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The Production of Chickpea in Argentina: Current Status and Perspectives*

Juan Manuel Garzón

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Edición y compaginación
Karina Lignola y Silvia Ochoa

IERAL Córdoba
(0351) 473-6326
ieralcordoba@ieral.org

IERAL Buenos Aires
(011) 4393-0375
info@ieral.org

Fundación Mediterránea
(0351) 463-0000
info@fundmediterranea.org.ar

Executive Summary

- The production of chickpea in Argentina has exhibited an explosive dynamic in the past years as a result of the strong public intervention in the wheat market and the need of diversifying the agricultural product mix.
- In a short period of time, Argentina has evolved from a spectator to a key actor in the chickpea's world market, integrating the selective group of the largest chickpea exporters.
- In 2012, the Argentine chickpea exports reached 86 thousand tons. Only Australia (Desi chickpeas), Mexico (Kabuli) and India (Kabuli, the only variety allowed to export) surpassed Argentina's chickpea exports.
- Argentina's market share is approximately 7%. According of our estimates, if only the Kabuli market is considered, the market share would ascend to 16%.
- At the beginning of the 2012/2013 commercial cycle, the Argentine chickpea exports reached 31 thousand tons (Nov2012/Feb2013), a lower level than the values registered for the same period of the previous commercial cycle when the exports were 41 thousand tons.
- For an export target of 80 to 100 thousand tons of chickpea in the 2012/2013 cycle, and considering the level reached in the first four months of the cycle, 49 to 69 thousand tons would remain to be exported during the months of March to October 2013. This remainder is larger than the exports registered during the same period of the 2011/2012 cycle, when 45.1 thousand tons of chickpea were exported. Therefore, it is a major challenge to accomplish the target in the current cycle, especially considering the higher level of world supply.
- After the historic record of the export prices in 2011, the chickpea export prices of Mexico and Argentina have been decreasing. These two producers have the particularity of focusing in higher quality products.
- Argentina's average export price in 2011 was 1050 USD per ton of chickpea while in 2012 it reached 970 USD. For the first quarter of 2013, the price was 840 USD per ton.
- The price decline is associated with a higher level of world supply which resulted from better results in Mexico (2011/2012 cycle), later in Australia (2012/2013 cycle) and lastly in India (2012/2013 cycle).
- It is difficult to anticipate the price evolution for the upcoming months. Nonetheless, the great Australian campaign, the recovery of the Canadian campaign and the good Indian campaign will most likely continue pushing the price downward.
- In 2013, India's supply is expected to be larger than the past year as a result of the productive expansion accomplished in the winter campaign (Rabi season). India's exports might exceed the 200 thousand tons.

- Mexico's campaign does not seem as encouraging which could lead to business opportunities in the high-quality chickpea market. There are no official statistics yet but unfavorable weather conditions affected negatively Mexico's campaign that implies lower exports. This situation favors Argentina, although the Argentine chickpea quality may not be as high as Mexico's but it is still compatible with the preference of the different consumer segments, including the European nations.
- Argentina has shown enough competitiveness to increase its chickpea exports in the past years which was also favored by the high international prices. The main question that remains is how much further can Argentina go in the high-value chickpea market where competition is tougher. Some of the main competitors in this segment are Canada, United States, Mexico and India, nations with their own competitive advantages that include technical factors, the proximity to the demand and/or a more favorable business environment.
- Argentina's productive competitiveness is evident in the high yields obtained in many regions throughout the country which are significantly higher to the ones registered in Asia and North America. However, the Argentine macroeconomic context is not favorable (high inflation in USD) which has increased the costs and deteriorated the business environment (export duties, lack of basic infrastructure, low R&D investment, etc.).
- The international market prizes the higher quality chickpea. Independently of the production quantity target, maintaining and improving the chickpea quality should be a key priority for the supply chain actors. Additionally, there is always the opportunity of perceiving a higher price for the chickpea even while not improving its quality, if the product is incorporated in the elaboration of new processed food products. Further feasibility studies are required on this area.

Introduction

The production of a series of winter crops in Argentina has exhibited an explosive dynamic in the past years as a result of the strong public intervention in the wheat market favoring operations in less intervened markets and the need of diversifying the agricultural product mix. One of these crops is the chickpea, a legume that in few years has shown rapid growth in all of its indicators.

The rapid chickpea production growth brings about concerns to the actors of the production chain about whether or not these growth rates are sustainable. The concern is not centered in supply-side restrictions as Argentina has a large endowment of land, technologies and human capital. In contrast, the concern is related to demand-side limitations. Will the chickpea world market continue to absorb higher quantities without causing an important drop in the international price? ¿Which is the limit of the Argentine chickpea exports, and therefore production, given that the world chickpea market is considerably smaller than the rest of the traditional crops' markets?

This document presents the mentioned issues through the analysis of: i) the Argentine chickpea exports success, ii) the chickpea world market and their main protagonists involved; iii) the chickpea international price recent evolution.

The export boom in the past years

Argentina has emerged as a main chickpea exporter in few years. In 2012, SENASA (the Argentine National Service of Food Health and Quality) recorded chickpea exports for 86.2 thousand tons. The growth average rate in the last seven years records 63%.

In the first two months of 2013, Argentina exported 18.3 thousand tons of chickpea, a smaller amount when compared to the same period of 2012 (28.5 thousand tons).

The export historic record accomplished in 2012 reveals, at the least, the following two circumstances:

a) A high chickpea production level for the 2011/2012 cycle that was only possible thanks to the larger allocation of lands to this crop. According to the Argentine Ministry of Agriculture (MINAGRI), in the 2011/2012 campaign, 73.5 thousand hectares were destined to chickpea harvest with a production of 106.2 thousand tons.
b) The high competitiveness of the Argentine chickpea allowed the placement of growing quantities in the international market despite the relative small size of the world chickpea market, as it will be discussed in the next section.

In terms of the sown land in the 2011/2012 cycle, the Bolsa de Cereales (Grain Exchange Market) of Cordoba estimates that only in the province of Cordoba the chickpea sown land reached 21.4 thousand hectares with a production of 44.7 thousand tons.

Meanwhile, according to the Agroindustrial Report of the Estación Experimental Agroindustrial Obispo Colombres (EEAOC – Newsletter 58, October 2011), in Tucumán and its area of influence (southeast of Catamarca and west of Santiago), 25.9 thousand hectares were sown (18.8 thousand hectares in the province of Tucuman), with an approximate production of 46.7 thousand tons.

Previous estimations show Cordoba and Tucuman regions as representing 80-85% of the chickpea production in the 2011/2012 Argentine campaign.

Argentina's Chickpea Exports 2003/2012

Year	Quantity (tons)	Annual growth
2003	1.090	55.3%
2004	1.250	14.6%
2005	867	-30.7%
2006	3.459	299.2%
2007	3.813	10.2%
2008	8.353	119.1%
2009	17.328	107.4%
2010	16.602	-4.2%
2011	47.330	185.1%
2012	86.258	82.2%
2012 (Jan-Feb)	28.467	
2013 (Jan-Feb)	18.245	-35.9%
Annual average growth 2003/2012		63%

Source: IERAL based on UN WITS and SENASA.

The 2012/2013 campaign

There is consensus about the growth of the sown land in the 2012/2013 campaign. However, there are some doubts regarding the magnitude of such growth. According to a preliminary estimation presented by the MINAGRI, the national sown land reached 157.4 thousand hectares, 83.9 thousand hectares more than in the previous cycle. This estimation is not available disaggregated by province. As a result, it is necessary to consult other sources that may have regional information to determine if such a quick expansion actually occurred in just one campaign.

According to the Bolsa de Cereales of Cordoba, the sown land reached 25.4 thousand hectares in the province of Cordoba in the 2012/2013 campaign, representing a growth of 4 thousand hectares with respect to the previous campaign. In another front, EEAOC estimates that the sown land in Tucuman was 28.1 thousand hectares, with a growth of 9.3 thousand hectares with respect to the previous campaign. This way, the two most important provinces in the production of chickpea would only explain 13.3 thousand hectares of the growth, a 16% of the sown land increase estimated by the MINAGRI. This leads us to think that: a) the sown land is probably lower than the figures informed by the MINAGRI; b) given the allocation of land in Cordoba and Tucuman, 100 to 125 thousand hectares of sown land seems a more likely value.

In terms of the chickpea production for the 2012/2013 campaign, the MINAGRI estimates 139.8 thousand and an average yield of 1.07 tons per hectare (notably smaller than the values registered in past campaigns, which is explained by unfavorable weather conditions especially in northern Argentina). If this figure is confirmed, it would mean a production annual growth rate of 32%, a new production record.

In Cordoba, the Bolsa de Cereales estimates a production of 45.2 thousand tons (very similar to 2011/2012 campaign values). On the other hand, EEAOC notes a sharp drop in the average yields in the Tucuman region. From an average yield of 1.8 tons per hectare in the 2011/2012 campaign, this value fell to 0.6 tons per hectare. Therefore, the contribution of this region to the campaign is expected to be lower as the increase in the sown land would not be enough to compensate the sharp drop in the average yields.

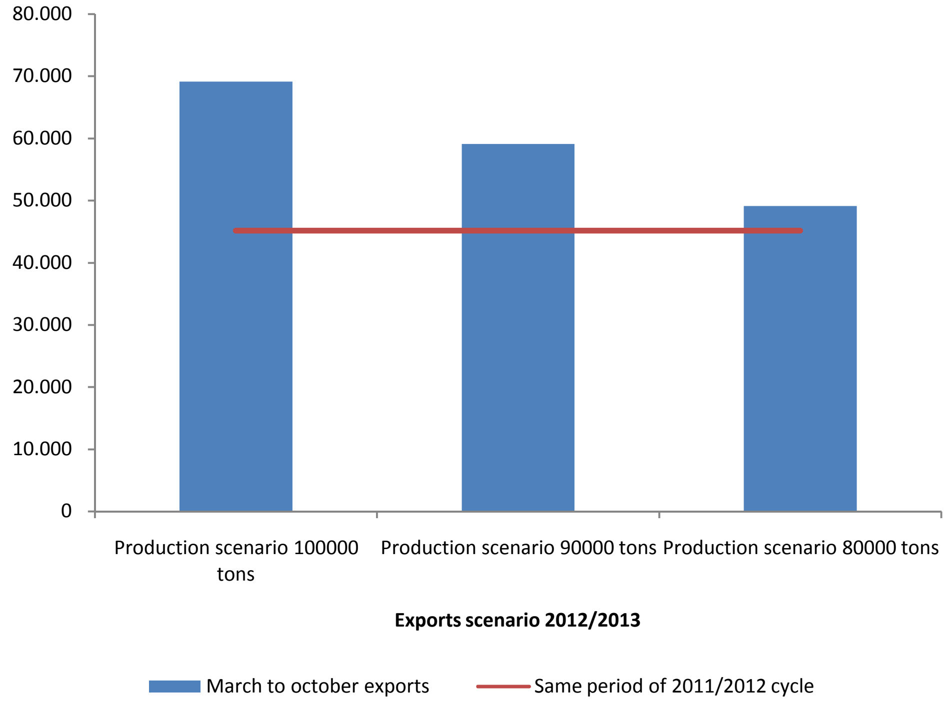
In accordance to the production estimations presented for Cordoba and Tucuman, we estimate that the national production of chickpea will fall in the 100-140 thousand tons range. The highest value of the range is what the MINAGRI estimated (the estimation was surely performed under assumptions of better yields than the ones that were probably registered in the campaign).

In sum, the chickpea production achieved in the 2012/2013 campaign has probably been higher than the previous campaign values (about 100 thousand tons) but not as high as it was expected a priori from the growth of the sown land. Additionally, there have been more quality problems in this cycle (percentage of stained, broken or washed grains, etc.) that imply that the export quantities may not be higher than the 2011/2012 campaign. Anyway, it is clear that, for a second year in a row, Argentina will face a major challenge in placing its growing quantities of chickpea in the world market.

Making an estimation from the quantity exported in the first 4 months of the 2012/2013 commercial cycle (November to February) according to SENASA (30.8 thousand tons), we propose three production scenarios: a) 100 thousand tons; b) 90 thousand tons; c) 80 thousand tons. This way, the export scenarios for the March-October period would be: a) 69 thousand tons; b) 59 thousand tons; c) 49 thousand tons. In all three cases, the export challenge would exceed the values accomplished in the same period of 2012 (45 thousand tons).

In addition, the 2012/2013 sown land brings about concerns about what would have happened if the average yields had not declined as much and the export quantities would have been closer to 150-180 thousand tons. ¿Would there be enough space in the world market to place this amount of chickpea? In the next sections, we try to answer this question.

Export scenarios for March-October 2013 according to different estimates of production. Comparison with 2011/2012 cycle (same period)



Source: IERAL based on SENASA and MINAGRI.

The chickpea world market

In 2011, 11.6 million tons of chickpea were produced worldwide (source: FAO). This quantity was reached with 13.2 million hectares of sown land which implies a world average yield of 0.88 tons per hectare. The world chickpea production is growing at a slightly faster rate than the population as it also happens in other legume and cereal markets.

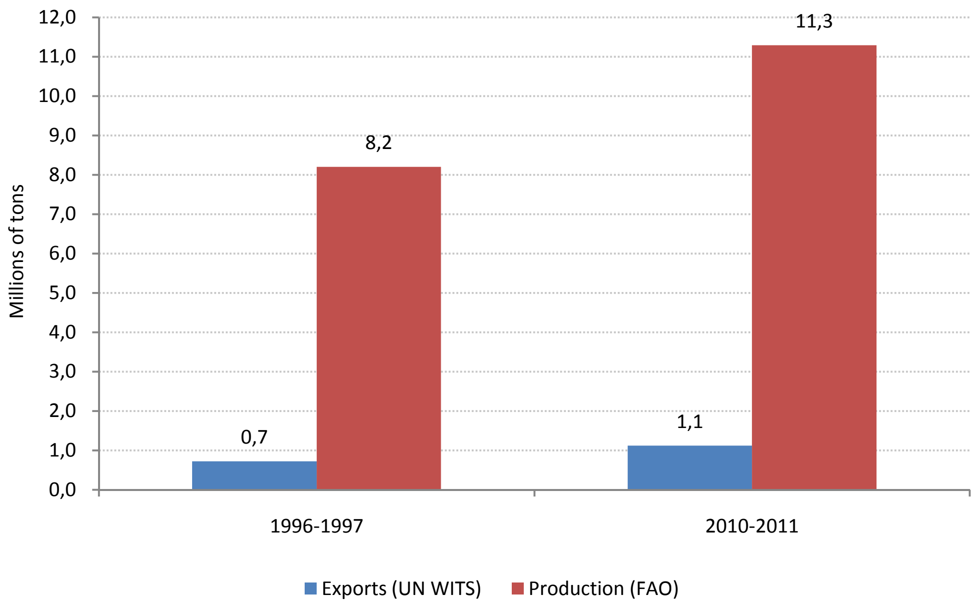
On one hand, the world market possesses central nations in terms of consumption and production while, on the other hand, there are countries that are very important in terms of the foreign trade of chickpea (leading exporters and importers).

The world chickpea consumption is concentrated in Asia. The highest consumption rates per capita are found in countries such as Myanmar (6.6 kg per person per year), Turkey (6.4 kg per person per year), India (5.7 kg per person per year) and the United Arab Emirates (5.5 kg per person per year). On a second level are the northern countries of Africa, such as Algeria, and countries from the south of Western Europe (Spain and Italy).

India stands out from the rest of the countries because of its high per capita consumption and especially its large population. These factors combined make India the top consumer chickpea market in the world. In terms of the market size, Pakistan and Turkey follow. Most of the countries with the highest chickpea consumption are low or middle income countries (developing countries).

The production is also localized in Asia. Once again, India is the outlier, producing about 69% of the world chickpea between 2009 and 2011. In the second lot of countries we find Pakistan, Turkey, Australia, Myanmar and Ethiopia. All of them, with the exception of Australia, are important producers and consumers of chickpea.

World chickpea production and exports



Source: IERAL based on UN WITS and FAO.

Currently, the world chickpea trade represents approximately 10% of the chickpea production (1.1 million tons per year). This percentage fluctuates depending on productive swings of the leading producers in the chickpea market (India, Mexico, Turkey, etc.).

The leading exporters between 2009 and 2011 were Australia (40%), India (14%), Mexico (9%), Canada (6%) and Turkey (5%). Among the main importers are India (20%), Pakistan (13.5%), Bangladesh (13.2%), United Arab Emirates (6.8%), Algeria (4.9%) and Spain (4.9%).

There are two main varieties of chickpeas produced which are differentiated by its size, shape and color: a) *Kabuli*, with a medium to large bean, rounded, wrinkled and of a soft color; b) *Desi*, with a small bean of angular shape and dark color.

The Desi chickpea world market is bigger than Kabuli's. The Desi segment represents around 60% of the commerce (650 thousand tons) while the Kabuli segment represents 40% (450 thousand tons).

The main exporters of Kabuli chickpea are Mexico, India, Canada and the United States. In 2012, as it will be presented in the next section, Argentina entered this selected lot of leading exporters. Meanwhile, the main Kabuli importers are countries of the European Union, Algeria, Turkey and Egypt.

The main exporters of Desi chickpea are Australia, Ethiopia and Myanmar. The main importers are India, Pakistan and Bangladesh.

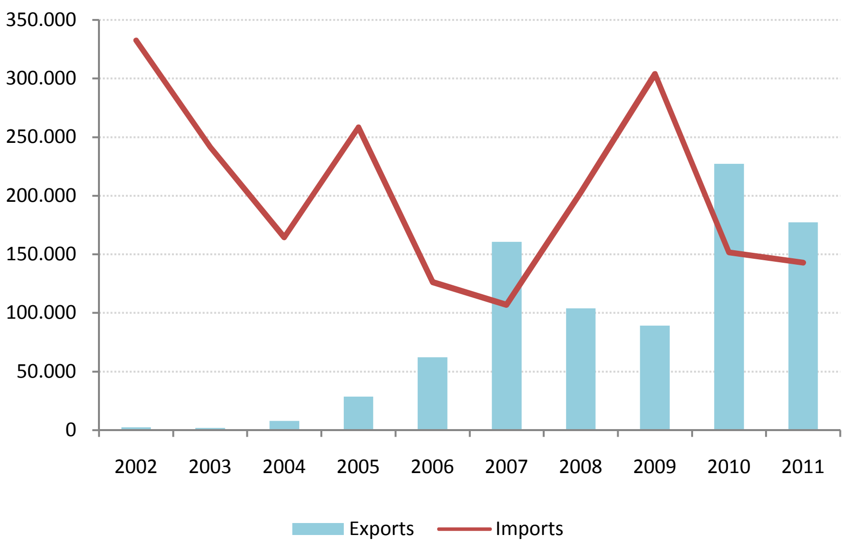
The classification presented is not limited. Some of the mentioned countries purchase both chickpea varieties, such as Pakistan that in 2011 imported 140 thousand tons of Desi chickpea from Australia and almost 40 thousand tons of Kabuli chickpea from India.

The world chickpea market has been growing in the past years at a faster rate than the population growth, estimated in 3%. This expansion is driven by a greater consumption in countries such as Bangladesh and Pakistan as their domestic production is not enough to meet their local demand. Such low income countries generally prefer Desi chickpea and pay for the product a lower price than the rest of the countries.

A key actor in the world market: India

India is rankedfirst chickpea importer and, at the same time, it is a mainchickpea exporter. In the past years, India's balance of trade (in quantities) has fluctuated between surplus (2010 and 2011) and deficit (2009).

India's chickpea imports and exports (in tons)



Source: IERAL based on UN WITS.

If we look further back, we find that India has improved considerably its chickpea balance of trade which at the beginning of this century was in deficit. India has improved its commercial position by reducing imports (with a decreasing trend) and increasing exports (originally, India was not an exporter while now it exports more than 150 thousand tons per year). This situation is closely related to India's great production growth experienced in the last decade which has enabled this country to diminish its dependency on the chickpea imports and even export some of its domestic production.

In order to understand India's dual situation of imports and exports, it is necessary to consider two circumstances that are presented next.

First, India produces different chickpea varieties including those with very high international value, such as the Kabuli chickpea of high quality, and those with lower international value, such as the Desi chickpea. The latter variety dominates India’s consumption market while the Kabuli variety is less extended in India and it is mainly focused in regions where it is produced, such as the Malwa region in the state of Madhya Pradesh. In India’s domestic market, the preference is clearly tilted towards the cheapest varieties (Desi chickpea) as a result of the low purchasing power of the consumers and the ways in which the chickpea is consumed (normally it is transformed to flour).

Second, the Indian chickpea market is highly regulated and intervened just as it happens with other legumes that are produced and consumed in the country. The government makes public purchases, establishes minimum producer prices, subsidizes consumers and imposes harsh restrictions to legume exports, including the recent prohibition of exporting, with the exception of some products that include the Kabuli chickpea. This means that currently all of India’s chickpea exports are composed of the Kabuli variety. This is relevant to Argentina as India is a direct competitor. Between 2009 and 2011 the main destinations of the Indian chickpea exports were Pakistan, Algeria, Turkey, United Arab Emirates and Sri Lanka.

Main destinations and quantities of chickpea exported from India (2009-2011)

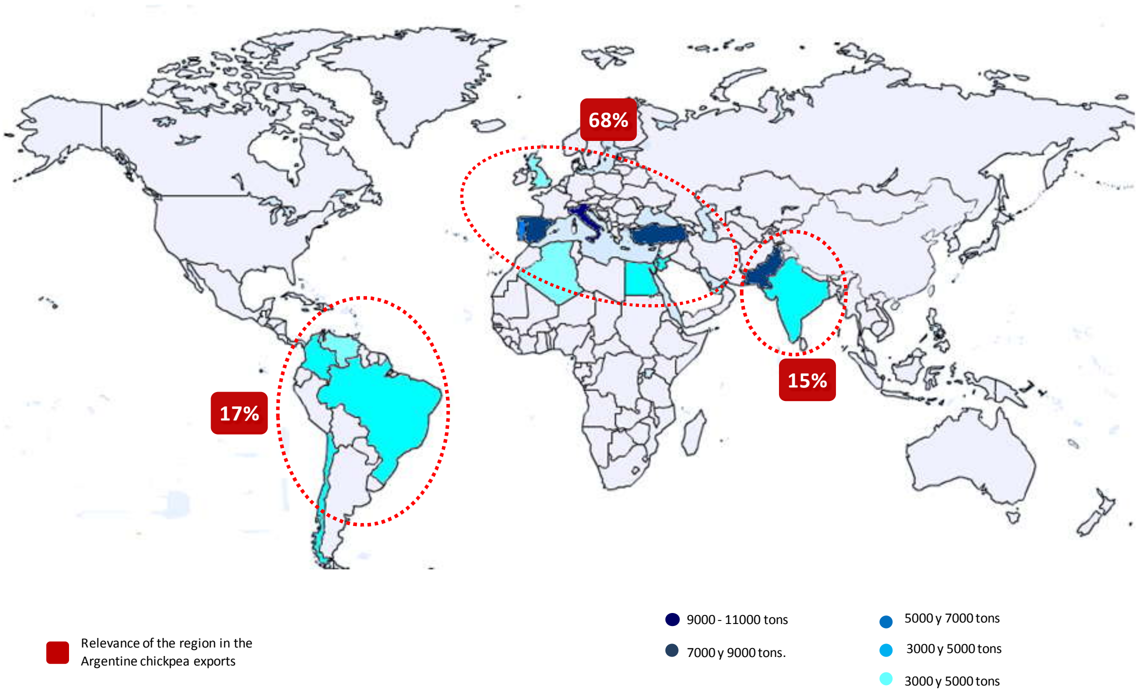
Source: IERAL based on UN WITS.

Consequently, India’s foreign trade is characterized by a clear distinction among chickpea varieties. While the country exports varieties of high value (and they are the only varieties allowed to be exported), it imports the varieties of lower value (i.e. the varieties that are demanded in their domestic chickpea market). The Desi chickpea competes domestically with the Canadian yellow pea -the top legume imported by India- and other legumes of lower market value (e.g. lentils).

Argentina's insertion in the world market

As it was mentioned previously, Argentina exported 86.2 thousand tons of chickpea in 2012 (source: SENASA) and produced 106.2 thousand tons in the 2011/2012 cycle (source: MINAGRI).

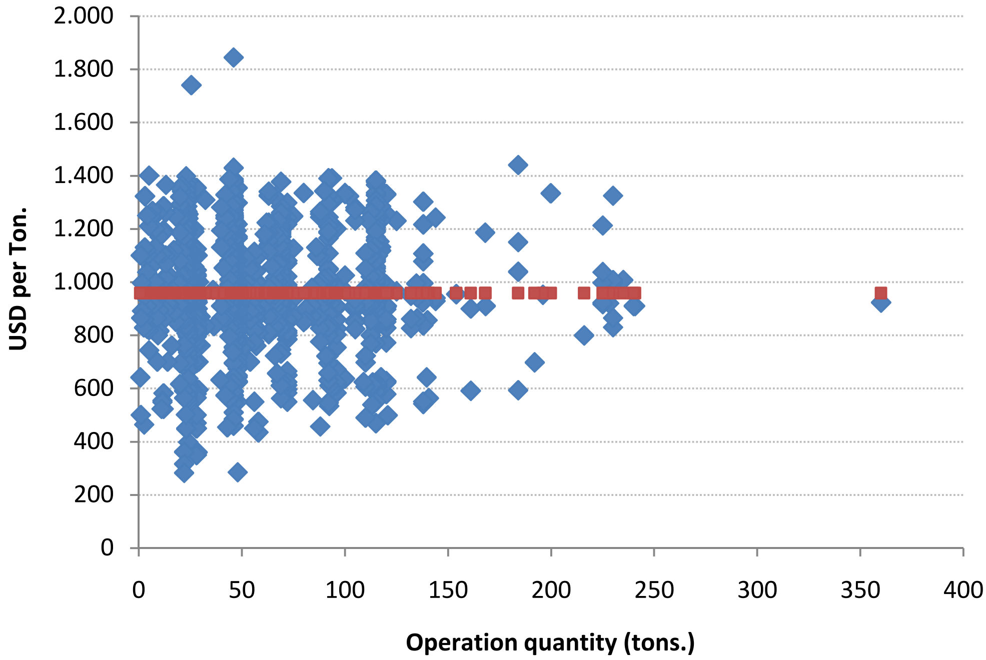
Relevance of different destinations of the Argentine chickpea (2012, quantities)



Source: IERAL based on Mercosur Online.

Out of Argentina's total 2012 chickpea exports, 17% were sold within South America (Brazil, Chile, Uruguay, Venezuela and Colombia), 68% to the Mediterranean Sea region (Spain, Italy, Turkey, Portugal, Algeria, etc.) and 15% to India and Pakistan. When looking at the particular countries, Argentina's chickpea exports were headed to Italy (10.4 thousand tons) followed by Pakistan (8.4 thousand tons), Turkey (7.6 thousand tons), Spain (7.2 thousand tons) and Portugal (6.8 thousand tons). The average export price was 960 USD per ton but there is high variability, as it can be seen in the next figure presented that shows the prices of more than 1500 operations. This variability is largely explained by the difference of quality in the product, destinations of the export and time of the year in which the operation was carried out.

Export prices by operation size for about 1500 operations carried out in 2012



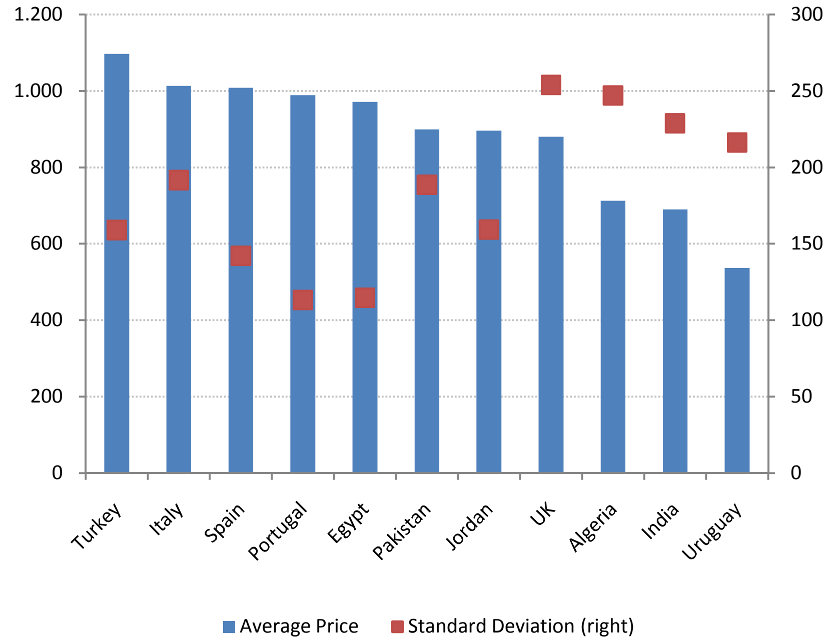
Source: IERAL based on Mercosur Online.

Even though the average export price in 2012 was 960 USD per ton, a large number of operations were done at a price higher than 1200 USD per ton and also many of them registered a price lower than 800 USD per ton, which portray differences in the export price of 30%, 50% and even 100%.

It is crucial to identify the factors that explain such price differences, including how much of the price difference corresponds to quality (probably the most important factor), bargaining and commercial power (finding clients and markets that are willing to pay a higher price) and the time of the year to sell the product.

When the export price is analyzed by destination, several segments can be identified. The highest prices belonged to Italy, Spain, Portugal, Turkey and Egypt (in the 970 to 1100 USD per ton range). In a second segment, Pakistan, Jordan and the United Kingdom are found. The demand in the United Kingdom is driven by the large Indian community. In a third segment, Algeria, India and Uruguay are the countries with the lowest paid price (550-720 USD per ton).

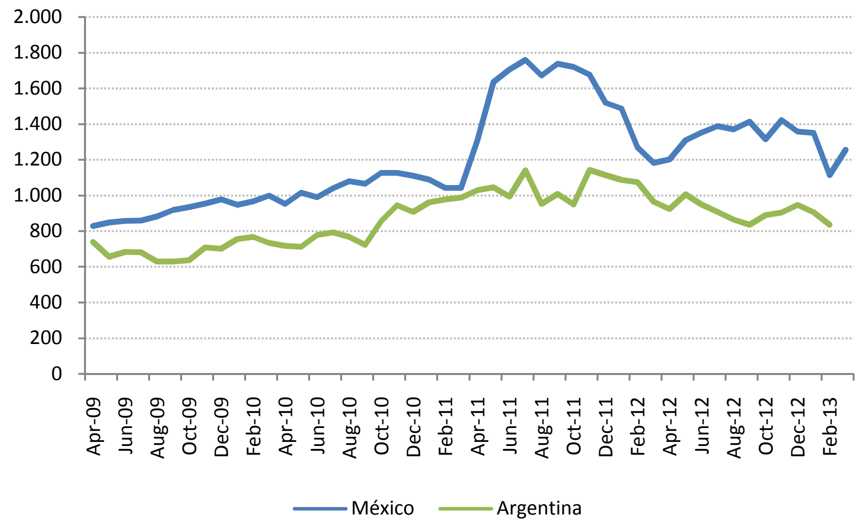
Average chickpea export price and variability by destination (2012, in USD per ton)



Source: IERAL based on Mercosur Online.

The segmentation shows that some markets are willing to pay more for the chickpea than others (as far as the quality requirements for each particular market are met). One of the vital variables that determine the willingness to pay of a country is its income level. In general, the countries with middle to high income level are the ones that pay a higher price.

Export price evolution of the Mexican and Argentine chickpea (in USD per ton)

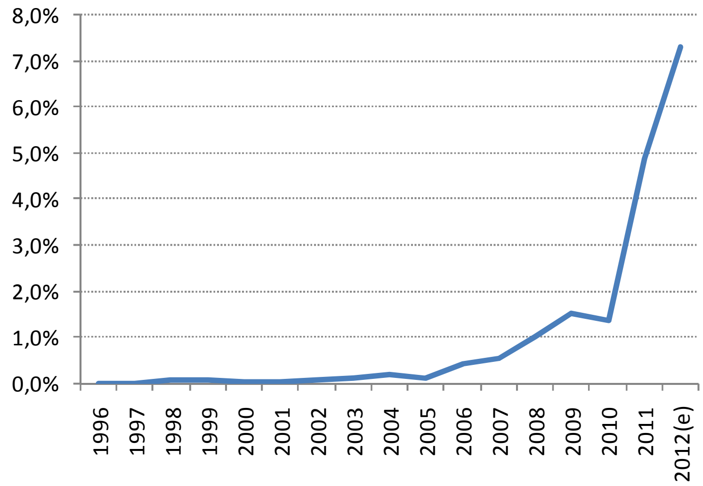


Source: IERAL based on Mercosur Online and SIAP Mexico.

Mexico is the country whose chickpea exports are considered to have the highest quality available in the market. This quality difference can be observed from the price difference between the Argentine and Mexican chickpea exports. In the past months, the average Mexican chickpea export price was 35%-40% higher than Argentina's chickpea exports. This value reached approximately 70% in the middle of 2011 but the large gap was influenced by the small quantities that Mexico exported on that year as a result of the unfavorable weather conditions suffered on the 2010/2011 campaign.

In 2012, Argentina's market share in the world chickpea market was above 7%. If this figure is confirmed (as it is just provisory data), a new record in international participation was reached.

Argentina's market share in the world chickpea market (1996-2012)

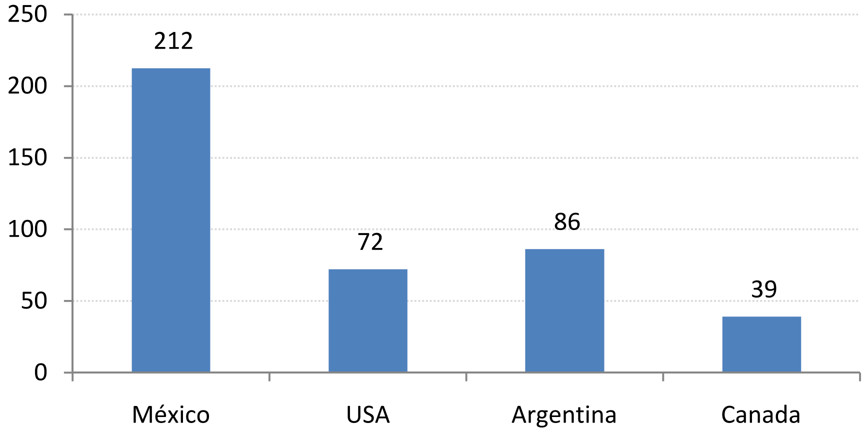


*2012: Estimation.

Source: IERAL based on UN WITS and SENASA.

Next, Argentina's performance is compared to other countries in North and South America, namely three chickpea exporters: United States, Canada and Mexico. According to the data available, Argentina has shown higher export values than those of the United States and Canada in 2012, a situation that has not been recorded before. However, Mexico's exports are higher (over 200 thousand tons). As a result, Argentina was the second largest exporter in America in 2012. When a worldwide analysis is performed, Argentina is placed in the fourth place, after Australia (1st), Mexico (2nd) and India (3rd).

Chickpea exports of leading producers in North and South America 2012 (in thousands of tons)



Source: IERAL based on SENASA, USDA, SIAP Mexico and StatCan.

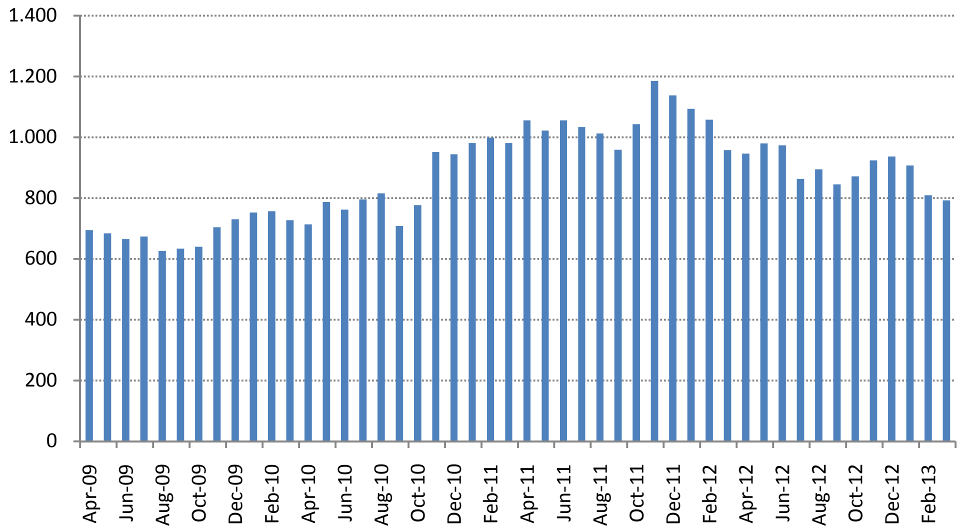
Argentina's market share in the world chickpea market may be underestimating the real Argentine participation of the markets that consume and import a wide variety of chickpeas. According to own estimations, the value -in USD- of the higher quality chickpea varieties (especially Kabuli) represent half of the total chickpea demand. In fact, if the quantities imported by the European Union, Algeria, Turkey, Egypt, Pakistan and other countries are considered, the size of this market is estimated to fall in the range of 450-500 thousand tons per year. The four main exporters from North and South America and India supply the market. Last year, such exports exceeded the market size if we consider the exports from North and South America (410,000 tons) and India (more than 100,000 tons) which results in a larger value than the 500 thousand tons capacity.

Argentina's market share for the high quality chickpea market in 2012 is estimated to be around 16%, taking the third place as the world supplier, after Mexico and India.

The chickpea international price recent evolution

In the months of February and March of 2013, the chickpea price of Argentina's export averaged 800 USD per ton. This figure is notoriously smaller than the prices registered in the same period of 2012 (1000 USD per ton) and the end of 2011 (1200 USD per ton).

Average FOB Argentine chickpea price (in USD per ton)



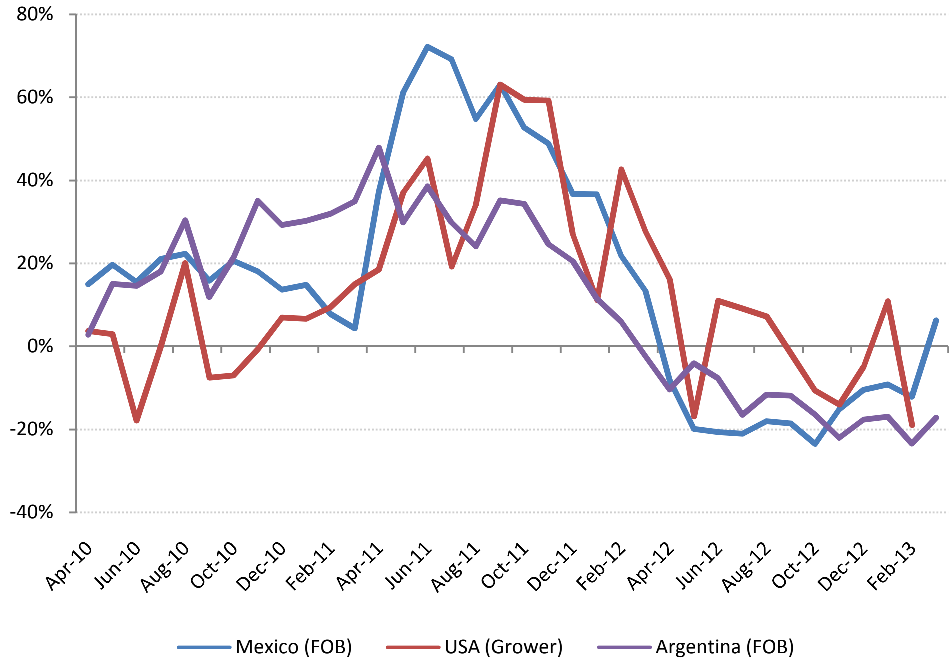
Source: IERAL based on Mercosur Online.

The previous graph shows the evolution of the chickpea price of Argentina's exports for the past four years. Between 2009 and 2010, the price fell in the 600-800 USD per ton range. During this period, the price started to increase until maximum values were reached at the end of 2011 and the beginning of 2012. From this point on, the price has been decreasing slowly but continuously.

Why has this been the case? It is not just one factor that explains this behavior. Instead, it is a result of a number of circumstances related to the productive swings of the major producers. The reasons for the price decline observed in 2012 and beginning of 2013 are presented next.

First of all, in 2012, a sudden increase in the quantities exported by the leading producers of North and South America, especially Mexico and Argentina, was registered. It is during the Argentine autumn that the Northern Hemisphere countries start their production (including Mexico, Canada, United States and India).

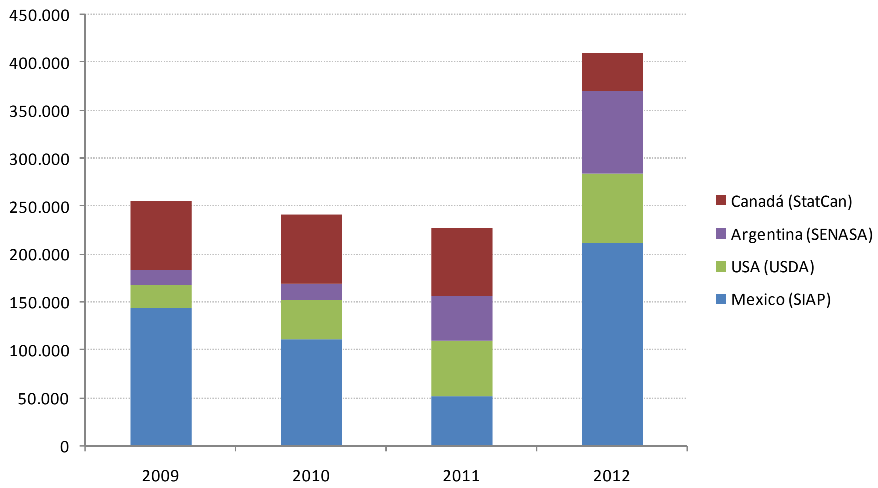
Chickpea price in selected countries (year-to-year variation)



Source: IERAL based on Mercosur Online, USDA and SIAP Mexico.

When the exports of the four leading producers in America are added together, we find that a new production record was reached in North and South America in 2012, exceeding the 410 thousand tons per year (170 thousand tons above the average production of the past three years, 240 thousand tons).

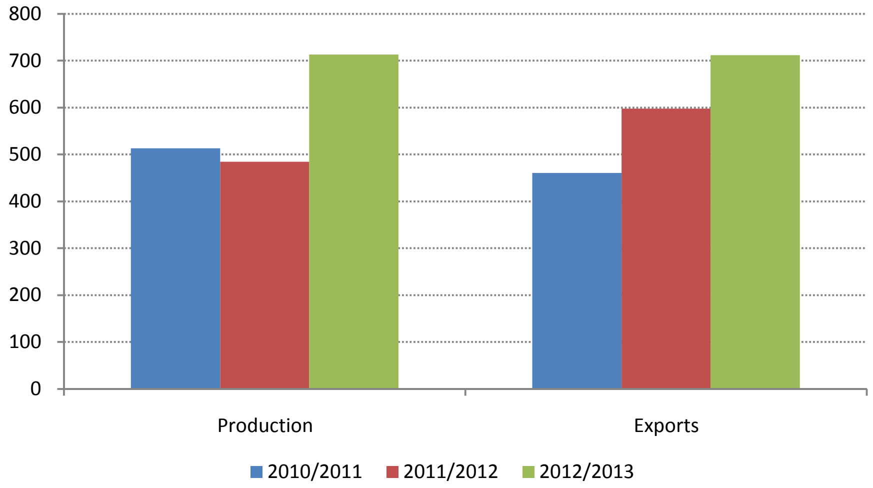
Chickpea exports of the leading producers of North and South America (2009-2012, in tons)



Source: IERAL based on Mercosur Online, USDA, StatCan and SIAP Mexico.

Second, Australia's production has grown significantly in the 2012/2013 cycle. According to the official estimations of the last Australian campaign, a production record of 700 thousand tons was reached, a figure similar to Australia's exports as its domestic consumption is practically nonexistent.

Australia's chickpea production and exports in the past three campaigns (in thousands of tons)



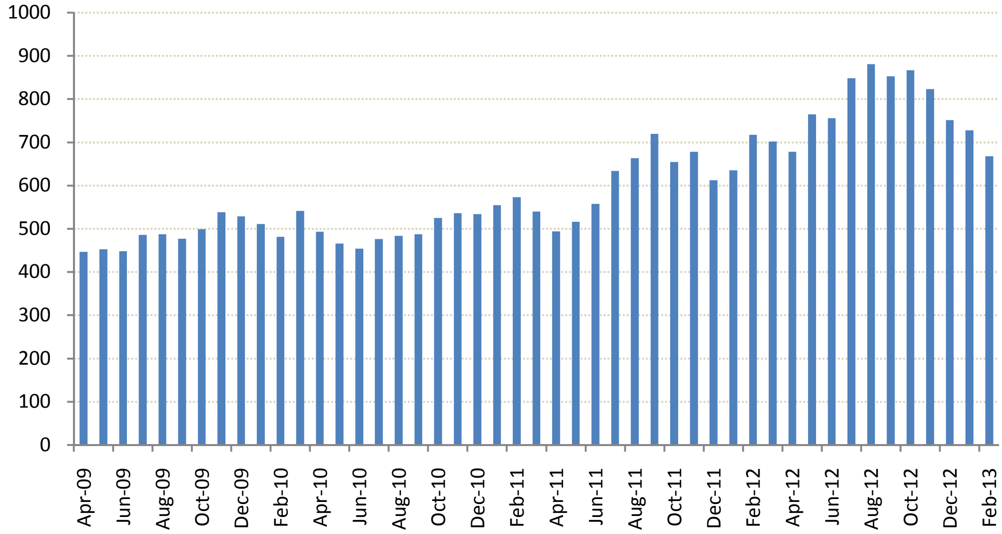
Source: IERAL based onAustralian Crops Report (February 2013).

Third, India's performance in the last two campaigns has been crucial to explain the chickpea price decline. According to the estimation of the Indian government, the chickpea production in the 2011/2012 campaign reached 7.7 million tons, 6.3% less (about 520 thousand tons) than the values of the 2010/2011 campaign. Although there is no official data about the exports, it is estimated that India's 2012 exports were smaller than 2011's. This drop in India's exports left room for a larger participation of the North and South American markets in the world market and also, it decreased the velocity of the price drop in the high quality varieties, as Mexico, Argentina and United States supply increased.

However, India's 2012/2013 campaign shows a clear production recovery. According to the latest official estimations, India's production will reach 8.57 million tons, 11% more than the quantities of the last campaign. This recovery in the production has been reflected in the Desi chickpea price in one of the markets that sets the price for the legume (NCDEX). The Desi chickpea price increased sharply in the third quarter of 2012 as a consequence of the poor performance in the 2011/2012 cycle but it started to decrease after that as the good 2012/2013 cycle projections were starting to be confirmed. In March 2013, the Desi chickpea price was 623 USD per ton, 10% less than its value in March 2012 (702 USD per ton).

In sum, the downward trend of the international Desi chickpea price was reinforced by India as the higher quality chickpea varieties had an excess of supply in the second semester of 2012.

Desi chickpea spot price in New Delhi (in USD per ton)



Source: IERAL based on NCDEX.

Perspectives and final reflections

In 2012 Argentina has entered the group of major chickpea exporters. In that year, Argentina exported 86 thousand tons. Only three countries exported more than Argentina: Australia (basically Desi chickpea), Mexico (Kabuli) and India (Kabuli, the only variety allowed to be exported). According to own estimations, Argentina's market share was around 7% in the worldwide market but when only the Kabuli market is considered in the middle and high income countries, the market share would ascend to 16%.

In the 2012/2013 cycle, Argentina will most likely produce more than in the 2011/2012 cycle, although it is not certain if the high quality production to export will be higher. For an export target of 80 to 100 thousand tons of chickpea in the 2012/2013 cycle, and considering the level reached in the first four months of the cycle, 49 to 69 thousand tons would remain to be exported during the months of March to October 2013. This remainder is larger than the exports registered during the same period of the 2011/2012 cycle, when 45.1 tons of chickpea were exported. Therefore, it is a major challenge to accomplish the target in the current cycle, especially considering the higher level of world supply.

After the historic record of the export prices in 2011, the chickpea export prices of Mexico and Argentina have been decreasing. In 2011, Argentina's average export price was 1050 USD per ton while in 2012 the price was 970 USD per ton and 840 USD per ton in the first quarter of 2013. This price variation is associated to an oversupply in the world market as a consequence of the good results achieved in Mexico (2011/2012 cycle), then Australia (2012/2013 cycle) and lastly India (2012/2013 cycle).

It is difficult to anticipate the price evolution of the upcoming months. Nonetheless, the great Australian campaign, the recovery of the Canadian production and the good Indian campaign will continue to push the price downward.

In 2013, an expansion of India's production of the winter campaign (Rabi season) will increase the quantities exported by this country. A quantity that exceeds the 200 thousand tons is likely to be reached.

Mexico's campaign does not seem as encouraging which could lead to business opportunities in the high-quality chickpea market. There are no official statistics y et but unfavorable weather conditions affected negatively Mexico's campaign that implies lower exports. This situation favors Argentina, although the Argentine chickpea quality may not be as high as Mexico's but it is still compatible with the preference of the different consumer segments, including the European nations.

Argentina has shown enough competitiveness to increase its chickpea exports in the past years which was also favored by the high international prices. The main question that remains is how much further can Argentina go in the high-value chickpea market where competition is harsher. Some of the main competitors in this segment are Canada, United States, Mexico and India, nations with their own competitive advantages that include technical factors, the proximity to the demand and a more favorable business environment.

Argentina's productive competitiveness is evident in the high yields obtained in many regions throughout the country which are significantly higher to the ones registered in Asia and North America. However, the Argentine macroeconomic context is not favorable (high inflation in USD) which has increased the costs and deteriorated the business environment (export duties, lack of basic infrastructure, low R&D investment, etc.).

The international market prizes the higher quality chickpea. Independently of the production quantity target, maintaining and improving the chickpea quality should be a key priority for the supply chain actors. Additionally, there is always the opportunity of perceiving a higher price for the chickpea even while not improving its quality, if the product is incorporated in the elaboration of new processed food products. Further feasibility studies are required on this area.

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