

Refining India's Pulse Policy

What is the issue?

\n\n

\n

- Canadian PM Justin Trudeau is scheduled to visit India shortly.
- As pulse is a significant commodity for both the countries, trade policies regarding pulses are expected to be in focus.

\n

\n\n

How significant is Pulse Trade?

\n\n

\n

- While India is the world's largest producer and consumer of pulses, Canada is the world's largest exporter of pulses and the largest supplier to India.
- Hence, pulse is an important commodity for economy, and trade for both countries and for their farmers.
- The challenge will be to balance the importance of ensuring adequate returns to farmers along ensuring undisrupted affordable supply for consumers.
- Finding a shared understanding over dal might even prove to be the engine for the future of trade between Canada and India.
- These opportunities can be realised through rules-based, predictable and mutually beneficial approaches to business.

\n

\n\n

What are the significant aspects of India's pulse policy?

\n\n

\n

- **The Situation** - India has launched agricultural policies designed to increase self-sufficiency in pulses and to ensure an assured income for pulse farmers.
\n
- There is also a wide recognition of the broader social value of pulses to the environment and to 'human health and dietary patterns'.
\n
- Hence, the details of pulses in domestic food policy and their role in food security and the contribution to food trade needs to be worked out.
\n
- While climate change concerns are emerging in every field, a plan for ensuring food security that accounts for variable production is essential.
\n
- **Market Uncertainty** - India imposed quota restrictions on pulse imports and also increased import duties to arrest the dip in local prices.
\n
- While these measures are intended to support local farmers and foster self-sufficiency in pulses, these are having ramifications on worldwide production.
\n
- Pulses production in 2018 is forecasted to plunge significantly due to lack of demand surety due to unpredictable government policy.
\n
- As India does not yet have a long-term record of self-sufficiency in pulses, a decline in global pulse production ought is of concern.
\n

\n\n

What is needed?

\n\n

- Under WTO rules, India has the right to impose these import duties, to safeguard its farmers, but it also has a commitment to global food security.
\n

\n\n

- Hence, it should be ensured that domestic policy does not unnecessarily impact global pulse production.
\n

\n\n

\n

- A transparent policy is to be evolved on how India will determine its import duties and export restrictions regarding pulses at various junctures.
\n
- If this is not done, there is the risk of Indian market losing credibility in the eyes of the importers and will consequently affect supply further.
\n
- Predictability in government policy will also provide assurance to farmers and traders on the terms on which Indian markets may move.
\n
- Consequently, it will be ensure that consumers are protected as rising prices for pulses will, result in lowering of import duties and enhance local supply.
\n
- Also, it should be ensured that pulses 'loaded and en route' to India would not be subject to higher duties on arrival.
\n

\n\n

\n\n

Source: Business line

\n\n

\n\n

\n\n

\n\n

\n\n

\n\n

\n



SHANKAR
IAS PARLIAMENT
Information is Empowering