

# Canada, US accuse India of 'dramatic' under-reporting of MSP for five pulses

Submit paper saying support levels are multiple times higher; call for discussion

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Canada and the US have accused India at the World Trade Organization (WTO) of "dramatic under-reporting" of market price support for pulses — chickpeas, pigeon peas, black matpe, mung beans, and lentils — and have submitted their own steeper calculations for scrutiny of members.

India's minimum support price (MSP, also referred to as market price support) for the five pulses is about 26 times higher at ₹69,923 crore instead of the notified ₹2,667 crore, as per a joint submission made by the countries to the WTO on Tuesday.

"It appears that India's market price support for pulses is vastly in excess of what it has reported to the WTO. Canada and the US look forward to future discussion of the significance of India's mar-

ket price support for pulses for both India's market and for world markets — both with India and with other members," the submission said.

It is important for India to defend its own calculation of MSP as it is classified as a 'trade distorting support' at the WTO which is capped at 10 per cent of production value. In case India's 'trade distorting support' exceeds the cap, it will either be forced to discontinue the support programmes, failing which it may have to pay penalties.

## Difference in calculation

The main reason behind the stark difference in the MSP figures for pulses notified by India and those calculated by Canada and the US is the fact that the latter have based their calculation on all eligible production, as opposed to



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just that portion of production actually procured by government entities in India.

"India's reporting of only procured quantities is directly contrary to the MSP calculation methodology provided in the Agreement on Agriculture...which provides for the calculation to be based on all production

eligible for the applied administered price, whether or not actually procured by a member's government at that price," the two justified in their submission.

India, however, has consistently maintained at the WTO that "eligible production" for MSP must be that part of the total production of a crop that is actually

procured by the agencies and nothing more as the support to farmers is only restricted to that amount. It is expected to continue this line of argument at the Committee on Agriculture of the WTO.

Another essential difference in the calculation methodology is that while India has made its MSP calculations in US dollar, Canada and the US have calculated it in Indian rupees. New Delhi had earlier argued that the AoA gives members the freedom to use the US dollar (which insulates the figures against rupee depreciation) and it has been consistently reporting its calculations in the American currency.

The total MSP for pulses calculated by Canada and the US include ₹21,795 crore for chickpeas (gram), ₹22,040 crore for pigeon peas (arhar/tur), ₹10,300 crore for mung beans (moong), ₹12,909 crore for black matpe (urad), and ₹2,877 crore for lentils.