

Ukrainian peas has two advantages over Canadian - the price and freight rate - experts opinion

Written by Administrator

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In recent work with the major grain is becoming increasingly difficult, and many grain exporters are increasingly switching to the so-called niche culture. Among them, peas, food and fodder, Chickpeas, yellow millet, white and red millet, flax seeds, false flax, coriander, mustard.

Ukrainian market operators sell whole and split peas, food and fodder, Chickpeas, yellow millet, white and red millet, flax seeds, false flax, coriander, mustard.

What exactly attracts traders to work with peas.

- Agrocorp International - Singapore is a trading company with 22 years of experience in the delivery of a variety of goods to customers in Southeast Asia. To date, the annual turnover of more than \$ 1.5 billion, representing a trading company for more than 2 million tons of cargo around the world. Products include: cereals, pulses, cotton, sugar, fertilizers, metals and other energy products. The company is headquartered in Singapore. Most of the total turnover of niche agricultural products are supplied in containers and in bulk to Asian consumers. Consequently, Agrocorp is one of the largest players in the market niche crops in the region, with extensive experience and knowledge of the market. In the past year, the company delivered more than 300 tons of peas consumers Southeast Asia, mainly from Canada and the Black Sea region.

Items are shipped in containers, bulk or polypropylene bags, any kind of shipping is acceptable.

- Basically mostly exporters work with yellow peas, chickpeas, mustard seeds and millet. They sell yellow and green peas, food and fodder, Chickpeas, yellow millet, white and red millet, flax seeds, false flax, coriander, mustard, bean over the world.

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But here we note that, despite the growing interest in Russian and Ukrainian farmers harvest of these crops is relatively low. As an example, take the best season in 2011. Given the harvest of grains and legumes by 94 million tons, the total yield of these niche crops amounted to only 3.3 million tons, or 3.5% of total production. The same pattern is reflected in the export statistics for 2011: the export of niche cultures is about 3% of the total, delivered to foreign markets. As for the priority crops for us, we would like to concentrate on peas and chickpeas in particular because they are two of the largest Russian market niche products shipped to Asia. In 2011/12 exports of yellow peas at record levels - 600 thousand tons, the export of chickpea was relatively small - 107 thousand tons, but this is 75% of the total production of chickpea in Russia, which clearly reflects its current and future export potential of this product.

Yellow peas are mainly produced in Stavropol, Rostov, Altai and Central Russia and Ukraine. Chickpea is produced mainly in the center - Saratov, Samara, Volgograd. These regions are among the leaders in production of these crops. In 2012, the harvest of peas was slightly lower than in 2011, and amounted to 1.6-1.7 million tons, compared with 1.9-2 million tons in 2011. In 2012, the production of chickpea increased by 300 thousand tons, thus doubling last year's result.

The main export destinations are Turkey and India. However, it is well known that most of the volumes delivered to Turkey, then rolls over to India and Pakistan. It's just a question of logistics, including freight rates for shipping containers and availability. We can say with confidence that the consumer market peas and chickpeas exists and is developing steadily.

- As far as we know, India is one of the key importers of beans and peas in particular, and also ranked 4th among the world's producers of the grain. Is not the State's own grown produce?

- Indeed it is. India is a major player in the global market when it comes to legumes. The country is one of the largest producers, consumers, and also the largest importer of pulses in the world.

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The main supplier countries are Canada, Australia, Myanmar, France, Russia, and Ukraine. Due to the fact that India is the second most populous country in the world, and most of the population depends on legumes consumed as a main source of food, the advantage is the largest producer of pulses in the world is lost. That is why the country has to apply to the import of products to meet domestic demand. As regards the production of peas, then you absolutely have rightly noted that India produces about 800 tons of dry peas in the year and ranked 4th among the world's major producers of peas. Speaking of industrial competition, it should be noted that Canada and Australia are major producers and exporters with an average annual production of about 8.5 million tonnes, with a large part of their production is exported to India, Pakistan and the Middle East.

- Comparing the Ukrainian and Russian peas with grain from other countries, for example in Canada, what differences you can call? What the Ukrainian and Russian Grain is the leader?

- The bulk of imports of yellow peas comes to India from Canada, which is by far the biggest competitor of Russian products. Last season, Canada has set in India 1.4 million tons of yellow peas, while the volume of Russian production was only 250 tons and Ukrainian below 200 tons. Ukrainian and Russian peas has two advantages over Canadian goods: first of all, this is a price that is more competitive in the domestic market of Russia, and the second - a more favorable rate of freight in India. The main benefit of Canadian peas - it's high quality. Russian peas are exported to India for the sole purpose of food consumption. Thus, the quality standards applied to the end consumer is very severe, and occasionally can be severe.

- Recently, we have seen a very strong tendency to Ukrainian and Russian farmers to increase acreage of yellow peas, which in 2008 increased by almost 2-fold. In 2008, the area under crops is 653 thousand hectares, yield - 1.25 million tons. In 2011, the area under the yellow peas increased to 1,151 hectares, yield, respectively, increased to 2 million tons. In 2012, the size of the acreage of yellow peas in Russia reached an absolute record - 1,358 hectares.

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However, the drought in May and June had an adverse effect on crops, so this season the country will not be able to reach a record high total yield of the crop. In any case, there is a strong and healthy growth trend of production of yellow peas in Ukraine, and we hope that the country is only the beginning of his way to becoming a major player in the global market for the crop. This should apply to both production and quality, as if Russia wants to remain competitive, very high quality standards must be maintained during the manufacturing process.

- First of all, it is worth noting that the Russian market is quite innovative chickpeas and is still in an early state of development. The unprecedented harvest of 300 million tons, which was built in 2013 - proof. International Trading Corporation has examined various amounts of chickpea collected in different regions of Russia and Ukraine in the last month or so, and must say that the quality of goods is generally good or satisfactory from the point of view of the end user. Kabuli chickpea is preferable and more "liquid" type of the grain consumed by the Indian market. Its main difference - it's a light beige color (as opposed to grade Daisy, who has a dark brown color), but in any case it can not be white - this product is not welcome end-users in Asia.

- Who is the leader in the production of chickpeas?

- The main producers and exporters of chickpeas are Australia, Canada, Tanzania and Russia. Regarding Australia is worth noting that to date, this is the main player in the market, and this year the country's projected harvest of 750 thousand tons, and is expected to export a record amount of culture. Also worth pointing out that Russia continues to maintain its reputation as a major player in this market, and given the recent trend of sharp increase in the volume of production, for it has all the chances.

- Ukrainian and Russian traders and producers of beans in the new marketing season.

- If you look at the big picture regarding legumes on a global scale, it is worth to highlight that their global production varies between 60 and 70 million tonnes per year (depending on seasonal factors) and grows slowly. In this case, global trade is an average of 16 to 17 billion dollars in the amount of approximately 6.7 million tons per year. On the consumer side - India, which produces 15 to 17 million tons per year, and consumes up to 18-20 million tonnes (the numbers continue to rise.) Thus, it becomes clear that there is a need to increase the production of legumes worldwide. Ukraine and Russia has vast areas and fertile soil, and therefore, it can be one of the leaders in the growing market of legumes worldwide. In our view, other legumes, such as peas, daisy, red and green lentils, should be addressed by Russian

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farmers as a key to the diversification of their products. In conjunction with the consistently high demand from the Indian market this may be one of the keys to the future success of becoming Russia as one of the leading suppliers in the world food markets.