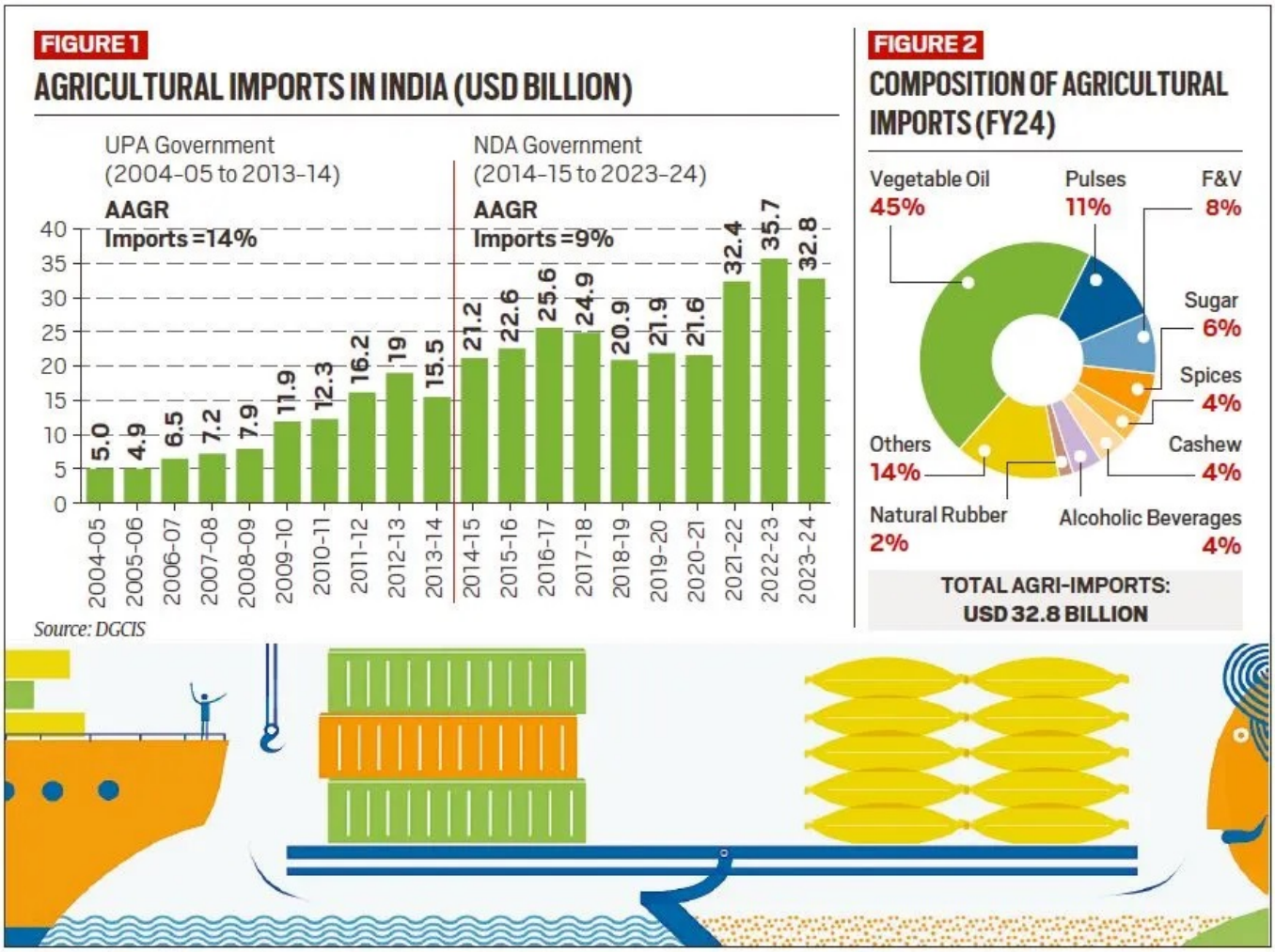
Status of Agriculture Import

Why in news?

The Reserve Bank of India needs to be complimented for broadly containing the consumer price inflation within its mandated range of 4+/- 2%.

What is the status of agriculture imports?

- **Decline in agriculture imports-** India's agriculture imports in 2023-24 decreased by 8% compared to the previous year.
- **Import value**- Agriculture import value has dropped from 35.7 billion dollars to 32.8 billion dollars.
- **Edible oil-** The decline in import value was primarily due to edible oils, which plummeted by 28.5%2.
- **Import of edible oil**- However, the quantity of edible oil imports remained stable. India imports around 55-60% of its edible oil consumption, with palm oil being the dominant type.
- **Price impact-** The principal factor behind the decline in import values is the decrease in palm oil prices in international markets.
- **Pulses-** Lentils, pigeon pea and chickpeas saw a sudden increase in imports in 2023-24 doubling from 1.9 billion dollars to 3.7 billion dollars.
- **Price impact-** The sudden surge in both prodution and imports led to glut in the market, consequently doemestic prices of many pulse fell below the MSP.
- **Import tariff**- To address this issue, Centre imposed 30% import tariff on lentils, pigeon pea and chickpeas along with quantity restrictions.
- **Inflation**- Import restrictions, coupled with slow domestic growth, have contributed to high inflation in pulses.
- **Import liberalization-** The government’s recent decision to liberalize pulse imports by imposing zero import duty until the end of 2024-25 aims to control consumer prices.
- **Impact on farmers**- This move may impact farmers, highlighting a consumer bias in policy decisions.



- **Top crop producing States**- West Bengal, Uttar Pradesh, Punjab, Gujarat, Haryana, Madhya Pradesh, Assam, Andhra Pradesh, Karnataka and Chhattisgarh.
- **Wheat production-** It comes from Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, Rajasthan, Bihar, and Gujarat.
- **Sugarcane production**-Uttar Pradesh is the largest producer of sugarcane in India contributing about 48%, followed by Maharashtra and Karnataka at 23% and 9% of the total production respectively.
- **Trade policy integration-** Trade policy especially import liberalization should be well-integrated with the Minimum Support Price (MSP) policy.

How to formulate a rational trade policy that aligns with domestic Minimum Support Price?

Key aspect	About	Benefits
Calibrated Import duty reductions	Instead of abruptly reducing import duties to zero, a more gradual approach could have been taken.	This would allow for better adjustment and minimize market shocks.

Landed price above MSPs	The government should ensure that the landed price (including import costs) of major pulses does not fall below the Minimum Support Price (MSP).	This protects the interests of farmers and maintains price stability.
Edible oil	The landed price of edible oils should not be below the domestic MSP of oilseeds converted to oil.	This will help realize the vision of self-reliance in edible oil through the National Edible Oil Mission-Oil Palm (NEOM-OP).
Buffer stocks	If domestic prices drop below the MSP, the National Agricultural Cooperative Marketing Federation of India (NAFED) should step in and undertake large-scale procurement at MSP	This helps build buffer stocks to stabilize prices during shortages.

To know about the need of export-import policy click here

Quick facts

National Edible Oil Mission-Oil Palm
• **Launch year**-2021 • **Aim-** To augment the availability of edible oil in the country by harnessing area expansion, increasing crude palm oil production with the aim to reduce the import burden. • **Special focus-** North east region and the Andaman and Nicobar Islands • **Strategy**- Increasing production of seedlings by establishment of seed garden, nurseries of oil palm to assure domestic availability of seedlings as per target fixed under NMEO-OP

References

1. Indian Express- Import policy must be well integrated with MSP
2. IBEF-Agriculture and food industry

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