



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

Day 4 - Thursday, September 8

14:00pm- 15:45pm

Working Sessions

Pulses Value Chain

SESSIONS BRIEF

Context: India is the world's largest producer and consumer of pulses. Despite accounting for over a quarter of the world's production, India consumes far more than it produces, such that it bridges its structural deficit through imports. East African countries are among the top ten suppliers of pulses to India, although a number of value chain studies support the view that there is a major untapped potential for further growth in production and ultimately exports to India. The development dimension of pulses production is also significant, from contributing to better nutrition, to income generation for the poor, value addition and employment for women.

Session Objectives: The Pulses Session at the African Green Revolution Forum brought together East African and Indian private sector, government and agricultural experts to discuss these opportunities and challenges as well as to put forward a joint solution for public and private sectors to boost production and export of pulses in East Africa to India and other emerging markets with a more sustainable supply of the commodity, while at the same time delivering a reliable source of income for East African farmers. The wider impact was meant to stabilize the farm-gate price for farmers and address malnutrition challenges by increasing the supply of a protein rich staple food, as well as strengthen south-south trade linkages.

Key Issues/ Questions:

- Which opportunities should East African pulses processors target and how can farmers ultimately benefit from the rise in global demand for pulses?
- What constraints need to be addressed - across the value chain in order to be able to expand production and reach markets?
- Policy and macro level changes
- Meso-micro: strengthening extension services, R&D, partnership with farmers, more integrated solutions (loans, insurance, pre-planting contract with min. floor price)
- What concrete solutions can be committed by private sector and government representatives at AGRF, and what are the next steps?
- Ideas for a Business Case to be developed around producing and exporting more pulses to target Indian demand.
- What support do farmers need - in agronomic practices, inputs, crop protection – for them to exploit the opportunity



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

Outcome Desired: The desired outcome of the session was for the Indian government and private sector to commit to supporting an integrated intervention in the pulses value chain in Eastern Africa to improve production levels and productivity of pulses, as well as raise the incomes of smallholder producers.

Organizer(s): Alliance for a Green Revolution in Africa (AGRA), United Nations World Food Program (WFP) and United Nations International Trade Centre (ITC)

Day 4 - Thursday, September 8
14:00pm- 15:45pm
Working Sessions
Pulses Value Chain

Name	Picture	Discussion
<p>Mr. Govind Venuprasad, Coordinator, Supporting Indian Trade and Investment for Africa (SITA), International Trade Centre</p> <p>Role: Moderator</p>		<p>Mr. Venuprasad served as the moderator of this session and began by introducing the fact that “SITA” stands for Supporting Indian Trade and Investment for Africa and is an International Trade Centre South-South trade and investment project covering India, Ethiopia, Kenya, Rwanda, Uganda, and the United Republic of Tanzania.</p> <p>The project responds to the challenges that selected East African countries face in diversifying their trade and market linkages. It also addresses the trade and investment priorities of these countries to help them achieve sustainable development.</p> <p>The project is funded by the UK Government and Northern Ireland through the Department for International Development (DFID). The beneficiaries are East African businesses, Indian companies importing from or investing in Africa, national and regional trade. The expected results are greater export flows from East Africa to international markets, enhanced competitiveness of East African business, as well as increased investment, knowledge and technology transfer from India to East Africa.</p> <p>The moderator thanked the audience for choosing to participate in this session, he presented the panelists and called upon Dr. Mahadevan to come and set the stage.</p>



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

<p>Dr. Mahadevan Ramachandran, Deputy Director, World Food Program</p> <p>Role: Setting the Stage</p>		<p>Dr. Mahadevan opened the formal session by explaining that the object of the session was to discuss the improvement of a specific value chain, the pulses, through public private sector partnership(s) with India. Pulses are the edible seeds of plants in the legume family. Pulses grow in pods and come in a variety of shapes, sizes and colors. The United Nations Food and Agriculture Organization (FAO) recognizes 11 types of pulses: dry beans, dry broad beans, dry peas, chickpeas, cow peas, pigeon peas, lentils, bambara beans, vetches, lupins and pulses nes.</p> <p>In setting the stage He highlighted the need for the delegates to understand the opportunity, stated that during the session they would be many showcased examples of things happening, and that the speakers would strive to make them understand the Kenya and India collaboration plans in regard to pulses trade.</p> <p>He further continued by outlining the fact that India is one of the, if not the, largest markets in the world for pulses - and thus represents a significant potential export opportunity for 1 million Tanzanian and Kenyan farmers.</p> <p>Farmers, however, face several constraints in pursuing this market. Such as: difficulty accessing seeds, lack of access to finance, inability to meet stringent phytosanitary requirements, and multiple levels of information asymmetry. Notwithstanding these, he felt that that given the potential in this large export market, Kenyan and Tanzanian farmers will recognize the huge opportunity.</p>
<p>High Commissioner of India to Kenya H.E. Suchitra Durai Role: Keynote Speaker</p>		<p>In her remarks, High Commissioner Durai chose to speak about the importance of Dahl as an intrinsic part of the Indian diet and she noted that 30-40 percent of the 1.34 billion population of India are vegetarian.</p> <p>The income of the population has increased in recent years and the population has increased. In response to that the demand for pulses has increased over the years. Last year, 17 million tons were consumed in India, of which 5 million tons were imported.</p>



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

		<p>There are several varieties of pulses including adzuki bean, broad bean, vetch, common bean, chick pea, cow pea, guard bean, hyacinth bean, lentil, lima bean, lupin, mung bean, pea, - pidgeon pea, peanut, soybean, tepary bean, black nut pea, kidney beans, black pea among others but the market in India has preferential taste for 3-4. The top world markets for grain legumes include India, China, Brazil and Myanmar</p> <p>She further noted that the East African diet is similar to the Indian diet which presents a huge opportunity to farmers from the region to supply the Indian market. India has already signed an MOU with the Government and the private sector of Mozambique. A public private partnership with Kenya would be a win-win for everybody. Pulses have high protein content and low glycemic index, high mineral content and fix nitrogen in soils. It is the 2016 FAO super food. Taste factor is very important. India has a very old culinary tradition. Different states in India have different preferences.</p> <p>The Government of India is prepared to provide a line of credit to Kenya for agriculture mechanization to the tune of US\$ 100 million. Smallholder farmers could use the machines for processing in the country. Edible oils also present a huge opportunity of 14.4 million tons/year. A partnership between SITA, FAO, ITC and governments in East Africa could help smallholder farmers make the best of these opportunities.</p>
<p>Panelists</p>		
<p>Mr. Rajeev Arora, advisor to the Hon. Adan Mohamed, Cabinet Secretary, Ministry of Industry, Trade and Cooperatives, Kenya</p>		<p>Mr. Arora joined the session on behalf of the Hon. Adan Mohamed, Cabinet Secretary, Ministry of Industry, Trade and Cooperatives, Kenya. In his opening remarks he noted that smallholder farmers are not always aware of the nutritious value of pulses, and of the value of farming multi-cropping. It is therefore important to develop the pulses value chain.</p> <p>The Eastern Africa Grain Council in collaboration with the International Trade Center hosted the first stakeholder’s consultation on Kenya’s pulses value chain roadmap between 19 - 20 May 2015 under the auspices of the Supporting Indian Trade and Investment for Africa project (SITA) to identify</p>



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

		<p>challenges, opportunities and viable solutions that will ultimately allow Kenya’s pulses sector to take advantage of the over Kshs 400 billion pulses market in India.</p> <p>The SITA project focuses on several sectors including pulses but also emerging sectors such a sunflower oil, leather, cotton-textile apparel, essential oils, spices and coffee.</p> <p>Info asymmetry is a big challenge and capacity building at several levels is required to make forward linkages and create regional value chains.</p>
<p>Ms. Rose Mutuku, Director, Smart Logistics</p>		<p>Ms. Mutuku, who is a Director of Smart Logistics, spoke to the audience about her experiences as a Kenyan business woman traveling to India to engage in trade in the pulses sector.</p> <p>She explained that she went to India and had the opportunity to see how pulses are a big business there. Pulses sell for Kshs 60/kg and maize sells for kshs 20. Pulses take 3 months to grow, maize takes 9 months.</p> <p>She felt also that the Indian market is a multi-billion industry. Pulses grow in all ecosystems and are available to everybody. However, the Indian market is very specific about their pulses’ preferences generally and about the preferences by states which vary. Many smallholder farmers lack investment but can benefit from the SITA project in order to take advantage of this opportunity.</p>
<p>Dr. Robin Buruchara, Director, Pan African Bean Research Alliance, CIAT</p>		<p>Dr. Buruchara spoke next during the session and explained that the way research has been functioning is that it develops varieties and gives them to consumers. We need to shift this approach to demand driven research.</p> <p>Labels are required to enhance production and productivity for a particular area or to research how to increase the production of seeds available to farmers. Research also looks at crops diseases that exist in various markets nationally and regionally.</p>



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

		<p>Seeds, however, are a major constraint, because without quality seeds there cannot be viable production. Capacity building is necessary at farm level. How does research support private sector product development? Small and medium enterprises need good quality seeds.</p> <p>Research should be part of a business model that allow farmers to join markets and look at different aspects of the value chain so there is synergy, interface and interaction, with research making a contribution and being part of an alliance and a partnership.</p>
<p>Dr. Vimal Shah, Founder Director, BIDCO</p>		<p>Dr. Shah joined the discussion on behalf of his company, BIDCO Africa, (previously Bidco Oil Refineries Limited) is a multinational consumer goods company headquartered in Thika, Kenya with subsidiaries and distributorships across 16 countries in East Africa, Central Africa, and Southern Africa.</p> <p>Its products include edible oils, fats, margarine, laundry bars and detergents, personal care products, and animal feeds. Today, Bidco Africa owns over 40 brands and is the largest producer, marketer, and retailer of consumer goods in the region.</p> <p>The company needs to produce 5 million tons of pulses, and they have unused arable land, can do scientific farming, have a market in India and would need governmental facilitation.</p> <p>Seed availability, however he pointed out, is a major problem. If that could be rectified he stated that finance would be made available through mutual lines of credit, to pursue production of pulses marketing, and retailer of consumer goods in the region.</p>



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

<p>Mr. Dhamendra Rao Pothuri, Head of Agribusiness, Africa, Mahindra</p>		<p>Mr. Rao explained in his comments that his company, Mahindra's, vision is to deliver, farm prosperity, we empower farmers with the latest, most relevant advances in farm technology and agricultural know-how, and link them to the market to ensure better returns for their produce.</p> <p>Our broad portfolio of agricultural inputs, advisory services like Samridhhi, and output procurement businesses provide farmers with a value chain they can rely on to deliver continued prosperity. Furthermore, our "Farm-to-Fork" model deploys stringent quality checks, from production and procurement, processing to packaging, and distribution to the final delivery to consumers.</p> <p>In 2006, the company started organizing agri-clinics where farmers received advice. It is part of the company's Corporate Social Responsibility. The result was an increase in productivity. The village production scheme increased productivity by 10-15%.</p> <p>In the last 10 years even though the agribusiness sector has been running at cost to the company, it has been the largest exporter of grapes and has done well in the pulses. The company intends to replicate these activities in India.</p> <p>Some government agencies are working at addressing the shortage of seeds in Tanzania, but there is a long way to go. After working in Africa for 2 years and 10 years in India, his views on the prices is that it is difficult to pay fair prices to smallholder farmers. There is a need for aggregation and collective farming to improve such prices. Farming contracts assure a minimum price.</p>
<p>Q & A</p>		<p>Can small farmers produce pulses for the Indian market?</p> <p>What are the two main things you would advocate to move Kenya into action?</p> <p>The last mile connectivity is a key issue, is the private sector doing something now?</p>



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

Responses	Dr. Vimal Shah	We as a collective in Kenya need to set goals, increase productivity per acre, and work to use aggregators.
	Ms. Rose Mutuku	<p>Before trying to enter the Indian market it will be important to get familiar with the various pulses used in each state, and what taste each particular part of the country wants.</p> <p>Some of the varieties of pulses are as follows:</p> <ul style="list-style-type: none"> • Bengal gram - chana • Black gram whole - urad dal - kaali dal sabut • Black eyed beans - chawli – lobhia • Broken wheat – dalia • Chickpeas (brown) – chana • Chickpeas (green) --- cholia - hara chana • Chickpeas (white) - kabuli chana • Corn - makai / makki • Green gram – moong • Finger millet – sattu • Millet – sorghum – jowar • Pearl millet – bajra • Red kidney beans – rajma • Rice – chaval • semolina - cream of wheat - rava - suji – sooji • split chickpeas - split bengal gram - chana dal • split black gram - urad dal - kaali dal • split green gram - moong dal • split red gram - tuvar dal - arhar dal • split red lentil - masoor dal • wheat - gehun



AGRF 2016 – VALUE CHAIN WORKING SESSION REPORT

		<p>Government is doing a lot to address the issue of the last mile infrastructure connectivity. In the last 10 years, government has expanded the road infrastructure program.</p> <p>Some of these have been built in partnership with the private sector under public private partnership arrangements. We recognize that there is still some work to be done.</p>
<p>Summary</p> <p>India has a very important market for pulses and this is an enormous opportunity for smallholder farmers in East Africa but the Indian market has very specific preferences. The Support Indian Trade and Investment for Africa project provides a great opportunity for East African businesses, and the Indian companies importing from or investing in Africa to increase the volume of trade between India and selected East African countries by creating productive capacities and incomes.</p>		