

**Voluntary Report** – Voluntary - Public Distribution

**Date:** October 10, 2023

**Report Number:** PK2023-0015

**Report Name:** Pulses Outlook

**Country:** Pakistan

**Post:** Islamabad

**Report Category:** Agricultural Situation, Market Development Reports

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**Report Highlights:**

Peas, beans, and lentils are staple protein sources in the Pakistani diet. Eaten with either flat bread (daal-roti) or rice (daal-chaawal), the demand for these pulses is growing as inflation leads consumers to search for alternatives to animal protein. Imports are forecast to reach over 1 million tons next year, and opportunities exist for U.S. exporters.

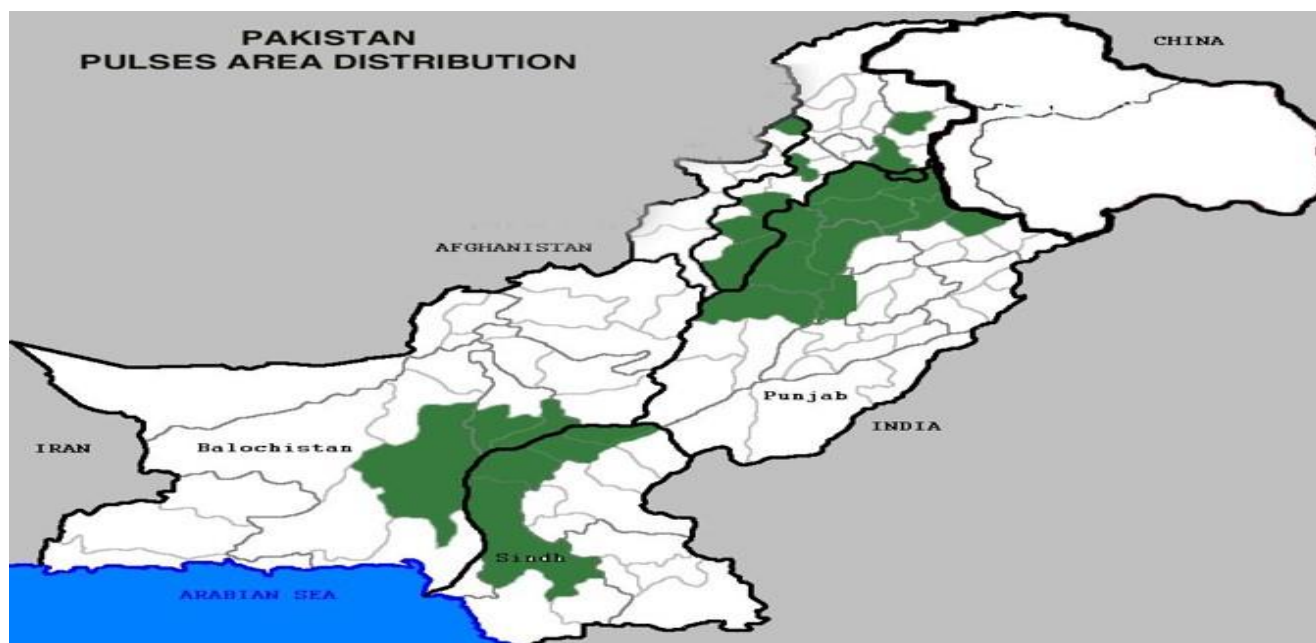
## Production

With area at just over 1 million hectares (HA), 2022/23 pulse production is estimated at about 382,000 tons. Pulses are grown almost exclusively in rain-fed areas, with very low input and management. The depletion of groundwater, desertification, and land degradation all pose major challenges to increasing production. In addition, farmers generally receive less income from pulse production compared to the major competing crops: wheat, rice, sugarcane, cotton, and corn. Furthermore, government policies provide greater subsidies and offer support prices for the competing crops, especially wheat. Pulse area and production have been stagnant for several years.

### Pulses Growing Season Calendar:

Crop	Planting Season
Chickpeas	Mid-October – Mid November
Lentils	Mid-October – Mid November
Mung beans	May – Mid June
Mash beans/Matpe	June – Mid July

Source: GOP



Source: Pakistan Agricultural Research Council – Green area represents pulses production areas in Punjab and Sindh

<b>Total Area (1,000 HA), Supply and Consumption (1,000 Tons)</b>				
<b>Crop</b>	<b>Area</b>	<b>Production</b>	<b>Consumption</b>	<b>Imports</b>
Chickpeas	830.0	238.0	825	600
Lentils	6.5	3.8	150	145
Beans	225.0	140.0	315	175
<b>Total</b>	<b>1,061</b>	<b>381.8</b>	<b>1,290</b>	<b>920</b>

### **Consumption:**

Consumption continues to increase. Total annual consumption is estimated at 1.3 million tons. The festive seasons of Ramadan, Eid, Moharram are peak times for demand. Pulses are consumed split (dall), whole, and as snack foods, etc.

Most pulses continue to be bought in bulk, unprocessed form. However, with changing lifestyles and more modern retail outlets, consumers are demanding more further-processed products. This trend will drive development of more valued added pulse products, with greater emphasis on product health and nutrition characteristics.

### **Rising Food Inflation:**

In July 2023, urban food inflation (consumer price index) reached 40.2%, as compared to 27.4% in July 2022. The average monthly price of pulses and the current increases are shown in the table below. Domestic pulse prices tend to follow international prices, which have also risen sharply in 2023. Not only has domestic pulse production not kept pace with demand, but production costs have also increased, contributing to higher food prices. Despite these challenges, importers and traders see potential for U.S. pulse imports. They also believe promotions with local packagers, food processors, and retailers would be beneficial.

<b>Average Monthly Price of Pulses (Rupee/kg)</b>			
<b>Items</b>	<b>July 2022</b>	<b>July 2023</b>	<b>Percent Change</b>
Lentil (masur)	300.61	274.80	-8.59
Mung	189.75	263.26	38.74
Matpe (mash)	324.44	468.25	44.33
Chickpea (gram)	222.42	240.48	8.12

Source: Pakistan Bureau of Statistics

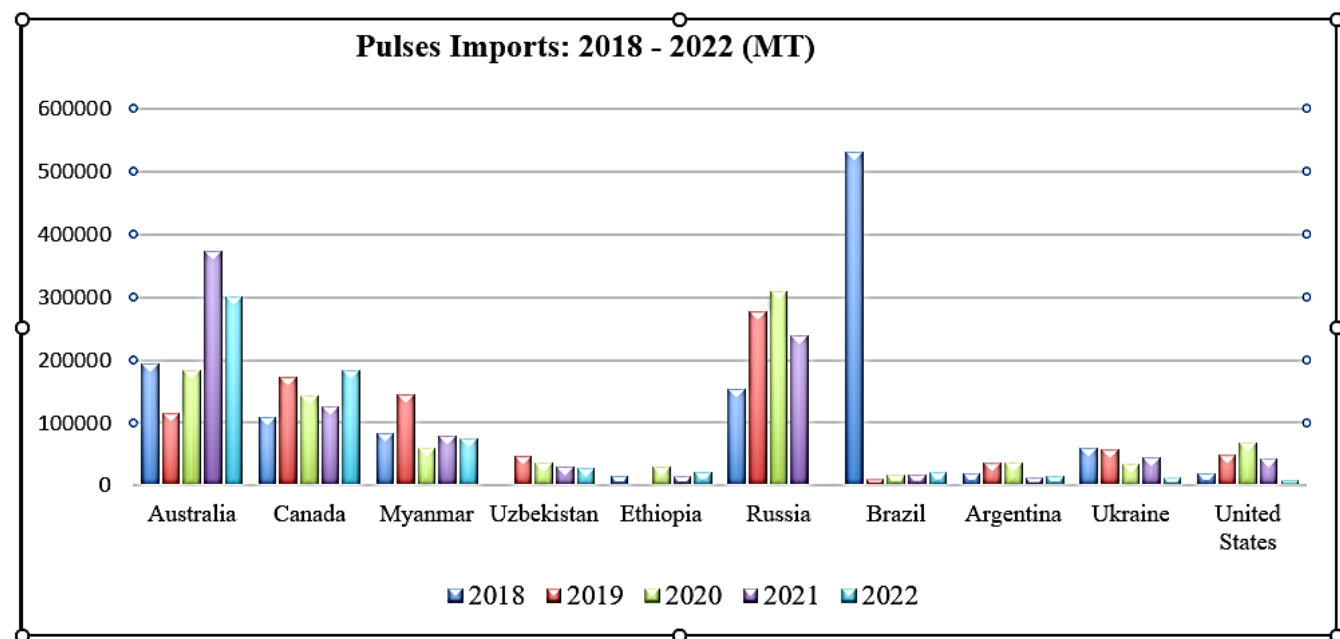
## Trade:

With output stagnant, and consumption continuing to grow, Pakistan remains a net pulse importer.

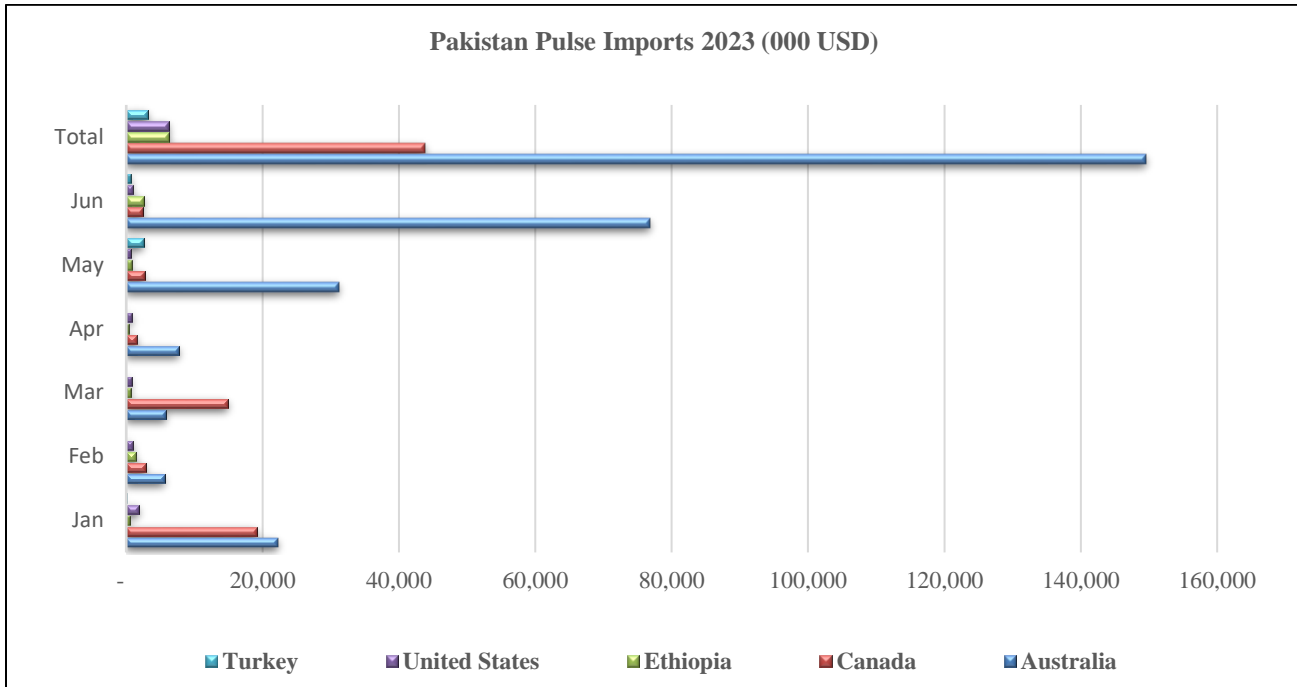
As shown in the graph above, Australia remains the leading pulse supplier. The value of pulse imports increased nearly 33 percent in the first six months of 2023, reaching \$282 million.

U.S. pulse exports to Pakistan increased 24 percent in the first six months of 2023 reaching \$6.2 million, compared to \$5 million (same period) in 2022. U.S. pulse exports to Pakistan are shipped in containers and consist mainly of chickpeas (white; 7mm, 8mm, 9mm) and lentils (red and green). Canada (which typically ships pulses in vessels) supplies yellow peas, lentils, and kabuli chickpeas. Australia supplies desi chickpeas and lentils. Ethiopia and Turkey are traditional suppliers of pulses to Pakistan due to their geographic proximity and ability to grow similar types of pulses (dark and white small-caliber chickpeas).

U.S., and Canadian chickpea (8mm, 9mm) prices have significantly increased, with offers between \$1,150 to \$1,400/ton in September. In comparison, small (6mm,7mm) chickpeas from Russia are offered at \$750/ton (CFR). Reportedly, Russian-origin chickpeas are entering via Iran and Afghanistan informal cross-border trade. The market for large-caliber chickpeas has been reduced because of a huge difference in price from smaller-caliber chickpeas. Indian chickpeas are not viable due to the exorbitant price offers of \$1,500/MT via Dubai. The local market is anxiously awaiting the availability of new crop U.S. chickpeas.



Source: TDM



Source: TDM

**Policy:**

Pulse exports are banned, and import taxes are relatively modest. Commercial importers must pay a 3.5 percent withholding tax and millers pay a 2 percent withholding tax.

**Prospects for Future Demand:**

Lack of foreign currency is the main concern among all importers. They are unable to secure dollars from banks to pay for imports. The container business is dealt with on cash against-document basis; however, bulk cargoes are normally shipped on letter-of-credit terms.

Despite these current issues, Pakistan remains one of the world’s leading importers of pulses. Pulses are traditional foods among its population of 240 million (55% of them below the age of 25). As noted above, there are few tariffs or other restrictions on pulse imports. Imports are forecast to reach over 1 million tons in the coming years. Australia, Canada, Myanmar, Uzbekistan, Ethiopia, Brazil, Argentina, and Ukraine currently supply most of the volume, but Turkey, Sudan, Tanzania, Tajikistan, and other suppliers ship significant quantities.

**U.S. Export Opportunities:**

U.S. market share is relatively small, primarily for garbanzo and lentils. However, the urban higher-income consumers prefer top-quality pulses in branded packages, and they shop and dine in many upscale retail stores and restaurants. Consumption will continue to grow as people consume pulses daily as a high-quality protein.

Market promotion activities targeting branded packagers, retailers, restaurants, other food service outlets would enhance market opportunities for high-quality U.S. pulses. In addition, pulse importers and processors would benefit from training in U.S. pulse grading, processing, and marketing. Reverse trade missions, matchmaking, and trade servicing activities are also valuable.

The market for beans that are comparable to U.S. dry beans is estimated at 80,000 tons. About 60,000 tons of this is red-speckled types, mainly imported from Ethiopia and Uganda. Second in import volume is small red and pinto-type beans at about 10,000 tons mainly supplied by Ethiopia and other African countries. Third in total bean import volume is dark red kidney beans (DRK) at about 10,000 tons, imported from Argentina, the U.S., and Thailand. Annual DRK imports from the U.S. are reported at around 5,000 tons.

**Attachments:**

No Attachments.