



THE PRICE OF PROTEIN

SUBIR GOKARN
Deputy Governor
Reserve Bank of India

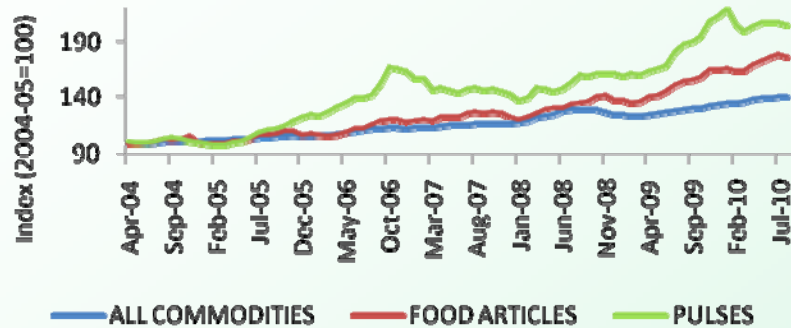
IGIDR

Mumbai
October 26, 2010

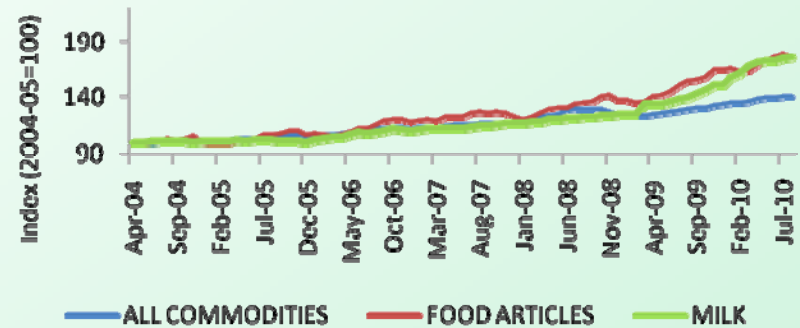


Slide 1: Prices of Proteins

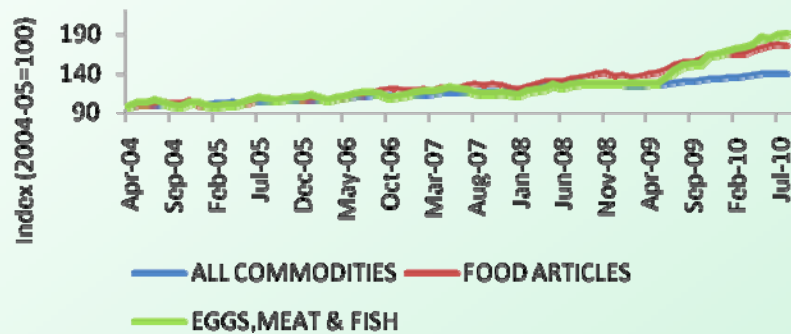
Pulses



Milk



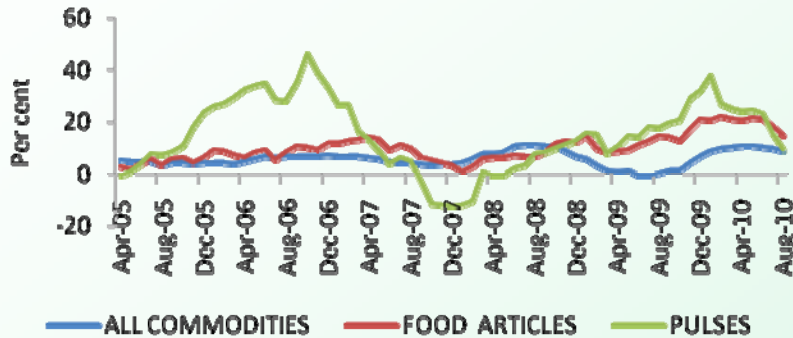
Eggs, Meat and Fish



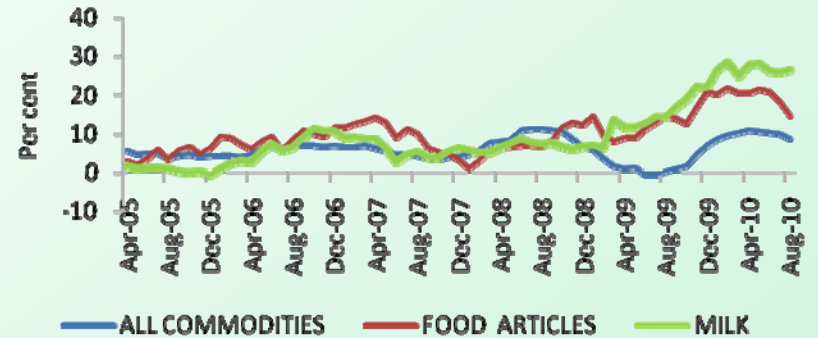


Slide 2: Inflation Rates of Proteins

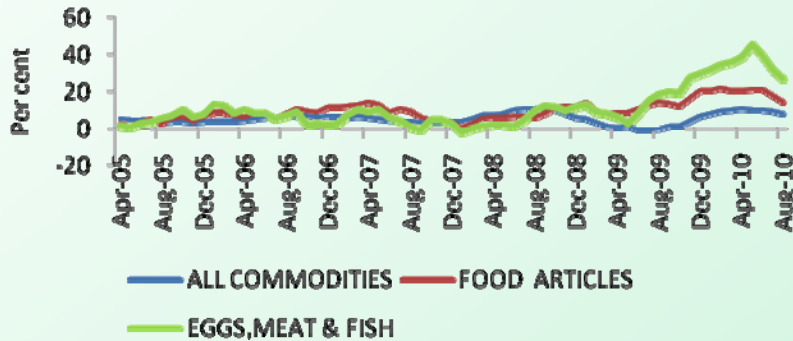
Pulses



Milk

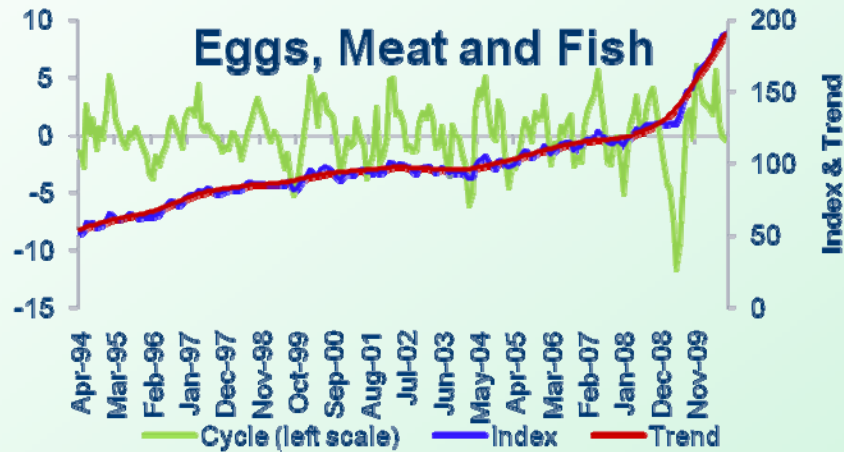
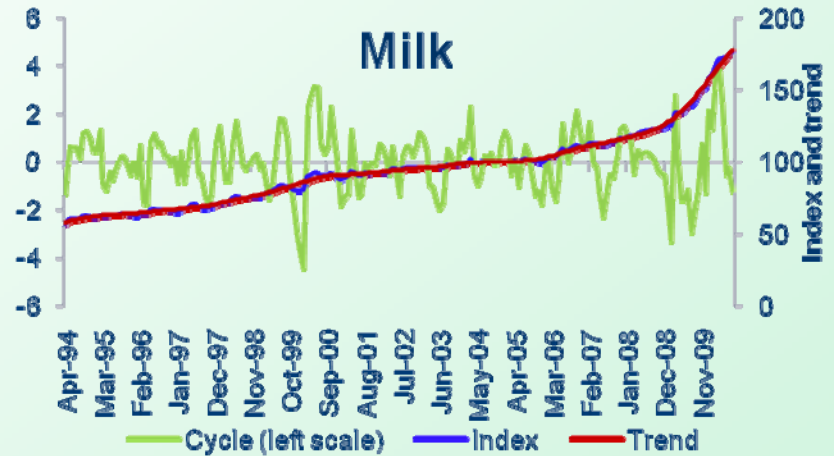
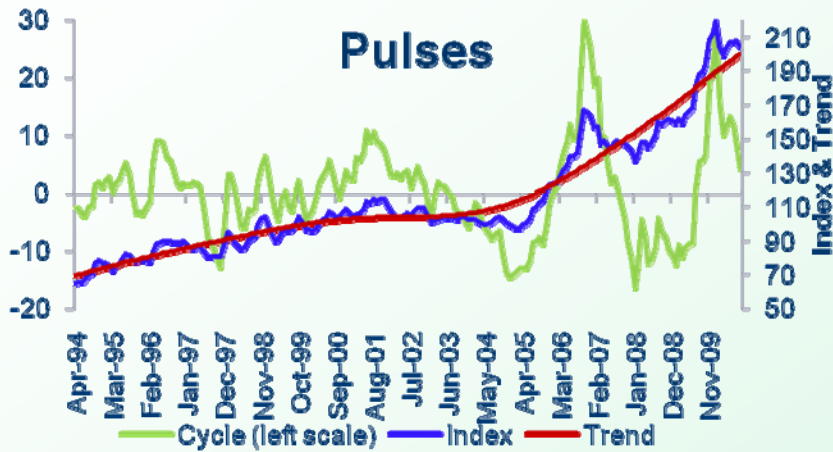


Eggs, Meat and Fish





Slide 3: Structural Components

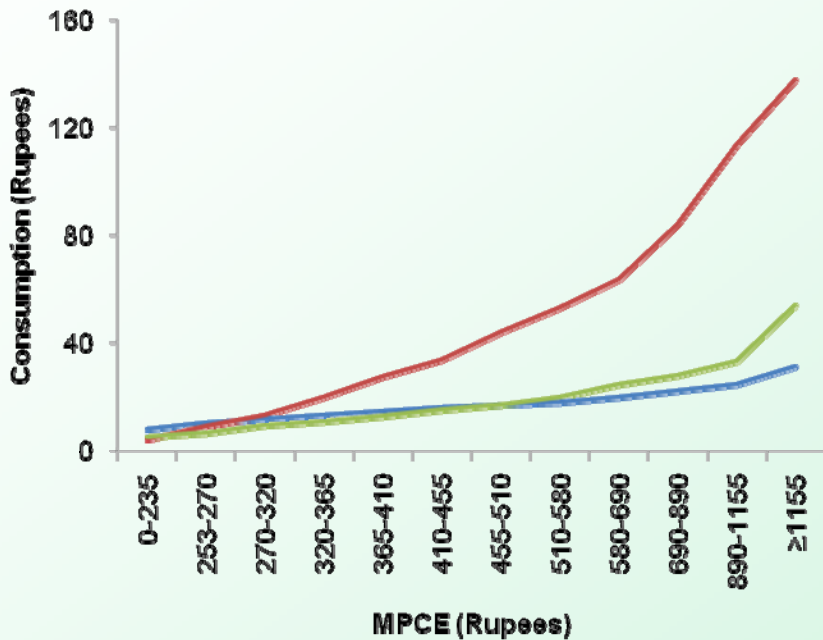


Item	No. of structural breaks	Break Month(s)
Pulses	2	Aug 2001 Dec 2004
Milk	1	Oct 2008
Eggs, meat and fish	2	Apr 1997 Jan 2009



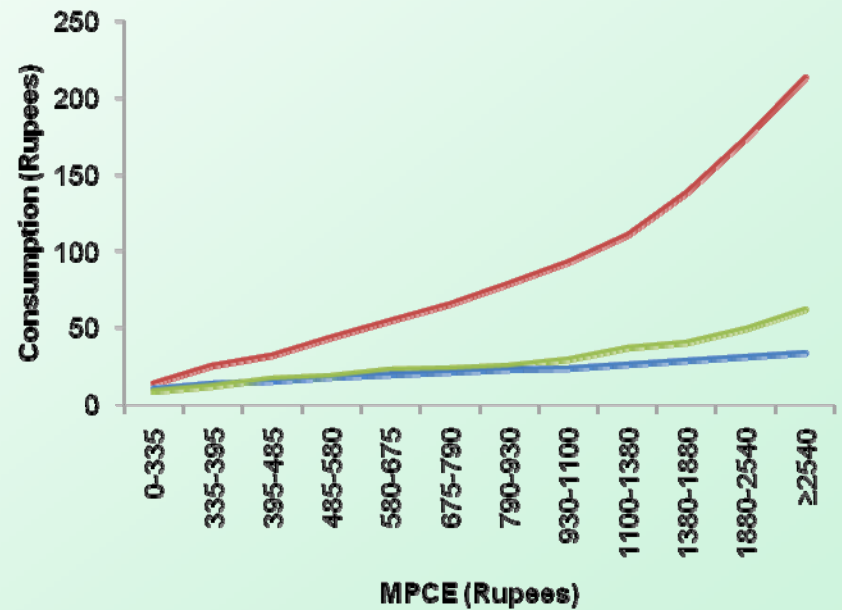
Slide 4: Consumption of Proteins

Rural Areas



— Pulses & pulse products
 — Milk & milk products
— Egg, fish & meat

Urban Areas



— Pulses & pulse products
 — Milk & milk products
— Egg, fish & meat

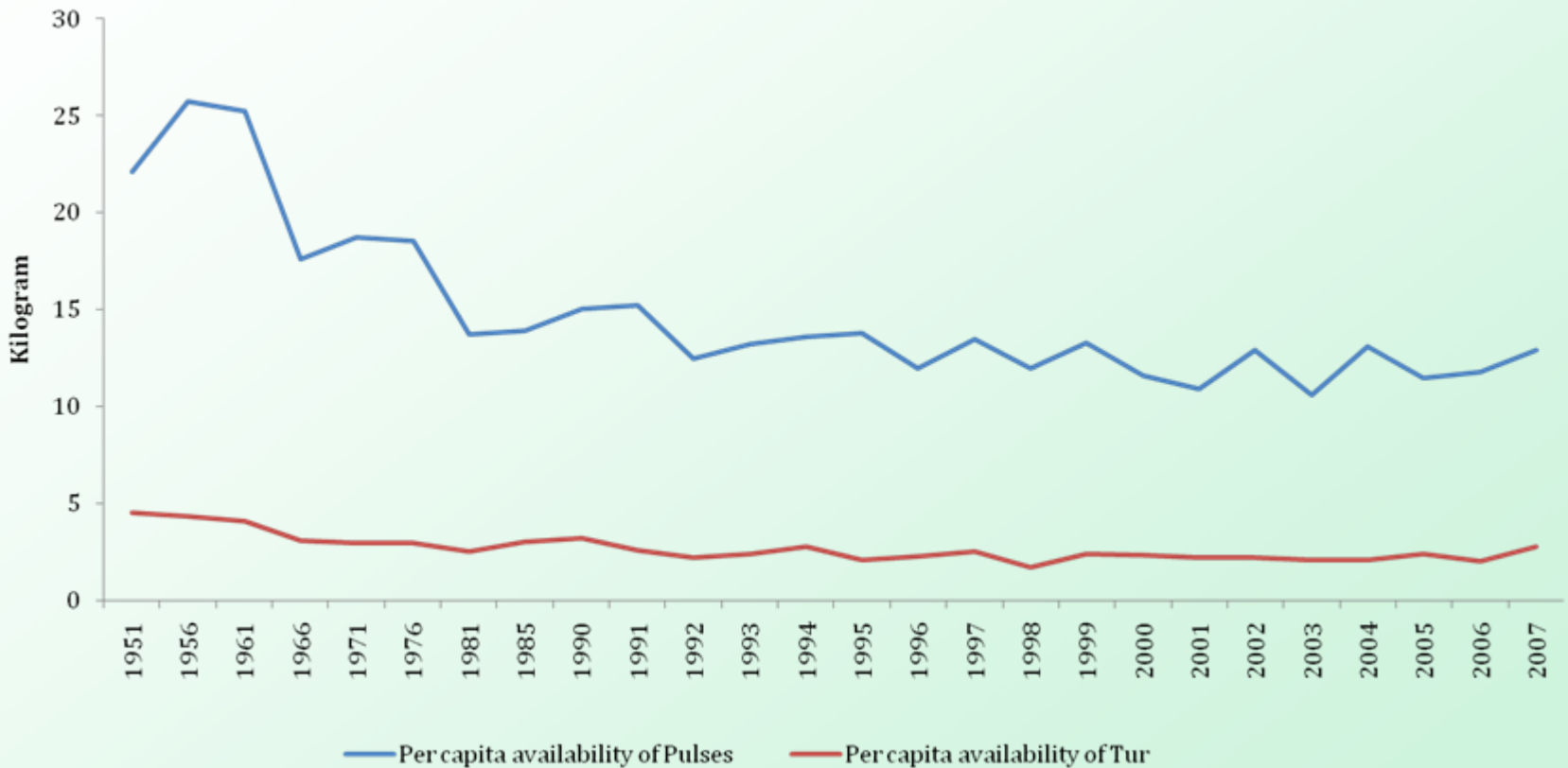


Slide 5: A Simulation Exercise

- ◆ Inflexion MPCE range (2004-05):
 - Rs.580-690 (rural)
 - Rs. 1100-1380 (urban)
- ◆ Real per capita income:
 - increased by 39% between 2004-05 and 2009-10
- ◆ Impact of higher incomes on consumption of proteins:
 - An additional 220 million would have crossed the inflexion range in 2009-10
 - 180 million in rural areas
 - 40 million in urban areas



Slide 6: Stagnation in Pulses

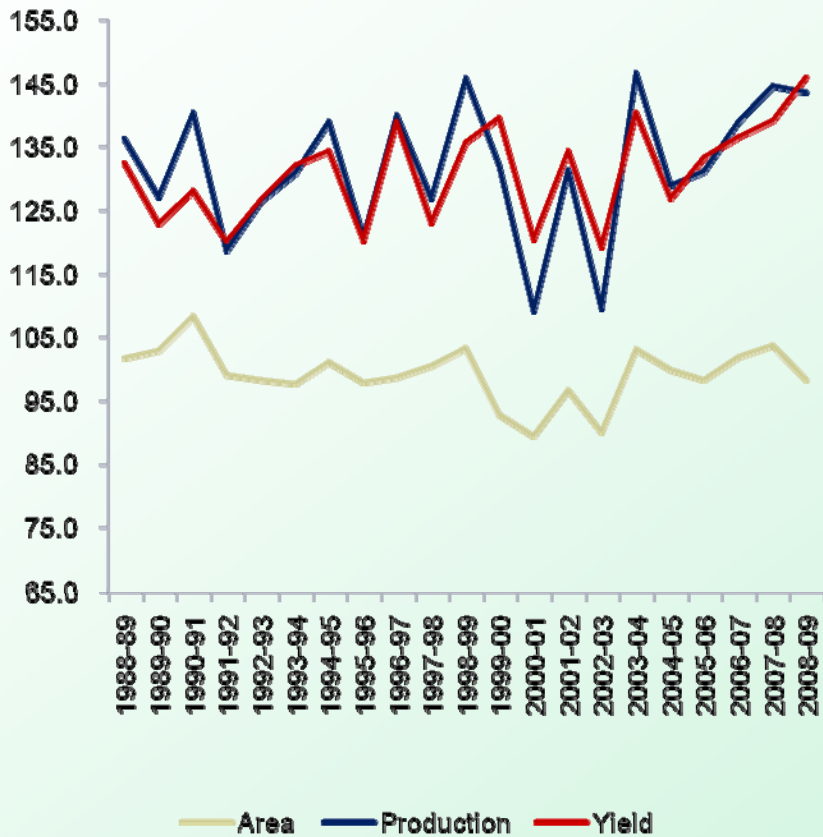


Source: Ministry of Agriculture

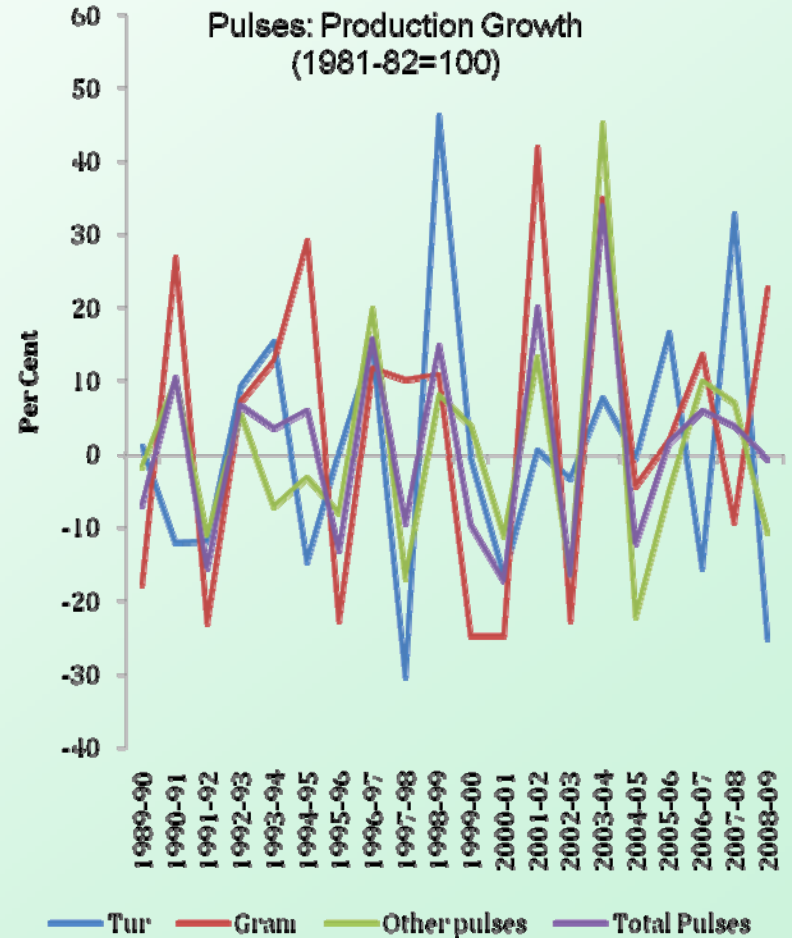


Slide 7: Production, Yields and Growth

Index: Area, Production and Yield of Pulses (1981-82=100)

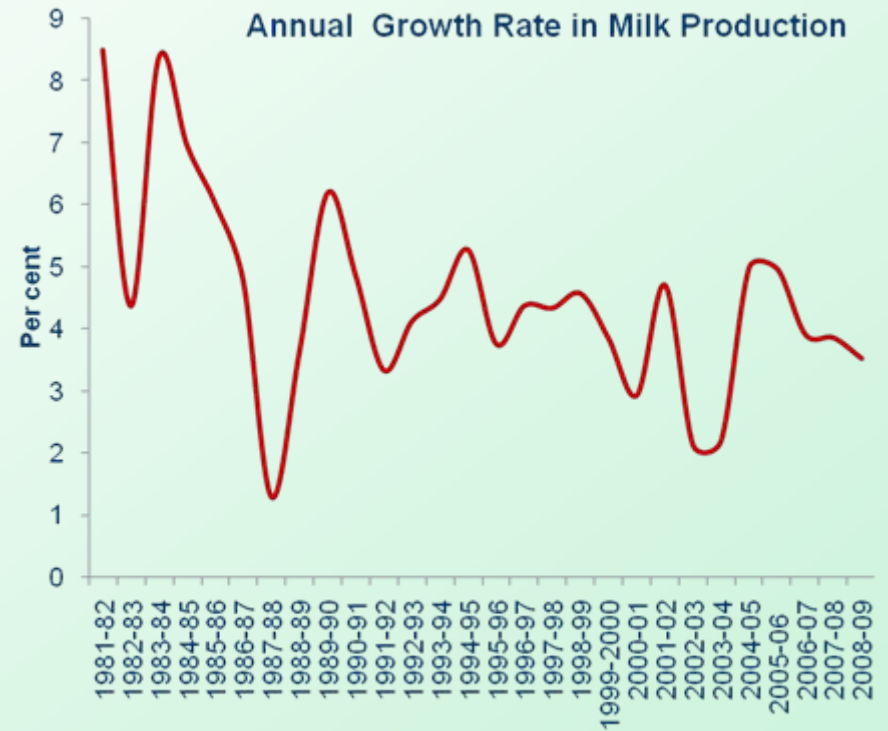
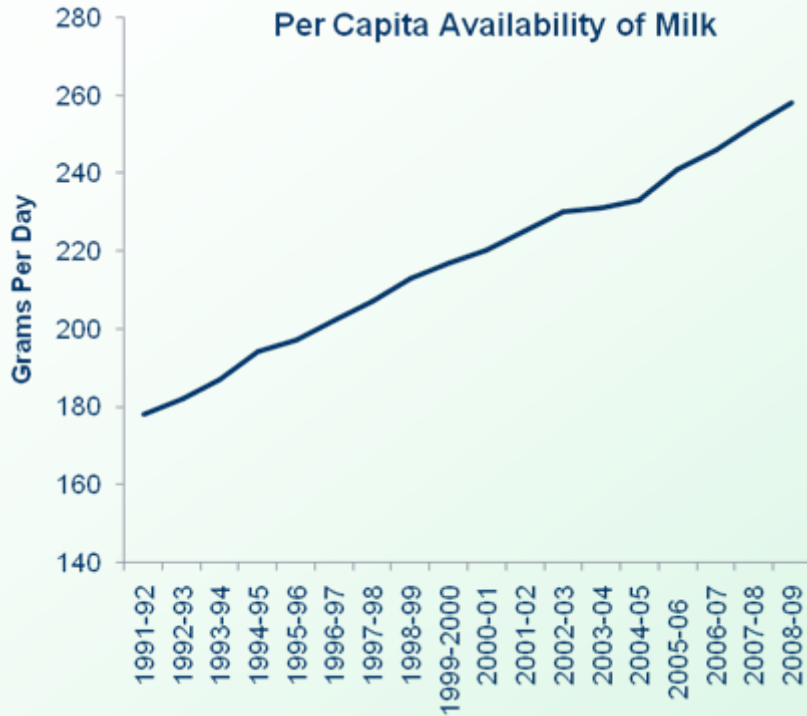


Pulses: Production Growth (1981-82=100)





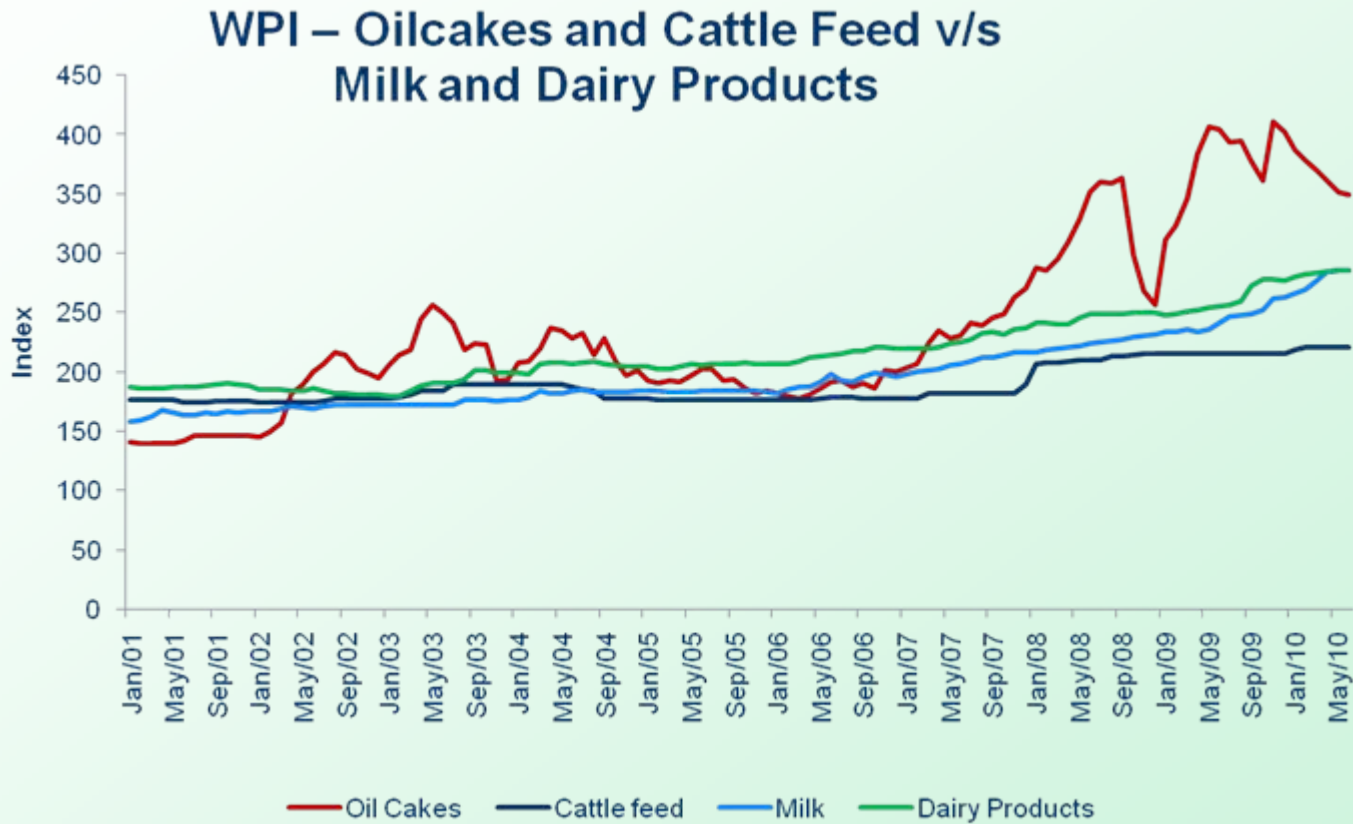
Slide 8: Milk Production and Per Capita Availability



Source: Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Government of India



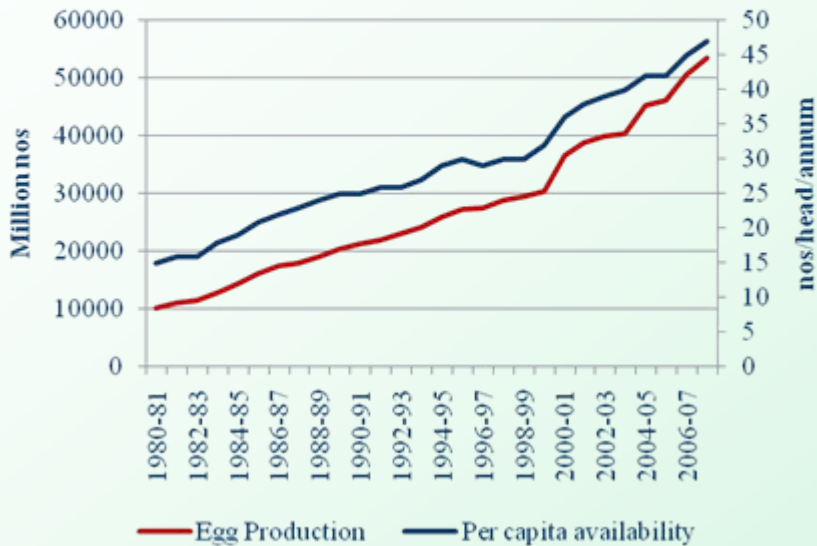
Slide 9: Rising input costs



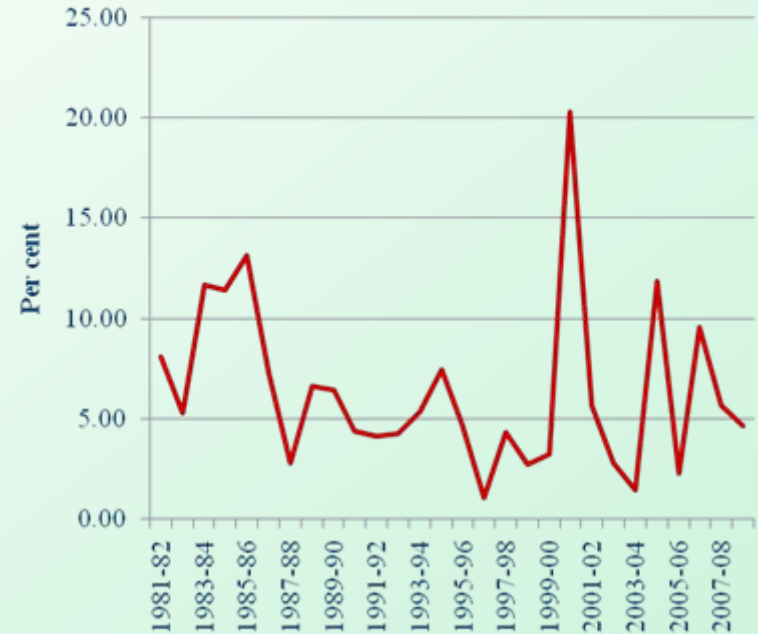


Slide 10: Production and Per Capita Availability of Eggs

Production & Per Capita Availability of Egg



Growth in Egg Production



Source: Annual Report, 2008-09 of the Department of Animal Husbandry, Government of India