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Refining India's Pulse Policy

What is the issue?

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- Canadian PM Justin Trudeau is scheduled to visit India shortly.
- As pulse is a significant commodity for both the countries, trade policies regarding pulses are expected to be in focus.

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How significant is Pulse Trade?

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- While India is the world's largest producer and consumer of pulses, Canada is the world's largest exporter of pulses and the largest supplier to India.
- Hence, pulse is an important commodity for economy, and trade for both countries and for their farmers.
- The challenge will be to balance the importance of ensuring adequate returns to farmers along ensuring uninterrupted affordable supply for consumers.
- Finding a shared understanding over dal might even prove to be the engine for the future of trade between Canada and India.
- These opportunities can be realised through rules-based, predictable and mutually beneficial approaches to business.

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What are the significant aspects of India's pulse policy?

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- **The Situation** - India has launched agricultural policies designed to increase self-sufficiency in pulses and to ensure an assured income for pulse farmers.

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- There is also a wide recognition of the broader social value of pulses to the environment and to 'human health and dietary patterns'.

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- Hence, the details of pulses in domestic food policy and their role in food security and the contribution to food trade needs to be worked out.

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- While climate change concerns are emerging in every field, a plan for ensuring food security that accounts for variable production is essential.

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- **Market Uncertainty** - India imposed quota restrictions on pulse imports and also increased import duties to arrest the dip in local prices.

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- While these measures are intended to support local farmers and foster self-sufficiency in pulses, these are having ramifications on worldwide production.

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- Pulses production in 2018 is forecasted to plunge significantly due to lack of demand surety due to unpredictable government policy.

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- As India does not yet have a long-term record of self-sufficiency in pulses, a decline in global pulse production ought is of concern.

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What is needed?

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- Under WTO rules, India has the right to impose these import duties, to safeguard its farmers, but it also has a commitment to global food security.

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- Hence, it should be ensured that domestic policy does not unnecessarily impact global pulse production.

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- A transparent policy is to be evolved on how India will determine its import duties and export restrictions regarding pulses at various junctures.

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- If this is not done, there is the risk of Indian market losing credibility in the eyes of the importers and will consequently affect supply further.

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- Predictability in government policy will also provide assurance to farmers and traders on the terms on which Indian markets may move.

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- Consequently, it will be ensure that consumers are protected as rising prices for pulses will, result in lowering of import duties and enhance local supply.

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- Also, it should be ensured that pulses 'loaded and en route' to India would not be subject to higher duties on arrival.

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Source: Business line

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