Commodities

Shortfall in Pulses

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At a macro level the demand for pulses has declined across income groups and region types and the diet has diversified towards sourcing protein from processed foods and livestock. And yet, there is such a deficit in meeting the domestic demand that we rank as the largest importer of pulses. This is indeed a this is a puzzling situation.

The story begins in 2015 when shortage of pulses fuelled a demand pulled price hike. Weak monsoon during 2014 and 2015 resulted in lower Kharif crop output and weather disturbances during March 2015 affected the Rabi crop output thereby reducing the production of pulses. It is to be noted that India is the largest consumer of pulses in the world, relying heavily on imports to meet its domestic demand.

A report by CRISIL (‘*CRISIL Opinion’*, November 2015) estimated that pulse prices would witness a spike every three years. The argument is based on the robust rural demand, which was initiated by the NREGA program. Supply side analysis reveals that weather patterns have not been conducive for pulse production. Given the fact that India is a net importer of pulses, price in the global market takes cues from domestic prices prevailing in India. Deficit supply coupled with steadily rising demand helped exporters take benefit of the situation and prices moved northwards. Canada is the world’s largest exporter of pulses, with the largest importer being India at 36 per cent by value. India has also signed deals with Brazil and Mozambique where the former will procure all the pulse output produced by their farmers at a price not less than the minimum support price (MSP) paid to Indian farmers.

In order to achieve self-sufficiency in food production, The NFSM was launched in 2007-08 (‘*Report on the Impact Evaluation Studies of National Food Security Mission’*, December 2014) in 482 districts under which 468 districts were under pulse cultivation in sixteen states during the 11th five year plan. An important aspect of the mission programme was the supply of hybrid variety seeds, developed by either Indian Council of Agriculture Research (ICAR) or Indian Pulse Research Institute (IPRI), free of cost to the farmers in the allocated districts. The yield obtained through the use of certified seed of pulses recorded a significant 16.5 per cent increase over traditional/old seed varieties. The impact was observed in terms of reduced area under cultivation along with robust yield. At the start of 2006-07, a total of 38.24 lakh hectares was under cultivation which decreased to 34.56 lakh hectares in 2011-12, registering 9.63 per cent fall. Simultaneously, the average yield rose from 621.82 kg/ha to 806.13 kg/ha during the same

period, an impressive 29.6 per cent increase. The average yield of Kharif, Rabi and summer crop taken together recorded 16.4 per cent increase in the post-Mission era (2007-08-2011-12) as compared to pre-Mission (2006-07).

However, 2013 onwards witnessed a sluggish growth in pulse production, and the increase in yield notwithstanding, we remain net importer. The overdue importance to wheat and rice cultivation has had negative repercussions on pulse cultivation as farmers turn towards the more profitable crop (wheat and rice) which has a higher MSP. Even if pulse crops are to be guaranteed higher MSPs, the scale of procurement of pulses remains low as compared to wheat and rice.

As per latest media reports, the government is targeting production of 20 million tons of pulses in 2016-17, 21 million tons in 2017-18 and 24 million tons in 2020-21, as against 16.47 million tons produced in 2015-16 under NFSM. According to the statement of union agriculture minister, ICAR and Ministry of Agriculture will work on a two-way prolonged approach towards productivity enhancement by increasing the area under cultivation and introduction of HYV seeds. To achieve self-sufficiency in pulses production by 2025, productivity will be enhanced to about 1,000 kg per hectare. This is in contrast to the earlier objective of NFSM of increasing productivity from reduced area under cultivation.

The defect in the earlier objective made us pay a heavy price in terms of constrained supply and thereby nullifying the primary objective of NFSM. The recent deal with Mozambique and Brazil are therefore divergent to the idea of achieving self-sufficiency as stated by the Ministry of Agriculture.

Coincidentally, 2016 is also the United Nations' international year of Pulses to spread awareness regarding the nutritional importance of this legume. Pulses are high in fiber and protein, low in fat and contain vitamin complex and amino acids. Research says that supplementing child's diet with pulses can reduce stunting. There are emerging evidences to support pulse consumption in undernourished children to prevent enteropathy (a disease of the intestine). However, India has traditionally been a major consumer of cereals with recent shift of diet towards inclusion of milk and animal protein. Pulse consumption of rural households declined by 27.8 per cent (1988-2009) and 28.7 per cent for urban households during the same period. The decline has been faster for urban households across all income groups. Share of pulse protein has declined while that of milk and animal protein has increased. It can be concluded at a macro level that demand for pulses has declined across income groups and region types and the diet has diversified towards sourcing protein from processed foods and livestock. If such is the consumption scenario, and yet there is a deficit in meeting the domestic demand to an extent that we rank as the largest importer of pulses; this is a puzzling situation. To top it all, India exhibits malnutrition among a large section of poor population. Given the nutritional benefit of consuming pulses, an economical source of protein that prevents stunting in children, there is all the more reason to reaffirm the

goal of increasing supply of pulses. So why the inefficiency of meeting self-sufficiency in pulse production,, coupled with which, is the fresh trade deals to outsource pulse production?

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