# The Pulses Conclave 2025

**February 13, 2025**

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# Pulses in Indian context

## Global Production of Major Pulses

**97.3 million MT**

Global Production
*(Data for year 2022 as per FAO)*

- India is the largest producer in the world — ***1st***
- India is also the largest consumer of pulses — ***27%***
- India's share in global pulses production — ***26%***

- Canada, China, Russian Federation and Nigeria are the 2nd, 3rd, 4th and 5th ranked countries by production of pulses, respectively.
- Total world acreage under pulses is around 959.7 lakh ha (2022)
- India holds around 38% share in terms of area under production

## India Production of Pulses

**24 million MT**

India Production
*(Data for year 2024)*

**Import** 6.53 million MT

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# *India isdependent on import of Pulses to meet its domestic demand.*

## India import of key pulses (Lakh MT)

| Pulses | Nov-23 | Nov-24 | Y-o-Y % Change | Apr-Nov 2023 | Apr-Nov 2024 | Y-o-Y % Change |
|---|---|---|---|---|---|---|
| **Chana** | 0.52 | 0.60 | 15% | 1.99 | 2.92 | 46% |
| **Moong** | 0.00 | 0.00 | NA | 0.04 | 0.01 | -74% |
| **Urad** | 0.80 | 0.55 | -31% | 4.01 | 5.28 | 32% |
| **Tur** | 1.05 | 1.86 | 76% | 5.45 | 10.00 | 83% |
| **Masur** | 1.64 | 0.91 | -45% | 11.10 | 5.91 | -47% |
| **Yellow Peas** | 0.00 | 2.40 | NA | 0.00 | 15.75 | NA |
| **Total of above** | 4.02 | 6.32 | 57% | 22.60 | 39.86 | 76% |

# *Import dependency and Price fluctuation*

Key value chain stakeholders and their constraints

| | | |
|---|---|---|
| Farmer |  | • High dependence on rainfall for production<br>• Limited crop protection measures<br>• Limited access to price discovery<br>• Limited access to market |
| Aggregators/ Traders |  | • Price fluctuations<br>• Limited information for price discovery<br>• Limited information on prices in domestic and international market |
| Processors |  | • Price fluctuations<br>• Dependent on imports for processing<br>• Underutilization of processing capacities |
| Importers |  | • Limited availability of price discovery mechanism<br>• Price fluctuations in international market<br>• High domestic demand |

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# Agri Derivatives Market – Essential for Risk Management

***A derivative is a contract between a buyer and a seller entered into today regarding a transaction to be fulfilled at a future point in time.***

## Benefit of derivatives

01 Provide risk protection with minimal upfront investment

02 Eliminates uncertainty by exchange of market risks

03 Derivatives ensures efficient price discovery mechanism

04 Significantly lowers the cost of investing

05 Provide support in policy and business planning

***Hedging is the most flexible and cost-effective mechanism to manage price risk through financial instruments.***

## Key Financial Instruments for price risk management

### Futures Contract

A legal agreement to buy or sell a particular commodity asset, at a predetermined price at a specified time in the future.

### Options Contract

An agreement between two parties to facilitate a potential transaction involving an asset at a preset price and date.

### Forward Contract

A customizable derivative contract between two parties to buy or sell an asset at a specified price on a future date.

# Challenges

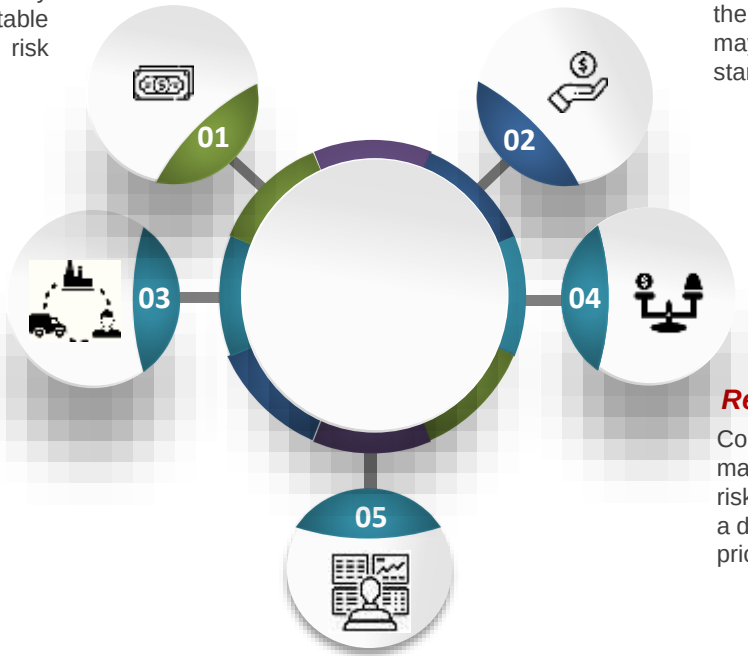
# Key Challenges faced by the VCPs due to Suspension of Futures

### Price Discovery & Risk Management

Without futures contracts, price discovery becomes inefficient, leading to unpredictable price movements and inefficient price risk mitigation

### Liquidity & Market Efficiency

The absence of derivative contracts reduces the overall trading volumes and businesses may face increased costs due to lack of standardized contracts.




### Disruptions in Supply Chain Planning

Uncertainty in procurement, processors and wholesalers struggle to plan their purchases without proper price discovery.

### Reduced Competition in the Global Market

Competing countries with established derivatives markets (e.g., Canada, Australia) have better price risk management tools. While Indian traders are at a disadvantage due to unpredictable domestic prices

### Income Instability

Farmers and VCPs cannot hedge against the adverse price movement

# Efforts by the Exchange

# Launch of Yellow Peas Futures Contract

## Yellow Peas Futures Contract

- ***Yellow Peas contract can be used as an alternative to hedge risk of other pulses via cross hedging***
- ***Since Government has opened imports of Yellow peas, importers can be benefitted by hedging on the Exchange platform***
- ***Provides a nation wide platform to sell or procure commodity***
- ***Yellow peas contracts can serve as a benchmark for broader pulse market trends, especially in the absence of specific derivatives for other pulses.***

| PARAMETER | SPECIFICATIONS |
|---|---|
| **Ticker Symbol** | YELLOWP |
| **Unit of Trading** | 5 MT |
| **Delivery Unit** | 5 MT |
| **Maximum Order Size** | 500 MT |
| **Quotation/Base value** | Rs. Per Quintal |
| **Tick Size** | Re. 1/- |
| **Basis** | Ex-Warehouse Kanpur, exclusive of GST |
| **Additional Delivery Center** | Gandhidham (Gujarat) |
| **Quantity variation** | +/-2% |
| **Delivery Logic** | Compulsory delivery |
| **Due date** | 20th day of the delivery month. If 20th happens to be a holiday, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange.<br>The settlement of contract would be by a staggered sy |


Thank you
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