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Agricultural Production and Market Outlook

The Rising Agriculture….

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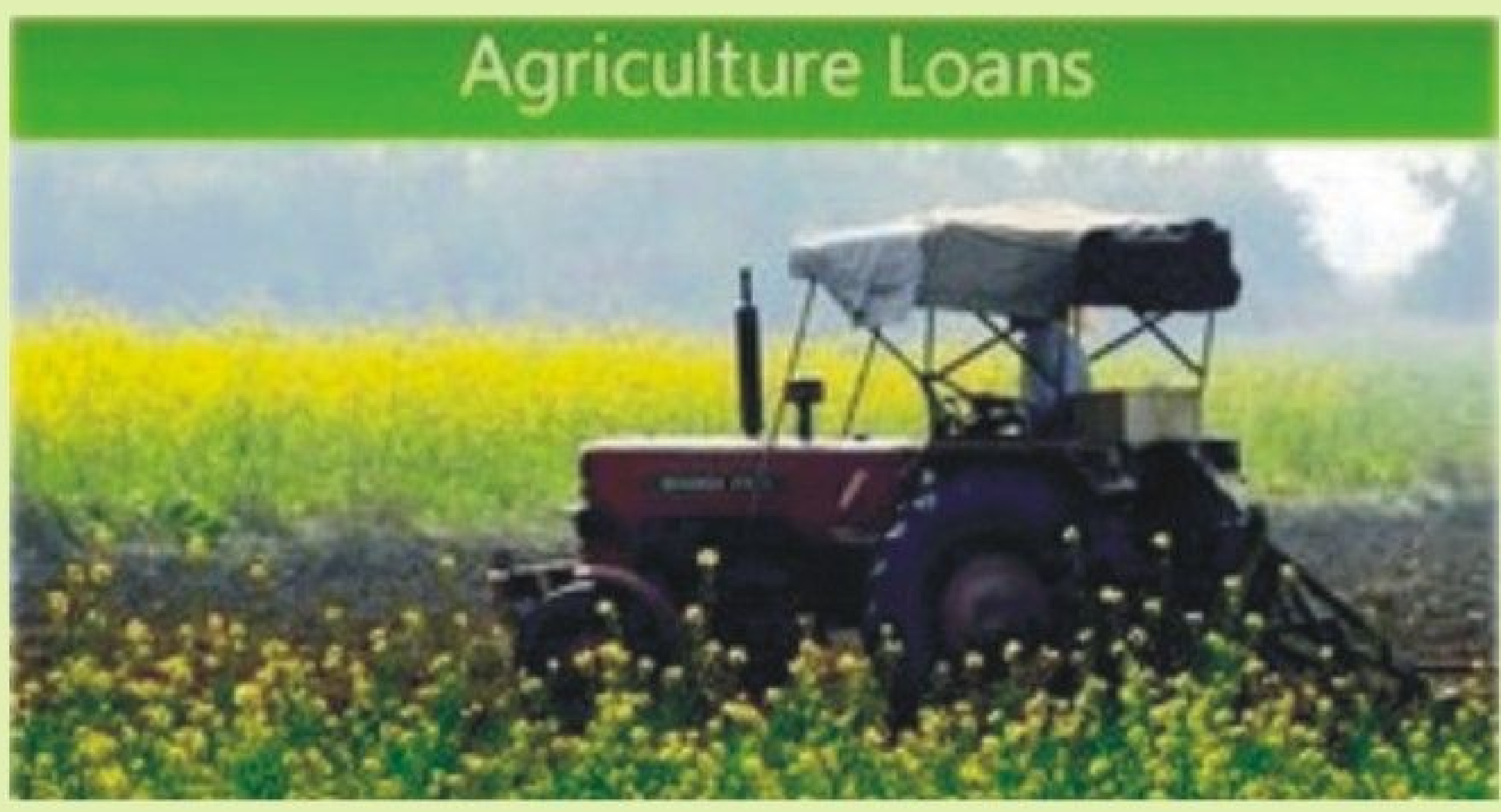
5% interest subsidy on crop loan

Union Cabinet has decided to provide 5 per cent interest subsidy to farmers on short-term crop loans during the current fiscal. The short-term crop loan up to Rs3 lakh will be made available to the prompt payee farmers at 4 per cent interest rate as against the prevailing 9 per cent. As per Interest Subvention Scheme for the current fiscal, the Centre will provide interest subvention of 5 per cent per annum to all prompt payee farmers for loan up to one year. The loan amount cannot exceed Rs3 lakh. In case farmers do not repay their loans in time, they will only be eligible for interest subvention of 2 per cent instead of 5 per cent. All short-term crop loan accounts will be linked to Aadhaar from the current year. That apart, farmers will also get loans for post harvest storage of their produce at a subsidised interest rate, the Central Government has approved an interest subvention of 2 per cent, ie an effective interest rate of 7 per cent for loans up to six months. To provide relief to farmers affected by natural calamities, the Government has decided to give 2 per cent interest subsidy for first year on the restructured amount. The Cabinet has approved the total expenditure of Rs20,339 crore in the current financial year (2017-18) as interest subsidy on short-term crop loans.



Govt releases Rs 700 crore to NAFED for buying pulses at MSP

The Centre has released Rs 700 crore to cooperative NAFED to undertake procurement of rabi pulses and other agri-produce, grown in the 2016-17 crop year, at the support price and protect growers from falling prices. The fund, made available under the Price Support Scheme (PSS) operated by the Agriculture Ministry, will also be used to clear all outstanding payments to farmers for procurement of pulses, mustard seed, groundnut and other commodities undertaken in the 2016-17 crop year that ends this month. The purpose of PSS is to protect farmers with the minimum support price for their produce in times of price fall.

Centre hikes MSP of pulses, cotton, oilseeds

Amid unrest among farmers for multiple reasons in different states, the Centre has increased the minimum support price (MSP) of pulses, oilseeds and cotton for 2017-18 crop year and also convinced seed associations to curtail prices of hybrid seeds by 10%. The government has also asked states to procure all farm produce so that farmers are not forced to sell at lower prices. The move is meant to provide remunerative prices to farmers at a time when prices are under pressure due to a supply gut. The maximum hike in the MSP is fixed for pulses whose output is estimated to be a record 22.40 million tonnes in the 2016-17 crop year ending June, as against 16.35 MT in 2015-16. The record production was attributed to good monsoon, higher MSP and better procurement arrangement. The MSP of tur (arhar) was increased from Rs 5,050 per quintal (including bonus) in 2016-17 to Rs 5,450 per quintal (including Rs 200 bonus) in 2017-18 a hike of Rs 400 per quintal. Similarly, the support price of Urad has risen from Rs 5,000 (including bonus) per quintal in 2016-17 to Rs 5,400 (including bonus) per quintal in 2017-18. In case of moong, it stands increased from Rs 5,225 (including bonus) per quintal in 2016-17 to Rs 5,575 (including bonus) in 2017-18. Among oilseeds, the government has increased the MSP of groundnut in-shell (Rs 4,450 per quintal), soyabean (Rs 3,050 per quintal), sunflower seed (Rs 4,100 per quintal), sesamum (Rs 5,300 per quintal) and nigerseed (Rs 4,050 per quintal).

No plan to hike import duty on wheat, sugar, edible oils

The government has no plans to raise import duty on wheat, sugar or edible oils as of now, Minister of State for Food and Public Distribution CR Chaudhary said. A fall in the prices of these commodities had led to speculation that import duties on them would be hiked. In March, the government has imposed a 10 per cent import duty on wheat to check the fall in domestic prices. Prices of wheat in key markets of Kota in Rajasthan are currently at Rs 1,500-1,530 per 100 kg, lower than the minimum support price of Rs 1,625. A bumper crop this year has kept prices of most farm produce under pressure. Wheat production in the country for 2016-17 (July-June) is estimated at 97.44 mt, up from 92.29 mt a year ago. The government also levies a 40 per cent customs duty on import of raw and white sugar. Earlier this month, sugar mills had urged the government to raise the import duty to 60 per cent, as low global prices of raw sugar have made imports attractive. The edible oil industry too has been lobbying for an increase in import duties of crude and refined oils to 20 percent and 35 per cent from 12.5 per cent and 20 per cent, respectively.

Insecticides (India) Ltd. Enters Agri Organic Sector

Insecticides (India) Ltd. launched a revolutionary biological product Kayakalp that is expected to transform the health of the soil and rejuvenate it organically to improve plant health and productivity. The launch of Kaya Kalp marks a major leap for IIL into the organic products sector, Kayakalp, a Hindi term which means 'Rejuvenation' or 'Transformation' of one's physical being, works as a natural catalyser to improve soil's organic capacity, strengthen its nutrient value and act as a health booster tonic for the soil that will help Indian farmers improve output. The product is also duly approved by National Centre of Organic Farming, Ministry of agriculture and farmer welfare, Government of India for its features. "At IIL, our endeavor has always been to research and innovate solutions that help farmers address the most pressing challenges to farm productivity. Soil degradation and successively declining soil fertility is certainly among the gravest concerns for farmers. With our most advanced innovation, Kayakalp we will be able to equip farmers with a tool that will transform the health of their soil, making them grow better and produce more. This will certainly prove to be a major step towards realizing the vision of our Prime Minister of doubling the income of our farmers within six years", said Mr. Rajesh Agarwal, Managing Director, Insecticides (India) Limited. Highlighting the need of educating farmers about protecting and rejuvenating the health of soil, Mr. Agarwal also announced the launch of a county-wide awareness drive for farmers under the name of "BhumiKayakalpAbhiyan" (Land Rejuvenation Campaign), under which the company aims to reach out to over 10 lakh farmers within next two years.

455 markets from 13 States have been integrated to e-NAM

585 markets across the country are targeted for integration to e-NAM by March, 2018, out of which 455 markets from 13 States have been integrated so far. The details are given below. For this purpose, financial assistance of Rs. 30 lakh per market is given. This has been increased to Rs.75 lakhs per mandi in Union Budget for 2017-18. In addition the software and a mandi analyst for a year is also provided to each mandi.

Sl. No	State	Total number of markets integrated
1	Andhra Pradesh	22
2	Chhattisgarh	14
3	Gujarat	40
4	Haryana	54
5	Himachal Pradesh	19
6	Jharkhand	19
7	Madhya Pradesh	58

Sl. No	State	Total number of markets integrated
8	Maharashtra	45
9	Odisha	10
10	Rajasthan	25
11	Telangana	44
12	Uttar Pradesh	100
13	Uttarakhand	05
	Total	455

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