EXHIBIT 2
DATE 2/8/05
HB HJ 11

FORT PECK
COMMUNITY COLLEGE
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POPLAR, MT 59255

Fort Peck community college
Agriculture with Global Vision

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EXPORT OPPORTUNITIES FOR MONTANA PULSE CROPS IN INDIA

The Long –Term Goals of the Project

1. To provide a stable market for alternative crops.
2. To build a processing facility that would process, bag, market, and ship pulse crops, domestically and abroad.

Why Pulse Crops?

What is a Pulse Crop?? Generally grain legumes are referred to as pulses. The term pulse is derived from the Latin puls meaning that the seed or grain can be made into a thick soup. And they are an excellent source of nitrogen to the soil, do well in dry land cropping systems and require very little new equipment or equipment modification.

What is being done now?

Current production of Pulse Crops in Roosevelt County has risen from 600 acres in 1998 to over 19,000 acres in 2001. Current market is primarily a seed market and Canadian export, with Canada exporting primarily to India. FPCC is working with MSU and FAS (USDA Foreign Ag Service) to further understand the global markets.

Key to long-term success is understanding the market for these crops and building profitable relationships.
India is one of the emerging markets. Pulses form an important part of the Indian diet and are a major source of protein for a majority of the population. They are consumed by both rich and poor. However, per capita consumption has been declining, as production has not kept pace with growing population. Per capita availability is currently 38 grams a day, only half of the level consumed in the early 1960's. To meet increasing domestic demand, India has consistently turned to the world market. (FAS, Market Brief India)

In March of 2000, Jodie Smith attended an International Food Show sponsored by the USDA in New Delhi, India. At the food show Jodie attended an import/export workshop and was introduced to various individuals within USDA as well as private companies in the pulse crop industry. Sampath Kumar, attorney from India, had also set up appointments with various importers throughout India. We went to each of the importers offices and discussed the potential for exporting Montana chickpeas to India. The responses received were wonderful extremely hospitable and very anxious to work with us in the pulse business.

Some of the standard concerns from them were: samples sent not matching shipment received, method of shipping (due to volatility in the world market place a delay in shipping can be costly on both sides); they all require shipment in plastic (water proof) bags. Fumigation is also important.

Encouraged by the results of the project, local producers are working together to form a cooperative to build the pulse processing facility and an application has been submitted by FPCC to

VALUE ADDED OPPORTUNITIES FOR PULSE CROPS

Encouraged by the results of our marketing research, FPCC is working with local producers to examine possibilities of form a Montana Pulse Association as well as to construct a pulse processing facility.

An application submitted by FPCC to USDA-RD was recently funded.

USDA Rural Development Agency awarded Fort Peck Community College $58,000 to conduct a feasibility study on a Value Added Pulse Processing Plant.

We are also in contact with a company in India that may be interested in a joint venture plant here. They will be visiting Fort Peck this summer to evaluate the possibilities.

USDA–CSREES, Tribal Research Program

Domestic and International Markets and Marketing Channels for Alternative Crops

This Cooperative Research project with Montana State University will examine the structure of the domestic and international markets for alternative crops of agronomic, climatic, and economic relevance to the Fort Peck Tribes and other Northern Great Plains agricultural producers. In addition, this project will identify and describe the marketing channels and marketing instruments that are currently available, or likely to become available, for these crops.

This project will also examine strategies for managing marketing risks, including price protection strategies such as cross-hedging and forward pricing through optimally configured contracts. The findings of this project will be communicated to the Fort Peck Tribes and to other Montana and Northern Great Plains agricultural producers through public information and outreach programs to enhance their marketing and crop production decisions.
price behaviors for alternative crops.

USDA–FAS, China Exchange

A five-member team was invited by the Chinese Government to tour the pulse industry in China. The changing economic conditions in China combined with their need for quality food products provides lots of opportunities for Montana producers.

China is under transition. In recent years, majority young farm labors migrated in to cities, left the farmland idle and grain production declining.
Agricultural production and industries are also in transition, ancient production method and modern biotechnology are co-existent.

Due to diversified land use and decline of grain production in China, there will be an increasing opportunity for Montana grain export.

USDA–FAS, Scientific Research Program

Trade Capacity Through Researching Marketing Channels of Pulse Crops in India and China

This project has focused on the comparison of marketing channels in India for domestic production and imports of pulses from the United States and other countries that will facilitate improved risk management tools for production and marketing.

We are also exploring possibilities for new product development in the value added processing and niche marketing of pulse crops by Native American cooperatives in India and other Asian markets.

While exploring export-marketing opportunities for pulse crops in China and India is the major focus, we have been fortunate in making contact with research facilities that are assisting us in variety testing and devlopment.