

What problems are evident regarding financing /payment?

The foreign exchange crisis in India in the early 1990's caused problems. Only half of any sales contract could be fixed. This is no longer a problem in India, but the premium on dollar trading is a risk factor. The letter of credit problems in India have been largely solved, because of rupee devaluation and convertibility. Reputation of the broker or importer is an important consideration in doing business in both India and Pakistan. Pakistan is reportedly moving to devalue its rupee in June 1993.

What is domestic production and outlook?

The production of pulses in Pakistan was approximately 768,000 tonnes in 1989-90. Production has been static over the last five years. The deficit between production and demand must be imported. In 1991-92 Pakistan imported 140,000 tonnes of pulses.

Estimated Indian pulse production in 1991-92 is 13,600,000 tonnes. A decline from 14,100,000 tonnes in 1990-91. From 1987-88 to 1990-91 pulse imports ranged from 718,000 tonnes to 792,000 tonnes. Pulses are grown on marginal land, residual moisture, largely rain fed, generally declining yield. India production is geared to self-sufficiency through improved varieties and practices. Pakistan is more likely to see declining production due to export crop competition.

In India pulses are now part of the Technology Mission on Oilseeds and Pulses. Over the past 5 years oilseed production doubled with only a 45 % acreage increase. Production practice improvements accounted for 55 %. As a result, imports declined substantially. Pulses are the next target for this program and its success may impact on future market prospects in India.

Pakistan appears to be following a different policy with regards to pulse production. While a deficit situation occurs for pulse crop production, particularly chickpea (most important), both desi splits and kabulis pulses are not being given a priority. Other (exportable) crops such as cotton and sugarcane are higher priorities. Research on plant breeding for pulses is underway, however it would seem Pakistan will remain in a pulse deficit position for the foreseeable future.