000	10,415,600
<b>Total</b>	50,116,000	50,774,000	50,320,000	53,553,200	49,550,000
<i>Ending Stocks</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>5-Year Average</b>
<b>Beans</b>	452,000	899,000	909,000	727,000	939,400
<b>Chickpeas</b>	290,000	371,000	380,000	324,000	291,400
<b>Lentils</b>	1,009,000	371,000	216,000	284,000	541,600
<b>Peas</b>	550,000	410,000	950,000	1,210,000	830,000
<b>Total</b>	2,301,000	2,051,000	2,455,000	2,545,000	2,602,400
<i>Stocks to Use</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>5-Year Average</b>
<b>Beans</b>	2%	4%	4%	3%	4%
<b>Chickpeas</b>	2%	3%	3%	2%	2%
<b>Lentils</b>	19%	7%	5%	6%	12%
<b>Peas</b>	5%	4%	8%	9%	7%
<b>Total</b>	4%	4%	5%	5%	5%



## Research and developmental efforts to enhance productivity of Chickpea and Pigeonpea in India

~ Dr C L L Gowda, Deputy Director General (Research), ICRISAT

Pulses are unique jewels in the cropping systems of small and marginal rainfed farmers of the world agriculture particularly in Asia and Sub Saharan Africa. In the context of food and nutritional security, protein malnutrition and environmental sustainability, enhancing pulses productivity assumes specific significance. Pigeonpea, Chickpea, Black gram, Green gram, lentil and Pea are the major pulses grown in India. Production of pulses increased significantly from 11.08 (2000-01) to 17.5 million MT (2012-13) but still there is enormous gap between demand and supply. India is the largest producer and importer of pulses.

International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) focusses on two most important pulse crops (Chickpea and Pigeonpea), and maintains the treasure of genetic, breeding and genomic resources for global research needs. ICRISAT in collaboration with Indian Council of Agricultural Research (ICAR) and state agricultural universities released 40 varieties in chickpea and 25 varieties in pigeonpea, and these varieties are popular across the farming community in the country. 80% area of chickpea and pigeonpea are generally grown under rainfed conditions which are less fertile and characterized by unpredictable environmental conditions. Productivity of these two pulses is constrained by both biotic and abiotic stresses. Pod borers (*Helicoverpa armigera*), Fusarium wilt, root rots, Ascochyta blight, botrytis grey mold and drought and heat stress are the major constraints to increasing the productivity of chickpea. Similarly, in pigeonpea pod borer,

pod fly, Fusarium wilt, sterility mosaic disease and drought are the major constraints. Due to recent changes in the global weather conditions the yields of these crops are likely to be drastically affected due to frequent droughts, elevated temperatures and erratic rainfall.

To address these constraints ICRISAT has framed the following strategies in these two crops for benefitting farmers and researchers in the country.

### **Development of superior varieties and Hybrids:**

To address the needs of the farmers research programs are formulated to develop pests and disease resistant varieties. In chickpea extra early maturing varieties with enhanced drought and heat tolerance are developed which have led to expanding its cultivation in nontraditional areas and new niches. Efforts are in progress to develop mechanical harvesting suitable and herbicide tolerance varieties for enhancing productivity. Development of wilt resistant and short-duration chickpeas has led to the expansion of its area in central and southern India. For example, early-maturing, heat tolerant, chickpea varieties, particularly JG 11, KAK 2, JAKI 9218, and Vihar have brought a chickpea revolution in Andhra Pradesh state in India. Production increased 9-fold (95,000 to 884,000 tons) over the past 10 years (2000-2009). In pigeonpea wilt and SMD resistant CMS based hybrids have been developed (first in any grain legumes in the world) which are yielding 40 to 50 percent



higher than the ruling varieties in the country. ICRISAT along with IIPR and state agricultural universities is on a mission to develop hybrids suitable for various agro ecologies of India to break the stagnant productivity in the crop. For expanding pigeonpea cultivation to higher latitudes and varied cropping systems, extra early and super early varieties are being developed that matures in 100 to 120 days. These varieties offer scope for horizontal expansion of the crop for production increase.

### **Genomic assisted breeding:**

ICRISAT pioneered in the deciphering the genome sequence of the pigeonpea (2011) and chickpea (2013) which has ushered these two crops in to the area of molecular breeding. By utilizing the sequence information through different approaches lot of genomic resources are being developed in both the crops and are in the process of diffusion to the researchers across the country and globally. Involving these technologies in regular breeding activities will enhance the efficiency and precession while selecting suitable genotypes for generation advancement. These efforts will lead to developing varieties and hybrids for different ecologies of India with solutions to biotic and abiotic production constraints and achieving breakthrough in productivity of the crops which is stagnant over decades.

### **Farmers Participatory Varietal Selection (FPVS):**

This is unique intervention of ICRISAT where in on farm testing of elite varieties is conducted in farmer's fields. FPVS trials provide an opportunity, wherein farmers are given a chance to select the varieties of their choice based on consumer preference and market accessibility and production constraints prevailing in their

specific agro ecological niche.

### **Seed systems:**

Despite a long list of improved pulses varieties released for cultivation, their impact has not yet been fully realized by the resource-poor farmers in the many areas in India. The accessibility of smallholder farmers to quality seed of improved pulses varieties is constrained by both inadequate demand creation and limited supply. This situation is also compounded by unfavorable and inadequate policy support and regulatory frameworks, inadequate institutional and organizational arrangements, and deficiencies in production and supply infrastructure and farmers' socio-economic situation. ICRISAT by involving public and private players in this sector developed seed road maps by integration of prevailing formal and informal seed systems for effective and efficient production of quality seed. This approach has resulted in significant expansion of high yielding varieties cultivation in Andhra Pradesh, Maharashtra, Karnataka, Tamilnadu, Odisha and Bihar.

### **Inclusive Market Oriented Development (IMOD):**

ICRISAT through its overall strategy of Inclusive Market Oriented Development (IMOD) conducts demand driven cultivar development to produce superior varieties, and work with partners to make available quality seeds that meet the house hold and market needs of farmers while satisfying consumer taste and preferences. Chickpea and Pigeonpea farmers need varieties with good yield, disease and pest resistance, and tolerance to environmental stresses (like heat and drought) while consumers demand good quality, appearance, taste, and nutritional value.



## All India Chana Crop For 2014

~ Nirav Desai, GGN Research

### Key highlights:

- Total area under crop in India for the year 2013-14 has increased by 2% as compared to previous year.
- Average yield for the year 2013-14 has decreased by 1%.
- Estimated total production of Chana crop for India for the year 2014 has increased by 1% as compared to previous year.

Chana production in India from last two years has surged due to which prices has tumbled in past & this year. In 2013 the production has surged 11.7% over 2012 & this year production is maintained higher.

### ALL INDIA STATE WISE AREA, YIELD & PRODUCTION OF CHANA CROP IN 2014

States	Estimated Area (Thousand Ha.)				Estimated Yield (Kg/Ha.)				Estimated Production (Thousand MT.)				
	2011-12	2012-13	2013-14	Change (%)	2011-12	2012-13	2013-14	Change (%)	2011-12	2012-13	2013-14	Change (Absl)	Change (%)
	AREA	AREA	AREA		YIELD	YIELD	YIELD		PROD	PROD	PROD		
MP	3044	3350	3360	0.3%	750	750	708	-6%	2282	2511	2379	-132	-5%
Raj	1428	1450	1675	15%	565	655	594	-9%	807	950	995	45	5%
Mah	1066	1300	1650	27%	693	715	727	2%	739	930	1200	270	29%
Kar	860	1158	980	-15%	587	613	675	10%	505	710	662	-48	-7%
AP	575	700	580	-17%	543	571	600	5%	312	400	348	-52	-13%
UP	830	600	475	-21%	500	550	550	0%	415	330	261	-69	-21%
Others	970	900	917	2%	500	500	550	10%	485	450	504	54	12%
<b>All India</b>	<b>8773</b>	<b>9458</b>	<b>9637</b>	<b>2%</b>	<b>632</b>	<b>664</b>	<b>659</b>	<b>-1%</b>	<b>5545</b>	<b>6281</b>	<b>6349</b>	<b>68</b>	<b>1%</b>



## Statewise Summary

### Madhya Pradesh

This year Chana acreage in Malwa and nearby districts has fallen as farmers chose to shift to cultivating wheat due to the good rainfall in the region as well as the poor returns. But chana acreage in North East MP where good rainfall has boosted an increase in the sowing area. The overall Chana acreage remained unchanged in MP. But unseasonal rains and hailstorm which had an adverse effect on the crop reducing the production by about 5% over last year.

### Maharashtra

This year Maharashtra was the game changer with a big increase of 27% in acreage - mainly coming in Cotton, Jowar and Tur. As in Kharif (Summer Crop) Soybeans captured a big acreage from cotton, the natural alternative crop for the same farmer was chana in Rabi (Winter Crop). With big increase in acreage & slightly higher yields the chana production has increased by 27% over last year.

### Rajasthan

This year good rainfall had facilitated Rabi sowing in Rajasthan and shown a 15% increase in chana acreage over last year. But there were extreme cold conditions in northern Rajasthan belt and most of the western belt missed winter rains which affected the yield. This has led to about 5% increase in production over last year despite good improvement in acreage.

### Andhra Pradesh & Karnataka

Rains & storms continued till November due to which the acreage had gone down by 15% & 17% in Andhra Pradesh & Karnataka respectively. The weather conditions, though poor, were not extreme which helped better yields in these States. Yet the production is 13% lower in Andhra Pradesh and 7% lower in Karnataka as compared to last year.

### Weather Analysis

Good Monsoonal rains continued till October which has boosted planting prospects of Rabi 2013-14 crops. This has increased area covered under both Chana & Wheat.

But the rains & storm continued in Andhra Pradesh & Karnataka till November due to which chana sowing could not meet intended targets in these states.

January had some aggressive spell of rains for a short period which was beneficial for late sown crops and detrimental for early sown crop's yields. There were extreme cold conditions in North India which affected crops in the Northern region.

There were some untimely rains and hailstorm in Madhya Pradesh in late February which had damaged the crops in some parts of the State.



## MINIMUM SUPPORT PRICES

(As on 25.06.2014)  
(Rs per quintal)

Sr.No	Commodity	Variety	2010-11	2011-12	2012-13	2013-14	(#) increase in MSP 2013-14 over 2012-13	2014-15	(#) increase in MSP 2014-15 over 2013-14
<b>KHARIF CROPS</b>									
1	PADDY	Common	1000	1080	1250	1310	60 (4.8)	1360	50 (3.8)
		Grade 'A'	1030	1110	1280	1345	65 (5.1)	1400	55 (4.1)
2	JOWAR	Hybrid	880	980	1500	1500	-	1530	30 (2.0)
		Maidandi	900	1000	1520	1520	-	1550	30 (2.0)
3	BAJRA		880	980	1175	1250	75 (6.4)	1250	-
4	MAIZE		880	980	1175	1310	135 (11.5)	1310	-
5	RAGI		965	1050	1500	1500	-	1550	50 (3.3)
6	ARHAR (Tur)		3000¶	3200¶	3850	4300	450 (11.7)	4350	50 (1.2)
7	MOONG		3170¶	3500¶	4400	4500	100 (2.3)	4600	100 (2.2)
8	URAD		2900¶	3300¶	4300	4300	-	4350	50 (1.2)
9	COTTON	Medium Staple	2500 §	2800 §	3600	3700	100 (2.8)	3750	50 (1.4)
		Long Staple	3000 §	3300 §	3900	4000	100 (2.6)	4050	50 (1.3)
10	GROUNDNUT IN SHELL		2300	2700	3700	4000	300 (8.1)	4000	
11	SUNFLOWER SEED		2350	2800	3700	3700	-	3750	50 (1.4)
12	SOYABEAN	Black	1400	1650	2200	2500	300 (13.6)	2500	
		Yellow	1440	1690	2240	2560	320 (14.3)	2560	
13	SESAMUM		2900	3400	4200	4500	300 (7.1)	4600	100 (2.2)
14	NIGERSEED		2450	2900	3500	3500		3600	100 (2.9)
<b>RABI CROPS</b>									
15	WHEAT		1120§	1285	1350	1400	50 (3.7)		
16	BARLEY		780	980	980	1100	120 (12.2)		
17	GRAM		2100	2800	3000	3100	100 (3.3)		
18	MASUR (LENTIL)		2250	2800	2900	2950	50 (1.7)		
19	RAPSEED/MUSTARD		1850	2500	3000	3050	50 (1.7)		
20	SAFFLOWER		1800	2500	2800	3000	200 (7.1)		
21	TORIA		1780	2425	2970	3020	50 (1.7)		
<b>OTHER CROPS</b>									
22	COPRA	Milling	4450	4525	5100	5250	150 (2.94)		
	(Calender Year)	Ball	4700	4775	5350	5500	150 (2.80)		
23	DE-HUSKED COCONUT		1200	1200	1400	1425	25 (1.79)		
	(Calender Year)								
24	JUTE		1575	1675	2200	2300	100 (4.55)	2400	100 (4.3)
25	SUGARCANE*		139.12	145	170	210	40 (23.5)	220	10 (4.8)

# Figures in brackets indicate percentage increase.

§ An additional incentive bonus of Rs. 50 per quintal was payable over the Minimum Support Price (MSP)

§ Staple length (mm) of 24.5 - 25.5 and Micronaire value of 4.3 - 5.1

§§ Staple length (mm) of 29.5 - 30.5 and Micronaire value of 3.5 - 4.3

¶ Additional incentive at the rate of Rs. 500 per quintal of tur, urad and moong sold to procurement agencies was payable during the harvest/arrival period of two months

\* Fair and remunerative price.

Source: Ministry Of Agriculture Website



## All India Crop Situation - Kharif (2014-15) as on 01-08-2014

Crop Name	Normal Area for Whole Kharif Season	Normal Area as on date	Area sown reported			Absolute Changes over (+/-)	
			This Year 2014	% of Normal for Whole season	Last Year 2013	Normal as on date	Last Year
Rice	391.06	240.56	221.56	56.70	237.89	-19.0	-16.3
Jowar	28.50	22.77	11.46	40.20	18.70	-11.3	-7.2
Bajra	86.69	62.12	45.53	52.50	59.37	-16.6	-13.8
Maize	71.67	67.61	57.85	80.70	74.81	-9.8	-17.0
Total Coarse Cereals	207.50	162.54	120.78	58.20	162.77	-41.8	-42.0
Total Cereals	598.56	403.10	342.34	57.20	400.66	-60.8	-58.3
Tur	38.22	30.02	25.39	66.60	32.81	-4.6	-7.4
Urad	23.12	18.36	16.34	70.70	19.45	-2.0	-3.1
Moong	24.26	18.67	14.52	59.80	19.35	-4.2	-4.8
Kulthi		0.13	0.06		0.01	-0.1	0.0
Others	22.11	14.97	10.90	49.30	11.23	-4.1	-0.3
Total Pulses	107.71	82.16	67.19	62.40	82.95	-15.0	-15.8
Total Foodgrains	706.27	485.26	409.53	58.00	483.61	-75.7	-74.1
Groundnut	46.25	34.93	28.37	61.30	36.85	-6.6	-8.5
Soyabean	99.59	98.57	95.39	95.80	117.43	-3.2	-22.0
Sunflower	4.16	1.93	1.17	28.20	1.80	-0.8	-0.6
Sesamum	18.88	9.95	10.25	54.30	10.12	0.3	0.1
Nigerseed	3.63	0.62	0.14	4.00	0.66	-0.5	-0.5
Castroseed	10.37	2.67	2.03	19.60	2.86	-0.6	-0.8
Total Oilseeds	182.89	148.66	137.36	75.10	169.71	-11.3	-32.4
Cotton	109.60	107.33	104.84	95.70	108.54	-2.5	-3.7
Sugarcane	47.02	48.36	46.42	98.70	50.32	-1.9	-3.9
Jute	8.89	8.41	8.11	91.20	8.29	-0.3	-0.2
All Crops	1054.67	798.03	706.25	67.00	820.47	-91.8	-114.2



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## *A Tribute to Late Shri Faqir Chand Jindal from the IPGA Family*



*June 22<sup>nd</sup>, 2014 ended in a sad note for the entire Pulses industry in India when the news of the sad demise of Shri Faqir Chand Jindal spread across the country. It literally felt like the Sun had set on the Pulses industry with the passing away of the great patriarch of the trade. The trade in Delhi and Mumbai closed business on the following day as a mark of respect to Lalaji as Shri Jindal was fondly and respectfully addressed by one and all.*



*Born on August 6<sup>th</sup>, 1936, Lalaji's journey in the trade started in 1953 with conducting business in Delhi and NCR travelling on a cycle and grew over the years to become one of the foremost importers in the country. The fact that he had no background knowledge of import and export nor any formal education in the business, his success achieved through sheer hard work and determination makes it all the more noteworthy.*



*In 1989 Lalaji forayed into the milling business and in 1995 he added export of rice, wheat and processed pulses to his portfolio. He was among the very few to have achieved a Star Trading House recognition by the*



Ministry of Commerce within the first year of operations. Lalaji was ably supported by his four sons Vinod Jindal, Shiv Shankar Jindal, Pradeep Jindal and Dalip Jindal.

Lalaji efforts, hard work and remarkable growth won him the National Export Award in 1997 which was presented to him by the then President of India, Shri Shanker Dayal Sharma. He won the Award again in the year 2000 and received it from the hands of the then Prime Minister of India, Shri Atal Bihari Vajpayee. Lalaji served as the Vice President of the Delhi Grain Merchants Association in 1984. In 2005 CICILS – IPTIC, the global pulses trade body and in 2012 IPGA bestowed him with a Lifetime Achievement Award and again felicitated by the IPGA at The Pulses Conclave 2014.

Lalaji proved that all dreams can come true even in the most adverse conditions as long as one is honest and the will to succeed.

The IPGA family salutes the spirit of Lalaji and pledges that each one of us will do our level best to walk in his footsteps now and forever.



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