PEA
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"A lot of the trade in Canada had sold product to customers like Spain and India and now you have to deliver on those pre-made sales," Thomas says. "They're realizing they don't have the product they were anticipating. So they are trying to draw the product away from the farmers by bidding the prices up. The increased price in Canada has trickled down to the U.S. as well."

Another major development for the market was a U.S. Department of Agriculture tender for 10,000 tons of feed peas for the Philippines at the end of September. Thomas says it's the first time there has been a major shipment of peas for animal feed out of the Pacific Northwest. Most previous feed pea exports have been out of Duluth, Minn., to Spain, so this transaction may signal the emergence of a new market out of the West Coast.

"All indications are that it is going quite well," Thomas says. "The price paid to growers has been respectable, actually getting quite close to the [grade B] bids. We are looking at the potential of $3 a bushel and maybe even more being paid to FNW growers for feed peas."

Prices to North Dakota and Montana growers would be lower because of transportation costs, he adds.

Increased demand

"Lentil prices are down a dollar from a year ago in the region, at $9 a hundredweight. However, Thomas says prices are recovering from harvest lows and should move upward as markets work through a larger carry over from last year.

"Last year's demand for lentils wasn't as strong as in prior years," Thomas says. "Plus, Canada had a lot more production. So U.S. sales to importing countries was a lot less. Typically we have very few carry-over stocks. So processors and exporting companies have had to have a pretty respectable harvest price to try and attract production."

This year, a lot of those processors already were full at harvest time. Thomas says. But in the last month, there has been a slow increase in prices. Government purchases of food aid for Afghanistan and other countries in that region have been one factor in the increasing demand. Regular commercial sales have also increased, he says.

"Prices are starting to recover," Thomas says. "I fully expect lentil prices to be more or less than last year, but right at harvest time, we did see lower prices in the lentil market.

Two of United States' best customers for peas and lentils are Turkey and India, but there hasn't been any disruption in those markets because of the military action in Afghanistan, Thomas says. "We haven't seen any significant changes in trading patterns yet," Thomas says. "It appears that it hasn't been a problem yet. Communications between importers and exporters have been maintained.

Increased demand for lentils is also significant around the world, in Mexico and Latin America, which are relatively unaffected by the current conflict. "South Asia is a very important market, but it is by no means our only market," Thomas says.

Legume industry continues N.D. expansion

Pea, lentil and chickpea continue the slow but steady growth in an increasingly important part of North Dakota's agricultural scene in 2001, says Paul Thomas, administrator of the North Dakota Dry Pea and Lentil Association.

"It is an industry that is starting to mature together — acreage, growers and processors," Thomas says. These crops, collectively called legumes or pulse crops, started attracting a lot of attention from farmers when pea prices topped $5 a bushel in the mid-1990s. Prices soon slumped, but farmers liked the fact that the plants made their own nitrogen fertilizer and how the crops fit into their rotations.

A frustration for early adopting crops was the lack of local markets. In 1998, there was only one major processor in North Dakota — Agrieco in Rugby. Thomas says. Since that time, new processors have sprang up in Crosby, Milton, Richardton, Bowman and Grand Forks.

"As our acres have remained steady, we have seen more processors come online," Thomas says. "That has been — and is going to be — one of the most important factors in maintaining strength and growth in our industry."

According to Thomas, a lot of the frustration growers had back in the 1990s was that they had to sell a lot of their crop at a discount into the feed market because there wasn't enough processing capacity in the state for human consumption. To get the feed quality, processors faced paying months of storage costs before they could sell their product when a processor was ready for them.

"Now we have enough processors that we are able to move — within the growing year — the crop that is grown here," Thomas says. "Not only is it good for the growers, but it is really good for the local communities where these processors have sprung up."

The Crosby plant alone has created 16 new jobs, processing peas, chickpeas and lentils, Thomas says.

"There is a lot of potential to increase acres in the state." Thomas says.

Jerry W. Kram