

Govt imposes 30% import duty on gram, masoor to support farmers

The move comes ahead of assembly elections in Madhya Pradesh, Karnataka and Rajasthan next year

BY SAYANTAN BERA

sayantana.b@livemint.com

NEW DELHI

Following up on a string of pro-farmer trade policy decisions, the centre on Thursday imposed a 30% import duty on chana (gram) and masoor (red lentil) to support domestic growers. Earlier, both these pulse varieties could be imported freely.

The latest decision follows a hike in import duties on edible oils like palm oil and soybean, and on pulses like yellow peas announced in November, besides freeing up exports of all varieties of pulses.

“To protect interests of farmers, the government has decided to impose 30% import duty on chana and masoor with immediate effect,” the finance ministry said, adding, “production is expected to be high during the forthcoming rabi (winter crop) season and cheap imports, if allowed unabated, are likely to adversely affect the farmers.”

While the decision to hike import duty on edible oils came ahead of the state elections in Guj-



The centre's decision follows a hike in import duties on pulses like yellow peas announced in November, besides freeing up exports of all varieties of pulses.

PRADEEP GAUR/MINT

arat, which is a major producer of groundnut, the latest decision to support domestic chana farmers comes ahead of state elections in Madhya Pradesh, Karnataka and Rajasthan next year. Farmers in these three states grow over 60% of India's chana output, while Madhya Pradesh grows nearly 40% of the lentils produced in the country.

Wholesale chana prices fell from about Rs6,000 per quintal in May-June this year, to about

Rs4,500 currently on account of higher plantings of the winter crop.

Data from the agriculture ministry shows that gram plantings were 14% higher year-on-year till the end of last week.

Chana contributes about 40% to India's annual pulse production which sharply rose during 2016-17 to a record 23 million tonnes, a year-on-year increase of 40%, leading to a collapse of farm gate prices. Even now, most pulses are

trading below government-announced minimum support prices (MSPs).

“The centre has woken up well in time as domestic chana prices are dipping below MSP and the crop will start arriving in markets by February/March next year,” said Ashok Gulati, agriculture chair professor at the Delhi-based Indian Council for Research on International Economic Relations.

“Dovetailing MSP policy with

tariffs is a step in the right direction,” Gulati said, adding, “imports at prices lower than MSP defeats the purpose of announcing support prices.”

Earlier trade policy decisions like freeing up export of pulses in November or raising duties on edible oils came late as farmers had already sold their kharif harvest at lower than support prices by the time the decisions were taken.

“These farmer-friendly trade policy decisions show that political compulsions due to upcoming state elections are playing a role but such policies should be consistent and timely so as to benefit farmers,” said Himanshu, associate professor at Delhi's Jawaharlal Nehru University and a columnist with *Mint*.

India's trade policy in agriculture had a pro-consumer bias which implicitly taxed farmers by placing export restrictions on different crops, said a joint study released by the World Bank and Icrier in July this year. Political fallouts due to farm distress—in the Gujarat polls the ruling Bharatiya Janata Party fared worse than the Congress in rural areas—means trade policy is being recast to be farmer-friendly.



North Korea rejects US accusation, says not linked to any cyberattacks

bit.ly/2BT7glc