

## Prices of pulses to go up

COMMERCE REPORTER

ISLAMABAD: A latest consumer report from the "Network for Consumer Protection" a non-governmental organisation, released on Friday has claimed that the local farmers were fast losing interest in growing traditional crops of pulses and therefore, their production was increasingly falling behind the demand.

The NGO, at the same, cautioned growers that the low prices for crops fetched during this year could dent their production and subsequently the supply the market in the coming season will suffer and will cause unprecedented hike in their prices.

The NGO felt the situation was in fact triggered by the support prices government recently fixed for pulses as they were lower than what the brokers or 'arrahtee' (middlemen) pay to most of the farmers during the last harvest season.

These findings were an outcome of a survey The Network team conducted in country's major pulse producing districts of Bhakkar and Narowal.

Almost half of the country's gram production and one third of moong pulse come from Bhakkar while Narowal produces one third of maash pulse and a quarter of masoor pulse production. According to the NGO report, each Pakistani consumes six kilograms of pulses yearly and the annual consumption of masoor was recorded at 55,000 metric tonnes against the production of 26,000 tonnes during 2004-05. The average usage of maash pulse was 50,000 tonnes whereas its production was recorded at

20,000 tonnes during the year 2004-05.

The report said 700,000 tons of grams are consumed each year in Pakistan.

In 2004-05, 0.8 million tons of gram was produced and the production dropped to 0.537 million tons in 2005-06 due to scanty rainfall. The NGO maintained the support price was considered as a government measure to stop brokers from manipulating market factors in their favour and forcing the farmers to sell their produce at unfairly low prices.

"But the present government had perhaps redefined the concept of support price as 'its intervention' price was lower than the open market prices," it said.

This made the government's announced intention of stabilising prices of pulses as a "hoax."

"The belated and ill-conceived move was likely to be futile if not a factor further complicating and aggravating the crisis," it said. "The trend of pulses production showed that other than a particular year the production of gram and moong was always more than the country's need and the items were exported to other countries. But the production of maash and masoor was declining year by year and their import was increasing," it added.

The report said the support prices set by the Economic Coordination Committee (ECC) for per 40 kilogram was Rs 750 for gram, Rs 1,200 for moong and Rs 1,300 for maash. The government did not bother to set support price for masoor (lentils), the production of which was more than maash and this was one of the four most important pulses.

The report argued that in the last production season, the price for gram was Rs 1,000 per 40 kilogram which later increased above Rs 1,200.

In sharp contrast to this, the government had fixed its support price at Rs 750.

Records and interviews with pulse farmers and dealers showed that moong was sold at Rs 2,000 per 40 kilogram, yet the intervening price by the government had been fixed at Rs 1,200. Similarly, Rs 1,300 was the interventional price per 40 kilogram for mash pulse, which was sold at Rs 1,600 during the last season.

The support price was also way less than the open market retail prices and Utility Store prices of these grains, the report said. The support price for wheat was 82 percent of the consumer price for wheat flour. The support prices were 50 percent to 60 percent of the Utility Store prices of all three pulses, the report said.

For example, the announced support price for maash was Rs 32.50 per kilogram, while its Utility Store price was Rs 58 per kg. This left a huge margin of Rs 25.50 per kilogram for the dealers of the grain to pocket.

The support price here appeared to be more in support of traders than that of producers.

"It is worth mentioning here that pulses are not processed through any sophisticated industrial procedures involving great expenditure. These are simply transported from farmers to wholesale markets with a brief stopover at splitting factories that charge Rs 1.40 per kilogram for converting the whole grains into splits," the report added.