PULSES PRODUCTION: TRADE, MARKETING AND POLICY ISSUES

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Alessandro Palmieri

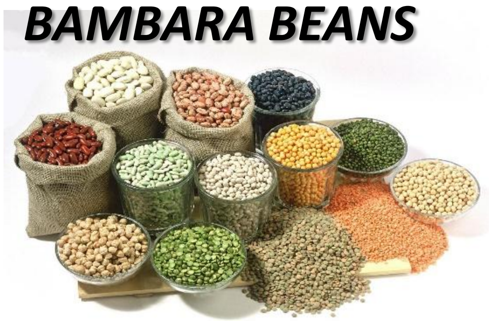
“Feeding humans, animals and soils with pulses: an Italian perspective”
Sassari, 21 settembre 2016

PULSES, LEGUMES, ETC., WHAT'S…?

WORLD FIGURES

PULSES:

BEANS
PEAS
FABA BEANS
CHICKPEAS
LENTILS
VETCHES
LUPINS
COWPEAS
PIGEON PEAS
BAMBARA BEANS



FRESH LEGUMES:

GREEN BEANS
GREEN PEAS

SOYBEANS

ITALIAN FIGURES

PULSES:

BEANS
PEAS
FABA BEANS
CHICKPEAS
LENTILS
OTHER MINOR PULSES
PROCESSED BEANS AND PEAS
(only for trade analysis)

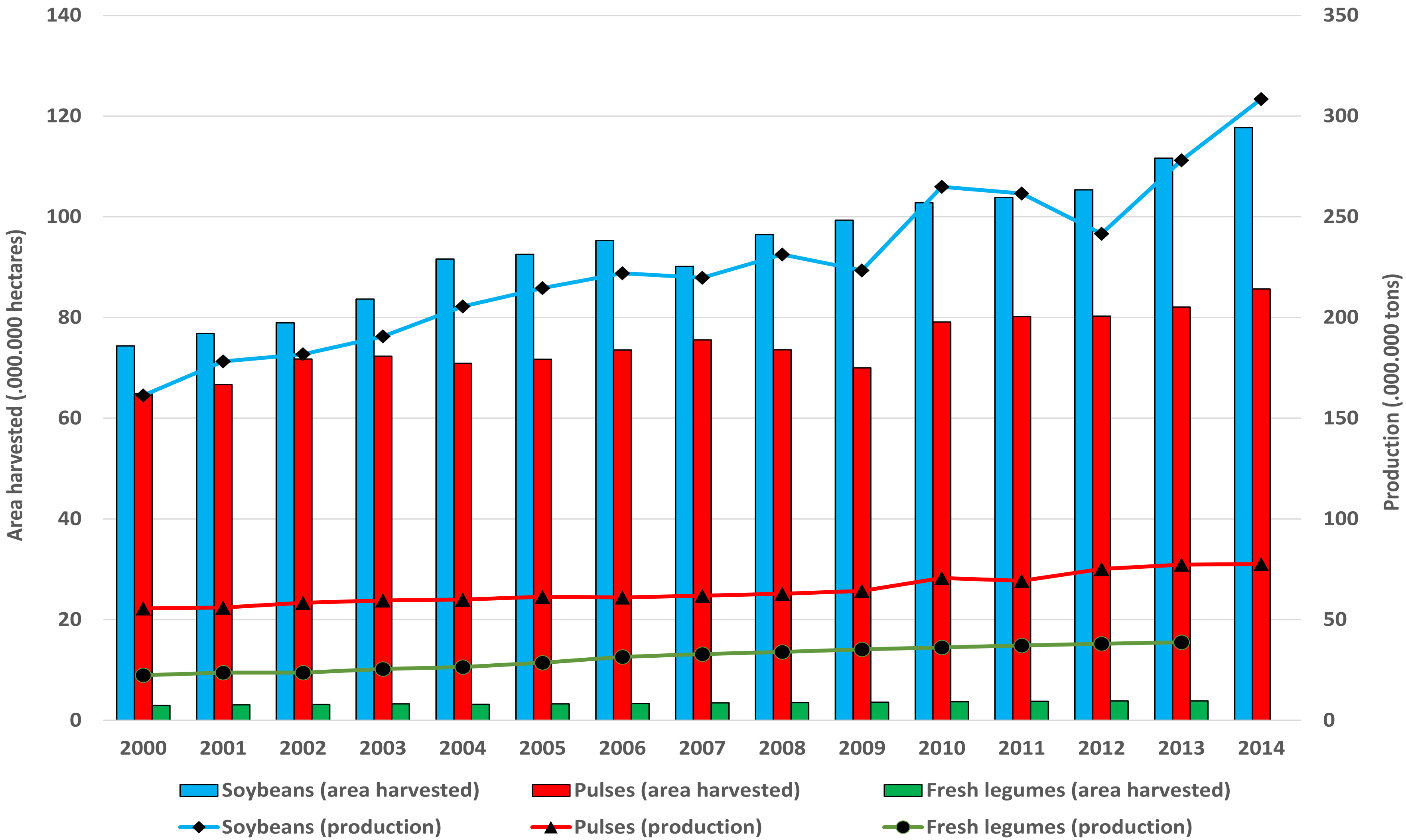
SOYBEANS

FRESH LEGUMES:

GREEN BEANS
GREEN PEAS
GREEN FABA BEANS

PULSES, FRESH LEGUMES AND SOYBEANS: A SHORT REVIEW OF THE WORLD SITUATION

AREA HARVESTED AND PRODUCTION OF PULSES, SOYBEANS AND FRESH LEGUMES - WORLD



Source: FAO

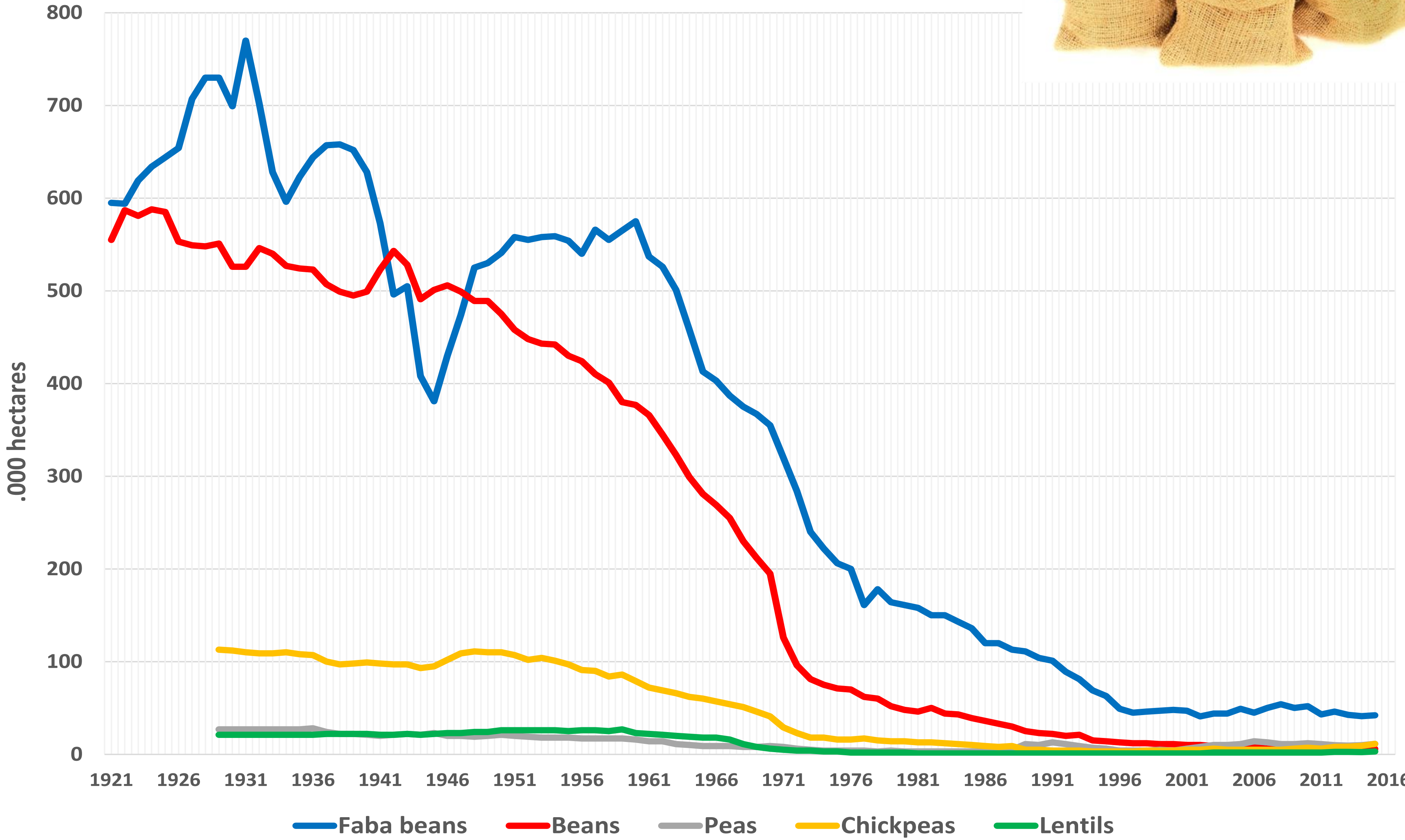
PULSES, FRESH LEGUMES AND SOYBEANS: HOW ITALY COUNTS? (AVERAGE 2012/2014)

	European Union		World	
	Area harvested (.000.000 HA)	Production (.000.000 ton)	Area harvested (.000.000 HA)	Production (.000.000 ton)
PULSES	1,38	3,14	82,67	76,68
FRESH LEGUMES	0,24	1,76	3,81	38,0
SOYBEANS	0,49	1,35	111,6	276,0
ITALY'S SHARE	European Union		World	
	Area harvested (%)	Production (%)	Area harvested (%)	Production (%)
PULSES	6,07	4,82	0,10	0,20
FRESH LEGUMES	15,05	14,13	0,94	0,65
SOYBEANS	38,65	48,9	0,17	0,34

Source: FAO

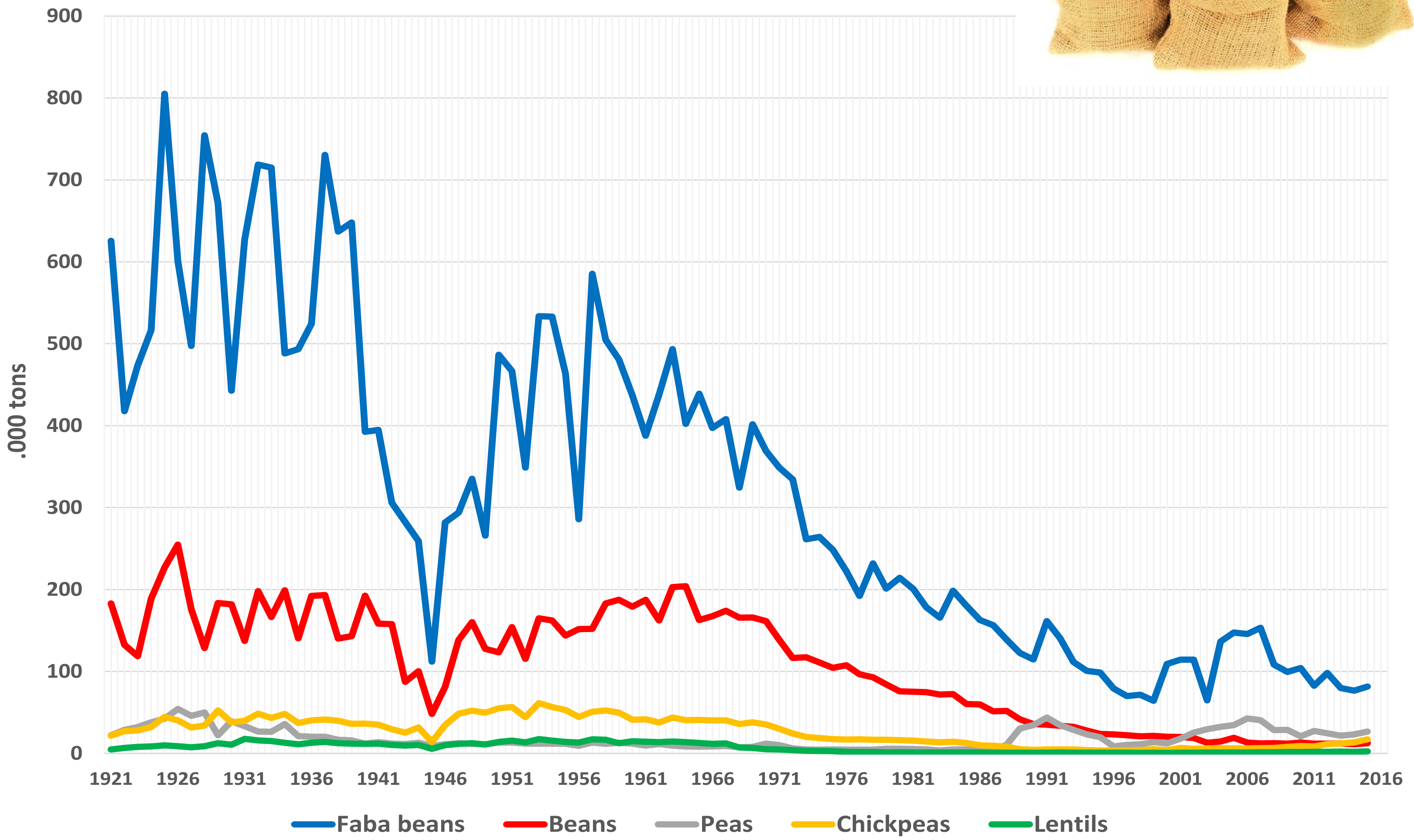
PULSES, FRESH LEGUMES AND SOYBEANS IN ITALY: PAST AND PRESENT

PULSES
AREA HARVESTED IN ITALY



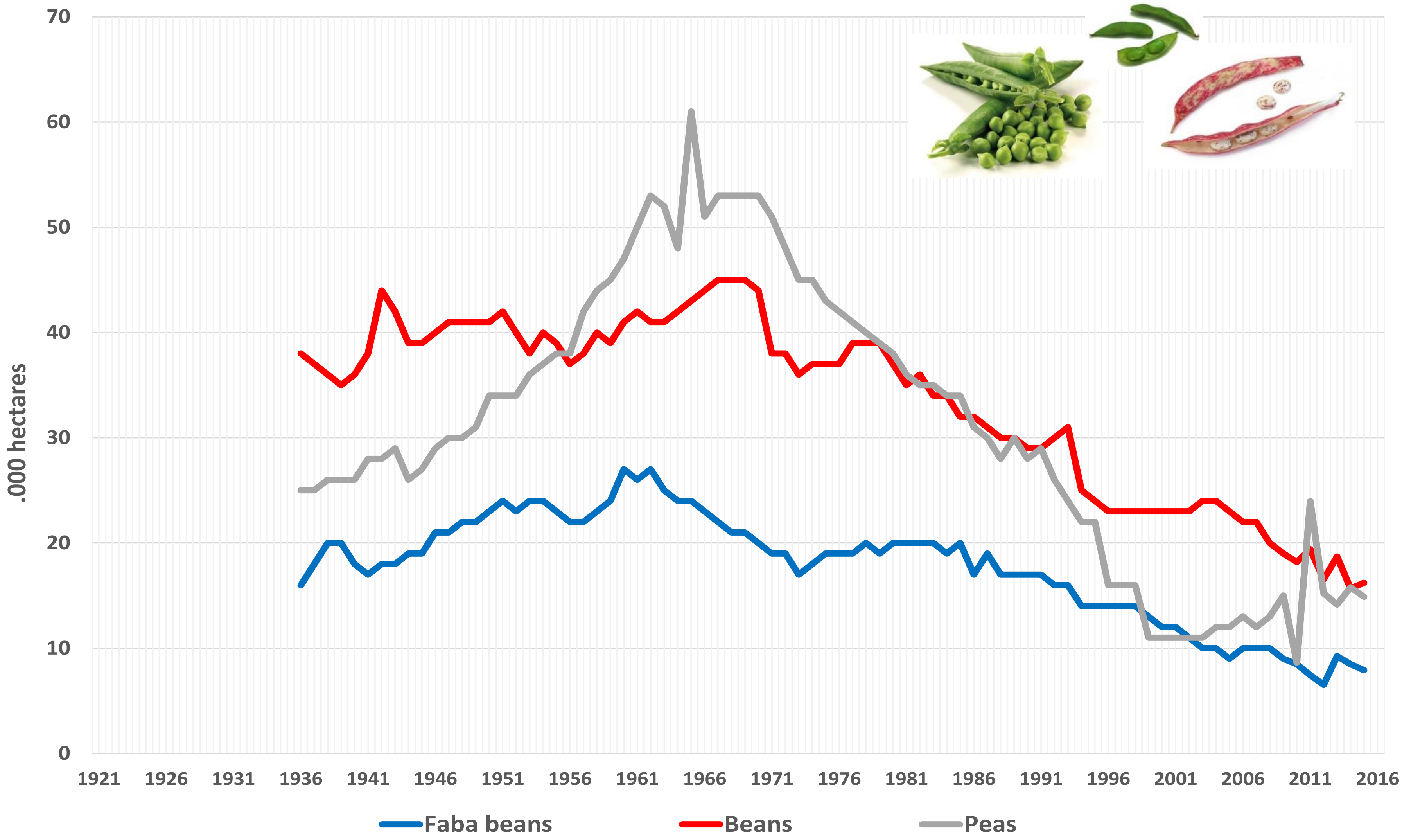
Source: Istat

PULSES
PRODUCTION IN ITALY



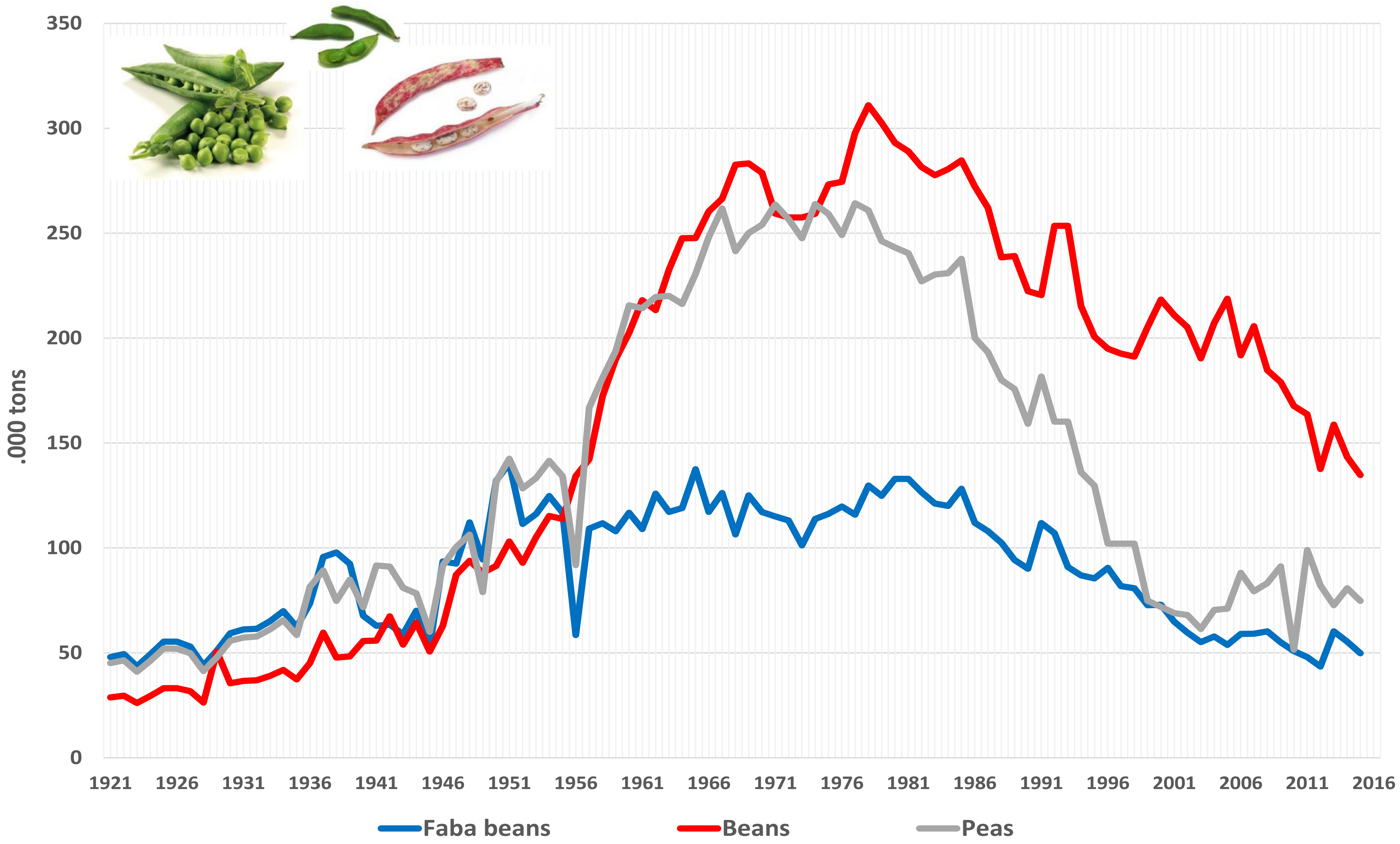
Source: Istat

FRESH LEGUMES
AREA HARVESTED IN ITALY



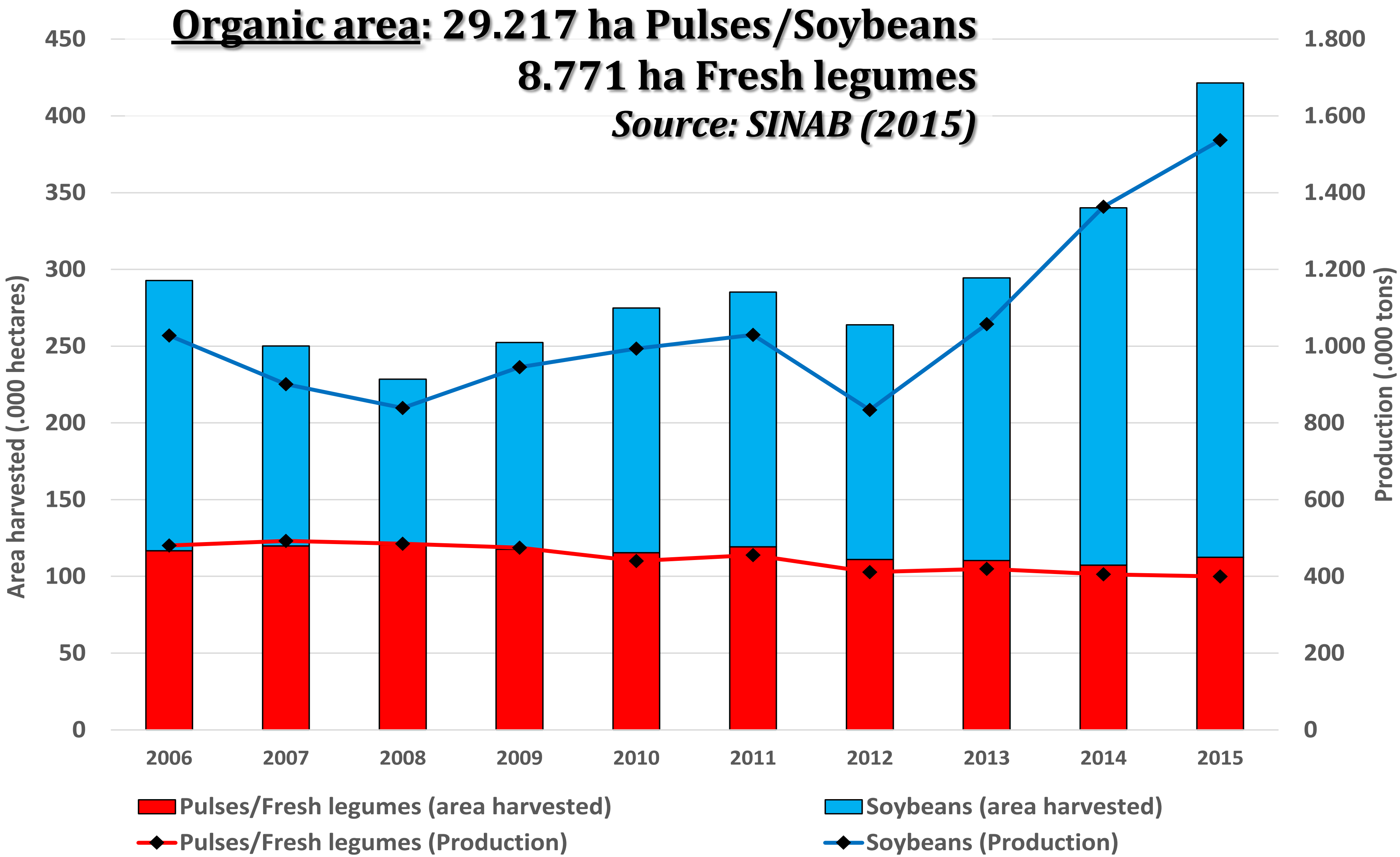
Source: Istat

FRESH LEGUMES PRODUCTION IN ITALY



Source: Istat

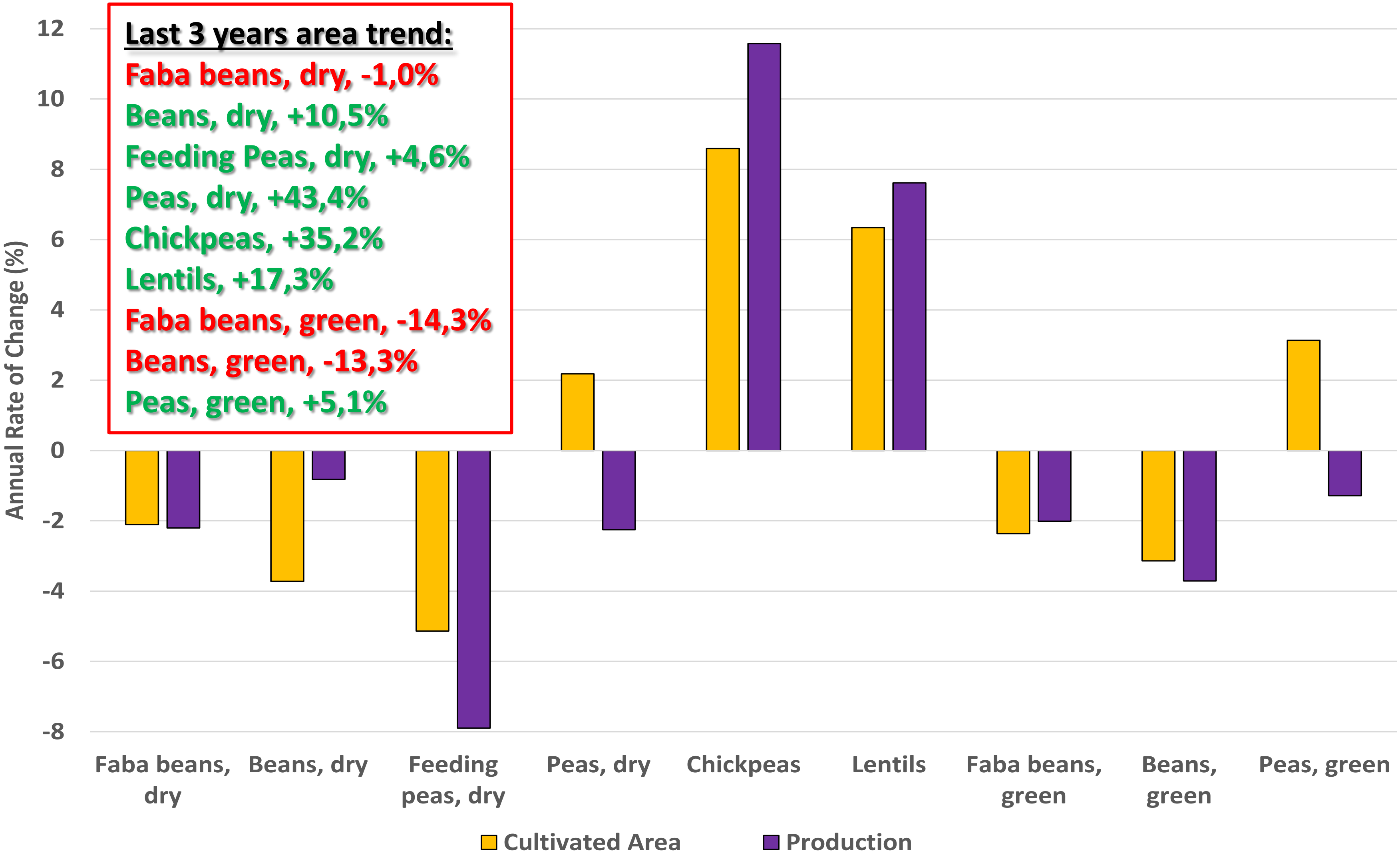
AREA HARVESTED AND PRODUCTION IN ITALY



Source: Istat

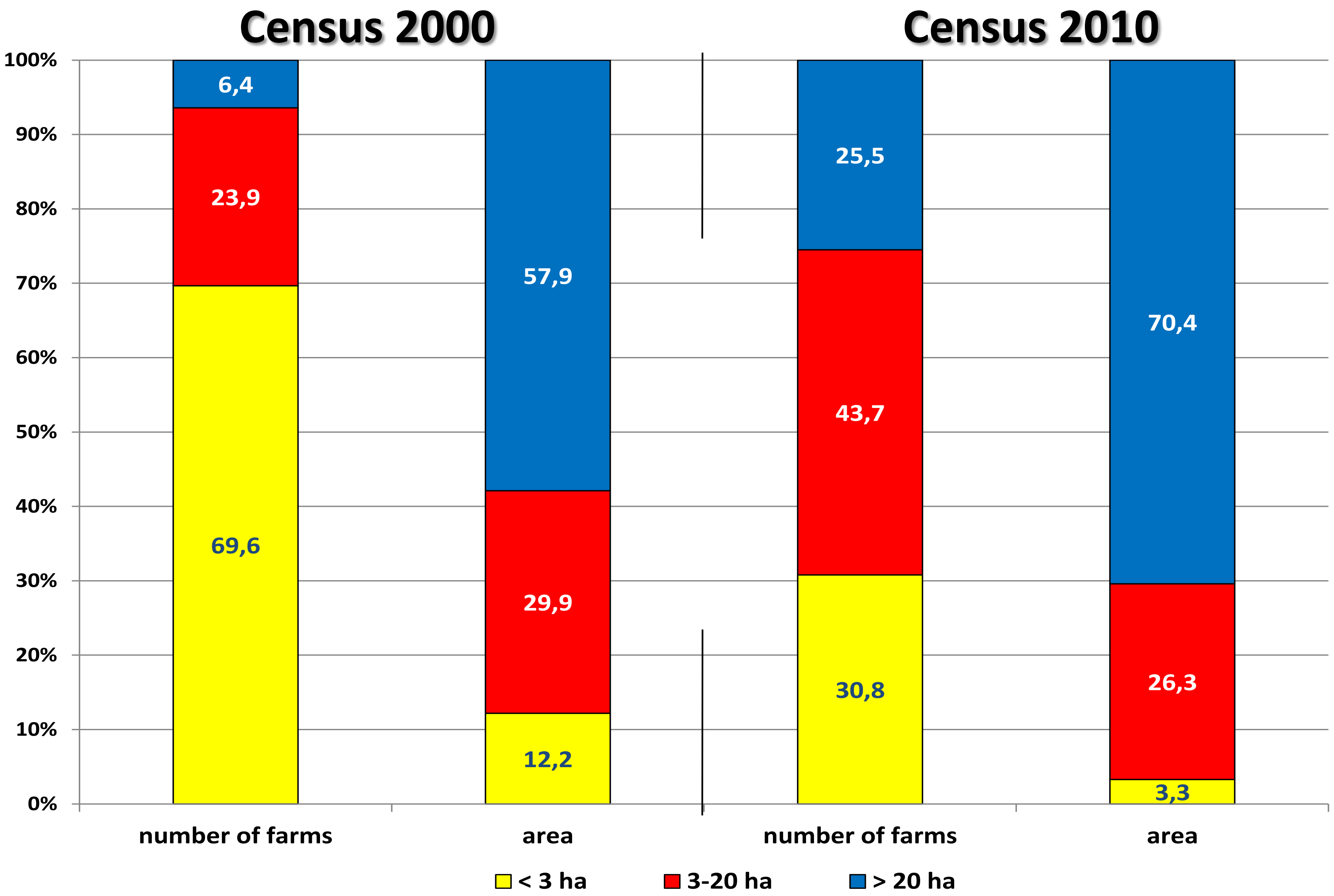
PULSES AND FRESH LEGUMES: ANNUAL RATE OF CHANGE (2006-2015)

Last 3 years area trend:
Faba beans, dry, -1,0%
Beans, dry, +10,5%
Feeding Peas, dry, +4,6%
Peas, dry, +43,4%
Chickpeas, +35,2%
Lentils, +17,3%
Faba beans, green, -14,3%
Beans, green, -13,3%
Peas, green, +5,1%



Source: Istat

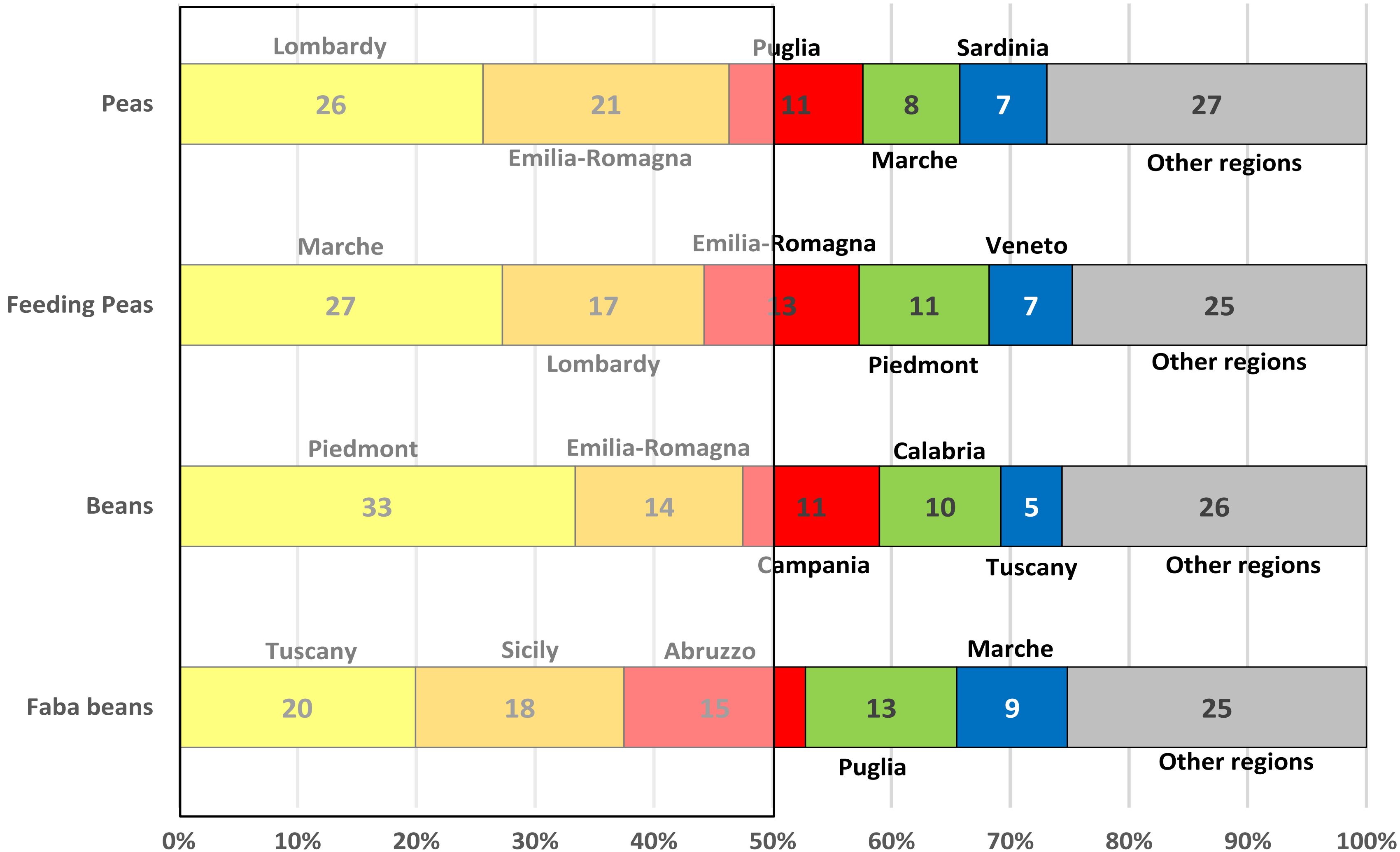
FARMS WITH PULSES



Source: Census Istat

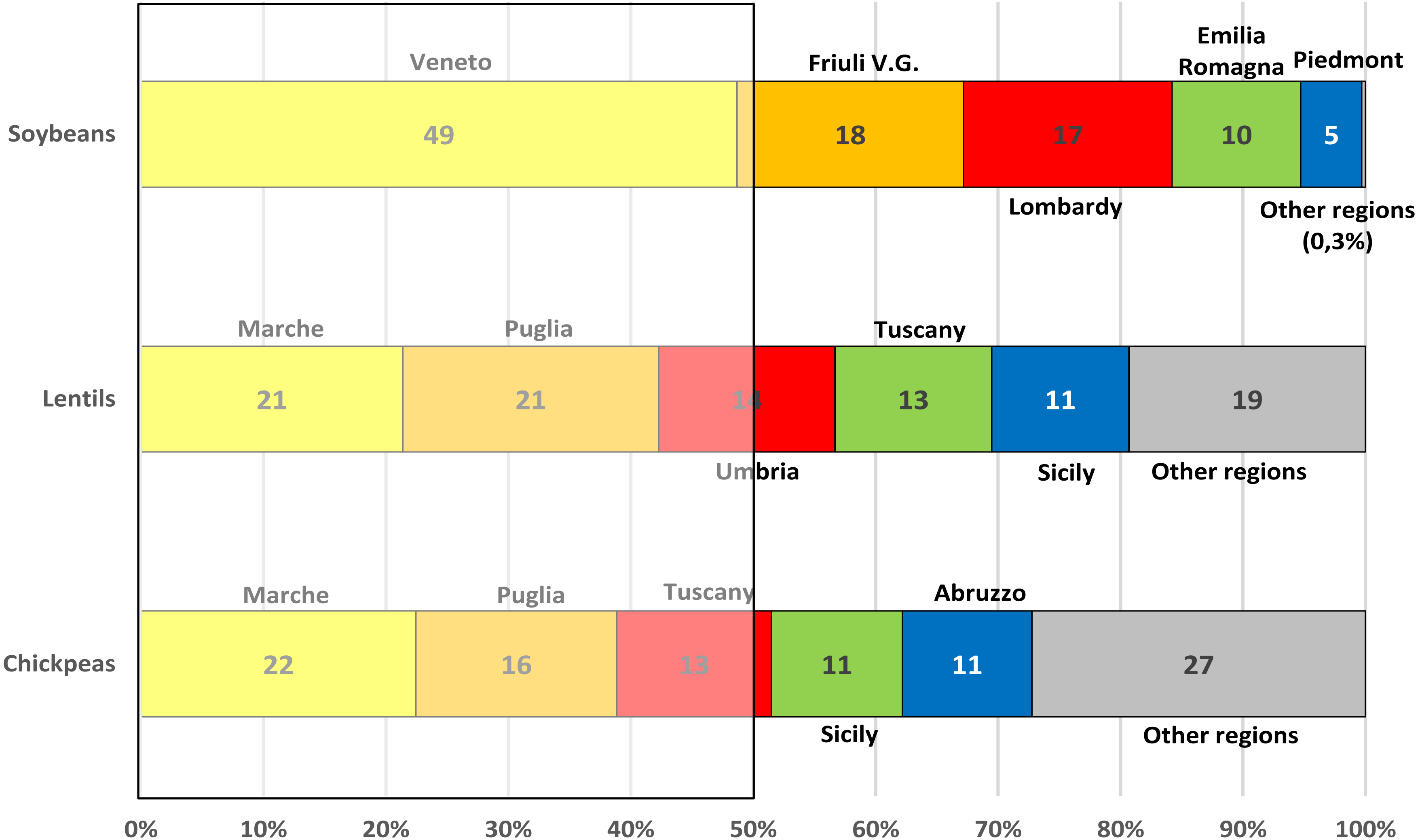
REGIONAL OVERVIEW OF PULSES, FRESH LEGUMES AND SOYBEANS PRODUCTION IN ITALY

PEAS, BEANS AND FABA BEANS, DRY



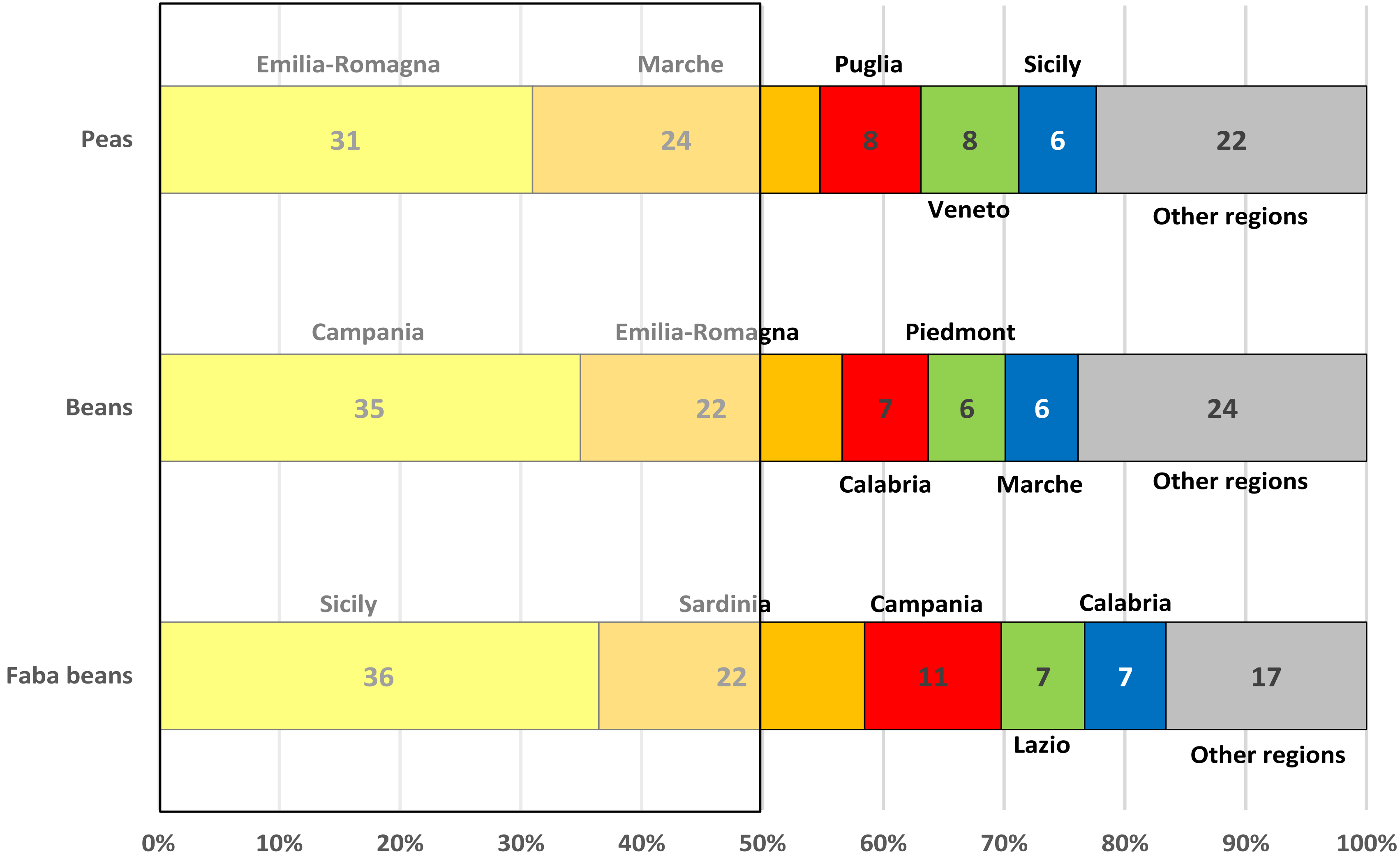
Source: Istat

CHICKPEAS, LENTILS AND SOYBEANS



Source: Istat

FRESH LEGUMES



Source: Istat

ITALIAN EXTERNAL TRADE OF PULSES AND SOYBEANS

PULSES, DRY (EXCLUDING SEEDS): EXTERNAL TRADE IN ITALY

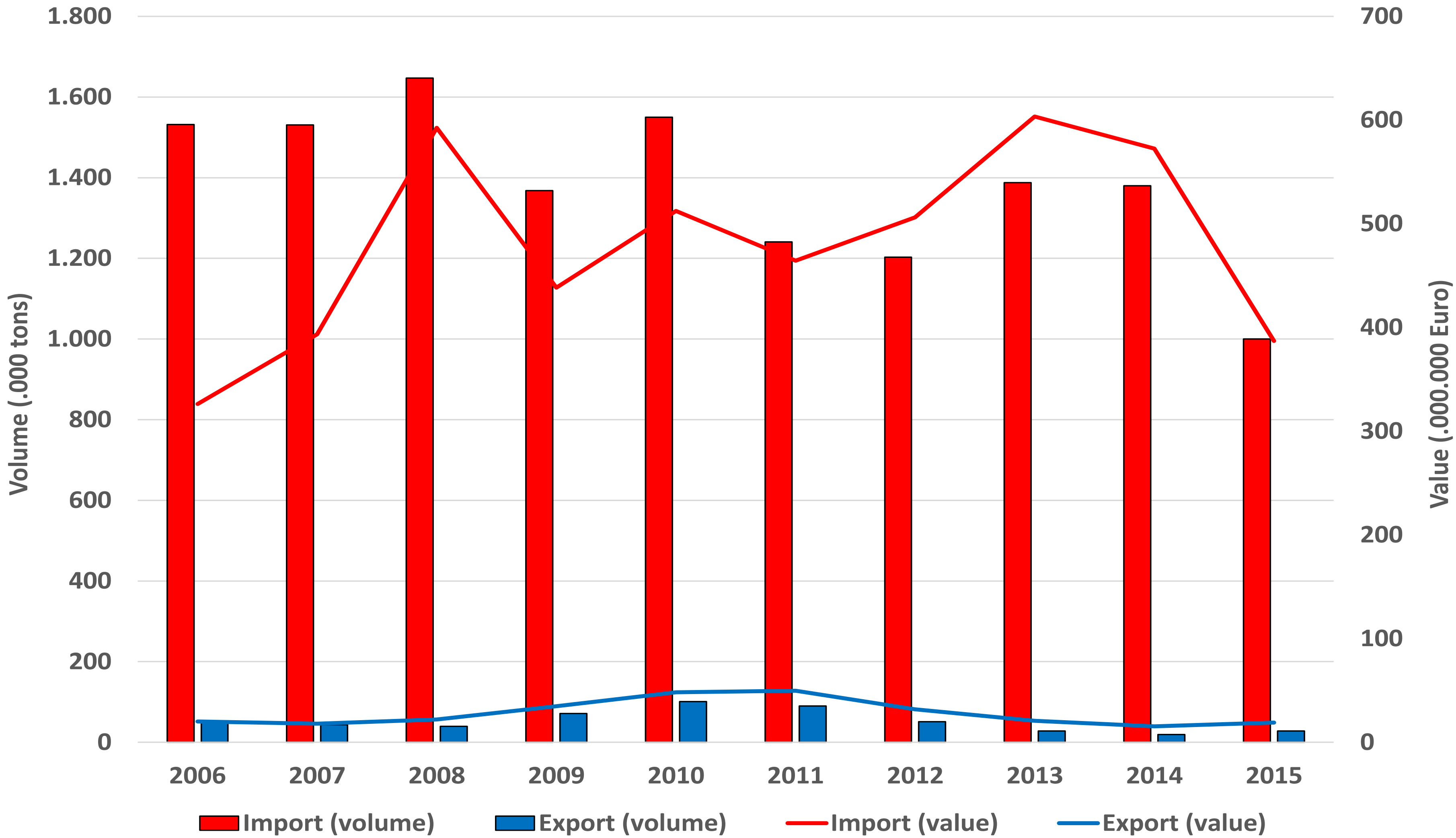
Volume (.000 tons)	Beans			Peas			Chickpeas			Lentils		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Import	120,0	123,9	127,4	89,2	103,6	76,7	25,5	23,3	25,2	29,6	35,5	34,1
Export	6,2	7,3	3,8	0,9	1,2	1,4	2,5	4,1	5,2	1,6	1,5	1,8
Trade balance	**-113,8**	**-116,6**	**-123,6**	**-88,3**	**-102,4**	**-75,3**	**-23,0**	**-19,1**	**-19,9**	**-28,0**	**-34,0**	**-32,3**

Value (.000 €)	Beans			Peas			Chickpeas			Lentils		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Import	129,4	162,3	138,0	27,6	30,4	22,4	20,2	15,6	19,4	18,5	22,3	30,8
Export	7,5	10,1	4,9	1,2	1,4	1,7	2,0	3,2	4,4	2,0	2,2	2,8
Trade balance	**-121,9**	**-152,2**	**-133,1**	**-26,4**	**-28,9**	**-20,7**	**-18,2**	**-12,4**	**-14,9**	**-16,5**	**-20,1**	**-28,0**

- **IMPORT, SUM: 298.000 tons, 223 million € (*average 2013/2015*)**
- **EXPORT, SUM: 17.000 tons, 17 million € (*average 2013/2015*)**

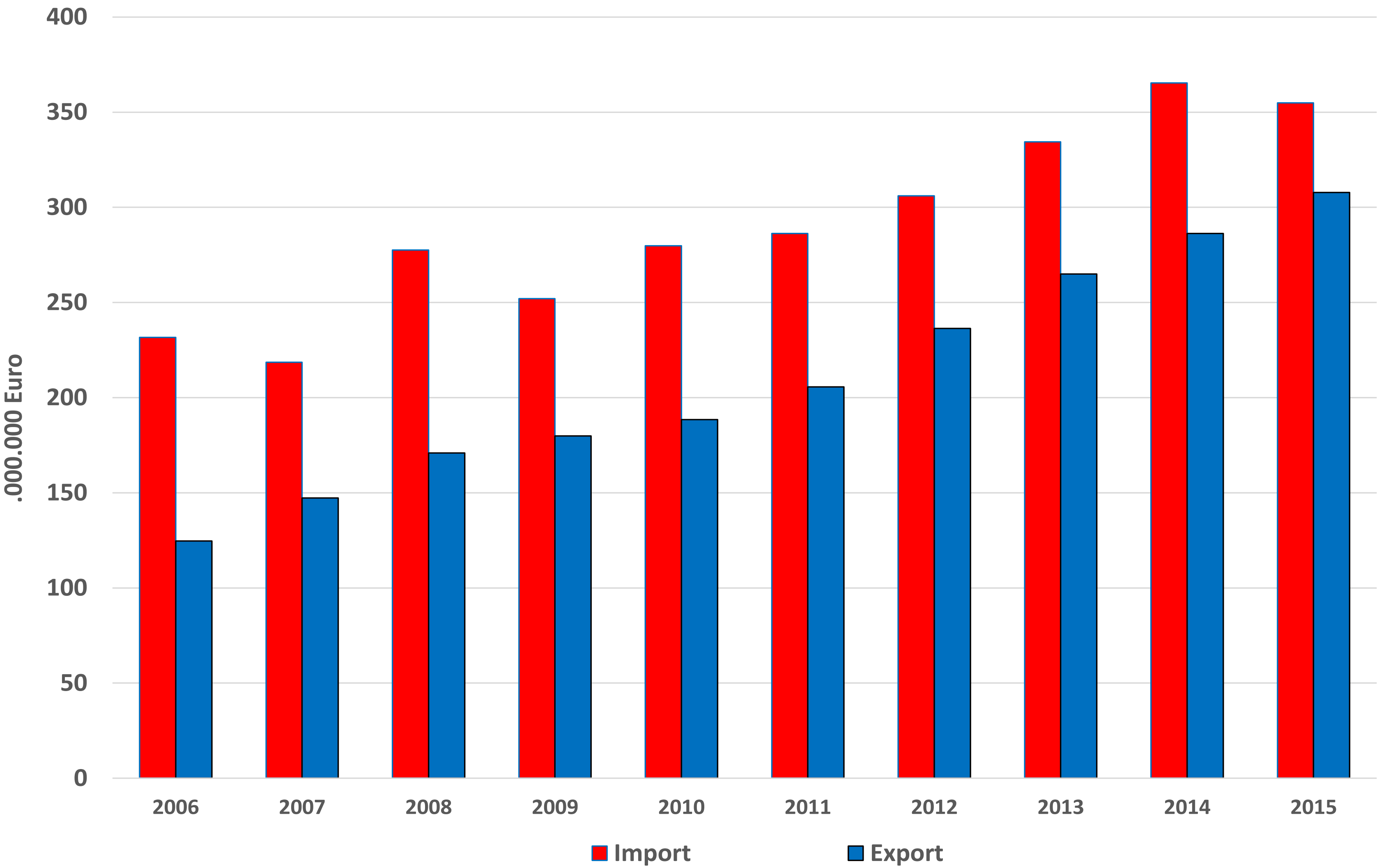
Source: Ismea/Istat

SOYBEANS: EXTERNAL TRADE IN ITALY



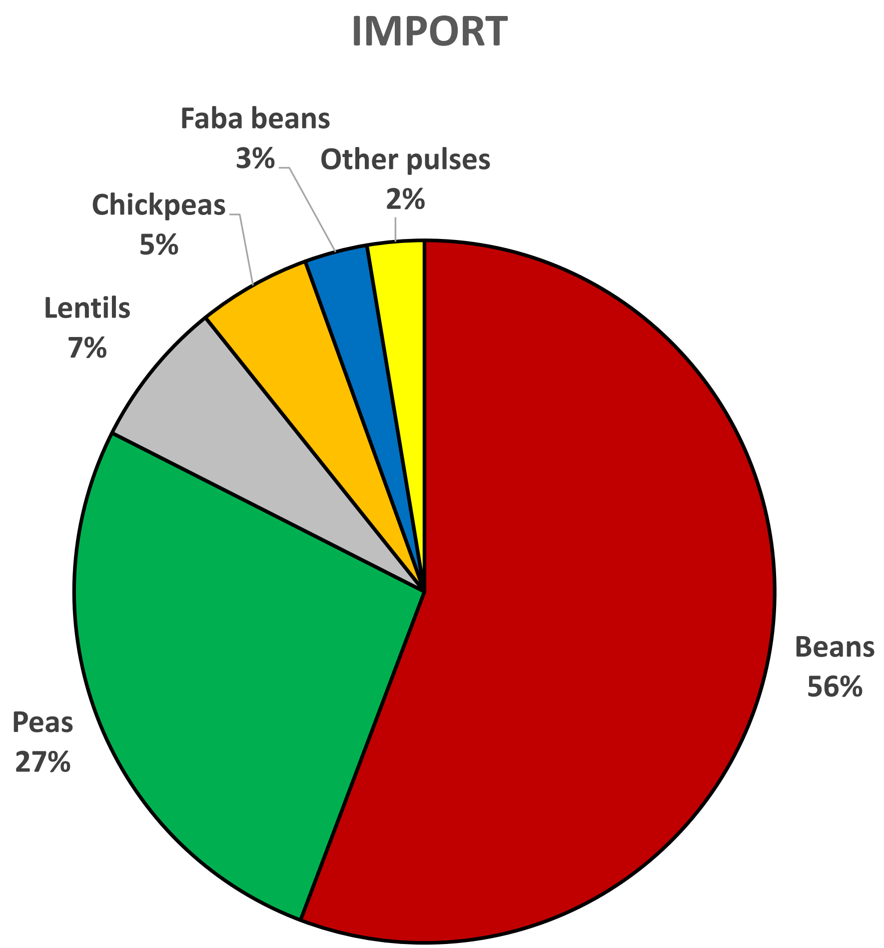
Source: Istat

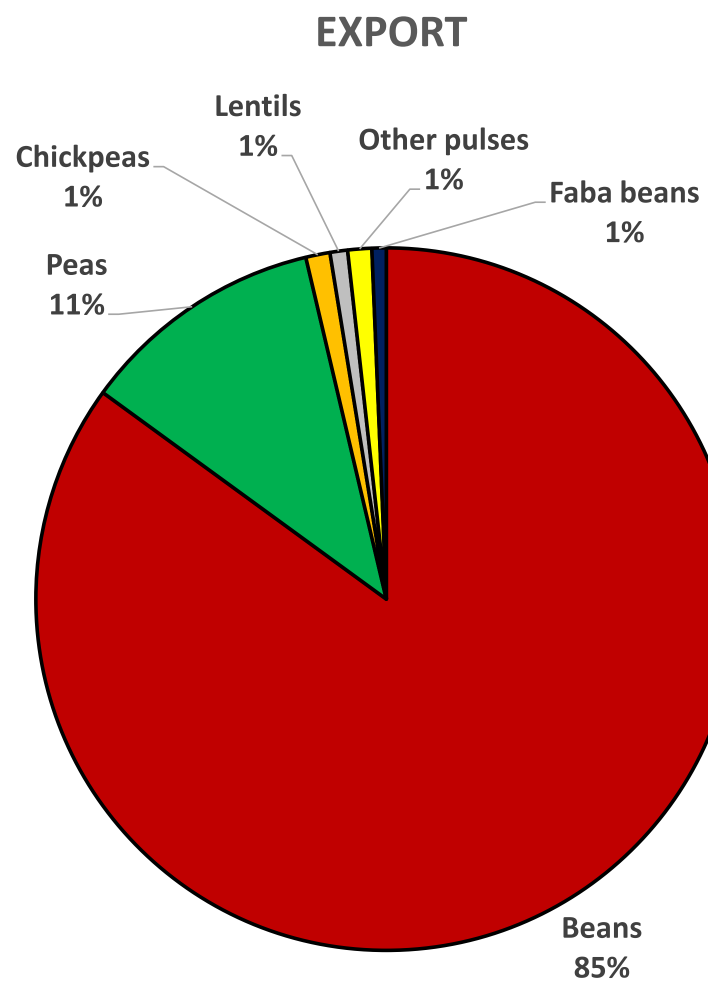
EXTERNAL TRADE OF PULSES (INCLUDING PROCESSED) IN ITALY (VALUE)



Source: Istat

PULSES TRADE, INCLUDING PROCESSED (DETAILED DATA – VALUE, AVERAGE 2013/15)

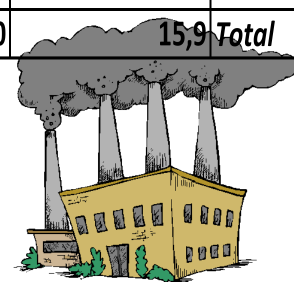




BEANS AND PEAS EXTERNAL TRADE (DETAILED - VALUE)

Beans, Import	Average 2013/15 (€)	%	Growth rate 2006/15	Beans, Export	Average 2013/15 (€)	%	Growth rate 2006/15
Dry	147.917.761	75,5	175,0	Shelled Prepared/Conserved	173.331.157	71,2	232,2
Fresh or Chilled	21.605.742	11,0	8,4	Not shelled Prepared/Conserved	53.014.950	21,8	88,8
Frozen	13.112.872	6,7	46,5	Dry	9.169.441	3,8	43,1
Not shelled Prepared/Conserved	4.985.862	2,5	30,0	Fresh or Chilled	3.656.552	1,5	3,0
Other	8.406.534	4,3	-45,5	Other	4.244.105	1,7	42,2
Total	***196.028.771***	**100,0**	**95,6**	***Total***	***243.416.205***	**100,0**	**174,4**

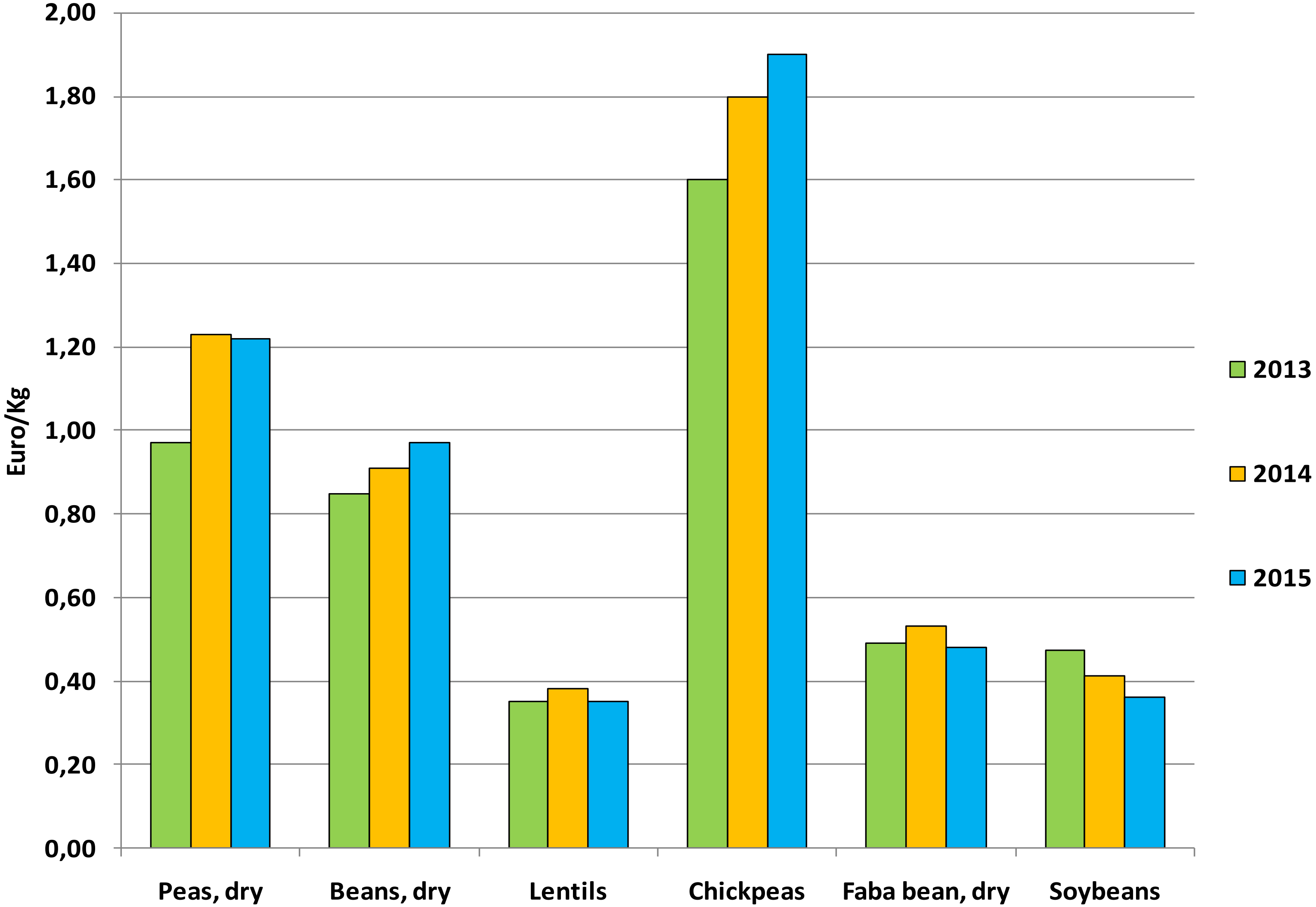
Peas, Import	Average 2013/15 (€)	%	Growth rate 2006/15	Peas, Export	Average 2013/15 (€)	%	Growth rate 2006/15
Frozen	44.278.707	47,2	18,1	Prepared/Conserved	22.099.943	68,3	79,9
Dry	31.795.976	33,9	-6,2	Fresh or Chilled	4.581.364	14,2	66,5
Prepared/Conserved	15.575.331	16,6	56,9	Dry	3.057.872	9,4	-5,6
Fresh or Chilled	2.064.899	2,2	159,4	Frozen	2.623.838	8,1	61,3
Other	174.156	0,2	-	Other	4.017	0,0	-
Total	***93.889.068***	**100,0**	**15,9**	***Total***	***32.367.033***	**100,0**	**62,9**



Source: Istat

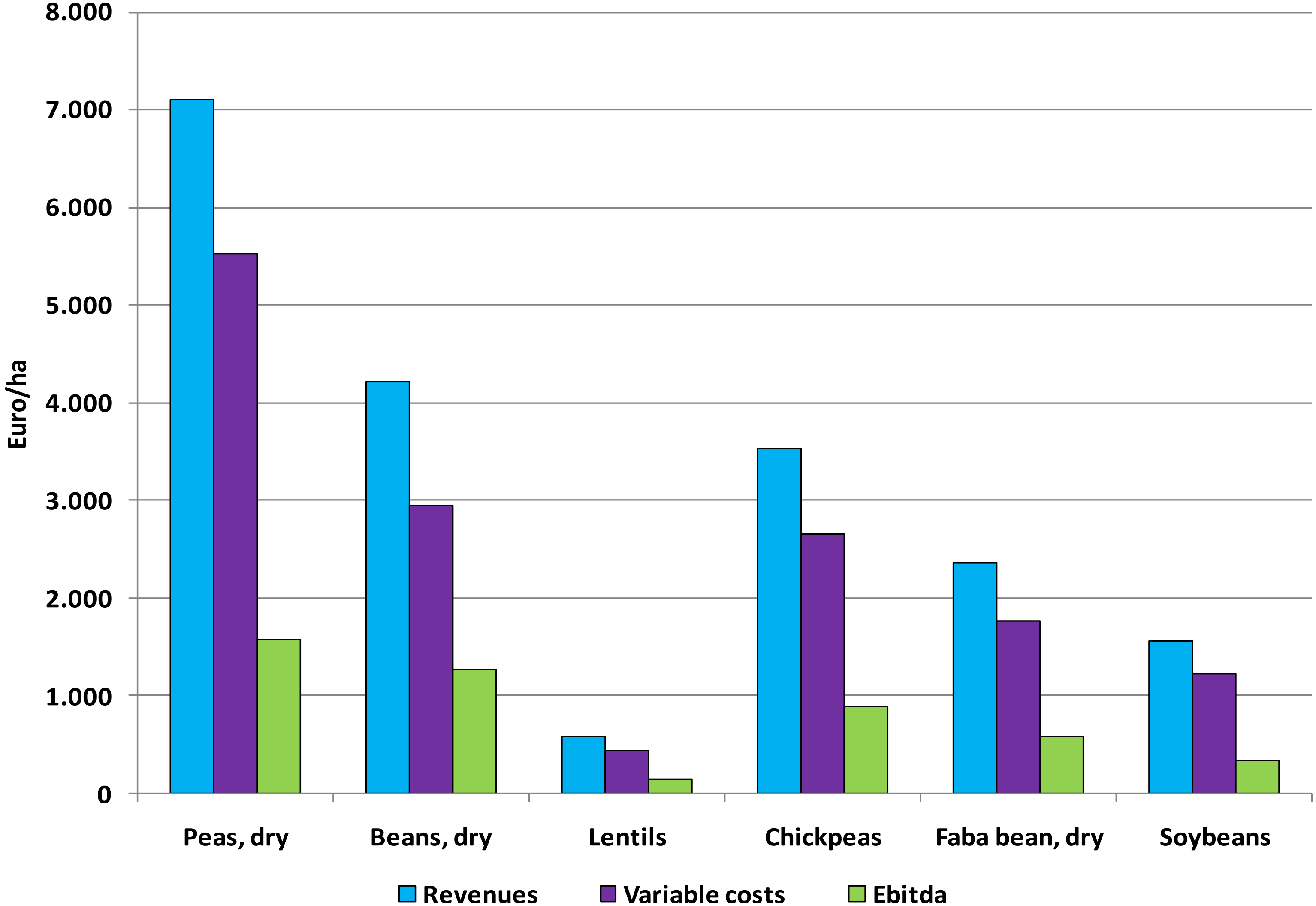
PRICES, MARKETING AND POLICY ISSUES

PRODUCER PRICE OF SOYBEANS AND PULSES



Source: Ismea

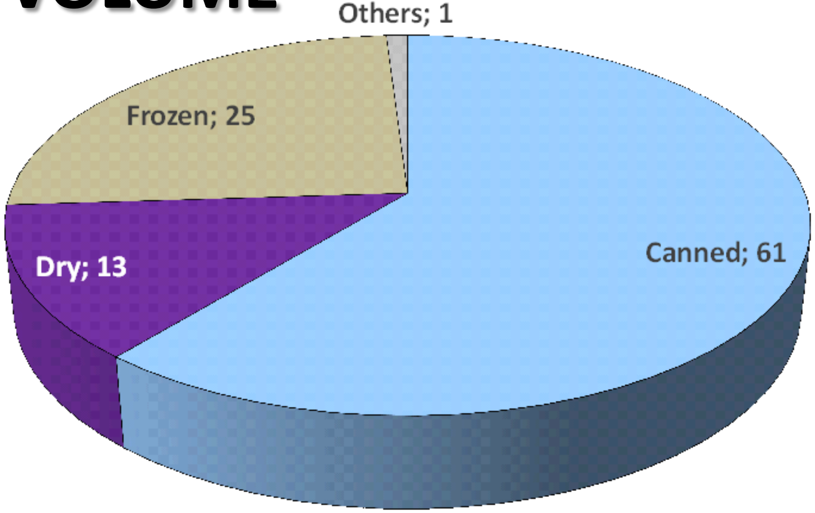
FARM PROFITABILITY OF SOYBEANS AND PULSES



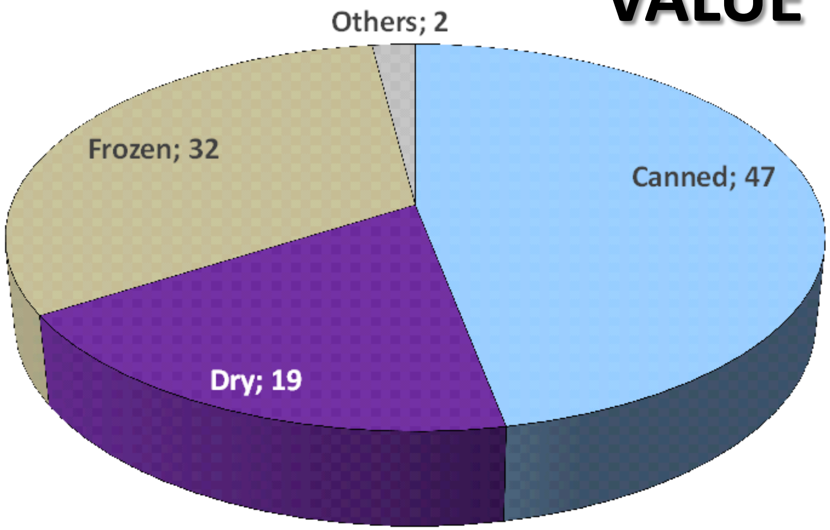
Source: Ismea

HOUSEHOLD PURCHASE OF LEGUMES IN ITALY (%, 2015)

VOLUME



VALUE



TOTAL		DRY	
PEAS	42%	LENTILS	40%
BEANS	31%	BEANS	23%
LENTILS	11%	MIXED	20%
CHICKPEAS	9%	CHICKPEAS	12%
FABA BEANS	2%	FABA BEANS	3%
OTHERS	5%	PEAS	2%

Source: Ismea/Nielsen

GEOGRAPHICAL INDICATIONS IN ITALY AND EUROPE

ITALY

PDO (2):

*Fagioli Bianchi di Rotonda (4,1%)**

Fagiolo Cannellino di Atina (0,1%)

PGI (5):

Fagiolo Cuneo (1,6%)

Fagiolo di Lamon della Vallata Bellunese (3,5%)

Fagiolo di Sarconi (3,3%)

Fagiolo di Sorana (1,2%)

Lenticchia di Castelluccio di Norcia (86,1%)

** % share on total production (≅450 tons)*

EUROPE

PDO (5):

Coco de Paipol (France)

Lentille verte du Puy (France)

Fasola piękny jaś z Doliny Dunajca (Poland)

Fasola wrzawska (Poland)

Mongeta del Ganx (Spain)

RESUME (total, 28):

Italy: 7

France: 6

Greece: 6

Spain: 5

Poland: 3

Sweden: 1

PGI (16):

Haricot tarbais (France)

Lentille verte du Berry (France)

Lingot du Nord (France)

Mogette de Vendée (France)

Fasola korczyńska (Poland)

Faba Asturiana (Spain)

Faba de Lourenzà (Spain)

Alubia de La Bãneza-León (Spain)

Judías de El Barco de Ávila (Spain)

Bruna bönor från Öland (Sweden)

Fasolia – Vanilies Feneou (Greece)

Fasolia Gigantes Elefantes Kastorias (Greece)

Fasolia Gigantes Elefantes Prespon Florinas (Greece)

Fasolia plake megalosperma P.F. (Greece)

Fasolia kina Messosperma Kato Nevrokopiou (Greece)

Fasolia Gigantes Elefantes K.N. (Greece)

POLICY ISSUES

- ✓ Historical role of EU policy for grain legumes sector:
  - ❖ Subsidy for protein crops (1981)
  - ❖ Area based premium (1992), discontinued in 2006

CAP REFORM 2014-2020

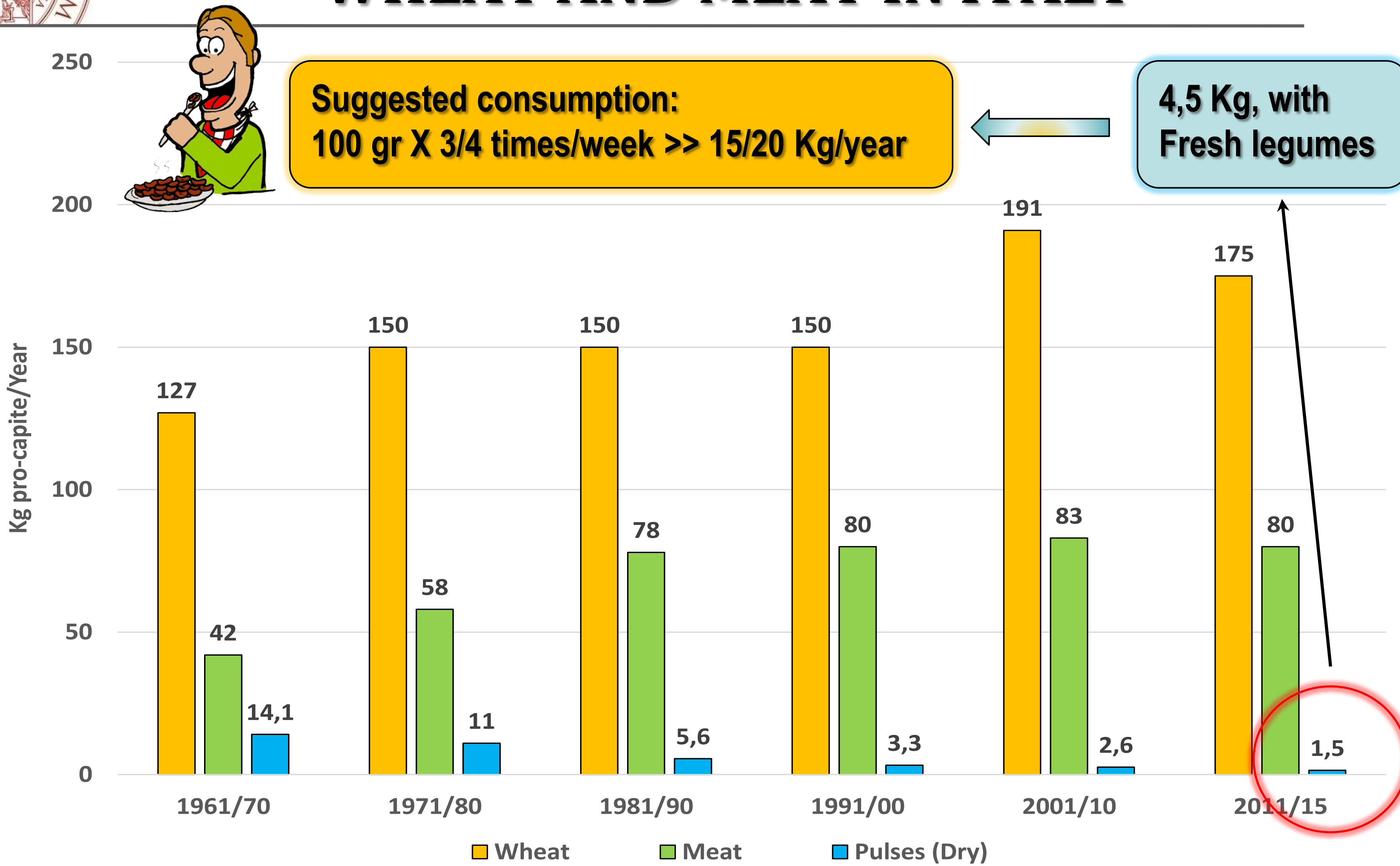
- ✓ CAP «coupled» payments for legumes, in Italy:
  - ❖ Soybeans in Northern Regions
  - ❖ Pulses and annual fodder legumes in Central and Southern Regions
- ✓ CAP greening stimulates cultivating legumes:
  - ❖ Crop rotation
  - ❖ EFA (Ecological Focus Area)

POLICY ISSUES

CAP REFORM 2014-2020

- ✓ Rural Development Program (PSR):
  - ❖ Compulsory crop rotation with at least one protein crop
  - ❖ Increased support for permanent pastures with legumes
  - ❖ Greenhouse gases reduction
  - ❖ Soil fertility
- ✓ European Partnership Innovation (PEI):
  - ❖ Training in the use of crop rotation
  - ❖ Plants biodiversity

PER-CAPITA CONSUMPTION OF PULSES, WHEAT AND MEAT IN ITALY



Source: Mipaaf

FINAL REMARKS

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- **PAST: COLLAPSE OF CULTIVATION AND CONSUMPTION OF LEGUMES IN ITALY.**
  - **REPLACED WITH OTHER FOOD (CEREALS, MEAT, ETC.)**
  - **STRONG COMPETITION FROM FOREIGN MARKET (LOWER PRICES, LARGE SCALE AND HOMOGENEOUS SUPPLY), LOW REVENUE**

- **PRESENT: CULTIVATION AND CONSUMPTION SIGNIFICANTLY INCREASING.**
  - **NEW INTERESTS OF CONSUMERS (MORE GREEN PROTEINS NEEDED, NEW LIFE STYLES, VEGETARIANISM, ETC.)**
  - **POSITIVE POLICY SCENARIOS (CAP GREENING, COUPLED PAYMENTS)**

- **SPECIALIZATION AND CONCENTRATION TENDENCY:**
  - **FIRST 2 REGIONS > 45-50% OF TOTAL PRODUCTION**
  - **FIRST 5 REGIONS > 75-80% OF TOTAL PRODUCTION**

FINAL REMARKS

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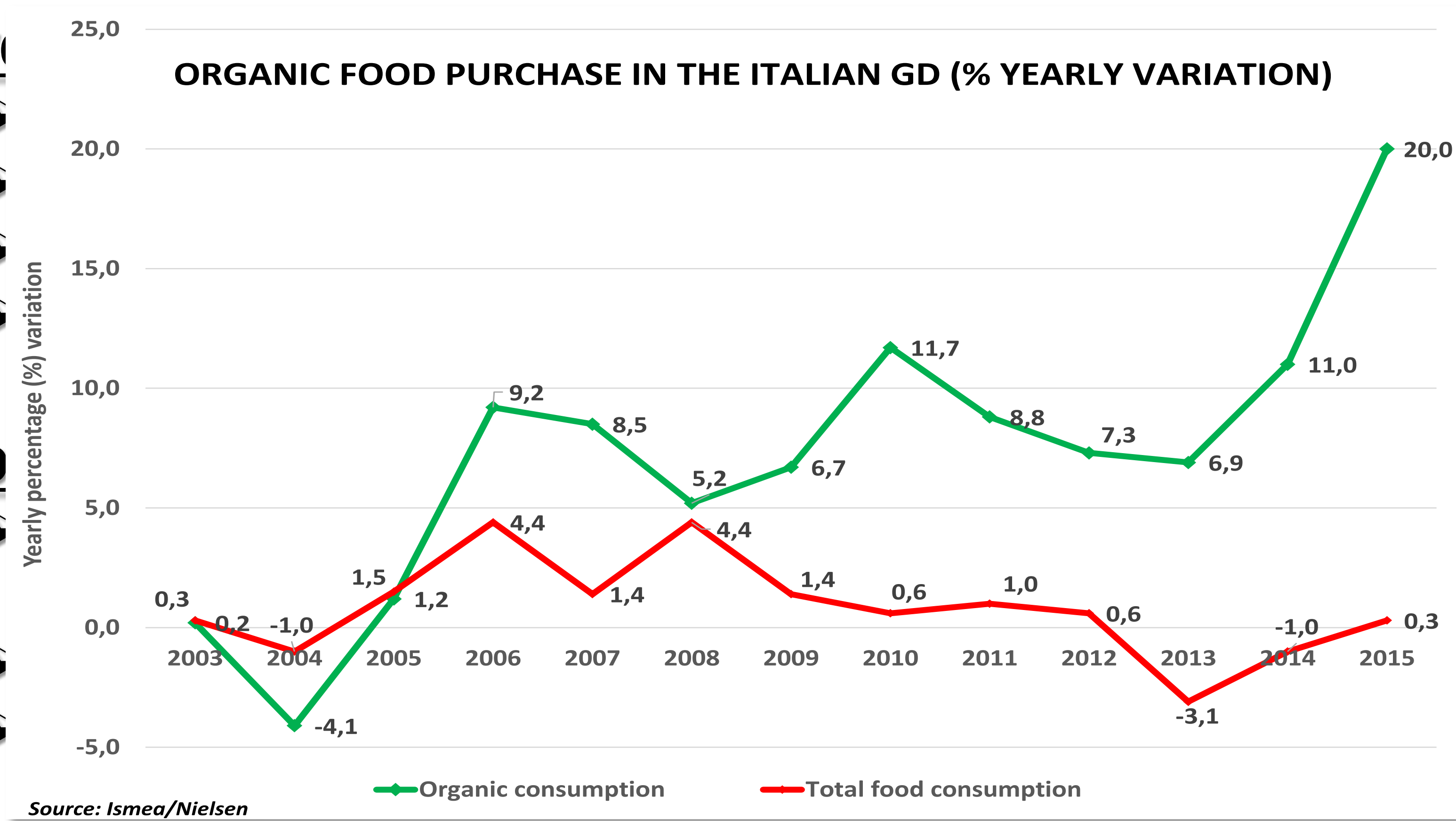
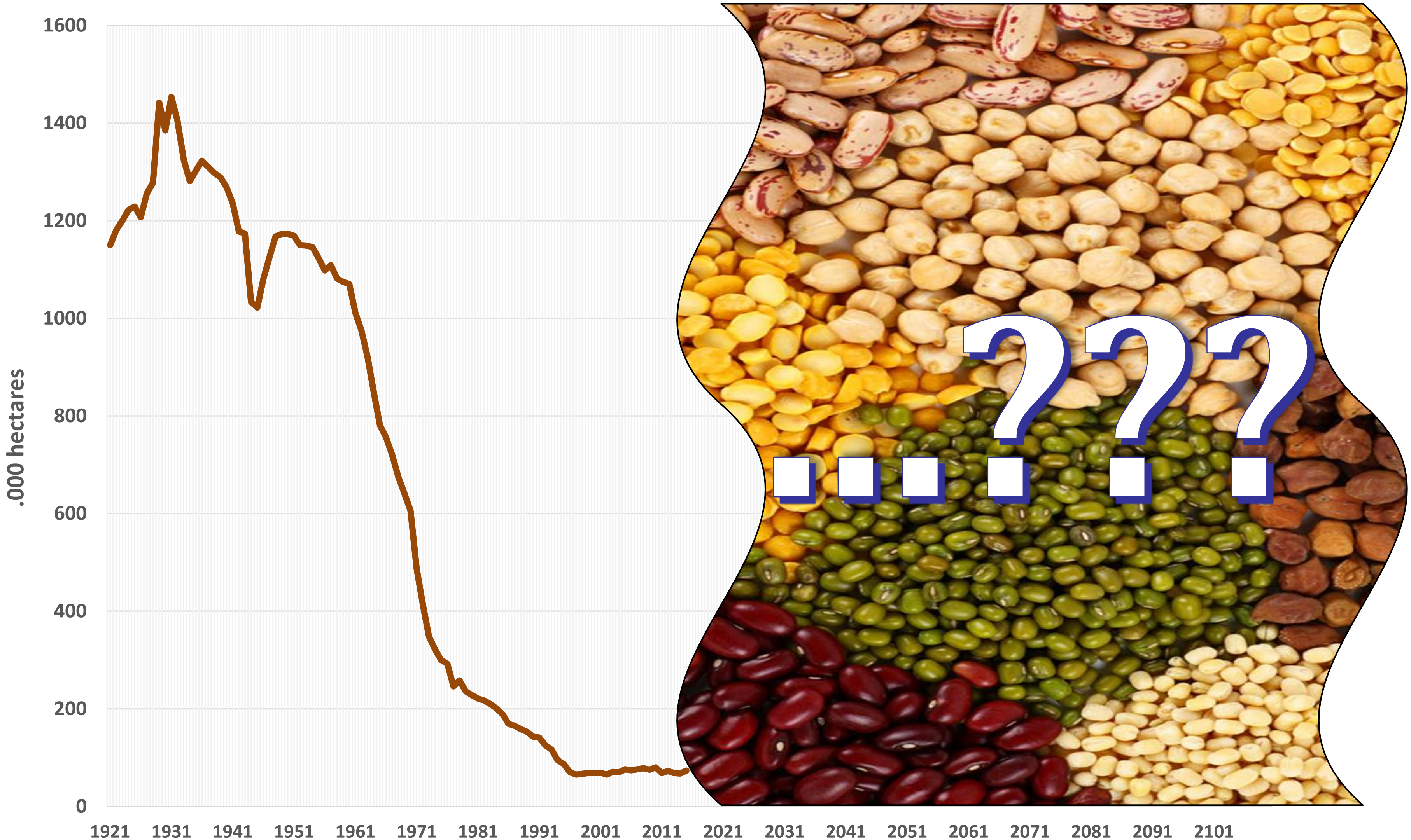
  - **CTS**



- **GOOD PERSPECTIVE FOR ORGANIC LEGUMES:**
  - **BETTER PROFITABILITY COMPARED TO ORGANIC CEREALS**
  - **VERY HIGH CONSUMER DEMAND AND WILLINGNESS TO PAY**

PULSES IN ITALY:
A GLORIOUS PAST OR A BRIGHT FUTURE ?



THANK YOU FOR YOUR ATTENTION