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RBI Working Paper No. 07 / 2024: Pulses Inflation in India - A Study of Gram, Tur and Moong

Today the Reserve Bank of India placed on its website a Working Paper titled, "[Pulses Inflation in India: A Study of Gram, Tur and Moong](#)" under the Reserve Bank of India Working Paper Series¹. The paper is co-authored by Shyma Jose, Sanchit Gupta, Manish Kumar Prasad, Sandip Das, Asish Thomas George, Thangzason Sonna, D. Suganthi and Ashok Gulati.

The paper attempts to identify key factors determining prices of three major pulses – gram (*chana*), pigeon pea (*tur/arhar*), and green gram (*moong*). It evaluates supply and demand dynamics by analysing monthly stock through inventory levels, production, consumption and trade. It also provides insights into the value chains and estimates farmers' share in the consumer rupee.

The major findings of the paper are:

- i) Around 75 per cent of the consumer rupee spent on gram (*chana*) circulates back to farmers, the share is around 70 per cent for *moong* and 65 per cent for *tur*.
- ii) The empirical analysis based on Autoregressive Distributed Lag (ARDL) model suggests a negative impact of stock-to-use (STU) ratio on consumer price index (CPI) of gram.
- iii) The Seasonal Autoregressive Integrated Moving Average with Exogenous Factors (SARIMAX) model incorporating the balance sheet variable exhibits better forecasting performance over different horizons.
- iv) An ongoing assessment of the balance sheet variables can improve understanding of the price dynamics of pulses in India and help in calibrating policy responses to contain their price volatility.

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(Puneet Pancholy)
Chief General Manager

¹ The Reserve Bank of India (RBI) introduced the RBI Working Papers series in March 2011. These papers present research in progress of the staff members of the RBI and at times also those of external co-authors, when the research is jointly undertaken. They are disseminated to elicit comments and further debate. The views expressed in these papers are those of the authors and not of the institution(s) to which they belong. Comments and observations may please be forwarded to the authors. Citation and use of such papers should take into account its provisional character.