

Research Paper on Government Notification of 2nd July for imposing Stock Limit on Pulses

Notification issued by Ministry of Consumer Affairs imposing a condition of stock limit of Pulses of 200 M/T for the Wholesalers and 5 M/T for the Retail Traders engaged in the business of the pulses.

The above said notification is discriminatory and stands against the normal business practices of pulses trade in the Country. It is regretted that while issuing the notification, no consultation was held by the concerned officials with the stakeholders. **We rely on the following points :**

1. There are about 5 lakh traders conducting business in food grains across the Country and providing employment to more than 23 lakh people mainly to uneducated class which is required for loading and unloading of the goods. About 5 lakh people also derive their livelihood indirectly from the food grain trade.
2. There is a annual production of about 256 lakh tonnes of pulses in the Country and about 20 lakh Tonnes of pulses are imported every year from different Countries.
3. In September,2020 the Government has announced that Essential Commodity Act or stock limit will be enforced only when the price of the pulses will be either 50% higher than the MSP or there is an emergency situation in the Country.
4. Through a notification in 2017 it was made mandatory that stock limit of 6 types of pulses, “ Masoor, Chana, Tur, Urad, Moong and Kabli Chana will be uploaded on the portal of the Government which is being duly complied by the traders.
5. The pertinent matter is that a notification was issued by the Ministry of Consumer Affairs on 2nd July,2021 stating that the wholesalers can stock upto 200 M/T of pulses and out of which one type of pulse can be stocked upto 100 M/T whereas for other pulses the stock should not accede to 100 M/T comprising of rest of the pulses for maintaining sufficient supply and pulses
6. It was further prescribed that the Millers will have to liquidate their stock within 45 days from the date of custom clearance for the goods received after 15th May, else they will have to abide by the stock limit prescribed for the wholesalers. However, prior to 15th May,2021 there was no such limit on the Millers. There are more than 50 thousand millers across the Country who are engaged in processing and finishing activities of pulses. Generally, a Miller keeps a stock ranging from 3 thousand to 5 thousand M/Ts of raw pulses.

The above notification is arbitrary, illogical and runs contrary to the normal business practices of the pulses trade in the Country . It is an admitted fact that the entire food grain business in the Country including pulses runs on huge quantity basis in order to feed 138 crore people of the Country. Any imposition of irrational stock limit will prove to be counterproductive and will encourage “Inspector Raj” in the Country and will restrict the smooth movement of goods from one state to another state which is not the intention of the Government. Therefore, immediate steps to redress the grievances of the traders must be taken.

Accordingly, we submit as under:

- a. The above said notification prescribing stock limit may be withdrawn with immediate effect. The stock limit of 200 M/T was fixed in 1955 when the population of the Country was only 25 crore. For the present population, this limit is quite irrational and unjustified. If Government wants to impose the stock limit, then the same should in proportion to existing population and we propose that a stock limit of 2000 M/T for the wholesalers may be imposed and that too without specifying any stock limit for any particular pulses.

