

PULSES

30th MAY- 04th JUNE, 2005

INTERNATIONAL HIGHLIGHTS

Burma's Latest Pulses and Beans Export Summary

Total Pulses and Beans exports from Burma totaled at 56,153 tonnes in April 2005, down 56% from the same period in 2004, due mainly to a sharp reduction in sales to India following increased domestic production in India. Matpe accounted for 59% of the total exports (33,351 tonnes), followed by Toor Whole (11%) and Mung Bean (10%). India continued to be the major export destination, accounting for 71% of total beans and pulses export. India purchased about 26,472 tonnes of Matpe, 5,603 tonnes of Toor Whole and 3,317 tonnes of Mung bean. Exports to Japan increased and accounted for 5% of total exports in April. Butter beans (lima beans) comprise 80% of the total exports to Japan. Prices for beans and pulses generally firmed up although long holidays of water festival in mid April caused trading activities to be slow. However, trading activities became more active in the last week of April reflecting a need to buy beans to fulfill export commitments.

Global Lentil markets remain quite this Week

Amidst the majority of industry participants' busy attending CICILS-IPTIC International Pulse Conference in Egypt this weekend, global lentil markets remain mostly quite this week. Canadian Lentil witnessed some export and inter-dealer transfers, while US processors eyeing for latest USDA PL-480 food aid tender for about 14,230 tonnes of lentils for shipment in July. Lentil production in Canada is projected at 910,000 tonnes, slightly less than the last year estimates of 961,000 tonnes. This year exports are

predicted at 530,000 tonnes. Canadian lentil exports during march 2005 totaled 40,013 tonnes, and major export destinations were Colombia and Algeria, which took 6,935 and 6,931 tonnes respectively followed by Turkey with 3564 tonnes. Lentil exports from Canada during the August-March 2005 marketing year totaled at 318,346 tonnes, increased over the 288,391 tonnes exports during same period last year.

Global Chickpea Markets Witnessed Light Trading This Week

International chickpea markets reported quite this week amidst light trading. Crop conditions are normal in United States and western Canada. While in western Canada some quantity concerns reported on the soil moisture conditions favourable for plant disease in most of Saskatchewan and Alberta. Growers may be at risk on the high soil moisture conditions. Canadian chickpea production is projected at 60,000 tonnes this year, increased from last year estimates of 51,000 tonnes. Chickpea exports from Canada have been forecasted at 35,000 tonnes this season.

Dry Sowing of Pulses started in Australia

With the drought condition in Australia, sowing of pulses is hard hit presently. But the growers now opting for dry sowing and plenty of dry sowing have been reported. The possible risk of dry sowing of pulses is considered as the nodal failure.

Morocco Pulses and Beans Production Summary

(Quantity in Tonnes)

Pulses & Beans	2001	2002	2003	2004	2005
Dry Beans	12,000	12,000	11,900	11,900	12000
Broad beans	82,020	88,780	85,000	85,000	76000
Field Peas	12,790	21,570	22,750	22,750	18000
Chick Peas	31,790	51,340	43,020	43,020	37000
Lentils	12,890	41,670	33,620	33,620	26000
Lupins	14,000	14,000	14,000	14,000	14000
Vetch	6,280	12,530	12,000	12,000	9000
Other Pulses	15,910	20,620	30,000	30,000	25000
Total	139,490	203,360	184,390	184,390	157,000

Global Chickpea production outlook

(Production in Tonnes)

Countries	2001-02	2002-03	2003-04	2004-05	2005-06
Australia	258,000	136,000	178,000	116,200	138,750
Canada	455,000	156,500	67,600	51,200	55,000
United States	73,120	39,055	18,915	26,898	33,670
Turkey	535,000	590,000	600,000	620,000	630,000
Spain	53,300	72,500	33,000	38,000	43,000
Mexico	147,000	117,000	87,000	66,000	70,000
Morocco	33,000	33,000	32,000	32,000	33,000
Syria	42,100	43,800	43,550	33,800	42,650
Indian Subcont.	3,855,921	5,473,635	5,770,609	5,780,563	5,297,559
Total	5,452,441	6,661,490	6,830,674	6,764,661	6,343,629

Australian Lentils Supply and Demand Estimates (Figures in Tonnes)

Year	2001	2002	2003	2004	2005
Production	276,000	67,000	175,000	95,000	185,000
Carry In	58,000	29,000	10,000	6,000	8,500
Stocks	334,000	96,000	185,000	101,000	193,500
Export	286,374	73,255	165,129	78,200	156,200
Seed, Feed, Waste	18,626	12,745	13,870	14,300	14,300
Total Usage	305,000	86,001	178,999	92,500	170,500
Ending Stock	29,000	10,000	6,000	8,500	23,000
Stocks/Use	9.50%	11.60%	3.40%	9.20%	13.50%

DOMESTIC SCENARIO

State-wise Procurement of Pulses during Rabi-2005

Commodity	State	MSP Rs/qt.	Qty. Procured (MT)	Prevailing Market Rate Rs/qt.
Gram (Rabi-2005)*	Madhya Pradesh	1425	91811	1375-1450
	Maharashtra	1425	22	1450-1500
	Chhatisgarh	1425	10448	1375-1425
	Rajasthan	1425	4300	1330-1425
	Gujarat	1425	38	1450-1475
	Uttar Pradesh	1425	486	1350-1425
	Total		107105	
Masoor *	Madhya Pradesh	1525	5454	1400-1500
	Total	1525	5454	

*As on 19.05.05 Source: GOI

PRODUCTION OF PULSES IN INDIA:

Major Pulses	***Production Est. 2004-05	**Production Est. 2003-04	*Final Est. 2002-03
Chickpea	6.30	5.75	4.13
Tur	2.56	2.43	2.21
Other Kharif Pulses		3.90	3.10
Other Rabi Pulses		3.13	2.89
Total	15.01	15.23	11.14

*Government of India (GOI) final estimated figures; ** GOI fourth advanced estimates *** Second advance estimates

WEATHER UPDATE

Medium range weather prediction over the country for the period 6-11 June,2005.

Based on NCMRWF's model product following is the weather prediction over different parts of country.

A. Weather Systems:

South-West Monsoon

The South-West Monsoon has advanced into Kerala and some parts of south Arabian Sea and some more parts of SW Bay of Bengal on 5th June,2005. Model prediction suggests that the **monsoon activity is likely to continue over south Peninsular India** (Kerala, south interior and coastal Karnataka) and **enhance over NE states** during next 4-5 days.

An East-west shear zone at the middle tropospheric levels runs from central Bay of Bengal to SE Arabian Sea. Model prediction indicates progressive northward march of this zone during next 4-5 days. This may cause progress of monsoon over some more areas of peninsula.

Model predictions suggest that **conditions are favourable for progress of South-west monsoon over some parts of coastal Karnataka, parts of South Interior Karnataka, some more parts of Tamilnadu, southern parts of North-eastern states during next 3-4 days.**

Western Disturbance

A western Disturbance lies over J&K and adjoining areas. It is likely to move in an north-eastward direction. Under its

influence, hilly regions of NW India are likely to receive isolated to scattered snowfall/rainfall and plains of NW India may receive isolated duststorm/ thundershowers during next 2 days.

Model prediction suggests that another western disturbance is likely to approach north Pakistan and adjoining J&K area by 11th June 2005.

B. Rainfall:

Fairly widespread to widespread rainfall is likely over Kerala, Coastal & South Interior Karnataka, and NE States during next 4-5 days.

Isolated to Scattered rainfall/snowfall is likely over J&K, H.P. and Uttranchal during 24-48 Hrs and then during 11-12 June 2005.

Isolated to Scattered rainfall is likely over Konkan and Goa, West Bengal, Orissa, Coastal A.P., Tamilnadu, Rayalaseema, North Interior Karnataka during next 4-5 days and isolated thundershowers may occur over plains of NW India (North Rajasthan, Haryana, Punjab, West U.P.) during next 48 Hrs.

C. Temperature

Heat Wave conditions over North and central India may improve during next 3 days.

Source: GOI

MARKET HIGHLIGHTS

CHICKPEAS:

SUPPLY DYNAMICS: Moderate fluctuation in supply of Deshi chickpea from the producing centres of Rajasthan and Madhya Pradesh witnessed this week and fluctuated in the range of 40-80 motors on daily basis at Lawrence Road market of Delhi. Chana supplies at Indore and Kanpur remain in the range of 1000-5000 bags a day.

MARKET OUTLOOKS: enough fluctuations in the prices of deshi chickpea was the phenomenon this week amidst the activeness of stockists and millers in the market. On the quality concerns of Pakistani deshi chickpea and continued activeness of stockists and millers, gram trade continued to improve this week at delhi and touched a record high of Rs

1635-1641 per quintal after the May 2003 price levels. But at the end of the week buyers seem reluctant to buy gram on the prevailing high prices in the market and trade witnessed marginal drop in prices. Enough improvement in Gram trade has been noticed at Indore and at other secondary centres amidst the enough activeness of buyers, millers in the markets. Gram trade expected to witness moderate fluctuation in the coming days amidst the reduced buying interest in the market at the prevailing high level of prices.

Desi Chickpea Price Change in Delhi and Indore (Rs/qt.)

Date	Rajasthan (Delhi)	M.P. (Delhi)	Indore (Kantewala)
28.05.05	1565-1581	1561-1581	1601-1611
30.05.05	1601-1615	1601-1615	1641-1645
31.05.05	1591-1601	1591-1601	1651-1655
01.06.05	1591-1611	1591-1611	1641-1651
02.06.05	1601-1621	1601-1621	1671-1675
03.06.05	1601-1615	1601-1615	1641-1651
04.06.05	1591-1601	1591-1601	1651-1661

Prices in Mandis of Maharashtra/ UP/ Karnataka

Centres	28.05.05	04.06.05
Gulbarga New (mandi rates)	1825-1851	1925
Latur (Gauran) (mandi rates)	1525-1551	1575-1601
Latur (Annagiri) (mandi rates)	1751-1775	1775-1801
Latur Vijay (mandi rates)	1575-1601	1675-1701
Jalna (Gauran) (mandi rates)	1525-1551	1575-1601
Jalna (Pila) (mandi rates)	1651-1675	1651
Akola (Mixed) motor cut	1651	1681-1685
Akola new (Chapa) motor cut	1671-1675	1701-1715
Kanpur (mandi rates)	1631-1641	1671-1675

LENTILS:

SUPPLY DYNAMICS: Supply of Lentil is continually decreasing in the markets this week also and fluctuated in the range of 500-4000 bags at Indore mostly of broad grained Masur and between 1000-3000 bags daily at Kanpur market this week.

MARKET OUTLOOKS: Lentil trade remains steady during the first half of the week with weak undertone in the markets amidst the reduced demand offers from the millers and exporters and tight supply situation. Supply of lentil remains tight in the markets. Small-grained Masur at Delhi witnessed a loss of about Rs 45 per quintal in prices and

bold grained masur prices decreased by Rs 40 per quintal this week. But Lentil demand in the Kanpur and Indore markets continued good from the millers and exporters leading to slight firm trade this week. Lentil trade in the Indore market witnessed gains of about Rs 20-25 per quintal and in the Kanpur market trade remains steady. Lentil trade is expected steady in the coming week with firm undertone on the expected demand from exporters and millers of consuming centres.

Prices in Delhi/ UP/ Indore (Rs/ctl.):

Date	MP/Kota Line (Delhi)	UP/Sikari (Delhi)
28.05.05	1925-1951	2020-2035
30.05.05	1925-1951	2020-2035
31.05.05	1925-1951	2020-2035
01.06.05	1925-1951	2020-2035
02.06.05	1851-1925	1991-2001
03.06.05	1851-1925	1991-2001
04.06.05	1851-1911	1975-1991

Prices at Secondary Centres (Rs/qt)

Date	Indore Masra	Indore Masoor	Indore Medium New	Kanpur	Bareilly
28.05.05	1901	1891	1825	1881-1891	1931-1935
30.05.05	1931-1935	1921-1925	1851	1901-1911	1951-1961
31.05.05	1951	1941	1875	1901	1951
01.06.05	1911-1915	1901-1905	1851	1911-1915	1951
02.06.05	1931	1921	1851-1861	1901-1911	1951
03.06.05	1931	1921	1851-1861	1901-1911	1951
04.06.05	1921	1911	1851	1871-1881	1931-1935

TUR:

SUPPLY DYNAMICS: Arrivals of Tur in Gulberga, Latur and Vijaywada markets witnessed moderate fluctuation this week amidst the enough fluctuation in prices this week. Supply of Tur fluctuated in the range of 500 to 5,000 bags on daily basis at Latur, Gulberga and Vijaywada markets. Discharge of about 8,000-8,500 tonnes of Tur at Mumbai port has been completed this week.

MARKET OUTLOOKS: On the prevailing high prices in the markets millers and stockists seem reluctant to offer enough buying enquiries leading to weak trade in Tur this week. Supply also heard tight in the markets though small quantity of Tur heard imported in containers this week and last week. Owing to these bearish fundamentals, Tur trade witnessed marginal loss of about Rs 10-50 per quintal at

Delhi and Mumbai centres. At the secondary centres, Tur remain tight on the enough placements of enquiries this week from the millers and stockists following the tight stock position and good demand of dal from the retail end. Good

crop prospects heard in the Gulberga region but in the other parts of Andhra and Karnataka, crop is expected marginally lower. Therefore, Tur trade is expected to remain steady with firm undertone in near term.

Tur Prices at Delhi / Mumbai (Rs/qrtl.):

Date	Burma New Spot Delhi	Maharashtra new (Delhi)	Burma New Spot Mumbai	Burma Lemon (Mumbai -May/Jun)
28.05.05	1961-1985	1851-2061	1891-1901	1931-1941
30.05.05	2001-2015	1851-2061	1901	1961
31.05.05	2001	1851-2051	1891	1961-1971
01.06.05	2001	1851-2075	1871-1881	1931-1941
02.06.05	1975-2001	1851-2075	1871-1881	1921-1931
03.06.05	1951	1851-2051	1875	1931
04.06.05	1951	1851-2051	1851	1921

Tur Prices in secondary markets

QUALITY AND CENTRE NAME	28.05.05	04.06.05
Gulbarga - Red Tur (mandi rates)	1901	1901
Latur Red tur (Maharashtra Line)	1951-1975	1985-2001
Latur White tur (Maharashtra Line)	1925-1951	2031-2041
Jalna Red (mandi rates)	1751-1781	1801-1825
Jalna White (mandi rates)	1801-1831	1901
Jalna BDM (mandi rates)	1825-1861	1951
Akola Red Marathwada Line (motor cut)	1901-1921	1931-1951
Akola Red Vidharbha Line (motor cut)	1931-1941	1951-1961
Suryapet Red Tur (mandi rates)	1925	1901

International Price for Tur USD/MT CNF (Mumbai) 90 Days

DATE	Burmese (faq/lemon/ shwebo)
28.05.05	365-390
30.05.05	370-390
31.05.05	370-390
01.06.05	375-390
02.06.05	375-390
03.06.05	375-390
04.06.05	375-390

URAD:

SUPPLY DYNAMICS: discharge of about 8,000-8,500 tonnes of imported Burmese Urad has been completed at Mumbai port. Urad arrivals have reduced slightly and fluctuated in the range of 1,000-4,000 bags on daily basis this week at Vijayawada market. Import arrivals of about 20-25 containers of Urad also heard at Mumbai. Arrivals of SQ quality Burmese Urad heard arrived at Chennai port at about 200 containers.

MARKET OUTLOOK: Supply situation of Urad is tight in the markets; no any new vessel heard started loading in Burma this week also. Though urad have had arrived in containers in very small quantities. The local as well as upcountry millers and stockists seem refraining to offer enough

enquiries to buy Urad at prevailing high prices in the market. Following these Urad trade remains weak and witnessed loss of about Rs 20-30 per quintal this week over previous close quotes at Delhi and Mumbai markets. But at the secondary centres millers remain active in the markets on the tight supply situation and Urad traded on higher side and prices gained by around Rs 15-75 per quintal this week. Current CNF offers are placed at 375-385 per tonnes led to import parity of above 1875. Therefore, markets are likely to show some fluctuations slightly on upper side from the midst of this week and overall trade expected on higher side with gradual improvement in prices.

Urad Prices in Delhi and Mumbai (Rs/qtt.):

Date	Burma FAQ 2004 (Delhi)	Burma FAQ 2003 (Delhi)	Burma spot FAQ 2004 (Mumbai)	Burma spot FAQ 2005 (Mumbai)
28.05.05	1801-1811	1775	1801	1841-1851
30.05.05	1811-1815	1775	1825	1851-1861
31.05.05	1801	1775	1791-1801	1841
01.06.05	1801	1775	1801-1811	1841-1851
02.06.05	1791	1765-1771	1801-1811	1841
03.06.05	1781	1761	1801	1831-1841
04.06.05	1781	1751	1781	1831

Urad Prices in secondary markets

QUALITY	28.05.05	04.06.05
Gulbarga New	1825	2001
Latur loose New	1901-1925	1975
Akola New	1875-1901	1901-1915

International Price Offer For Urad, FAQ, SQ New: \$/MT CNF (Mumbai/ Chennai) 90 Days

Date	F A Q	S Q
28.05.05	370-380	415-425
30.05.05	370-380	415-425
31.05.05	370-380	415-425
01.06.05	375-385	425-435
02.06.05	375-385	425-435
03.06.05	375-385	425-435
04.06.05	375-385	425-435

MUNG:

MARKET OUTLOOKS: Stock position of Mung bean in many of the secondary centres has reduced to negligible level presently. Crop prospects of Uttar Pradesh and Bihar crop also not very much bright. Supply of Mung bean from Rajasthan has reduced significantly in the markets of Delhi. Following these firm fundamentals coupled with the enough demand offers from the millers and firm trend in other pulses, Mung Bean trade witnessed significant gains of Rs 75-100 per quintal this week at Delhi market.

Stock of Mung bean is heard limited in the markets and depleting gradually. Gradual depleting stocks and slight emergence of demand will improve the trade sentiments in the future. But large difference in Mung versus moth prices, weak trade and enough stock position of moth in the markets likely to hamper marginally the trade interest in Mung bean.

Latest prices in Mumbai and Delhi (Rs/qt.)

Date	Kekdi/ Kishangarh (Delhi)	Shekhawati -Bisao (Delhi)
28.05.08	2201-2351	2201-2375
04.06.05	2251-2425	2251-2475

International Price Offer for Moong USD/MT CNF (Mumbai) 90 Days

Date	BURMESE Pokako	BURMESE Annashewa	BURMESE Pedishewa
28.05.05	475-490		540-550
04.06.05	470-780		525-535

FIELD PEAS:

MARKET OUTLOOKS: Moderate fluctuation in supply of field pea witnessed this week at Kanpur market on the

moderate fluctuation in prices and remains in the range of 500-3000 bags. Delivery of 27,770 MT of Canadian yellow

peas is completed at Mumbai Port from the vessel 'Sunshine Jubilee'. Owing to the prevailing high prices of other pulses, particularly in Gram, demand of field pea has increased significantly from the millers. Field pea traded firm this week on the increased demand offers in the

markets. Imported pea trade also witnessed enough gains this week on the enough enquiries from the millers. Field pea trade is expected steady with firm undertone on the likely increase in prices of Gram and other pulses.

Prices at Kanpur and Mumbai

Offers	Kanpur New	Mumbai Peas
28.05.05	1095-1101	1061-1075
04.06.05	1121-1131	1101-1115

Latest Vessel Position

'Yaad E Mohammed' has berthed at Mumbai Port and continues to deliver 13,300 MT of pulses. Sai Freight agents is handling the vessel.

The port is receiving 6,671 MT of pulses from the vessel 'Regal Star'. The cargo was loaded from Yangon. The vessel is being handled by Able Marine agents.

Delivery of 27,770 MT of pulses (yellow peas) is continuing at Mumbai Port from the vessel 'Sunshine Jubilee'. The

cargo was loaded from Canada. The vessel is being handled by Galaxy Multimodal agents.

Kolkata Port is expecting 'TCI Lakshmi' to deliver 2,000 MT of pulses. PBSA agents will be handling the vessel. 'Faiz' is expected at the port to discharge 800 MT of pulses. The vessel will be handled by ITT agents.

INDIA'S IMPORT MATRIX FOR BURMESE PULSES (NOV 2004-MAR 05)

(Quantity in tonnes)

Pulses	Dec, 04	Jan, 05	Feb, 05	Mar,05	April,05
Black Matpea	12,171	13,113	14,376	26,256	26,472
Mung beans	1,618	1,390	1,832	3,051	3,317
Black Eye Beans	-	48	477	2,336	2,382
Chickpeas	342	-	48	3,296	631
Tur whole	1,550	10,949	13,852	18,571	5,603
Kidney Beans	270	319	46	275	1,032
TOTAL	15,951	25,819	30,849	54,785	39,720

TOTAL EXPORTS OF BURMA DURING 2003/2004/2005 (qty. in tonnes)

Months	2003	2004	2005
January	43,885	59,450	37,528
February	65,471	85,062	51,171
March	70,011	131,179	71,433
April	88,772	129,001	56,153
May	51,591	139,895	
June	100,893	98,906	
July	107,520	68,992	
August	87,198	47,786	
September	100,575	30,748	
October	99,008	34,080	
November	36,638	45,107	
December	38,493	35,584	
TOTAL	8,90,055	9,05,790	216,285

(Source: USDA)

Pulses Demand and Supply in China (1000 HA)(1000 MT)

Pulses	2003	2004	2005
China, People's Republic	Post Estimate [New]	Post Estimate [New]	Post Estimate [New]
Market Year Begin	10/2003	10/2004	10/2005
Area Harvested	3586	3300	3600
Beginning Stocks	0	0	0
Production	5882	5300	5800
TOTAL Mkt. Yr. Imports	74	150	160
Oct-Sept Imports	74	150	160
Oct-Sept Import U.S.	0	0	0
TOTAL SUPPLY	5956	5450	5960
TOTAL Mkt. Yr. Exports	806	700	850
Oct-Sept Exports	806	700	850
Feed Dom. Consumption	0	0	0
TOTAL Dom. Consumption	5150	4750	5110
Ending Stocks	0	0	0
TOTAL DISTRIBUTION	5956	5450	5960

Source: USDA

China Pulse Imports from the World in Metric Tons by October to September Marketing Year

Description	MY 00/01	MY 01/02	MY 02/03	MY 03/04	MY 03/04	MY 04/05
Pulses	160,442	152,453	58,347	74,443	30,756	81,329
Peas	143,040	133,923	48,342	47,129	23,761	65,722
Legumes	12,498	11,819	8,506	14,469	5,232	8,611
Beans, Mung	3,710	2,260	374	10,052	232	6,715
Beans, Adzuki	741	1,230	810	1,571	463	72
Chickpeas	3	2,016		999	60	199
Beans, Other	132	198	20	88	9	10
Beans, Kidney	202	557	148	100	999	0
Lentils	105	428	147	35	0	0
Beans, Broad/Horse	10	22	0			

Source of data: China Customs

China's Pulse Imports by Origin in Metric Tons (China's Dry Bean, Dry Pea, and Lentil Imports by Origin in Metric Tons)

Country	MY00/01	MY01/02	MY02/03	MY03/04	MY03/04	MY04/05
Total	160,442	152,453	58,347	74,443	30,756	81,329
Canada	139,426	129,112	43,366	45,442	23,486	64,803
India	10,361	10,183	8,040	13,190	4,730	8,260
Myanmar	4,623	2,847	485	9,351	240	4,359
United Kingdom	2,241	5,203	3,898	1,721	921	626
Vietnam	40	1,031	790	1,561	458	0
Pakistan	100	800	120	960	440	180
Thailand	551	731	337	583	71	120
Australia	1,094	378	312	466	36	46
New Zealand	549	742	269	379	141	107
United States	359	315	568	344	123	339
All Others	1,099	1,111	163	446	112	2,489

Source of data: China Customs

China Pulse Export to the World in MT by Oct-Sept. Marketing Year

Description	MY00/01	MY01/02	MY02/03	MY03/04	MY03/04	MY04/05
Pulses	634,927	756,959	1,123,558	805,806	485,157	518,455
Beans, Kidney	361,019	430,121	665,626	469,418	279,110	361,494
Beans, Mung	98,257	166,982	276,254	157,482	92,367	67,284
Beans, Adzuki	53,774	77,366	62,441	68,266	41,845	30,761
Beans, Broad/Horse	66,747	21,253	24,901	30,531	23,035	17,013
Lentils	13,509	13,378	37,283	33,520	17,128	24,842
Legumes	25,169	22,982	21,420	17,790	13,059	7,927
Beans, Others	10,772	16,268	25,014	22,344	15,536	6,382
Peas	3,036	3,884	6,671	6,391	3,075	2,705
Chickpeas	2,646	4,724	3,947	62	2	48

China's Pulse sector outlook

China's edible bean, pea and lentil production (collectively termed pulses) is forecast to reach 5.8 MMT in 2005--an increase of 8 percent over the previous year due to higher kidney bean prices. During 2004, the government's policy changes favoring grain and oilseed production led to increased acreage of corn, wheat, rice and soybeans, while pulse acreage declined. Pulse farmers receive little direct

support from the government. But growing export demand from Japan, South Africa, South Korea, Cuba and Italy has driven China's kidney bean expansion in recent years. On the import side, dry peas are the key pulse, and most are processed for vermicelli production. China's vermicelli production will continue rise as demand grows from both domestic and overseas markets for Chinese dishes.

Processed Pulse Exports Continue to Grow

China exports large amounts of adzuki bean paste to Japan and South Korea. In the past, Adzuki paste fell in the same category as other processed products. To better monitor trade of this product, China customs started to use HTS (20059092) exclusively for adzuki paste trade in 2004. According to the customs data, China's adzuki paste

exports totaled 12,421 metric tons valued at \$26.4 million in 2004 with exports to Japan alone reaching \$25 million. The lack of previous data makes it difficult to judge its growth rate, however, trade sources estimate that China's Adzuki paste trade will continue to grow.

Pulse Stocks

No change from FAS Beijing's previous 2004 pulse report. As with any grain or feed in China, no official stock figures are available for pulses. Consistent with previous USDA pulse reports, post estimates stocks at zero (see the PSD table on page 7). However, trading companies reportedly store small volumes of dry pulses near port cities in

northern China where it is drier and less costly. Most pulse products exit China from Qingdao or Tianjin for markets in Japan, South Korea, and most recently, South Africa. Therefore, China's pulse stocks are centered around the ports of Qingdao and Tianjin.

Dry Pea Situation

Dry pea imports account for nearly all of China's pulse imports during the past few years. Dry peas, mostly food grade yellow or non-green pea varieties from Canada, are imported by food processors in northern China, primarily in Shandong Province, for vermicelli production. The noodles, traditionally made from mung beans, are a popular food dish in China that can also be made from dry peas. China's vermicelli processing industry is concentrated in Yantai City, Shandong Province.

Currently, the dry pea industry has no industry association representing its interests in China and abroad, though there are pulse associations. However, a trade source reports that the provincial government is coordinating with processors to establish a vermicelli association this year. According to local media reports, there are 140 processors in Yantai. As a favorite ingredient in Chinese dishes such as hot pot, demand for vermicelli from both domestic and overseas markets is forecast to continue rising.

Latest Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.66
European Union	Euro	53.54
United Kingdom	GBP	79.33

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