

Consumer vs producer: Centre's balancing test

Soyabean oil prices have come down to ₹150/kg from May high of over ₹170

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BALANCING CONSUMER AND producer interests isn't easy. This is especially so in farm produce trading close to minimum support price (MSP) levels now, after witnessing sky-high inflation until recently.

Take soyabean oil, which retailed at an all-India average of over ₹171 per kg in May, according to the department of consumer affairs. That price has since come down to ₹149-150/kg, below even the ₹155 average a year ago. The Food and Agriculture Organization's global price index for vegetable oils, too, has collapsed from a peak of 251.8 points in March to 152.6 points in September.

The effects of these — and demands to hike duties on oil imports — are being seen at the Dewas APMC (agriculture produce market committee) mandi in Madhya Pradesh, where the new soyabean crop has started arriving.

Jeevan Singh, a farmer from Bhojpur village in Dewas district's Tonk Khurd tehsil, has sold a 38-quintal tractor trolley-load of the oilseed for ₹4,785 per quintal. His previous trolley, weighing 35 quintal, had gone for ₹4,400/quintal in end-September.



FARMERS FEELING THE PRICE LOWS

■ **FAO's global price index for vegetable oils has collapsed from a peak of 251.8 points in March to 152.6 points in September**

■ **Effects of prices below MSP, demands to hike duties on oil imports are being seen at the Dewas APMC mandi, where soyabean crop is arriving**

"Last year, I got ₹5,950-6,000. I had sown this time (on June 24) expecting at least those prices," says the 42-year-old who has harvested 80 quintal, against 70 last year, from his 20-bigha land (1.75 bigha is equal to one acre). Farmers normally retain a portion of their soyabean as seed for the next crop.

He isn't the only one disappointed. Subhash Chandra Kumawat (36) has brought two trolleys of 40 quintal each at the wholesale mandi here, one of India's largest for soyabean. The first trolley was auctioned for ₹4,880/quintal and the second for ₹4,735. He had earlier, around mid-September, sold another 40-quintal trolley at ₹3,840/quintal, below the government's MSP of ₹4,300.

"That was geela maal (wet crop containing about 20% moisture). But these grains, with only 12% moisture, should have fetched much better prices," says this farmer from Bhatoni village in Tonk Khurd tehsil. Kumawat, too, has produced a bigger crop of 300 quintal from his 70 bigha, compared to 200 quintal last year. But his realisations are lower than last year's ₹5,300-5,600 range.

The current rates at Dewas — at ₹4,800-5,000/quintal for soyabean with 12-13% moisture and ₹4,200-4,500 for 14-18% — are hovering just around the MSP. However, market arrivals are yet to peak. For the Dewas APMC, these totalled 15,74,431 quintal in 2021-22 (April-March). During the peak

marketing months of October-November, daily arrivals touch 30,000-40,000 quintal.

Suresh Mangal, a leading commission agent in Dewas who alone handles 400,000-odd quintals annually, estimates that not even 5% of the soyabean crop has come to the mandis so far: "The extended monsoon rain has delayed arrivals. They will pick up only after Diwali (on October 24). But that could also put further pressure on prices."

Davish Jain, chairman of the Soyabean Processors Association of India (SOPA), feels that the Centre will have to take a call soon on restoring/raising import duties on crude soyabean and sunflower oil. The Centre had, on May 24, allowed 20 lakh tonne each of the two oils to be imported at zero duty during 2022-23 and 2023-24. The decision was taken following the Russia's Ukraine invasion and Indonesia's ban on palm oil export.

That situation has almost reversed, with farmers beginning to feel the heat more than consumers. "I am today paying only ₹2,150-2,250 for a 15-kg tin of refined soyabean oil, which cost ₹2,600-2,700 six months ago. But as a producer, the price I get for soyabean is what matters to me," points out Rohit Gujjar. This farmer from Chandgarh village in Tonk Khurd tehsil sold 40 quintal of high-moisture soyabean at ₹4,000/quintal, below the MSP. "I still have 80 quintal to sell. The government should do something to help us get higher prices," he says.