BEPA PERSPECTIVES

A look at pulse crops and markets

Members of BEPA (British Edible Pulses Association) take a look at pulse crops and markets from their contrasting viewpoints

Mark Button
Arable Manager, Dengie Crops Ltd

Peas for 2011 harvest look attractive, even against very high linseed prices, producing better gross output and better entry for wheat. 2010 Pea prices have risen to very good levels on the back of feed bean prices.

2010 contract prices for marrowfat peas have been better than open market prices up to the time of writing. With a plentiful supply of marrowfats, any poor samples are likely to make modest premiums.

UK yellow peas for human consumption are in short supply with competition from French and Canadian. Prices are high but, again, with the feed price being so high the premiums are not huge.

Large blue peas for micronizing and human consumption are in good supply with a lot of slightly bleached samples. With French providing competition and feed beans putting in a high feed base price, the price is good - but premiums are modest.

For 2011 there are good contracts for marrowfat, yellow and large blue peas on the produce of an area basis with some minimum-priced contracts available. If you like the prices on offer - take a contract. Keep in mind what happened after the high wheat prices for the 2007 crop, when wheat prices fell back sharply, if that were to be repeated, today's contract would look even better.

Look after quality by trapping/spraying for pea moth; preventing marsh spot and combining at 19% moisture to keep good colour then dry on a floor if you can. If you don't have a drying floor/drier, consider yellow peas as they can be left to dry in the field. Avoid cracking all pea types at combining; better to leave some pod in the sample than cracking peas.

Peter Daubney
Head of Pulses and Oats, Openfield

With an estimated crop size of 480,000 tonnes of feed beans in our view, which is in the region of 20% reduction from 2009, covering demand was always going to be difficult.

Having said that, exports for feed beans have slowed. A fraction of usual tonnage has gone to Spanish and Italian homes as prices have been considered too high. Human consumption bean quality from early harvested southern areas again showed high Bruchid damage, but later midland and northern samples proved better and fair volumes of bagged and bulk exports have gone and continue to go.

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As the price of feed beans has risen, the premium for human consumption beans has eroded to around £5-£10, but that could get better with Ramadan now in July this year. Some late business into the Middle East for good samples could get a bigger premium for May/June collections.

I would like to think spring plantings for pulses would remain similar in size, although strong competition for the acreage from malting barley and oilseeds cannot be ignored. However, with the latest news of sugar beet problems, fresh acreage could be available for pulse crops.

Let's not forget the €55/hectare subsidy for pulses and also the residual nitrogen left from pulse crops when gross margins are being considered.

Peter Smith
Arable Crops Director, Wherry & Sons Ltd

Marrowfat peas are a prominent part of UK pulse production – our maritime climate means that we are able to produce larger peas than Canadian marrowfats. And when growers can achieve good colour, we have potentially the best quality peas to offer to the wide range of markets both here and around the world.

However, growers should without doubt always grow on a contract linked to a merchant/end user as this helps processors to sell this valuable but fickle commodity without risk of upsetting the market equilibrium. You are unlikely to see the vast variation in highs and lows in price that you see with cereals as there is no feed pea futures price to fall back on. However, given good planning by all parties, the current marrowfat price levels should be able to be maintained the next time the price of wheat is on the floor. It is a classic case of supply and demand.

Whilst spring cropping is currently the talking point, growers should not forget about the opportunities that winter beans will offer this coming autumn. Prices for beans to harvest remain firm and expectations are that, with a much increased oilseed rape area planted currently, growers may be looking towards the traditional break crops - such as winter beans - for Autumn 2011.

The more oilseed rape that is grown, the less growers will consider it as a break crop in the traditional sense. Therefore, when issues such as soil-borne pathogens like verticillium wilt, blackgrass control, Nitrogen prices, and high growing costs generally make growers think twice about the wheat-rape rotation - winter or spring beans will be there.

Growers will have to consider the rotational benefits as, with high prices everywhere, it is easy to see why we currently have wall to wall wheat/oilseed rape. However, we all know this does not have long term sustainability. Until GM technology decrees otherwise, I doubt that there will ever be a better option than a good rotation in the foreseeable future.