



Building Global Markets for Pulse Crops

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Background

Alberta pulse growers are 'shareholders' in Pulse Canada through the membership of the Alberta Pulse Growers Commission. Alberta, along with four other grower groups and the CSCA (a processor and exporter association) appoint Directors to the Pulse Canada Board. Each year the Board determines the priorities and direction for the activities of Pulse Canada. These activities are areas where the member organizations feel Pulse Canada will complement the activity of the provincial groups and can efficiently be done by working together on a national level.

Pulse Canada is in its seventh year of providing support to marketing efforts for the Canadian pulse industry. However, Pulse Canada's role in 2004 is very different than it was in 1997. The pulse market has changed, the issues have changed and the role of Pulse Canada has evolved to better suit the needs of the industry. This presentation looks at what Pulse Canada does to help pulse growers and the pulse trade stay healthy and stay ahead on issues that affect the competitiveness of the Canadian pulse industry.

Canada exports pea, lentil, bean and chickpea to over 140 countries around the world. Buyers and sellers come and go, government policy at home and around the world changes affecting global pulse trade and the competition is always looking to get ahead. What is an industry to do?

Working on Canadian Issues with Global Implications

There are a lot of issues that affect the pulse industry in Canada. Pulse Canada does not deal with issues being addressed by other farm groups. However, Pulse Canada does focus on a few key issues that are important to how the pulse industry competes in a global market.

1. Knowledge Gaps

There are a lot of things that we don't know about Canadian pulses, and how Canadian pulses fare in relation to pulses from other countries. If you can't answer the question of whether you are worse, equal or better than the competition you are going to have to take someone else's word on the issue. This would be like Ford telling GM's customers about the quality of their trucks. An industry has to know as much about their product as the competition and the buyers.

Are there other uses for pulses in food or industrial uses, or their components like starch, protein, or fibre? Identifying what gaps there are in the information base, and encouraging that research to be done is an important part of Pulse Canada's work plan.

An example will illustrate two projects Pulse Canada has initiated. Canada does not produce mung beans. Mung beans have traded at significant premiums to pea, lentil and chickpea although like any commodity the price fluctuates. Mung beans grow in semi-tropical areas and are used extensively in Asian food for things as varied as bean sprouts to processed goods such as noodles, and pastes in cake fillings. The Canadian industry is working to substitute the use of mung bean for various uses with a Canadian pulse. Why? Several billion consumers in Asia present a market with potential! The investigation has to look at taste, texture, pasting properties of starch and other processing characteristics. Other examples include looking at substituting Canadian red beans in other Asian products that currently use other types of beans that are not commonly produced in Canada. With apologies to Luther Vandross, the idea is "If we can't grow the one you use, use the one we grow."



2. Policy on Crop Protection Products

Pulse Canada has also taken steps to ensure that closer links exist between the research community and the Canadian pulse trade. Canadian Policy on Crop Protection Products

While Ottawa is physically a long way from pulse fields in Alberta, federal policy touches the industry. Health Canada's Pest Management Regulatory Agency (PMRA) handles the Canadian registration of crop protection products (CPPs) like fungicides, insecticides and herbicides. Like their sister agencies in the US and Europe, the PMRA is reviewing many of the current registrations to ensure that the products meet the agencies goal of preventing "unacceptable risks to people and the environment from the use of pest control products." Pulse Canada works with PMRA and Agriculture and Agri-food Canada (AAFC) to help ensure that negative impact on farmers of PMRA changes are kept to a minimum. The phasing out of antibiotics in food production was going to have a severe impact on the importation of bean seed since streptomycin-treated seed from the US was going to be banned from Canada. Pulse Canada has worked along side federal agencies to get research funding in place to carryout a national program to deal with the threat of common bacterial bean blight, the product that streptomycin is being used to help prevent. The development of a strategy and identification of funds to carry out the work has bought the industry the extra time it needs to make the adjustment without shutting down the bean industry.

Pulses also face another enormous challenge in getting new products brought to market. The cost of registering new products, and the fact that the CPP industry looks at pulses as a minor crop in comparison to wheat, corn and soy, means that companies may not see sufficient benefit in pursuing new registrations. This point is aggravated by the fact that another pulse crop, soybeans, now uses chemical tolerance developed from genetic modification to address weed control issues. This means that non-GMO crops like pea, bean, lentil and chickpea no longer benefit from weed control research that was once initiated for the soy industry. By developing pulse industry priorities and working with chemical companies Pulse Canada attempts to ensure that federal funding available for the registration of minor use chemicals is made available to pulse crops.

Pulse Canada is also involved in the North American Free Trade Agreement Technical Working Committee that is looking at standardization of CPP registration within North America. Through these efforts pulses have been named as a test crop to evaluate how well coordination between the Mexican, US and Canadian regulatory system is working. The goal of this work is to ensure that Canadian pulse producers are not disadvantaged by products registered for use in the US and not Canada, and to prevent issues like CPP maximum residue limits (MRLs) from becoming a trade barrier.

3. Canadian Agriculture and Food International (CAFI) Program

The CAFI Program matches industry funds dollar for dollar to support activities that enhance and promote Canada's reputation as the world leader in markets around the world. CAFI and its predecessors have been major funders to Pulse Canada for the last seven years.

4. Promoting Partnerships Across Canada

Bringing pulse interests together from across Canada fosters collaboration that can reduce overlaps and improve efficiency in various areas.

Working on Global Issues with Canadian Implications

1. Trade Barriers

To use a nautical theme, there are trade barriers that sit above the water line and those that are partially or fully submerged below the water line. Above the water line are problems like tax and tariff barriers that give other countries, or other products, a trade advantage. If soy meal can get in to Korea at a 2% tax, and feed peas face a 30% tax, the barrier is fairly obvious as in the solution to the barrier.



Danger lurks below the water line when there is limited or no visibility. Maximum residue limits (MRLs) are an example of a partially submerged threat.

Every country establishes an MRL for products that are used in agricultural production. Countries also establish MRLs for imported products. People want to know that any chemical residue that might remain is well below the level that would cause the least bit of trouble. Food safety is important to consumers everywhere in the world.

MRLs are like an iceberg ahead for pulses and all agricultural products that use chemicals. While a chemical may be used according to Canadian label guidelines and meet the Canadian MRL for the crop, that crop may be deemed unfit to be imported regulators in another country. The size of the iceberg below the water's surface becomes a bit more obvious when you realize that the method of analysis that is used to test for residues isn't specified. Think of the old Eaton's Catalogue Chemistry set and if you get the test tube to turn from red to blue a buyer can claim that the product is unfit for importation until the exporter can prove them wrong. Even more challenging is the fact that in some countries, if a chemical is not registered in that country, the MRL will be set at the level of detection. Any residue could be too much regardless of the severity of testing in a country like Canada.

As trade barriers go, food safety is like the iceberg that sunk the Titanic where you can say there is more below the surface than above the surface and the consequences are deadly. Governments are setting tighter regulations on MRIs, heavy metal contamination (lead, cadmium and others) and mycotoxins. Food safety yes, but using food safety as a trade barrier has to be addressed.

Pulse Canada is working on eliminating the tax and tariff barriers and on developing an early warning system for those dangers that lurk below the surface in the area of MRLs, and other emerging issues in importing countries such as heavy metal contamination and presence of mycotoxins.

2. Knowledge Gaps

There are government officials and companies in various countries that don't know you can feed peas to pigs. If the knowledge deficient region might be a market for Canadian peas, Pulse Canada looks for ways to provide the necessary information and experience.

Will China, Ukraine or Tanzania put the Canadian lentil or bean business out of business? The first step in knowing what Canada needs to do with existing and emerging competition is to assess the strengths and weaknesses of the competition.

3. New Products in Canada for Existing Demand Abroad

Answering the question of whether a class of bean eaten in Mexico but not grown in Canada can be adapted to grow under Canadian conditions is a job for plant breeders to answer. Pulse Canada makes sure the funds are in place to make breeders part of the international market development effort. A logical team member but one that has no funds to do this on their own. The demand may be limited but if it provides an economical production option the idea should be explored.

4. Promotions and Communication

Food shows, newsletters, improvements to the web site, email and participation in international pulse organizations are all ways of providing a constant link between the Canadian industry and the pulse industry around the world. The goal is to be, and to be perceived to be the global leader in the pulse industry.

Pulse crops are known to be a valuable part of a healthy diet and healthy eating is a significant factor in reducing risk of developing nutrition-related problems, including heart disease, cancer, obesity, hypertension, osteoporosis, anaemia, dental decay and bowel disorders. Increasing consumption of pulses in Canada and around the world is addressed through web site and nutrition fact sheets for health professionals.



Examples of pulse promotion currently underway include two feed pea projects in Asia. Japan has strict import restrictions on pulses. The Japanese import quota for imported beans and peas is 120,000 tonnes. This represents about one half of Japanese consumption with farmers in Northern Japan producing the balance of Japanese requirements. However Japan is also a feed ingredient importer. Pulse Canada would like the Japanese government to consider having a separate category for feed peas and not be restricted by the present quota that is used for human consumption pulses. The first step in this process is to generate interest at the feed manufacturer and livestock feeder level and bring the industry on side to work with Pulse Canada to achieve this change. Feed seminars, focusing on the hog industry, will be held in Tokyo on February 4, 2004.

China continues to be a target market for feed pea activities. After working with the Government of Canada and the Chinese government to reduce Chinese tax and tariff levels to that of soy meal, Pulse Canada is now working with companies interested in feed pea purchases. Two feeding trials are currently underway with a Canadian nutritionist working with the Chinese companies in trials that compare traditional Chinese hog diets with a diet including feed peas. With more than half of the hogs in the world fed in China, all of Canada's peas could disappear into the Chinese market.

Summary

Each year the Pulse Canada Board (pulse growers and the pulse trade), special committees set up by the Board, researchers and Pulse Canada staff develop a business plan and budget that addresses the challenges faced by the pulse industry. Over the past seven years the strategy has shifted from promotion to market access and market intelligence and developing a pro-active research strategy driven by present and anticipated changes in the market. Pulse Canada works to bring federal policy and focus in line with that of the pulse industry, and seeks international partnerships where seen to be in the interest of the Canadian pulse industry.

Web Links

<http://www.pulsecanada.com>

Register at "Sign In" to get free access to more country specific information available on the Pulse Canada website.

Check the information offered on the other sites found under "Contact"

<http://www.pulse.ab.ca>