Sowing of Pulses increased due to good rains

It have been reported that some areas under soybean in Madhya Pradesh and Rajasthan could shift towards pulses in this kharif season (kharif 2017). In Karnataka, too, farmers kept more area under pulses. Due to strong recovery in the south-west monsoon in the first week of July, with showers being around 35 per cent more than normal, seems to have helped in bringing more area under pulses. Till the first week of July, in Madhya Pradesh (MP), an additional 1.4 lakh hectares (ha) area had been brought under pulses as compared to the same period in last year. In Karnataka and in Rajasthan, an extra 5.14 and 2.31 lakh ha additional area than last year at this time has been brought under pulses. Overall, the total area under pulses would be around 4.59 million ha which is 26 per cent more than at the same period during last year.

At the same time, soybean sowing in the states of MP, Maharashtra and Rajasthan is almost less than 6.5 lakh ha, 8.5 lakh ha and 1.5 lakh ha respectively than last year. Even industry feels that at least in MP, 5-15% of the area hitherto under soybean might shift to pulses this year. The crop was planted on 11 mha there in 2015-16.

If this happens and the trend is maintained till the end of the kharif sowing season, it will mark a big change in India's cropping pattern and somewhat vindicate the Centre's efforts to boost pulses output by raising the Minimum Support Price (MSP) and undertaking assured procurement. In Punjab, there have been reports that land under cotton has moved towards pulses, as farmers fear a repeat of the 2015 whitewash attack.
Overall, in all kharif crops, sowing picked up pace due to the strong recovery of the southwest monsoon from July 1, particularly over central, western and eastern India, reducing the gap in sowing from last year to around 6 per cent. Till last week, the area sown was around 23 per cent less than the area sown in 2015. As of Second week of July, 40.7 million ha area had been brought under kharif crops as against 43.2 million ha in the same period last year.

<table>
<thead>
<tr>
<th>Crops</th>
<th>2015-16</th>
<th>2016-17*</th>
<th>Y-o-Y change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>7.73</td>
<td>8.19</td>
<td>5.98</td>
</tr>
<tr>
<td>Pulses</td>
<td>3.64</td>
<td>4.59</td>
<td>26.00</td>
</tr>
<tr>
<td>Coarse cereals</td>
<td>7.78</td>
<td>7.50</td>
<td>-3.57</td>
</tr>
<tr>
<td>Oilsseeds</td>
<td>10.11</td>
<td>8.22</td>
<td>-18.65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43.18</strong></td>
<td><strong>40.62</strong></td>
<td><strong>-5.92</strong></td>
</tr>
</tbody>
</table>

Note: Total might not match as all crops have not been included
* Till July 7
Source: Ministry of Agriculture

MRP of DAP and MOP fertilizers to come down

There is good news for farmers in the country. The Ministry of Chemicals and Fertilizers and MOS (C & F) announced that due to progressive policies of Government, there is enough availability of all the required fertilizers like Urea, DAP, MOP, NPK etc., in the country. All out efforts have been made to ensure that there will not be any shortage of fertilizers in the country for the coming Kharif season and farmers can plan their sowing without any apprehension on this account. Meeting of leading manufacturers was held in the department to emphasise that farmers must get the benefit of reduced input cost of DAP and MOP. Major public sector Fertilizer manufacturers – Rashtriya Chemicals and Fertilizers (RCF), National Fertilizer limited (NFL) have decided to bring down the MRP of DAP fertilizer by Rs. 2500 PMT and of MOP by Rs. 5000 PMT with immediate effect. Now MOP 50 Kg bag will cost Rs. 250 less and DAP 50 Kg bag price will be reduced by Rs. 125. The Ministry stated that they have directed the Department that such meetings should be convened at regular intervals to ensure that farmers are passed on maximum benefits by the company’s manufacturing MOP, DAP and NPK fertilizers.

On an average, the farmers in our country use around 100 LMT of DAP, 25 LMT of MOP and 90 LMT of NPK fertilizers annually. Because of proactive steps of the Ministry of Chemicals and Fertilizers, first ever time in last 15 years, the prices of DAP, MOP and NPK Fertilizers have been reduced substantially and approximately Rs. 4500 crores worth of benefit have been transferred to Farmers at large annually.

The vision of Government being “Jamin Bachao-Kissan Bachao”, this reduction of price of P&K Fertilizers will go a long way in facilitating balanced use of fertilizers and improving soil health and its fertility.

Cabinet Approves Import of Pulses through Long-term Contract with Mozambique

The Union Cabinet has approved a long-term contract by signing a Memorandum of Understanding (MoU) with Mozambique (country in South east Africa) for import of pulses either through the private channels or Government-to-Government (G2G) sales through State Agencies nominated by the two countries. The MoU aims at promoting the production of Pigeon Peas/Tur and other pulses in Mozambique by encouraging progressive increase in the trading of these pulses. The MoU includes...
targets for exports of Tur and other pulses from Mozambique to India for five financial years and aims at doubling the trade from 1 lakh tonnes in 2016-17 to 2 lakh tonnes is 2020-21. The MoU will augment domestic availability of pulses in India and thereby stabilise its prices.

The total pulses production in the country during 2015-16 is estimated to be 17 million tonnes while 5.79 million tonnes of pulses were imported to meet the domestic requirements. However, the total availability of pulses including domestic production and imports was less than domestic requirements putting pressure on the prices of pulses during the year 2015-16 and current year. To mitigate the shortfall in availability of pulses and supplement the existing efforts at meeting the requirements, Government has decided to enter into long term G2G arrangement with Mozambique so as to ensure assured availability of pulses. The signing of this MoU with Mozambique may also lead to similar arrangements with other countries.

**Highest ever domestic Production of Urea in 2015-16**

<table>
<thead>
<tr>
<th>Name of the Product</th>
<th>Requirement/Demand</th>
<th>Production</th>
<th>Import</th>
<th>Requirement/Demand</th>
<th>Production</th>
<th>Import</th>
<th>Requirement/Demand</th>
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<tr>
<td>Urea</td>
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<td>227.15</td>
<td>70.88</td>
<td>109.86</td>
<td>36.11</td>
<td>32.61</td>
<td>107.36</td>
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<td>306.71</td>
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(Figure. in LMT)

**Interest subvention to all Banks for providing short term crop loan to farmers**

The Union Cabinet has approved the Interest Subvention Scheme for farmers for the year 2016-17. The Government has earmarked a sum of Rs. 18,276 Crore for this purpose. This will help farmers getting short term crop loan payable within one year up to Rs. 3 lakhs at only 4 per cent per annum. The salient features of the scheme are as follows:

a. The Central Government will provide interest subvention of 5 per cent per annum to all farmers for short term crop loan upto one year for loan upto Rs. 3 lakhs borrowed by them during the year 2016-17. Farmers will thus have to effectively pay only 4% as interest.

In case farmers do not repay the short term crop loan in time, they would be eligible for interest subvention of 2% as against 5% available above.

b. The Central Government will give approximately Rs 18,276 crores as interest subvention for 2016-17.
c. In order to give relief to small and marginal farmers who would have to borrow at 9% for the post-harvest storage of their produce, the Central Government has approved an interest subvention of 2% i.e. an effective interest rate of 7% for loans upto 6 months.

d. To provide relief to the farmers affected by Natural Calamities, the interest subvention of 2% will be provided to Banks for the first year on the restructured amount.

Tur Price to remain firm

India is the largest producer and consumer of tur contributing about 70 per cent in the world production. From last two years, due to poor monsoon the tur production in the country was estimated to decline about 26 lakh tonnes in 2015-16 (third advance estimates 09-05-2016), as against 28.1 lakh tonnes in 2014-15 and 31.74 lakh tonnes in 2013-14. The production of total pulses in India was estimated to be 170.6 lakh tonnes in 2015-16, which was about 192.5 lakh tonnes in two years back. This led to sharp increase in tur prices from Rs. 800 per 20 kg in March, 2014 to Rs. 1100 per 20 kg in March, 2015 and further to Rs. 1600 per 20 kg in May, 2016 in various markets in Gujarat. Hence, 5.75 and 4.63 lakh tonnes tur was imported in 2014-15 and 2015-16, respectively. The total pulses import increased from 36.55 lakh tonnes in 2013-14 to 45.85 lakh tonnes in 2014-15 and further to 57.90 lakh tonnes in 2015-16.

In Gujarat, tur is mainly grown in South Gujarat region, occupied an area of about 2.28 lakh ha and production might be about 2.38 lakh tonnes in 2015-16 as against 2.14 lakh ha area and 2.35 lakh tonnes production in previous year. For the kharif season of 2016-17, the Government has increased MSP of tur to Rs. 1010 per 20 kg (i.e. Rs. 5050 per quintal) which is Rs. 85 more than the last year, to give strong price signal to farmers to increase acreage. Food Corporation of India (FCI) will be the designated central nodal agency for price support operations for cereals, pulses and oilseeds. Besides, this year the possibility of normal to good monsoon and higher price in current month may induce the farmers to increase tur acreage in the country including Gujarat.

Taking all these in view, the research team of Department of Agricultural Economics, Junagadh Agricultural University, Junagadh, analysed the historical monthly price data of tur collected from Dahod Regulated Market.

The econometric analysis of tur prices revealed that the prices of tur during February - March, 2017 (i.e., at harvesting) may remain in the range of Rs. 1100 to 1200 per 20 Kg (5500 – 6000 Rs/qtl). Hence, farmers are suggested to take their own decision keeping above price level in view and decide the area under tur as per their convenience. The farmers may also adopt relay cropping of tur in groundnut (groundnut - pigeon pea relay cropping in 2:1 row ratio) for risk minimization and to increase revenue.

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