take your PULLSE June 2011 * Vol. I, No. 2

USA Dry Pea & Lentil Council

Glyphosate Use in 2011 Growers, talk to your processor!

Worldwide Weather Woes What's the weather doing around the globe?

Obesity By the Numbers Revolving doors had to be widened to 12 feet!

Crop Tour 2011 Check out this season's crop tour selections.

Pulses Around the World

by Tim McGreevy, USA Dry Pea & Lentil Council CEO

In my travels to Europe over the past couple months, I represented the USA Dry Pea & Lentil Council at the CICILS-IPTIC convention for the international pulse trade association at the beginning of May. A record 810 pulse trade members were in attendance, and a wealth of information on the outlook for pulses across the world was shared.

Dry Peas

Current Status: Dry pea acreage is expected to be down 15-20 percent around the world. Dry pea production was forecast to decline 10-11 percent to 8.3 million metric tons, assuming average yields. Dry pea prices have lagged behind cereal grains and oilseed crops, and growers are voting with their drills to plant more cereals at the expense of all pulse crops, especially dry peas and dry beans. Australia lost most of its quality yellow pea crop this year due to wet weather at harvest.

Market Outlook: Dry pea prices have started to firm a little bit recently with the significant declines in planted acreage forecast this year. Stock levels of good quality green peas and yellow peas are expected to be below the level of last year. Pea prices still lag behind cereal grains, lentils and chickpeas, but that could change.

Lentils

Current Status: Lentil acreage around the world is forecast to decrease 15-20 percent. Overall lentil production worldwide, assuming average yields, will decline 6-7 percent to 3.6-3.8 million metric tons in the 2011 crop year. The U.S. was the only report that showed a slight increase in lentil acreage this spring. This increase probably evaporated with the continued wet weather delaying spring planting. The U.S. will be lucky to maintain the same lentil acreage as last year (658,000 acres).

Argentina tried its hand at lentil production this year and will have a small acreage next year. Growers believe they can compete with North America on a quality basis in the green lentil market.

China forecast that it would produce about the same volume (40,000 metric tons) of lentils as a year ago.

Market Outlook: Lentil markets at the CICILS convention were steady to lower despite the lower acreage forecasts. India and Myanmar came through with a better than expected pigeon pea crop harvested this March. Lentils have been a direct substitute for pigeon peas during the past three drought-plagued years in India. Statistics Canada put the March 31 lentil inventory at a record 1.12 million metric tons. Most of those stocks are of very poor quality. Stock levels in the U.S. are also forecast to be above the level of last year with some poor quality to work through the system. The glyphosate issue (see pages 5-6 for further information) has introduced a level of uncertainly in the market, but product is still being traded into Europe.

Chickpeas

All large kabuli chickpea producing countries have projected a decline in acreage in the 2011-2012 crop year. Overall tonnage of large chickpeas worldwide was estimated to decline by 9-10 percent to 8.6 million metric tons. Attractive cereal grain prices and poor harvest conditions in North America last year were cited for the decline in planted acreage.

11-12 mm Large Kabuli Chickpeas

Current Status: The Mexican crop of large chickpeas suffered a devastating freeze in February 2011. Mexico produces roughly 140,000 metric tons of 11-12 mm large kabuli chickpeas. Of the 140,000 metric tons produced, Mexico exports 110,000. Mexican chickpeas are harvested in April/May. The Mexican trade estimated the frost in February reduced chickpea harvest by over 60 percent with about 40,000 metric tons of exportable supplies of 11-12 mm chickpeas in the 2011 crop year.

Market Outlook: Supply of large size chickpeas is tight around the world. Prices during the CICILS conference for 11-12 mm chickpeas were trading at record levels with sales reported between \$1,800 and \$1,900 per metric ton (\$80 -\$86/cwt) FOB cleaned and bagged. Some traders projected that prices could rise above \$2,000/MT (\$90/cwt) FOB for the large 11-12 mm (milky white Mexican chickpeas).

Strong markets have encouraged some new players in the market. Argentina exported over 20,000 metric tons of 9-11 mm chickpeas in the 2010-2011 marketing year, a 14,000 metric ton (325%) increase from the 2007-2008 crop year. Argentinean traders projected that large chickpea acreage would increase a little more in the 2011-2012 crop year because of attractive price levels.

Worldwide Weather Woes

The trouble with weather forecasting is that it's right too often for us to ignore it and wrong too often for us to rely on it. ~ Patrick Young

Unusual weather in the past year prompted a presentation by Drew Lerner of World Weather, Inc., at the CICILS meeting. The weather this spring across the Northern Tier has been decidedly quite wet, but Mr. Lerner's analysis is an interesting view on how it all intertwines.

Last Year's Weather

- · Record setting flood in Pakistan
- Record hot summer in Russia
- 100-year drought in southwest China
- Flooding in other China locations
- Record setting warm weather in southeast U.S.
- Worst flooding in Australia since 1974
- Record setting cold and storms in Europe
- Record setting rainfall in Canadian Prairies

This Year's Weather

• Global temperatures were quite warm last summer, but they have been in a steep decline ever since. Most major temperature peaks are followed by 25 months of cooling. So the 2011 summer is not likely to be as warm globally as the 2010 summer.

• The Solar Sunspot Cycle, which shows a declining number of sunspots which, indicates that the sun is in a cooling phase and global temperatures could decline for the next several years. If this theory holds, it would mean summers would be shorter and winters longer for the next 15 to 20 years.

Weather Outlook for 2011

- Forecast another cool, wet year for the Canadian Prairies and Northern Plain states but not as wet as last year during harvest
- Predicted Turkey would tend to be drier and warmer and Europe could be drier than normal during the growing season
- Thought the Pacific Northwest would enjoy good planting conditions (A l'il off on this prediction)
- Thought the U.S. Northern Plains would suffer serious planting delays because of cold and wet weather (1 of 2 isn't bad)
- Australia is heading into the planting season with a mixed bag many of the wheat and pulse growing regions have been drying out in recent weeks. They will need

rain heading into their planting season of May-June. • Russia expected to be wetter than last year but a drier than normal summer is still in the forecast, which means a return to normal yields is unlikely. �

Pulses Around the World

continued

8-10 mm Large Kabuli Chickpeas

Current Status: India produced an above average crop of 8-10 mm kabuli chickpeas (600,000 metric tons) that was just harvested and is now being exported into the world market. Australia had a good crop of chickpeas coming until the floods hit at harvest. The majority of the large kabuli chickpea crop in Australia harvested in December-January is of poor quality. Planted acreage in the U.S. and Canada are expected to decline. Canadian growers lost the majority

of their large kabuli chickpea crop to wet weather last year which has made them reluctant to plant chickpeas. A wet, cold spring in 2011 has not improved the planting outlook for this size of chickpeas.

Market Outlook: Prices have firmed up over the past couple of months with the weather problems around the world. Traders at the meeting were quoting \$1,100 to \$1,200 per metric ton (\$50 -\$54/cwt) FOB cleaned and bagged.

Hummus Keeps Chickpeas at Home

by Erica Beck, USADPLC Communications Manager

While the majority of dry peas and lentils are exported, only 40 percent of U.S.-grown chickpeas are shipped into export markets compared to about 90 percent a decade ago. The increase in domestic usage is largely due to the heightened popularity of hummus, a snack dip utilizing chickpeas as its main ingredient.

What started out as a \$5 million industry in 1995 has grown into a \$350 million per year market according to the Symphony IRI research group in late 2010. More companies are dipping into the hummus market as it shows no signs of slowing growth.

Sabra has pushed its share of the hummus market to 51 percent, according to the Strauss Group's report on the first quarter of 2011. Strauss Group is half-owner of the Sabra brand with PepsiCo. Sabra will be launching two new varieties of hummus this year: Basil Pesto Hummus and Buffalo-Style Hummus.

Other brands of hummus include Tribe, Athenos, Cedar's, and Palouse start-up hummus manufacturer Bronzestone.

The popularity of hummus isn't restricted to the grocery cooler. Restaurants dedicated to the chickpea dip have been popping up in metropolitan areas across the U.S., commonly known as "hummus bars". Puts a new twist to going barhopping, doesn't it?

Nanoosh is one such hummus location. Currently centered in Manhattan, owner David Kostmann opened his fourth Nanoosh location there and has plans to expand the restaurant nationally and globally in the next five years. The chain focuses on healthy Mediterranean cuisine with a core of hummus-based dishes.

As more people focus on health and nutrition, the market for hummus is expected to continue its growth spurt. Offering a high protein/high fiber with essential nutrients is a key attraction for hummus consumers.

Hummus is found in more than 17 percent of the households in the United States. Is it in yours? �

The BNSF Situation

by Pete Klaiber, USADPLC Director of Marketing

Ten months ago, BNSF announced it was going to change the way pulse processors could order railcars by instituting a Certificate of Transportation (COT) program for pulse shipments. At that time, the USA Dry Pea & Lentil Council (USADPLC) pointed out that COT would make US pulse processors less competitive in both the domestic and export markets. Since that time, progress has been made in addressing the issues. While COT is still in place, it is not the same program that faced pulse processors last July. *****

See comparison chart \longrightarrow

2010 Chickpea Usage - Domestic - Exports - Seed - Stocks on hand



BNSF Timeline: June 2010 to April 2011

June 2010 Original COT Issues	April 2011 Pulse COT Status	Best case/worst case minimum lead times	Comment
Lead time in purchasing a COT	From 14 weeks to 10 days prior to the first day of a COT delivery window	a) Purchase a COT on September 10 for the Sept. 21-30 window; your want date is Sept 21 = 11 days minimum lead time b) Purchase a COT on Feb. 17 for the window of Mar. 1-10; your want date is March 10 = 22 days minimum lead time	Absolute minimum lead time for purchasing a COT will vary from 10 to 13 days, depending on how the weekends fall, and could be 14 days minimum lead time due to holidays. Add additional days for want dates later in the delivery window.
Deposit for cars	Waived		None
Lead time in ordering cars	1) From 1 month to 10 days prior to the first day of a COT delivery window for 'guaran- teed' delivery	 a) Order a COT on Sept. 10 for the Sept. 21-30 window; your want date is Sept. 21 = 11 days lead b) Order a COT on Feb. 17 for the window Mar. 1-10; your want date is Mar. 10 = 22 days lead 	Absolute minimum lead time for ordering a 'guaranteed' car will vary from 10 to 13 days, depending on how the weekends fall, and could be 14 days minimum lead time due to holidays. Add additional days for want dates later in the window.
	2) Within the 9 days prior to the first day of a COT delivery window for a 'non-guaranteed' delivery	a) Order a COT on Sept. 20 for the Sept. 21-30 window with a want date of Sept. 21 = 1 day lead b) Order a COT on Feb. 17 for the Feb. 21-28 window with a want date of Feb. 21 = 4 days lead	Absolute minimum lead time for or- dering a 'non-guaranteed' car will be 1 to 3 days, depending on how the weekends fall, and could be 4 days minimum lead time due to holidays. Add additional days for want dates later in the window.
Grace period for late delivery	For 'guaranteed' cars, BNSF has a 15-day grace period for late delivery		Difficult to ask for a shortening of the grace period until we see the level of service that pulse shippers have under Pulse COT.
Uncertainty on car availability	 There is an allocation formula for Pulse COT cars based on usage in the same time period a year ago and harvested acres BNSF says it will monitor the situation to see if the formula needs adjustment 		This is a major issue, but it is hard to argue in favor of a larger allocation without yet having seen if BNSF's formula will provide sufficient cars.
Secondary market issues	 Pulse COTs can only be trans- ferred among pulse shippers BNSF has safeguards to guard against monopolization of cars 		It remains to be seen if the safe- guards will work.
Unused COTs	 If a COT for a given delivery window has not been 're- deemed' (car ordered) when the delivery window opens, the COT is forfeit and the shipper is charged \$50 If the shipper redeems a 		This seems reasonable.
	COT but then cancels the order, there is a \$100 fee		

Glyphosate Use: Check with your processor!

A great deal of attention has been paid to glyphosate, lentils, and the European Union (EU) marketplace this spring. Rightfully so as the EU commands 25% of the U.S. lentil supply each year, and the disparity between U.S. and EU lentil maximum residue limits (MRLs) has rippled concern throughout the supply chain.

The Situation: Lentils at a February trade show were pulled for testing and exceeded the 0.1 parts per million (ppm) EU standard for glyphosate on all lentils. The U.S. MRL lentil standard is 5 ppm, and the Canadian lentil MRL is 4 ppm. MRLs are established in countries when products are labeled for particular uses. In this case, glyphosate is labeled for use as a pre-harvest aid in both Canada and the U.S., but there is no comparable use on lentils in the EU which has contributed to the significantly lower 'default' EU lentil MRL.

Working Towards a Solution: The USA Dry Pea & Lentil Council (USADPLC), in collaboration with Pulse Canada, has developed a strategic plan to address the differences between the glyphosate MRL on lentils. The Council is

making every effort to keep the lentil supply chain flowing between North America and the EU in the short- and long-term.

The charts accompanying this briefing provide a graphic depiction of the importance of the EU market, glyphosate levels, and a comparison of imports and production. It is essential for growers to visit with their processors about glyphosate use in 2011. Please reference the grower letter sent in May and past newsletters for more background information. Further questions should be directed to the office at 208-882-3023.





Informal Glyphosate Analysis of Lentil Samples

Results of monitoring analysis by EU Importers



Results of monitoring analysis by EU Importers



Glyphosate Residues in wet* Lentils, crop 2010 mg/kg Average Level: 0,30 ppm *wet = canned, soups, etc

* ALL LENTILS ARE CONSUMED ONLY AFTER SOAKING AND COOKING, THEY ARE INEDIBLE IN DRY FORM

These charts represent an informal analysis of glyphosate residues on lentils by North American lentil customers in the EU. The key takeaway? Glyphosate residues are above the 0.1 parts per million (ppm) EU limit on lentils regardless if the lentils are raw, cooked, or canned. Please talk to your processor about use of glyphosate on lentils in 2011.

The top chart shows data based on roughly 100 samples from North American lentils shipped to EU importers. All types of lentils were included in this study. While the overwhelming majority of the samples fell within the U.S. glyphosate standard on lentils of 5 ppm, only 14 of the samples were below the EU glyphosate lentil standard of 0.1 ppm. The average glyphosate residue level was 1.9 ppm.

The bottom chart shows data on nearly 20 cooked/canned lentil samples. The majority were below 0.1 ppm (the EU glyphosate lentil standard), but a significant percentage ranged between 0.1 ppm and the U.S. standard of 5 ppm. The average sample had a glyphosate residue level of 0.3 ppm.

While the informal analysis of cooked/ canned lentils indicates that glyphosate residues are reduced after cooking, the average level was still above the EU glyphosate limit of 0.1 ppm.

These studies are not scientific and simply provide an informal glimpse at what levels of glyphosate residues are on North American lentils in the EU. In sum, U.S. lentils are out of compliance with the current EU glyphosate MRL of 0.1 ppm. The USADPLC is working to raise the glyphosate MRL to a level based on sound science. ◆

Crop Groupings

by Todd Scholz, USADPLC Director of Information & Research

Crop groupings: Why should you be interested?

Crop groupings have increased importance this year as a result of the difference in MRLs (Maximum Residue Limit) in lentils between the EU and the U.S. The USADPLC and Pulse Canada are working to include lentils in the same "crop group" as dry peas under the CODEX Standards for Pesticide Residues to help resolve the discrepancy between North American and EU MRLs for glyphosate in lentils.

What do crop groups have to do with MRLs, anyway?

Before 1971, when crop groupings were first proposed in the U.S., each use on a pesticide label corresponded with a set of residue trials measuring the tolerance or MRL for that crop. Residue evaluation submissions were expensive and complicated so chemical companies (registrants) focused their time and efforts on the larger crops like wheat, corn or soy beans. Specialty crops like dry peas, lentils and chickpeas faced a lack of crop protection materials under this system. Crop groups allowed related crops to be grouped together so residue trial results could be applied to the entire crop group. Smaller acreage specialty crops now had the ability to gain access to more crop protection products without the requirement for crop specific trials.

Short history of crop groups.

In 1983, with updates in 1995, the Environmental Protection Agency (EPA) adopted a crop grouping system which placed crops into appropriate groups or subgroups based on botanical, taxonomical, or cultural characteristics. Representative commodities are defined and can be used to establish the MRL for all the commodities in an entire crop group. For example, in the US Crop Group 6C-Dried Peas and Beans, Shelled (except Soybeans)the representative commodities are "any dried cultivar of beans...and one of peas..." As you can see from the chart, the entire subfamily is represented by cultivars from Phaseolus and Fabeau Tribes. Under the U.S. system, residue results from dried beans and dried peas can be used to establish an MRL for lentils, because lentils are included in the 6C Crop Group. In contrast, the EU system without crop groups, establishes an MRL for dry peas at 10 mg/kg and for lentils, a closely related species, at 0.1 mg/kg. Crop groups make the establishment of tolerances much more logical.

World trade expands adoption of crop groups.

Trade agreements like NAFTA (North American Free Trade Agreement) and the WTO (World Trade Organization) make harmonization of crop residue standards a priority to facilitate international trade. Under NAFTA, a technical working group (TWG) was established to harmonize pesticide use in Canada, the U.S. and Mexico. The NAFTA TWG goals include MRL harmonization, import tolerance facilitation, and joint registration of new products for FTA area. A successful outgrowth of the NAFTA TWG is the adoption of harmonized crop groups in the U.S., Canada and Mexico. Crop groupings facilitate sharing of residue data across the borders, allow governments to share regulatory review of registration requests, and provide for joint releases of new products simultaneously across international borders. Data sharing and regulatory task sharing reduce duplication of effort and improve the timeline for approval. All of this benefits producers by making the process less burdensome, cheaper and much faster.

CODEX will be an important step in the process.

CODEX Alimentaria is an international standard setting body. Many countries default to the CODEX standard if they do not have an MRL of their own. Crop groupings similar to the U.S. and Canada have been established since 2005 at the urging of EPA and other regulatory agencies. The USADPLC will continue to work to define crop groupings in the CODEX standard and continue to support the efforts of EPA to expand adoption across the world. ❖

Botanical classification of pulses: Fabaceae Family



72 MILLION OBESE ADULTS In 2010, more than 60 percent of the United States was overweight or obese. It is estimated that if the current

trend continues, 50 percent of the population will be obese by 2030.

OBESITY RATES

STATE OBESITY RATES VS. STATE POVERTY RATES 1990 Vs. 2009 State Obesity Rates

15%-19% 20%-24% 25%-29% >30%





2009 Poverty Rates

<11% 11%-13% 13%-16% >16%



Has the highest obesity rate in the United States and is also the

state with the highest percentage of its population living in poverty

States With The Lowest Obesity Rates Colorado – 18.6% District of Columbia – 19.7% Connecticut – 20.6% States With The Highest Obesity Rates Mississippi – 34.4% Louisiana – 33% Tennessee – 32.3%

THE COST

THE COST OF BEING AN OBESE INDIVIDUAL The amount of money lost annually as a result of being obese

Total Losses By Gender Women – \$4,879 Men – \$2,644



THE TYPICAL REVOLVING DOOR HAD TO BE WIDENED FROM 10 FEET TO **12 FEET**

SWEET TOOTH

America's sugar consumption increased by 39 percent between the 1950s and 2000 $\,$



20 Teaspoons of added sugars Americans actually consume

1950 - 1959

Total Caloric Sweeteners - 109.6 pounds, per capita, annually



2000





PORTION SIZES

CHANGING PORTION SIZES IN AMERICA



Obesity by the Numbers

Infographic Credit to Stephanie d'Otreppe/NPR

Sources: Centers for Disease Control and Prevention, U.S. Department of Agriculture, U.S. Census Bureau, "A Heavy Burdon" by George Washington University, 2010; "Why Are We So Fat?" by National Geographic, August 2004, Volume 206, Issue 2

2011 Crop Tours

The 2011 Crop Tour season is just about to kick off. Check out the list below, and be sure and attend a few tours for valuable information, updates, and insights into the 2011 growing season.

* There are additional crop tours this summer; these were selected based on their coverage of pulse crops.

Photos Right: The 2010 Palouse Conservation Tour *Below:* Sclerotinia test plot in Montana.

JUNE

June 9: Western Whitman County Research Tour, 8:00 a.m. Contact: Steve Van Vleet, 509-397-6290 June 14: Pendleton Field Day, 8:30 a.m. Contact: Don Wysocki, 541-278-4396 June 15: WSU Weed Science Field Tour, 1:00 p.m. Contact: Ian Burke, 509-335-2858 June 21: Fairfield Crop Tour, 7:00 a.m. Contact: Diana Roberts, 509-477-2167 June 21: N. Lincoln Co. - Creston, 8:00 a.m. Contact: Aaron Esser, 509-659-3210 June 23: Cook Farm Field Day, 7:30 a.m. Contact: Scot Hulbert, 509-335-3722 June 28: Walla Walla Crop Tour, 6:00 p.m. Contact: Paul Carter, 509-382-4741 June 28: Williston Pulse Tour Contact: Dolores Rohrich, 701-222-0128 June 29: Dayton Crop Tour, 8:30 a.m. Contact: Paul Carter, 509-382-4741 June 29: Pullman Crop Tour, 6:00 p.m. Contact: Steve Van Vleet, 509-397-6290 June 29: Western Reg. Research Center, Conrad MT, 8:30 a.m.



JULY

July 6: Crop Diagnostic Clinic, Pullman, 8:00 a.m. Contact: Steve Van Vleet, 509-397-6290 July 7: Minot Research Extension Centre Pulse Tour Contact: Dolores Rohrich, 701-222-0128 July 7: Spillman Field Day, Pullman, 8:00 a.m. Contact: Stephen Guy, 509-335-5831 July 7: Central Ag Research Center, Moccasin, MT, 8:00 a.m. Contact: Chengci Chen, 406-423-5421 July 8: Carrington Research Extension Pulse Tour Contact: Dolores Rohrich, 701-222-0128 July 12: Colton (PNW Farmers Coop), 6:00 p.m. Contact: Steve Van Vleet, 509-397-6290 July 13: Farmington Crop Tour, 10:30 a.m. Contact: Steve Van Vleet, 509-397-6290 July 13: Richland Field Day Contact: Chengci Chen, 406-423-5421 July 26: Eastern Reg. Research Center, Sidney, MT, 8:30 a.m. Contact: 406-433-2208

SCEROTIN 1 TAKE YOUR PULSE ♦ May 201

National Lentil Festival

The 23rd annual National Lentil Festival is August 19-20, 2011. The USA Dry Pea & Lentil Council is a sponsor again and will have a display booth Friday evening during the street fair and all day Saturday.

Stop by, say hello, and if you're interested in talking to folks about lentils - and dry peas and chickpeas your expertise would be welcome in the USADPLC booth. Just call the office!



The Council Enters the Social Media World

What in tarnation is "Social Media"? A lot of the "experts" like to use fancy words and talk in circles when it comes to defining social media, but really, it's just conversations with other folks through the internet. Kind of like a bunch of farmers drinking coffee at the feed store on a cold morning.

What is the benefit? Through social media (websites like Facebook, Twitter, YouTube, etc.), the Council is able to strike up conversations with people all over the world about dry peas, lentils, and chickpeas without actually going there. Face-to-face meetings are still important, but social media supplements our outreach to organizations and consumers. Kind of like when farmers use treatments and innoculants on their seed for better growth.

Where is the Council online? Everywhere! Okay, not everywhere. There isn't time for that, but the USADPLC is on Facebook and Twitter, as well as hosting a blog (PLC, dry Peas, Lentils & Chickpeas: http://www.pea-lentil.com/blog) dedicated to all the great attributes of dry peas, lentils, and chickpeas. That includes the growers and industry members who will be highlighted in a section called "Meet Your Farmer". This is the USADPLC's online "farm", and you're welcome to stop by any time!



Pulse Points

Cool Temps in PNW

The Northwest was much cooler than normal during April. Washington was second coolest in the nation, 5 degrees below the long-term average, and Idaho was 10th coolest on the national list. - NOAA National Climatic Data Center



CICILS Executive Committee

USA Dry Pea & Lentil Council CEO Tim McGreevy has been elected to the Treasurer position on the CICILS Executive Committee. CICILS is the international pulse trade association.



June 6-9, 2011 International Staff Conference Spokane, WA

June 6, 2011 USPLTA Board Meeting Spokane, WA

June 14-16, 2011 APA Fly-In Washington, D.C.

June 20-21, 2011 PVO Tour Grand Forks, ND

June 22, 2011 USADPLC National Board Meeting Grand Forks, ND



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