

Excess Supply of Pulses

What is the issue?

 $n\n$

\n

- \bullet The country witnesses an excess supply of pulses due to higher production.
- \bullet The Centre must appropriately focus on demand side management and procurement, to deal with this. $\mbox{\sc h}$

 $n\n$

How is the pulses market?

 $n\n$

\n

- Two successively large harvests, large inventories and weak offtake in the market have resulted in excess pulses supply.
- This has naturally kept the pulses prices low.
- \bullet Government's policy interventions have had little impact on farm-gate prices. $\mbox{\ensuremath{\backslash}} n$
- Without exception, prices of all major pulses are well below the specified minimum support price.

\n

• Restrictions imposed on imports have failed to exert any meaningful impact on the domestic market.

\n

- These include the quantitative ceiling and customs duties.
- \bullet Pulse growers continue to suffer low prices for the second year in a row.
- This is sure to impact planting intentions for the upcoming kharif crop.

 $n\n$

How to deal with it?

\n

• **Demand** - 'Self-sufficiency' in pulses could be advantageous only if the demand side is dealt appropriately.

۱n

• Gains of the last two years have to be responded with demand side management.

۱n

• But policy-makers have made a series of interventions to simply control supplies.

\n

• This was done in the hope that prices would rise closer to MSP, but this has not worked.

\n

• **Boost consumption** - India suffers pervasive under-nutrition and serious protein deficiency among large sections.

۱n

• Excess protein-rich pulse production could be utilised to boost its consumption.

\n

• Legume could be included in the Public Distribution System or under National Food Security Act.

۱n

• Supply of even one kilogram of pulses per family per month will go a long way in advancing nutrition security.

۱'n

• **Centre's role** - Relying on State governments' choice to advance nutrition security is less likely to result in tangible outcomes.

\n

Calorie and protein security should go together.

\n

• This responsibility must largely be assumed by the Centre.

\n

• Burdensome inventory with various stakeholders (growers, government, traders) must be reduced.

۱n

• Government agencies themselves are reportedly holding well over a million tonnes of pulses incurring huge carrying costs.

• These need to be liquidated.

۱'n

• **Procurement** - There is lack of political will to address the pulses crisis comprehensively.

\n

• Given the present concerns, procurement of pulses deserves to be strengthened.

\n

• Handling a few million tonnes of pulses should not be a formidable challenge.

\n

• There is a risk that pulses planted acreage and production may decline in the upcoming kharif season.

\n

- Growers are likely to shift from pulses to more remunerative crops.
- Appropriate demand-side management and procurement policies would only prevent this.

\n

 $n\n$

\n\n

Source: BusinessLine

\n

