



## USA Pulses January 30<sup>th</sup>, 2025

### Tariffs and Trade Barriers on U.S. Pulse & Ingredient Exports Globally

#### Background and Strategic Context:

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.

#### India:

- **Prioritize pulses in trade discussions:** Despite their nutritional and trade significance, pulses are often omitted from high-level negotiations. Unlike more contentious sectors, pulses could be an easier area to advance with India and may help ease broader trade tensions.
- Seek an **annual Pulses Purchase MoU or purchasing agreement** with the United States.
  - Australia has a free trade agreement with India, putting U.S. producers at a competitive disadvantage. Under the Australia-India ECTA, Australian lentils benefit from a 5% concessional duty within a quota, while U.S. lentils face a 10% tariff. This disparity reduces U.S. competitiveness in India's price-sensitive market. Equalizing tariff treatment will help retain U.S. market share.
  - India has similar MoU agreements with Malawi and Mozambique.
  - The administration has successfully negotiated similar agreements for other commodities (e.g., soybeans in China, rice in Japan); the same approach should be applied to pulses in India.
- **Push for zero tariffs on all pulses**, including:
  - Green peas – Imports currently restricted, no import quotas
  - Green lentils – 10% tariff
  - Kabuli chickpeas – 44% tariff
  - Yellow peas – 30% tariff
- **Ensure Predictable and Transparent Trade Policies:** Frequent policy reversals, such as abrupt bans or tariff hikes, undermine commercial planning and trust. The U.S. industry urges the establishment of a 12-month advance notification mechanism for any policy affecting pulse imports.

#### Yellow Peas – Secure Permanent Duty-Free Access and Eliminate Import Restrictions

- **New Global Tariff:** India suspended duty-free imports of yellow peas implementing a global 30% tariff on all imports of yellow peas.
- **Absence of Long-Term Measures:** No established Tariff-Rate Quota (TRQ) or multiyear import commitment—existing relief is subject to sudden policy changes.

#### Green Lentils – Eliminate 10% Tariff and Establish Separate HS Code

- **Request:** Remove the 10% import duty on U.S. green lentils and create a separate HS Code distinct from red lentils.
- **Rationale:** India has **no significant domestic production** of green lentils. Without a separate HS code, green lentils are misclassified with red lentils, limiting transparency and hindering targeted trade access.
- **Policy precedent exists**—India split dried peas into yellow and green categories in 2019.



### Kabuli Chickpeas – Eliminate 44% Tariff to Restore Market Access

- **Request:** Remove the 44% import duty on U.S. Kabuli chickpeas and restore free access to the Indian market.
- **Rationale:** Kabuli chickpeas are a niche, premium product in India and do not compete directly with Indian desi chickpea production. The high tariff functions as a de facto ban on U.S. exports.

### Green Peas – Remove Import Restrictions and Open Market Access

- **Request:** Eliminate current restrictions on U.S. **dried green peas**, including licensing requirements, quota limits, and port-entry constraints, to allow **free import under HS Code 07131020**.
- **No Import Quotas:** Dried green peas imports are restricted currently with no import quotas announced in the last three years.
- **Non-Tariff & Regulatory Inconsistency:** India’s customs valuation practices and ad hoc notifications create uncertainty, complicating planning and compliance for U.S. exporters

### Pulse Ingredients – Reduce Tariffs and Streamline Regulatory Barriers

- **Request:** Lower India’s **prohibitively high tariffs** on U.S. pulse-based ingredients—including flours, protein isolates, concentrates, starches, and fibers—and **streamline FSSAI regulatory approvals**.
- **Rationale:** India’s food manufacturing sector lacks sufficient supply of high-quality pulse ingredients. Tariffs up to **104%**, combined with **cumbersome FSSAI protocols**, block U.S. products that could meet growing demand for plant-based, clean-label, and protein-rich foods.

### China:

- China has been a lost opportunity for U.S. pulse producers due to retaliatory tariffs; growing demand for dry peas for pea protein presents a chance to regain market share and balance the trade deficit.
- **Tariff Barriers:** 15–17.5% on U.S. pulses, plus + 10% surcharge (“universal tariff” March 2025).
- **NTF Barriers:** China employs a complex licensing system that currently prevents producers from exporting certain pulse products citing scientific standards.

### European Union:

- 0% for most pulses (including dry peas, lentils, chickpeas, and dry beans)
- 7% on pulses exported as ingredients – Ingredients are categorized as an added-value product. Expectation of a “preferential tariff rate” likely below the MFN rate.

### Canada:

- Projected growth to \$210M by 2025–26.
- 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.

### Mexico:

- Over the past decade, U.S. pulse exports to Mexico grew 144%, from \$20.02M in 2012–13 to \$48.80M in 2023–24, highlighting a strong and reliable market.
- **Non-Tariff Barriers Include:**
  - A zero-soil content tolerance requirement that has caused shipment delays and increased compliance costs.
  - The implementation of NORM-36-1-STPS regulations on weight handling limits (50 lbs. for men, 44 lbs. for women)

### USMCA Review (Summer, 2026)

- We support the continued exclusion of USMCA-compliant products from all tariffs.
- While there are a few NTF barriers that need to be addressed USA Pulses prioritizes a swift renewal this summer and maintaining it as a trilateral deal.
- USA Pulses is a member of the USMCA coalition, which brings together agricultural commodity groups in support of the USMCA.