



## Position Paper

### **HALLMARK Lentil Classification**

- 1. Purpose:** In June 2020 Pulse Australia was made aware of potential confusion in the 2020/21 season regarding grade interpretation/classification for PBA Hallmark XT (*Hallmark*) lentils. This confusion could introduce unwanted risk and uncertainty through the supply chain for a range of parties. During July 2020, Pulse Australia sponsored a working group drawn from the supply chain to examine the matter, then circulated a Discussion Paper to key stakeholders for feedback. The result is this Position Paper provided by Pulse Australia to all pulse industry value chain participants.

The purpose of this Position Paper by Pulse Australia is to:

- (a) identify the issues for all supply chain stakeholders,
- (b) provide some solutions and guidance across the supply chain which mitigates risk for all parties, both for the longer term and for the 2020/21 season.

### **2. Background:**

The *Hallmark* lentil variety was introduced in 2019 as a high yielding, herbicide tolerant, medium red variety (refer [PBA Hallmark XT Fact Sheet/Brochure](#), September 2018). Hallmark is listed as a Medium red lentil variety, along with other varieties such as Nugget (released 1999).

The release data suggests *Hallmark* appears to have yield, agronomic and disease benefits which has encouraged growers to increase plantings in 2020, considerably more than 2019. From the volume grown and traded from the 2019 harvest, there have been reports that some physical characteristics of this variety may be consistent with either Nugget (medium) and Nipper (small) type lentils. An initial analysis of the pre-release/NVT and limited 2019 harvest data by the breeder and shared with a Pulse Australia working group, suggests that across the primary grain characteristics, Hallmark is typically a medium size lentil in terms of size, weight and colour (similar to other medium size lentils considered as “Nugget type”) and its shape could be either similar to “Nugget type” or “Nipper type” depending on season and where grown. The data on splitting and dehulling of Hallmark showed comparable results to previously released red lentil varieties, which are accepted in the market place.

### **3. Issues arising from above:-**

Pulse Australia identifies three issues to address, two of them policy/longer term matters, and one shorter term 2020/21 season matter, with proposals to address each.

**3.1 Pulse Classification System** – The pulse industry has no formal, robust classification system which classifies varieties into market-based classes, in order to create Australian



“branded” classes which will support differentiation in the market-place (as we have for barley and wheat). Pulse Australia identified this during 2018/19 and placed it on the priority agenda for Grains Australia Limited (GAL) to progress as it establishes one of its core functions, Grain Classification. Pulse Australia has approached GRDC for immediate project support in 2020/21 to design this classification system so that GAL can consider its adoption at the earliest possible date. Those GRDC discussions are positive with expectations of a start in second half 2020.

While this step towards a Pulse Classification System does nothing about the immediate concerns of *Hallmark*, it is a necessary and mandatory building block to avoiding this sort of uncertainty in the future – and for building a platform for product differentiation and targeted marketing of Australian pulses.

3.2 Market-place “language” – It is a market characteristic of pulses, that parties often refer to classes or grades of pulses by past variety names with which they are familiar (this especially occurs in end-use markets). Over time, these variety names have conveyed a perception of quality, and due to the often subjective and visual nature of pulse quality parameters, can often figure in contractual terms. We have examples of “Jimbour-type” for Desi Chick Peas, or “Nugget-type” for Red Lentils, when these varieties have long been replaced by new and better varieties. Pulse Australia’s view is that Australia should move to describe its product more accurately, reflecting the most recent quality gains and traits. It will also reduce risk and uncertainty in contracts. This will require a concerted in-market effort to educate customers, traders, brokers, packers and processors, and will take several years to achieve – but should be done. Pulse Australia is prepared to lead this initiative, and will seek the assistance of GAL, exporters, growers and organisations such as AEGIC. It will also fit comfortably alongside the development of a Pulse Classification System referred to in 3.1 above.

3.3 The 2020/21 season - Growers have sown *Hallmark* in 2020 on the basis of improved yield and agronomic benefits. The *Hallmark* Fact Sheet quality data at release states it is a medium size lentil (which also groups *Nugget* variety as a medium) and should be segregated for marketing unless otherwise stated. There may be assumptions that it is traded as a ‘Nugget type’ lentil, though Pulse Australia is unaware of any published parameter description as to what fits in this type. Given the 2019 data, *Hallmark* has a typical range of size, weight and colour as *Nugget* and grain samples could have a shape like either *Nugget* or *Nipper*.

If *Hallmark* is described as *Nipper* or *Nugget*, this may introduce contractual and price risk for exporters, traders and growers at the time of delivery of the 2020 crop.

Pulse Australia recognises that classification on delivery, and buyer/seller contract details are dealt with at individual receival/packing sites and may vary to suit local and seasonal conditions. Therefore, following the stakeholder feedback and to mitigate risks and improve certainty to all parties for 2020/21 season, Pulse Australia recommends:



3.3.1 For the 2020/21 season, *Hallmark* lentils be segregated at harvest, and potentially marketed as a distinct varietal class, referred to as *Hallmark* rather than either 'Nugget' or 'Nipper' types. This is consistent with the release Fact Sheet for *Hallmark*, and will assist in the variety being able to establish its place in the market.

3.3.2 A thorough analysis of *Hallmark* is undertaken post-harvest, based on 2020 harvested samples from both NVT and grower samples, to further assess if characteristics are due to seasonal conditions or are inherent genetic traits. Pulse Australia will coordinate this analysis in consultation with supply chain members.

3.3.3 Where growers have forward contracts with traders for *Hallmark* lentils for 2020, they should immediately be in direct contact to establish the status of the contract and how the trader plans to classify the lentils at time of delivery. It is a matter between buyer and seller to determine whether *Hallmark* is to be accepted as Nugget-type or otherwise.

3.3.4 Pulse Australia recognises that *Hallmark* is in the market establishment phase, and will encourage education in the supply chain and destination markets to assess *Hallmark* characteristics and determine its full market potential.

Pulse Australia thanks all participants for their prompt input in arriving at this pragmatic and positive position to improve confidence in pulse marketing. Pulse Australia commends the actions above for industry adoption.

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