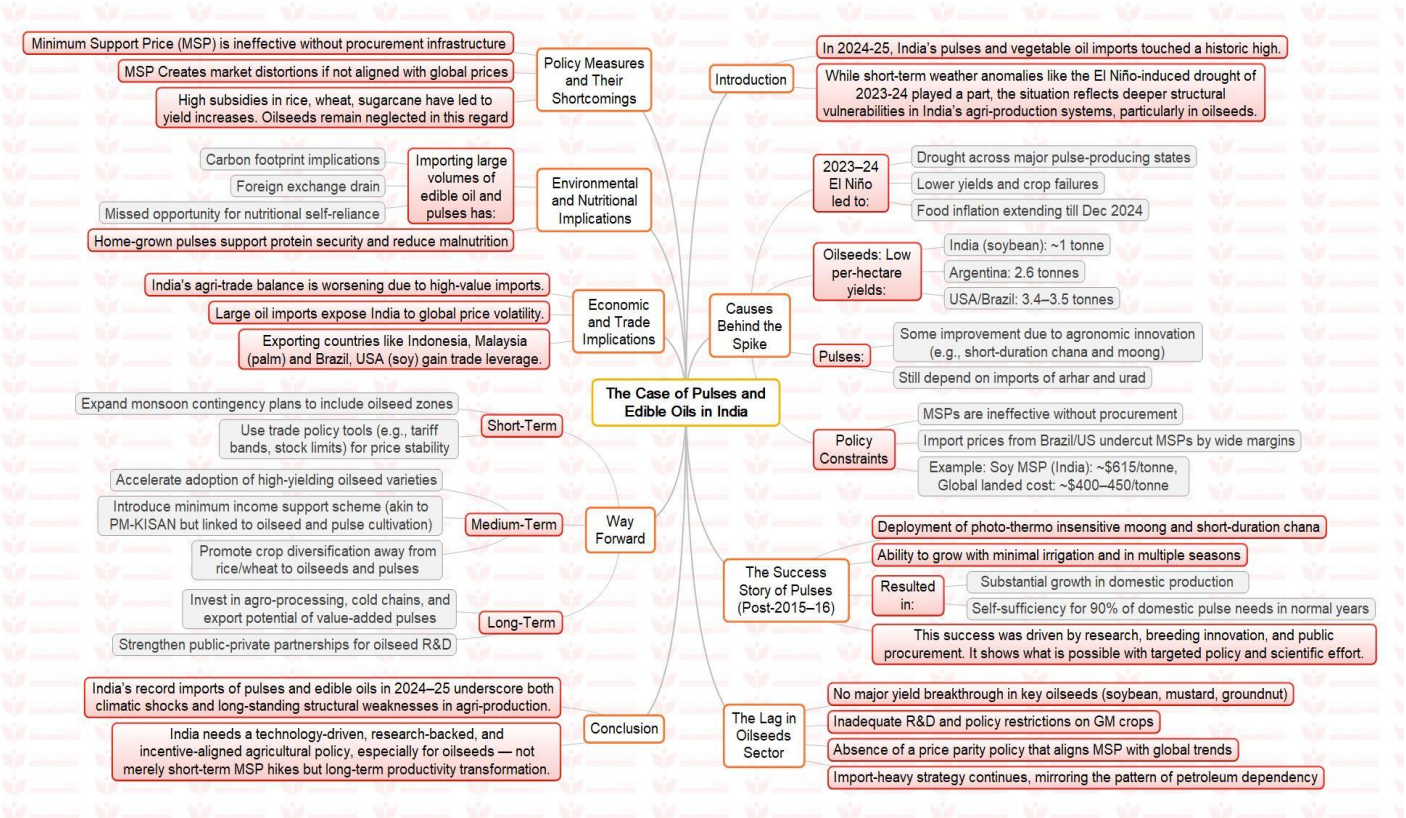

General Studies-3; Topic: Issues related to direct and indirect farm subsidies and minimum support prices;

The Case of Pulses and Edible Oils in India

Introduction

- In 2024-25, India's **pulses and vegetable oil imports** touched a historic high.
- While short-term weather anomalies like the **El Niño-induced drought of 2023-24** played a part, the situation reflects deeper **structural vulnerabilities in India's agri-production systems**, particularly in **oilseeds**.

Causes Behind the Spike

- **2023–24 El Niño led to:**
  - Drought across major pulse-producing states
  - **Lower yields** and **crop failures**
  - **Food inflation extending till Dec 2024**
- **Oilseeds: Low per-hectare yields**:
  - **India (soybean): ~1 tonne**
  - **Argentina: 2.6 tonnes**
  - **USA/Brazil: 3.4–3.5 tonnes**
- **Pulses:**
  - Some improvement due to **agronomic innovation** (e.g., short-duration chana and moong)
  - Still **depend on imports** of arhar and urad
- **Policy Constraints**
  - **MSPs** are **ineffective** without procurement
  - Import prices from Brazil/US **undercut MSPs** by wide margins
  - Example: **Soy MSP (India)**: ~$615/tonne, **Global landed cost**: ~$400–450/tonne

The Success Story of Pulses (Post-2015–16)

- Deployment of **photo-thermo insensitive moong** and **short-duration chana**
- Ability to grow with **minimal irrigation** and in **multiple seasons**
- **Resulted in:**
  - Substantial growth in **domestic production**
  - **Self-sufficiency for 90%** of domestic pulse needs in normal years
- This success was driven by ***research, breeding innovation,* and *public procurement***. It shows what is possible with targeted policy and scientific effort.

The Lag in Oilseeds Sector

- No major **yield breakthrough** in key oilseeds (soybean, mustard, groundnut)
- **Inadequate R&D** and **policy restrictions on GM crops**
- Absence of a **price parity policy** that aligns MSP with global trends
- **Import-heavy strategy** continues, mirroring the pattern of **petroleum dependency**

Policy Measures and Their Shortcomings

- **Minimum Support Price (**MSP) is **ineffective** without **procurement infrastructure**
- MSP Creates **market distortions** if not aligned with global prices
- High subsidies in **rice, wheat, sugarcane** have led to yield increases. **Oilseeds remain neglected** in this regard

Environmental and Nutritional Implications

- Importing large volumes of edible oil and pulses has:
  - **Carbon footprint implications**
  - **Foreign exchange drain**
  - Missed opportunity for **nutritional self-reliance**
- Home-grown pulses support **protein security** and reduce **malnutrition**

Economic and Trade Implications

- India's **agri-trade balance** is worsening due to high-value imports.
- Large oil imports expose India to **global price volatility.**
- Exporting countries like **Indonesia, Malaysia (palm)** and **Brazil, USA (soy)** gain trade leverage.

Way Forward

- **Short-Term**
  - Expand **monsoon contingency plans** to include oilseed zones
  - Use **trade policy tools** (e.g., tariff bands, stock limits) for price stability
- **Medium-Term**
  - Accelerate adoption of **high-yielding oilseed varieties**
  - Introduce **minimum income support scheme** (akin to PM-KISAN but linked to oilseed and pulse cultivation)
  - Promote **crop diversification** away from rice/wheat to oilseeds and pulses
- **Long-Term**
  - Invest in **agro-processing**, **cold chains**, and **export potential** of value-added pulses
  - Strengthen **public-private partnerships** for oilseed R&D

Conclusion

- India’s record imports of pulses and edible oils in 2024–25 underscore both **climatic shocks** and **long-standing structural weaknesses** in agri-production.
- India needs a **technology-driven**, **research-backed**, and **incentive-aligned agricultural policy**, especially for oilseeds — not merely short-term MSP hikes but **long-term productivity transformation**.