

High tur dal rates inflate govt's purchase cost

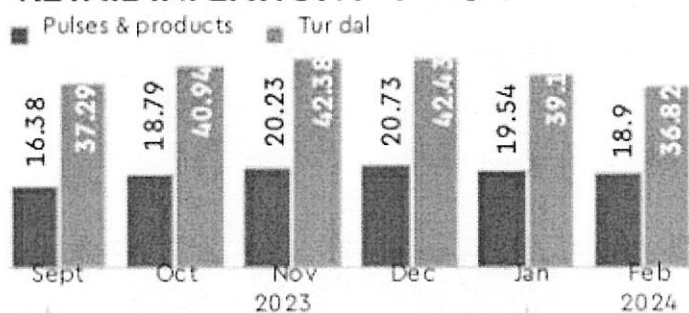
SANDIP DAS
New Delhi, March 17

WITH MANDI PRICES of tur dal ruling nearly 50% above the minimum support price (MSP) of ₹7,000 per quintal, government agencies are struggling to purchase the pulses variety directly from the farmers at market prices.

Sources told *FE* that agencies such as farmers' cooperative Nafed and National Cooperative Consumers Federation (NCCF) have purchased only 20,000 tonne of tur dal from farmers so far since the government launched the purchase of pulses above the MSP through a 'dynamic price' formula earlier this year to create a 1 million tonne buffer.

The trader said despite the government agencies willing to

RETAIL INFLATION y-o-y change (in %)



buy pulses at market prices from farmers, it would be difficult to procure it in large quantities for the buffer, as the market is giving a better price. The government wants to build a buffer which can be used for marketing intervention programmes for curbing rise in prices.

Trade sources said the arrivals of tur dal have already peaked and mandi prices are rul-

ing around ₹10,400 per quintal, 48% above the MSP. "The arrivals will continue for another month and farmers are also holding on to stocks in anticipation of higher prices," a leading tur dal trader from Maharashtra told *FE*.

Officials said there has been a significant mismatch between demand and supply of tur dal, which has been driving up the

prices. Tur (pigeon pea) output in the 2023-24 crop year (July-June) is estimated at 3.33 MT, marginally lower than the previous crop year. Despite 0.77 MT of imports in 2023, average retail prices of tur as per the department of consumer affairs have been ruling ₹160 per kg since the beginning of the year. The retail tur price is highest among all the pulses variety.

The total pulses production in the 2022-23 crop year was 26.05 MT. The consumption is estimated around 28 MT annually. However, in terms of production and consumption of pulses varieties—tur, urad and masoor—"there is a slight mismatch", according to sources.

The government has adopted a consistent policy on imports by putting three varieties of pulses—tur, urad and masoor (lentils) under zero-duty import duty regime till March 2025 so that farmers in those countries can make decisions to grow pulses well in advance.

To diversify its imports dependence for pulses on a few countries, India is also exploring the possibility of growing pulses, especially tur and urad, in Brazil and Argentina to boost domestic supplies.