

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:5259

ANSWERED ON:08.05.2012

IMPORT OF PULSES

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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government had resorted to import of pulses including yellow peas between 2006 to 2011 in view of the steep rise in retail prices in comparison to its wholesale prices;
- (b) if so, the details thereof;
- (c) whether the importing agencies suffered huge losses as the imported consignments were given to private traders without following the appropriate tender process instead of distributing the same through Public Distribution System;
- (d) if so, the details thereof alongwith the action taken against the persons responsible;
- (e) whether the Government had failed to control prices despite huge imports during the said period;
- (f) if so, the details thereof and the reasons therefor alongwith the reaction of the Government thereto;
- (g) whether yellow peas were imported continuously despite huge unsold stocks and low demand in the country; and
- (h) if so, the details thereof and the reasons therefor?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS)

(a) & (b): Wholesale and retail prices of all pulses increased during the first half of 2006. To augment availability of pulses and check rise in prices, designated public sector agencies were asked to import pulses including yellow peas.

(c) & (d): Pulses were imported under the 15% dispensation scheme and the scheme for distribution under PDS. Losses incurred under the first scheme were reimbursed upto 15% of the landed cost. These losses were attributable to increase in the international prices of pulses, depreciation of the Indian rupee, exchange rate fluctuations, lower sales realization as compared to the landed cost of pulses, ocean freight charges and the global meltdown. These factors were beyond the control of the importing agencies which were importing pulses under Government directives to bridge the gap between demand and supply of pulses in domestic market.

(e) & (f): The trend in wholesale and retail prices of pulses since 2007-08 show three phases: one during 2007-08 when prices of pulses (except masur) were generally stable or decreasing; the second phase during 2008-09 and 2009-10 when prices showed an increasing trend due to factors such as the increase in international prices and consequent lower imports, and the decline in domestic production due to drought; and the third phase in 2010-11 and 2011-12 when prices again showed a fall except prices of gram in 2011-12. To control prices of pulses, Government has taken several measures to increase the domestic availability of pulses. These, inter alia, include the following: various crop development schemes implemented to increase production of pulses; import duty on pulses reduced to zero; export of pulses banned, except export of kabuli chana, and 10,000 tonnes of organic pulses and lentils; stock limit on pulses imposed; and futures trade in urad and tur banned. Government has also operated two subsidy schemes for import of pulses.

(g) & (h): Out of a total quantity of approximately 21.12 lakh tonnes of imported pulses that the four designated agencies disposed-off during December 2006 to March 2011 under the 15% dispensation scheme, 12.79 lakh tonnes were yellow peas that constituted 60.56% of the total pulses disposed off. Under the scheme for distribution of imported pulses through PDS, yellow peas constituted approximately 30.7% of a total quantity of about 6.7 lakh tonnes of imported pulses supplied by the designated agencies during November 2008 to March 2012.