

Corporate houses are entering the space owing to steep spurt in prices of pulses, onions and other commodities, say experts

# Prices on fire, M&M jumps into pulses

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**Mumbai:** Corporate houses which entered the agri-commodity space in a major way may have done away with middlemen and bought produce directly from farmers, but the end-consumers have not gained in any manner as the branded products are still sold at exorbitant prices.

The trend has gained momentum recently as many corporate houses are entering the fray owing to steep spurt in prices of pulses, onions and other edible commodities, say commodity experts.

For instance, Mahindra & Mahindra's (M&M) agri business, which on Monday launched tur dal under its NuPro brand fol-

lowed by the edible oil that was launched early this year in Kolkata, has kept the price of tur dal at Rs 210 a kg against the average price range of Rs 180 a kg to Rs 220. The company claimed that it offers best price to the farmer, with a premium on the brand.

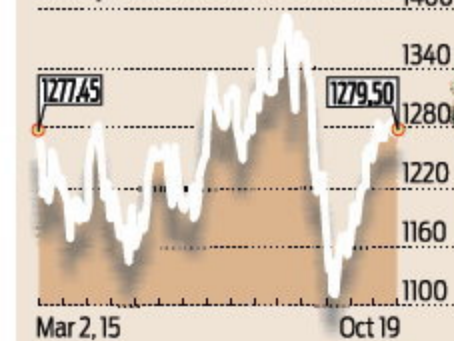
After exploring the pulses market since 2013, M&M started its business-to-business segment under the Finegrade brand in 2014. The auto major had stepped in to agri sector in 2010 by selling grapes, apples, banana, seed potato, pulses, edible oil and micro irrigation under its two brands NuPro and Saboro.

Very soon, the company will enter the dairy segment, catering to the Madhya Pradesh market.

M&M executive director

## ► Mahindra & Mahindra

Share price on BSE in ₹



Pawan Goenka told **dna**, "We have started a pilot in MP for the dairy vertical, likely to be launched this fiscal only."

Ajay Kedia from Kedia Commodities told **dna**, "Corporates have done way with middlemen. But the unfortunate part is they have not passed on the benefits to



the end user."

"Price rally in the last five years has attracted companies to make a beeline to buy their produce directly and sell at competitive prices," said Kedia.

The shortage of pulses has led to a spurt in prices. The tur dal retail price has shot up over Rs

185 per kg, up from Rs 85-90 per kg in July-August. Other pulses such as moong and arhar have also seen steep price rise.

To check the rising prices, the government has amended the central order under Essential Commodities Act, 1955, with immediate effect. The move will allow the state governments to impose stock limits on pulses sourced from imports, held by exporters, large departmental stores, stocks to be used as raw material by licensed food processors.

Earlier too, state governments used to decide the stock limit which they lifted in April to prevent the trade from moving to other states.

But this will be a short-term relief, say agri experts.

"The demand that has been shown by the new entrants is artificial. The government should check the genuineness of the demand raised in the market," said a commodity expert.

About 22 million tonne (mt) of pulses are consumed in India every year, of which 2% is sold in branded form.

Among the big corporate houses, Tata Group, Adani Group and ITC are already in the branded category of the pulses market.

The Adani group has three main agro verticals, of which Adani Wilmar and Adani Agri Fresh sell edible oil, pulses, rice, gram flour under the brand Fortune. Rallis, a Tata subsidiary, has been a pioneer in the business.