

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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India Restricts Imports of Yellow Peas

Report Categories:

Grain and Feed

Agriculture in the News

Policy and Program Announcements

Trade Policy Monitoring

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Report Highlights:

On April 25, 2018, the Government of India (GOI) revised the import policy for yellow peas from 'free' to 'restricted' category for a period of three month from April 1 to June 30, 2018 restricting imports to 100,000 metric tons during this period. The latest import restriction on yellow peas is part of a series of trade restrictive measures on pulses since March 2017 (IN7148).

General Information:

India Restrict Imports of Yellow Peas...

On April 25, 2018, the Directorate General of Foreign Trade under the Ministry of Commerce and Industry (MOCI) issued a [notification](#) that moves imports of yellow peas under ITC HS 0713 1000 from 'free' to 'restricted' category under the import policy for the period of April 1 to June 30, 2018.

The notification stipulates the import condition that: “during the aforementioned period, total imports of 100,000 metric tons of yellow peas minus the quantity already imported from 01.04.2018 till date (April 25, 2018) will be allowed against license as per procedure to be notified by DGFT. Already Imported will include shipments already arrived from 01.04.2018 till 25.04.2018 and those shipments backed by Irrevocable Commercial Letter of Credit (ICLC) and Advance Payment made through Banking Channels before 25.04.2018.” While the policy condition in the notification specifies yellow peas, clarification is being sought from MOCI as to whether or not other products under ITC HS code 0713 1000 (e.g. green peas and dung peas) are excluded from the quantitative restrictions.

The April 25th quantitative restrictions and a November 8, 2017 Ministry of Finance notification [raising the import duty on peas \(071310\) to a whopping 50 percent](#) are the latest in a series of restrictive import measures the GOI has implemented on pulse imports since March 2017 (see IN7148, IN8012, and IN8020).

...Imports to Stop Immediately

While the GOI has yet to announce the licensing procedures for applying for imports under the quota, market sources report that India may have already imported or contracted for imports against ICLCs more than the quota limit of 100,000 MT of yellow peas by April 25, 2018. Thus, further import of yellow peas is likely to come to a halt until June 30, 2018, and may also affect shipments of yellow peas on high seas contracted under other payment terms.

Domestic Price Concerns on Harvest of Local Chickpeas

Market sources report that 'lower priced' yellow peas directly compete with domestic chick peas. The GOI's recent decision to impose restrictions on imports of yellow peas is to support domestic prices for chickpea currently being marketed (March-May). Despite the imposition of the high import duty on small chick peas (60 percent) and yellow peas (50 percent), local chickpea prices continued to decline as a result of the bumper 2017/18 (July-June) crop harvest.

With the upcoming elections in states of Madhya Pradesh and Rajasthan, the GOI is under tremendous pressure from the farmer to support pulse prices above the government announced minimum support prices. With inadequate marketing and storage infrastructure and insufficient financial resources to undertake an aggressive MSP pulse procurement operations like wheat and rice, or other effective price support operations, the GOI has decided to impose stringent import restrictions with the expectations that the local markets will respond and contain the price decline.