Pulse acres steady with good prices, new feed, food markets

By SUE ROESLER
Farm & Ranch Guide

WILLISTON, N.D. - As world population continues to grow, the world will depend more and more on agriculture and food production, according to Don White, marketing director of the Northern Pulse Growers Association.

"World crop supplies are short, India has a huge corn problem, and Australia has weather problems," White said while speaking at recent pulse grower meetings in Minot and Williston which were sponsored by the Northern Pulse Growers Association. "China has an increasing, huge demand for commodities."

Murad Al-Katib, president and CEO of Alliance Grain Traders, said while China, along with other Asian countries, are non-traditional pulse consumers, there are growing, emerging markets in that region.

One example is the market for pea starch, which is being used for vermicelli noodle production, he said.

Alliance Grain Traders processing facilities, United Pulse Trading Co., in Williston is now back in operation after a December fire shut down the plant.

Eric Bartsch, United Pulse trading general manager, said he is working on contracts for 2008 peas and lentils, including red lentils. The company spent the winter introducing producers to red lentils and the numerous varieties that are garnering growing world market demand.

"We worked on expanding red lentils (into new) areas. As producers become aware of the opportunities available with the varieties," Bartsch said.

United Pulse is now taking all green and yellow peas and lentils.

"If producers have product, or are planning to plant, they can call and we'll help them move their product," he added.

Bartsch said growers he has spoken to are planning to continue their same rotations with pulses, so he doesn't anticipate a drop in acres. He has also been hearing reports about $800-$1,000/ton fertilizer costs, so that is another reason producers want to continue to include pulses as they are a good source of nitrogen.

White said pulse crop acreage in the U.S. has been down this year, but 75 percent of all pulses in the U.S. are grown in North Dakota and Montana. Some 86 percent of all dry peas are grown in these two states, as well as 58 percent of the lentils.

There are only a small number of chickpea acres in the two states - less than 15,000 acres - probably due to state steer prices.

Al-Katib said there may actually be more pulses grown in the U.S. in 2008 than in 2007 because of competitive crop prices, stronger demand, world supply, and higher cash flow. "Global demand is growing for U.S. pulses, he said. "U.S. pulse producers are becoming major world suppliers."

Marketing opportunities continue to be good for northern pulse growers due to rising prices that have been following other crops, White said, adding the price outlook for most Pulse crops will follow wheat.

"The big three" - wheat, corn and soybeans - are fighting for acres in the 530 million acres of cropland in the U.S. and control about 60 percent of all acres, White said.

"Peas and wheat will fight together," White said. "We used a graph that showed as wheat prices grew last year so did lentils, peas, and feed peas."

Prices began to rise sharply about mid-September in 2007 when new market fed were found, he said. Average prices in 2007 were $16 per cwt for lentils; $10.50 per cwt or $6.30 per bushel for peas; $7.88 per cwt or $4.72 per bushel for feed peas, while wheat was $6.80 per bushel.

Changing demographics

American farms are changing demographically, White said. This is the first time in history that more people are living in the cities than in rural areas, and 98 percent of the farms are run by farm families, he added.

Despite fewer farms and farmers, the U.S. still has "the cheapest, safest and most abundant food supply in the world," White said.

While the U.S. spends 10 percent of its income on food, Japan spends 26 percent, England spends 22 percent, and India spends 51 percent.

Consumers and buyers around the world are becoming more interested in pulse crops, but it doesn't work to focus on one market, White said. "There are feed, food, and food uses such as pea flours.

Al-Katib agrees, saying the pulse crop market can be split into the four "Ps": food, fuel, fiber and feed.

Pulses as food are a high protein, low glycemic ingredient. Pulses as fuel are a biodiesel and ethanol alternative. Pulses as fiber provide both nutritional and industrial uses. Pulses as feed are a safe and high quality feed for the livestock industry.

Pulse acres: Continued on page 10A