

Retail prices of pulses inch up; poor largely unaffected on PDS boost

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Pune/New Delhi, April 14

CONSUMERS HAVE BEGUN to pay higher prices for most pulses with processing plants operating at 30-40% of their capacities due to lack of labour and adequate transport facilities (see chart). Also, retail prices of sugar and edible oils have gone up, while the subdued prices of key vegetables like tomato and onion are still a solace for consumers.

However, market intervention by Nafed in the form of stepped up auction from its pulses stocks of about 35 lakh tonne and the Centre's scheme to provide pulses free of cost to a section of population under the public distribution system for three months have ensured

that low-income people are not hit hard by the price spiral.

The all-India average prices of gram, tur, urad, moong and masoor (all in dal forms) have gone up in the range of 5-13% since March 24, the day the lockdown was announced, according to the consumer affairs ministry data. However, at the neighbourhood grocery stores in the national capital region, these pulses are selling at ₹15-20/kg (20-30%) higher than the pan-India average prices.

The lockdown extension till May 3 has made consumers apprehensive about an impending shortage in supplies of essential commodities and further price hikes.

While wholesalers blame retailers for the spike, the latter claim there is no abnormal rise in prices of any commodities



given that people are buying higher than normal to stock at home. Wholesalers are even now meeting pulses demand from their stocks (normally kept for 2-3 months), rather than fresh purchases from mandis.

Yogesh Pande of Pune purchased 25 kg of sugar paying as high as ₹50/kg, fearing that

there would be no stock later. "The price of sugar ex-mill is ₹31 per kg. Even if one considers the logistic costs and other taxes, the price should be around ₹40 per kg," a Pune trader said, adding the sudden spurt in demand from retail consumer has fuelled a price rise. He also said there is a fear in the market and

consumers are ready to buy at any cost. Post-lockdown, sugar in Delhi market has increased by ₹5/kg to about 45-46/kg.

Nisha Bhaskaran, a homemaker, also from Pune, had planned to purchase 4 packs of cooking oils, but as advised by the retailer, she ended up buying 11 packs for ₹120/litre, which was available at ₹90/litre before the lockdown. This is despite the fact that the monthly demand reduced by 25% to 15 lakh tonne because of closure of hotels, restaurants and canteens. Out of 230 lakh tonne annual consumption, only a third of it is met via domestic production.

Edible oils prices have gone up as the country's 600 refineries, 500 solvent plants and 10,000 crushing mills have reduced output by half compared to pre-Covid levels, indus-

try experts said. "The issues of lack of labour, packing material and transport bottlenecks have not allowed us to fully operationalise our factories and supply chain till now," said Atul Chaturvedi, president of Solvent Extractors Association of India.

Non-availability of shipments, transport, logistics and labour to handle cargo have adversely affected edible oil supplies by at least 30%, said Pranav Agro. Both Malaysia and Indonesia are under lockdown and there is an issue in Latin American countries as well, he said, adding that rates of all branded edible oils have gone up. "However, during the extended period of lockdown, some plants may commence work with passes provided for workers," Lunkad said.

"As the government has announced normalisation of transport for all commodities, things will improve from April 15 and wholesalers will be able to replenish their stocks. Since there is surplus in the country, overall no shortage in any food item has been noticed during lockdown," said Vijay Prakash Jain, secretary general of Bharatiya Udyog Vyapar Mandal.

Millers of pulses have said that it would take time to normalise the supply situation since people involved in the value chain have cut down on their credit exposure. "I have stopped supplying to new customers on credit and have asked my old clients to pay up within 15 days while earlier used to get the payment in a month," said a processor of chana in Sagar district of Madhya Pradesh.