Pulses Import reaches six-year high

STRATEGIC MANAGEMENT AND ECONOMIC ADVISORY DIVISION

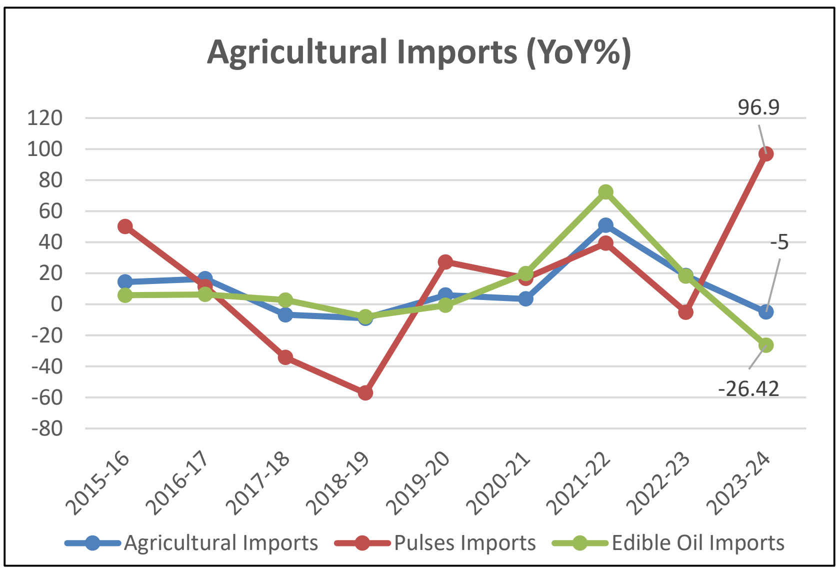
Date : 19.06.2024

Mansi Wahi, Economist

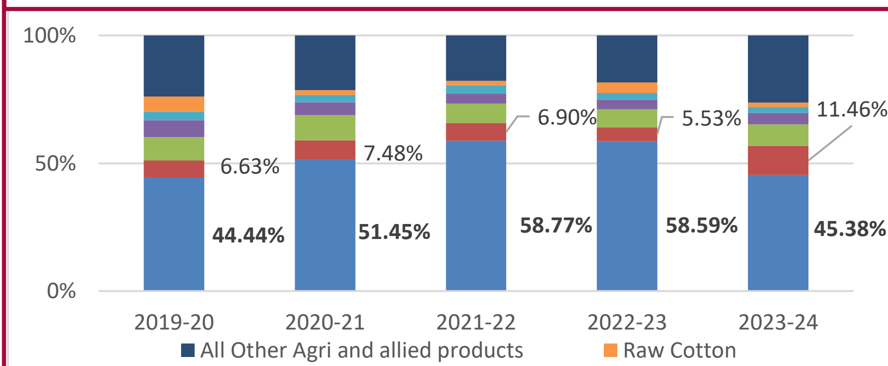
Pulses Import reaches six-year high in FY 24 with YoY growth of 96.9%

Values in Rs. Billion

Top Agri-Import Items	2019-20	2020-21	2021-22	2022-23	2023-24	CAGR
Vegetable oils	685.58	821.23	1415.32	1672.70	1230.79	12%
Fresh Fruits	141.37	157.65	183.42	199.58	226.64	10%
Pulses	102.21	119.38	166.28	157.81	310.72	25%
Spices	101.87	80.71	96.85	106.95	120.51	3%
Rubber	49.27	46.20	77.03	75.14	61.18	4%
Raw Cotton	93.71	28.61	41.69	115.06	49.47	-12%
Total (all other agri and allied products)	1542.79	1596.32	2408.42	2855.00	2712.12	12%



Share of India's top agri-import items in Total Agricultural Imports (%)



Data Source: CMIE

- In FY 2023-24, India's **agricultural import bill** amounted to **Rs. 2712.12 billion**, compared to Rs. 2854.99 billion in the previous fiscal year, marking a **decline of 26.42%**.
- **Vegetable oil** accounted for the **largest share** of agricultural imports at **45.38%**, **followed by pulses**, which constituted **11.46%** of the total agricultural imports for FY 2023-24.
- Despite the overall decline in agricultural imports, driven primarily by a decrease in edible oil imports, the **import of pulses surged to a six-year high**, reflecting a year-on-year increase of **96.9%.**
- This increase in pulse imports can be attributed to several factors like:
  - ✓ Adverse weather conditions, particularly **erratic climatic conditions** in key pulses producing regions, resulted in lower domestic production of pulses.
  - ✓ Coniderable **reduction in the pulses sowing area**, which has decreased by 16% over the past two years.
  - ✓ Moreover, **scraping of import taxes** on pulses further incentivized imports to meet domestic demand.
- The **inflation rate for pulses grew by 15.18%** in FY 2023-24, with the **inflation rate for tur dal** specifically increasing by a **substantial 33.37%.** This rise in pulses inflation has also contributed to the broader issue of food inflation within the country.
- To address the challenge of rising food inflation and to achieve price stabilization, it is imperative that India strives for self-sufficiency in pulse production. By enhancing domestic production capabilities and reducing reliance on imports, India can mitigate the impact of price fluctuations and reduce its agricultural import bill.