Excess Supply of Pulses

What is the issue?

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- The country witnesses an excess supply of pulses due to higher production.
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- The Centre must appropriately focus on demand side management and procurement, to deal with this.
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How is the pulses market?

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- Two successively large harvests, large inventories and weak offtake in the market have resulted in excess pulses supply.
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- This has naturally kept the pulses prices low.
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- Government's policy interventions have had little impact on farm-gate prices.
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- Without exception, prices of all major pulses are well below the specified minimum support price.
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- Restrictions imposed on imports have failed to exert any meaningful impact on the domestic market.
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- These include the quantitative ceiling and customs duties.
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- Pulse growers continue to suffer low prices for the second year in a row.
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- This is sure to impact planting intentions for the upcoming kharif crop.
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How to deal with it?

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- **Demand** - ‘Self-sufficiency’ in pulses could be advantageous only if the demand side is dealt appropriately.
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- Gains of the last two years have to be responded with demand side management.
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- But policy-makers have made a series of interventions to simply control supplies.
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- This was done in the hope that prices would rise closer to MSP, but this has not worked.
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- **Boost consumption** - India suffers pervasive under-nutrition and serious protein deficiency among large sections.
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- Excess protein-rich pulse production could be utilised to boost its consumption.
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- Legume could be included in the Public Distribution System or under National Food Security Act.
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- Supply of even one kilogram of pulses per family per month will go a long way in advancing nutrition security.
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- **Centre's role** - Relying on State governments’ choice to advance nutrition security is less likely to result in tangible outcomes.
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- Calorie and protein security should go together.
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- This responsibility must largely be assumed by the Centre.
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- Burdensome inventory with various stakeholders (growers, government, traders) must be reduced.
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- Government agencies themselves are reportedly holding well over a million tonnes of pulses incurring huge carrying costs.
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- These need to be liquidated.
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- **Procurement** - There is lack of political will to address the pulses crisis comprehensively.
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- Given the present concerns, procurement of pulses deserves to be strengthened.
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- Handling a few million tonnes of pulses should not be a formidable challenge.
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- There is a risk that pulses planted acreage and production may decline in the upcoming kharif season.
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- Growers are likely to shift from pulses to more remunerative crops.
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- Appropriate demand-side management and procurement policies would only prevent this.
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Source: BusinessLine

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