

## USA Pulses September 2025

### Impact of Tariffs and Trade Barriers on U.S. Pulse & Ingredient Exports to Canada

#### Background and Strategic Context

**USA Pulses** is the leading voice for U.S. pulse growers, processors, exporters, ingredient suppliers, and food companies. Our mission is to promote the use of American-grown dry peas, lentils, chickpeas, and dry beans by advancing international trade, ingredient innovation, and consumer awareness. We aim to double global consumption and production of pulses through coordinated marketing, strategic partnerships, and evidence-based policy engagement.

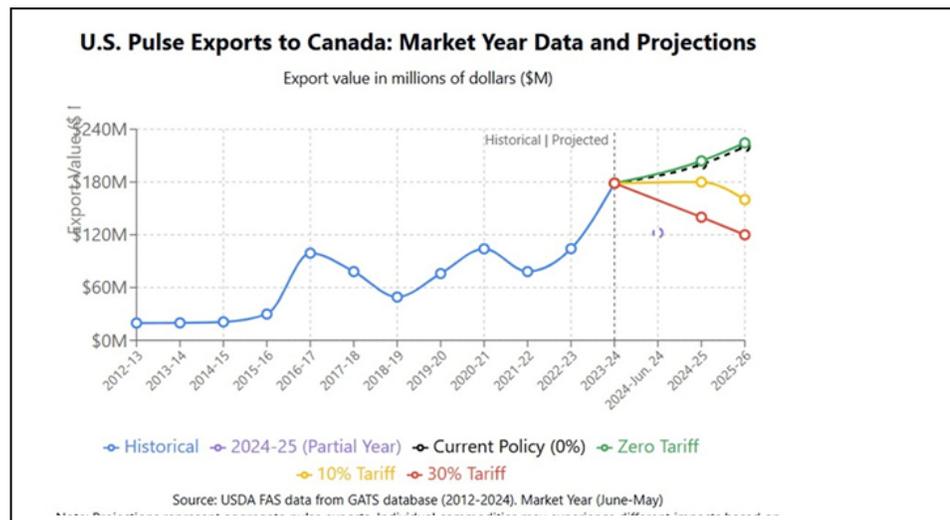
The U.S. pulse industry plays a critical role in supplying nutrient-dense, resilient, and affordable foods to global markets. The top pulse-producing states—**North Dakota, Montana, Washington, and Idaho**—are global leaders in quality, with pulse exports accounting for a substantial share of U.S. production. For example, in the 2024–25 marketing year, 75% of lentil production, 45% of dry pea production, and 33% of chickpea production are projected to be exported.

Exports of U.S. pulses reached \$624.6 million in 2023–24 and are forecast to grow to \$652.2 million in 2024–25, marking the sector’s strongest performance in nearly a decade. This growth is fueled by improved logistics, rising demand for nutritious plant-based foods, and the partial resolution of key trade barriers. Despite volatility in ingredient exports, demand for whole pulses remains strong across Asia, Europe, Latin America, and Africa. Importantly, value-based tracking of pulse-derived ingredients (e.g., flours, proteins, fibers) continues to show commercial promise and is a priority for ongoing analysis.

#### Market Overview

Canada offers a stable and accessible market for U.S. pulse exports, supported by duty-free access under USMCA and projected to grow to \$210 million by 2025 to 2026. While growth potential is more modest than in other priority markets, its geographic proximity, integrated supply chains, and low policy risk make it a key trading partner.

U.S. pulse exports to Canada have grown significantly, rising from \$20 to \$75 million in previous years to nearly \$180 million in 2023 to 2024. This growth reflects increased demand, particularly for specific pulse varieties needed by Canada’s advanced processing sector, which creates opportunities for premium value-added products.



## Non-Tariff Barriers

Non-tariff barriers have become increasingly significant, with enhanced phytosanitary requirements implemented in January 2024 adding compliance costs for U.S. exporters; while these regulations apply to all trading partners, U.S. shipments are more heavily affected due to specific pest concerns cited by Canadian regulators.

## Opportunities to Expand Market Access

- The expansion of Canada's pulse processing sector creates growing opportunities for specific ingredient-quality pulses needed for protein extraction and other processing applications.
- Regulatory harmonization efforts could reduce the impact of emerging non-tariff barriers, while collaborative research initiatives might identify new market segments for U.S. varieties with specific functional properties.
- Canada's sophisticated food manufacturing sector and growing plant-based protein industry provide avenues for premium positioning of specific U.S. pulse varieties with differentiated characteristics.

## Summary of Tariffs and Trade Barriers in Canada

**Duty-free under USMCA, strong \$210M market.**

**Challenge:** Rising non-tariff barriers (phytosanitary protocols).

**Ask:** Regulatory harmonization, continued market cooperation.

## Competition Analysis

- **Domestic Canadian Production:** Serves as the primary competitive challenge, with Canada's status as the world's largest pulse exporter creating a sophisticated domestic industry. Canadian pulse research has developed varieties optimized for Canada's growing regions, with significant government support for expanding production and processing capacity. Recent investments in value-added processing are gradually reducing Canada's need for certain imported varieties.
- **Australia:** Competes in specific chickpea categories where its varietal characteristics and quality specifications meet Canadian processing requirements. Australia's counter-seasonal production provides supply during periods when North American inventories are declining, creating both competitive pressure and complementary market timing.
- **Turkey:** Has emerged as a supplier in specialty categories, particularly for ingredients used in Canada's growing ethnic food manufacturing sector. Turkey benefits from reduced shipping costs to Eastern Canadian markets compared to Western U.S. origins and has strategically targeted high-value specialty segments.
- **Myanmar/Ethiopia:** These emerging suppliers compete primarily in specific bean varieties where price sensitivity is high and where Canadian buyers seek to diversify supply sources. Their competitive position is limited by quality variability and compliance challenges with Canadian food safety requirements.