

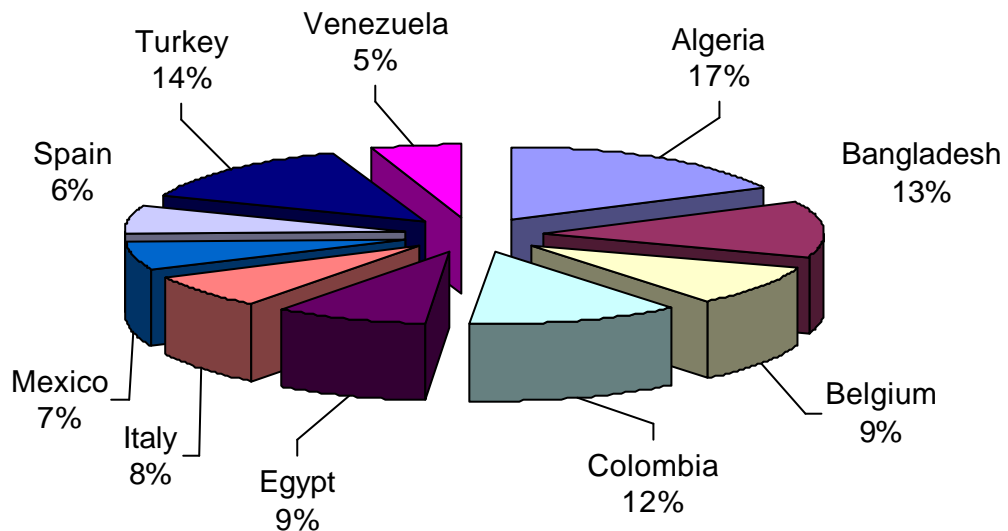
Overview of Canadian Lentil Export Markets

Who are Canada's lentil customers and how do they utilize the lentil imports?

The following chart depicts Canada's top ten lentil importers as recorded over the past six years. These top ten importers represent about 60 percent of Canada's total lentil markets. The remaining 93 destinations make up the remaining 40 percent of the market.

Note the destinations are more evenly distributed than the pea destinations.

Canadian Lentil Exports to Major Destinations 6 Year Average, 1999/00 - 2004/05



Source: Statistics Canada, Mercantile

Canada's Top 20 Lentil Customers by Destination

Rank By Value	HS CODE:	QUANTITY (MT)						% of 04/05 Export Tonnage
	0713.40	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05- Mar	
	TOTAL:	483,066	471,789	478,089	319,891	367,754	317,447	
1	Algeria	47,379	32,393	63,264	37,634	36,795	40,880	62%
2	Bangladesh	0	0	45,694	54,755	41,942	39,585	
3	Belgium	15,986	14,463	67,027	12,840	7,783	7,470	
4	Colombia	51,632	37,292	39,571	2,377	31,548	15,324	
5	Egypt	21,291	24,838	25,824	19,383	21,870	18,933	
6	Italy	19,657	19,536	20,380	15,827	18,663	15,327	
7	Mexico	17,240	24,922	12,057	8,422	12,638	19,526	
8	Spain	21,363	18,318	11,394	4,833	10,998	23,354	
9	Turkey	87,360	62,097	1,273	26,525	16,064	10,346	
10	Venezuela	15,082	16,796	14,903	9,009	13,466	6,596	
11	Germany	13,363	19,555	11,780	6,446	9,795	10,572	23%
12	Brazil	8,729	11,119	9,170	7,842	12,768	9,410	
13	Chile	15,560	11,453	10,133	11,112	8,515	8,039	
14	Greece	10,498	9,701	9,876	6,868	7,356	7,554	
15	India	10,885	25,428	23,303	11,981	8,920	6,870	
16	Ecuador	10,450	15,723	8,089	11,477	10,968	6,427	
17	United States	3,199	4,105	6,044	4,572	12,136	4,556	
18	France	16,939	10,920	8,872	5,774	11,064	6,505	
19	Morocco	24,772	27,481	20,077	4,263	4,934	6,567	
20	Peru	12,185	9,135	6,936	7,469	11,865	5,880	

Source: Statistics Canada, Mercantile

All lentil varieties currently grown in Western Canada target the human consumption markets.

Until a few years ago, Canada has primarily been a green lentil producer and our traditional lentil destinations into Algeria, the Americas (Colombia, Mexico, Venezuela, Brazil, Chile) and Europe (Spain, Turkey, Greece, Italy) reflect this fact. However, with the increase in the production of red lentils and the ability to further process lentils (decortication and splitting), Canada has been making inroads into additional destinations in Asia (Bangladesh, India, Pakistan, Sri Lanka) and the Middle East (Egypt, United Arab Emirates, Saudi Arabia).

The red lentil market has grown to represent about one third (30-35 percent) of our total lentil export market, and may even grow in importance from here.

Our 'traditional' green lentil importers generally utilize lentils whole, and either package or can the product. Red lentil and small green lentil utilization tends to be more complex, and includes the use of decorticated, split, and milled lentil.

Feed lentil exports and lentils used for domestic feeding are generally comprised of off-grade lentils (sample grade due to excessive staining, sprouting, high peeled, split, and broken seed count), or clean-out lentils (lentils that were sieved out during the cleaning process and could not be recovered due to size or light weight). Feed lentil exports are generally only marketed as such in exceptionally bad quality years.

Top Uses for Lentils by Import Region	
Asia	Dhal* (usually red decorticated and split lentils); generally served along with rice
	'Football' lentils (red or small green lentils, decorticated but not split); generally boiled and eaten with rice.
South America	Soups (large/ medium whole green lentil)
	Stews (large/ medium whole green lentil)
	Vegetable side dish (large/ medium whole green lentil)
	Stews (large/ medium whole green lentil)
Arab/ Africa	Whole lentil seed (red or small green; only Algeria buys large green seeds) cooked in (tomato) sauce
	Lentil paste (from decorticated red or small green seed with rice/ carrots)
	Rice – lentil blend (with whole or decorticated seed; generally in a 2:1 ratio)
	Soup
Europe/ Mediterranean	Lentil paste made into a sauce
	Soup (large and small green seeds, some reds; often with vegetables; vegetables and sausage; with other pulses like beans)
	Salads (especially small green and green speckled lentils, often with onions and spices)
	Vegetable side dish
Europe/ Mediterranean	Stews
<p><i>*Definition - 'Dhal': split pulse; it can be a well-seasoned puree flavoured with curry or ginger and served with curry. Dhal is also the Hindi name for legumes; in the Caribbean, it refers only to split peas or split lentils.</i></p>	

Source: Mercantile

Against whom and against what products do we compete?

Top 6 Lentil Exporters, 2003*

Rank	Country	Tonnage Exported (MT)
1	Canada	370,190
2	Turkey	216,918
3	USA	97,198
4	Australia	84,595
5	India	83,053
6	China	32,710
	World	985,061

Source: FAO Statistic Division
* Last year of available data

Our major direct competitors in the export markets are Turkey (red and green lentils), Australia (red and green lentils) and the U.S.A. (green lentils). China can be a threat into the small lentil canning markets.

In general, especially Turkey and Australia (and occasionally India) compete with Canadian lentils for the Asian markets and the buyers in the Middle East. U.S. and Turkish lentils are our strongest competition into the Mediterranean countries. Chinese lentils are a threat into European canning markets.

Countries with Potential for Increased Canadian Lentil Exports

Egypt	Whole small green and red lentil; split lentil
Sri Lanka	Red lentil and small green lentil, split lentil
India	Whole green lentil
Bangladesh	Whole red lentil; football lentil; split lentil
Pakistan	Whole green lentil; split lentil

- Price is an important factor to enter all these destinations.