

Pulses Weekly

Monday, January 17, 2022

Highlights

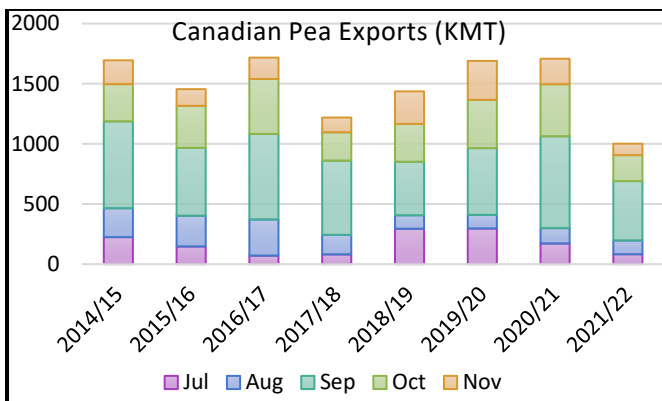
- China running out of peas
- Kabuli chickpea prices correcting in absence of a remand rejuvenation

Peas

Pea prices across the world have started rising again. The domestic demand in Canada and import requirement from neighbouring USA are keeping the domestic Canadian values at elevated level, making the commodity outpriced in the other destinations. These countries are looking for peas in Black Sea countries.

Canada

Pea exports from Canada in the period of Jul-Nov fell to 1 MMT from 1.7 MMT last year. Only 95 MMT was exported in the month of November, with 61 KMT destined to USA alone.



Absence of China in November and almost flat curve in the weekly Canadian exports from thereon, proves that China will face larger pea deficit this marketing year than earlier thought.

As of now, only 636 KMT of Canadian peas has been shipped for China since July, against their usual annual import requirement of 2.5+ MMT.

Exports out of USA are also poor with nearly zero quantity loading for China.

China

Given that only 636 KMT of Canadian peas and only 4,200 MT from USA, China is facing large deficit in its pea supplies this year. Among other exporters, France

and Australia have contributed 26 KMT and 16 KMT respectively.

The pea fractionation industry in China will be looking for imports in first half of 2022 and in absence of large quantities available at any of the origins, they are likely to buy peas in containers from wherever possible.

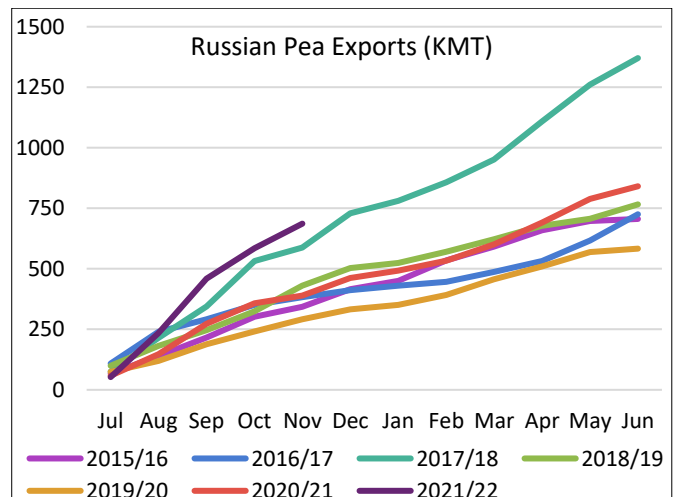
As the country is not yet opened to Russian and Ukrainian peas, French supplies hold the key. Other origins, which have supplies peas to China in the past are Poland, New Zealand, Italy and United Kingdom. Will we see these countries supplying higher quantities to China in H1'2022?

France

Exportable surplus in France is likely 200 KMT for MY 2021/22, out of which 96,492 MT were shipped between July and November. This leaves not more than 105 KMT for exports in the next 7 months. It is yet to be seen; how much China will be able to take out of it.

Russia

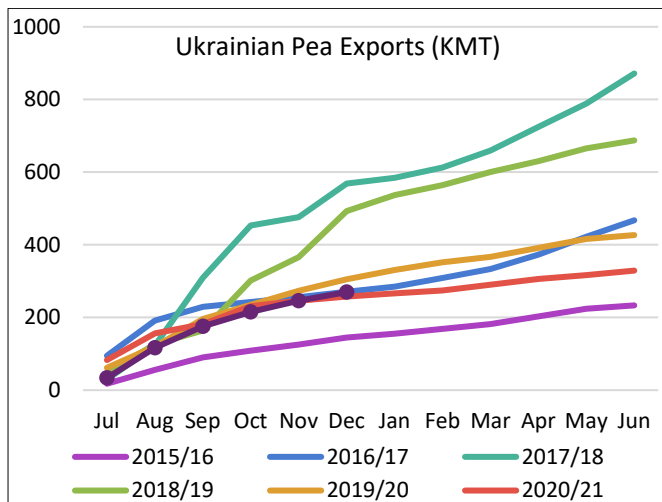
Nov'2021 export figure came in at 102 KMT, taking the MY total to 686.5 KMT. The pace is faster than even MY 2017/18, when India led frenzy took Russian exports to 1.37 MMT for the entire marketing year.



The largest destination remains Turkey with 148 KMT of exports, compared to just 58 KMT same time period last year. Bangladesh has increased its offtake from mere 22 KMT to 134 KMT this season.

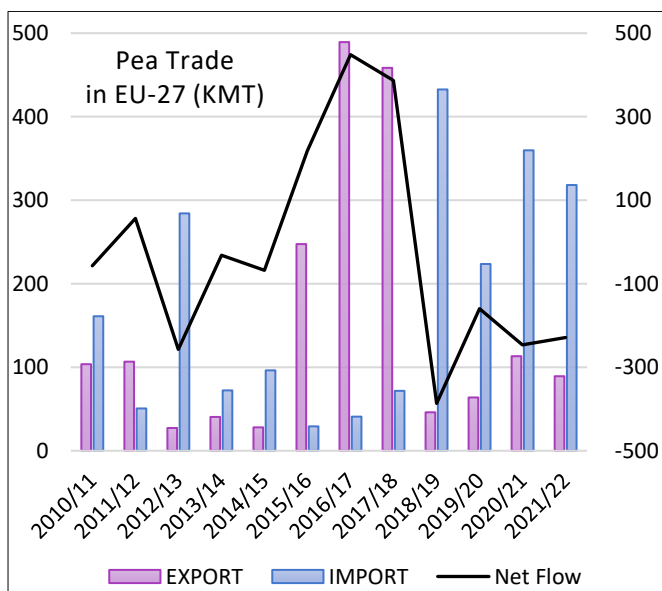
Ukraine

Exports out of Ukraine are running at an average pace with 270 KMT done during the first half of marketing year. Turkey is the largest destination for Ukrainian peas as well, followed by Italy and Pakistan.



EU-27

During the period Jul-Nov, the European bloc imported 318 KMT of peas, while exporting 89 KMT of the same.



While the deficit narrowed a bit compared to last year, the future can hold more surprises. Chinese processors, in their quest of raw material are likely to come knocking on French doors for the pea vessels.

Trade Flows

We may see strange trade flows in coming months:

- Russian/Ukrainian peas to Europe and European peas to China
- Small calibre kabulis and/or desis getting pricier than the humble yellow peas, incentivising the South Asian consumers to switch their consumption patterns
- Indian peas getting exported to China

Chickpeas

Kabuli

As discussed last week, kabuli prices in many of the origin countries witnessed a correction, in absence of demand.

Abnormal rise in COVID-19 cases across the globe have made the importers jittery and they refrain to book cargoes even for their Ramadan demand. It is yet to be seen, how the shipments during this quarter pans out but we are losing hopes for a major revival in the kabuli demand, either in small calibre or large calibre.

Desi

Demand is surfacing from South Asia, pushing Australian values upward. We expect the importers to get more active in the days to come.

For now, India is on its way to another big gram crop.

Lentils

In absence of a demand pull, the lentil prices remain subdued. Indian crop looks good and that is diminish hopes of India importing lentils in H1'22. Importers in Turkey, South Asia and MENA region are expected to get more active in next 1-2 weeks.

Conclusion

This is the year, when alt protein market will face huge raw material shortage. The nascent industry may find it difficult to keep their factories running and to honour their offtake agreements. The shortage is acute across the geographies and with each passing month, it will only get worse.

Indicative Prices

We are expanding our reach to find the closest possible price points and your cooperation is sought.

Canada

(C\$/T)	Last Week	This Week
Sm. Red lentils, No. 2	1,004	1,004
Peas, green No. 1	591	588
Peas, sm. yellow No. 2	626	634
Feed peas	511	511
Kabuli, 8mm, No. 1	883	993
Kabuli, 7mm, No. 1	773	773

Pakistan

US\$/T, CIF	Desi	Kabuli	Lentils	Lentils	YPea
Origin	Aus	Rus	Can	Aus	Rus
Dec 30	675	900	940	960	465
Jan 06	665	970	935	960	480
Jan 13	680	960	930	945	495

Turkey

US\$/T	Lentils			
	Chickpea	Red Naturel	Red	Green
Dec 30	923	1,123	1,423	1,385
Jan 06	842	1,025	1,391	1,281
Jan 13	885	995	1,180	1,364

Data Sources

- AgPulse Analytica Research
- World Ag Weather
- CME
- ICE
- ABARES
- Australia Bureau of Statistics
- Ministry of Agriculture, India
- India Customs
- Statistics Canada
- FAOSTAT
- COMTRADE
- Ukraine Customs
- Ukraine Agri Ministry
- Russia Customs
- USDA
- US Customs
- Kazakh Customs
- China Customs
- Brazil Customs
- Argentine Customs
- European Commission
- Eurostat

Disclaimer

In this newsletter, we at AgPulse Analytica have tried to provide the accurate information and analytics but we do not take any responsibility of any error. This newsletter, which is governed by the Data Subscription Agreement/Website Usage Agreement available on website <https://agpulseanalytica.com>, is meant to provide market reports only and no specific trading/business recommendation is made therein. We request you to use the same at your own risk and we further request you not to forward it to any third party without prior permission from AgPulse Analytica.