Publication: The Indian Express| Edition: Ahmedabad
Date: June 05, 2023| Page No: 16|Food & Agriculture

Behind falling pulses imports

The country has achieved over 90% self-sufficiency in *dals*, thanks mainly to increased *chana* production. India's imports of pulses have come down from 6.61 million tonnes in 2016-17 to 2.52 mt in 2022-23

HARISH DAMODARAN

THERE ARE two agricultural commodities in which India is significantly import-dependent: Edible oil and pulses.

Between 2013-14 and 2022-23 (April-March), the value of India's vegetable oil imports has soared from $7,249.85 million (Rs 44,038.04 crore) to $20,837.70 million (Rs 167,269.99 crore). Much of this has been in just the last two fiscal years (chart 1).

Out of the 24-25 million tonnes (mt) cooking oil that the country consumes annually, only 9-10 mt is from domestically produced grain. The balance 14-15 mt is imported.

Relatively *atmanirbhar* in pulses

It has been quite the reverse with pulses.

The value of imports has posted only a marginal rise during the nine years of the Narendra Modi-led government: from $1,828.16 million (Rs 11,036.75 crore) to $ 1,943.89 million (Rs 15,780.56 crore). Imports went up initially to reach a high of $4,244.13 million (Rs 28,523.18 crore) in 2016-17, only to fall substantially thereafter (chart 2).

In quantity terms, India's imports of pulses more than doubled from 3.18 mt in 2013-14 to 6.61 mt in 2016-17. From those peaks, they have come down to 2.70 mt in 2021-22 and 2.52 mt in 2022-23. Thus, the nine years of the Modi government has actually seen a decline, unlike in vegetable oils, where the quantum of imports too has surged from 7.94 mt to 15.67 mt between 2013-14 and 2022-23.

The reduction in pulses imports have come essentially on the back of higher domestic production. According to the Agriculture Ministry, India's pulses output has increased from 19.26 mt in 2013-14 to 27.50 mt in 2022-23. Private trade estimates of production are lower at 23-24 mt.

Even taking 23 mt production and 2.5 mt imports translates into an *atmanirbharta* or self-sufficiency ratio of over 90% in pulses, as against hardly 40% for edible oils.

Chana shows the way

It can be seen that imports of two items have recorded dramatic drops: Yellow/white peas (*matar*) and chickpea (*chana*). At their height, yearly imports of the former topped 3 mt and the latter one mt. Those have since plunged to negligible levels.

The reason is simple. Yellow/white peas – imported mainly from Canada, Russia, Ukraine and Lithuania – are basically a substitute for *chana*.

When chickpea prices went through the roof, as India's production dipped from 9.53 mt in 2013-14 to 7.33 mt and 7.06 mt in the following two years, split yellow peas replaced *chana dal* in many curry recipes. There were even reports of *besan* (chana flour) makers resorting to adulteration by adding cheaper yellow/white matar.

Imports of chickpea from Australia and Russia also spiraled during that period.

The situation changed after 2016-17, with domestic output of chana registering a jump to 11.38 mt in 2017-18 and further to 13.54 mt each in 2021-22 and 2022-23.

While the trade's estimate is only 11-12 mt, it is still a considerable improvement over the production in the initial years of the Modi government.

The boost to *chana* production came from two key government measures, incentivising Indian farmers to expand area under the pulses crop grown during the rabi (winter-spring) season.

The first is the levy of a 60% import duty on chana since March 2018. In yellow/white peas, there is a 50% duty plus a minimum price of Rs 200/kg below which imports are not permitted, the latter imposed in December 2019. These have resulted in a near-complete stoppage of imports.

The second intervention has been government procurement at minimum support prices (MSP). Such purchases amounted to 2.14 mt in 2020 (the rabi marketing season from March-June), 0.63 mt in 2021, 2.56 mt in 2022 and 2.23 mt this year till May-end. The MSP of *chana* itself has been raised from Rs 3,100 to Rs 5,335 per quintal between 2013-14 and 2022-23.

Arhar is the problem

Chana's success has, however, not been replicated for other pulses, particularly *arhar/tur* or pigeonpea. Its production has shown an erratic trend, rising from 3.17 mt in 2013-14 to 4.87 mt in 2016-17, before falling to 4.22 mt in 2021-22 and 3.43 mt in 2022-23. The trade, again, reckons this year's crop at just 2.5 mt.

The same goes for *urad* (black gram), a predominantly kharif (post-monsoon sown) crop like *arhar*. Its output in the last four years has averaged 2.42 mt, down from the 3.49 mt and 3.06 mt highs of 2017-18 and 2018-19.

Moong (green gram) has fared better. Its estimated production of 3.74 mt in 2022-23, for the first time, overtook *arhar*'s at 3.43 mt. In the last four years, *moong* has moved up from No. 4 (behind *urad*, *arhar* and *chana*) to No. 2 (next only to *chana*).

While *moong* is largely cultivated during kharif, much of the recent output gain has been from the spring-sown and summer-harvested crop.

Implications for imports

The erratic production of most non-chana pulses has meant no let up in their imports. *Arhar* imports – from Mozambique, Myanmar, Tanzania, Malawi and Sudan – hit a record 0.9 mt in 2022-23.

Equally interesting is *masoor* (red lentil), whose imports from Canada and Australia have crossed 1.1-1.2 mt in some years. That has partly to do with it becoming a substitute for *arhar*. Red *masoor* dal being used in place of yellow arhar – including for making sambar – is happening mainly in hotels, restaurants and canteens. It makes economic sense, when *masoor* dal is retailing at an average of Rs 90/kg, compared to Rs 120-plus for arhar.

Looking ahead, a subnormal monsoon can potentially lead to inflation in pulses. But there are at least two buffers against this.

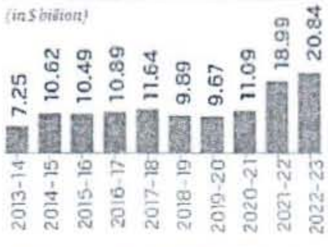
The first is the ample government stocks of *chana*, which includes the newly procured 2.23 mt and the 1.47 mt carryover from last year's crop.

The second is imports: At $680-690 or Rs 56,000-57,000 per tonne, the landed price of raw *masoor* in India is below its MSP of Rs 60,000 and wholesale *mandi* rates of Rs 98,000-100,000/tonne for *arhar*. There is currently no duty on imports of *masoor*, *arhar* or *urad*.

Last but not the least is stock limits on the trade. The Modi government, last week, clamped these on *arhar* and *urad*, applicable to wholesalers and retailers as well as *dal* millers. In an election year, one can expect more such weapons being deployed "to prevent hoarding and unscrupulous speculation", the reasons the government gave while imposing stock limits.

IMPORTS OF VEGETABLE OILS

(in $ billion)



IMPORTS OF PULSES

(in $ billion)

IMPORTS OF MAJOR PULSES (in thousand tonnes)

	Peas (*Matar*)	Chickpea (*Chana*)	Lentil (*Masoor*)	Pigeonpea (*Tur/Arhar*)	Urad & Moong
2014-15	1951.97	418.88	816.47	575.22	622.89
2015-16	2245.39	1031.49	1260.19	462.71	581.6
2016-17	3172.76	1080.63	829.44	703.54	574.52
2017-18	2877.03	981.32	796.62	412.95	346.97
2018-19	851.41	185.95	248.97	530.67	574.24
2019-20	666.7	370.67	854.46	449.78	381.52
2020-21	46.33	294.53	1116.17	442.62	416.63
2021-22	0.85	202.1	667.43	840.46	807.17
2022-23	0.86	62.92	858.44	894.42	556.71

Source: Department of Commerce