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Agricultural Production and Market Outlook

The Rising Agriculture....

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Govt allows duty-free import of wheat

The Centre's decision to allow duty-free wheat imports, just when sowing of the new crop is on, has left red faces in the Union Agriculture Ministry. The Ministry has been consistently maintaining that India had produced a bumper wheat crop in 2015-16. In its last estimate, released on August 2, Krishi Bhawan had pegged the output at 93.50 million tonnes (mt), up from 86.53 mt in 2014-15. This was despite government agencies procuring only 22.96 mt of wheat in the last rabi marketing season (April-June), as against 28.08 mt from the previous year's crop. The Agriculture Ministry's higher production estimates — disputed by the private trade, which pegged it much lower at 80-85 mt in a drought year, aggravated by high temperatures and no winter rain — had led the Centre to raise the import duty on wheat from 10 to 25 per cent. The enhanced duty was first made applicable until March 31, 2016 and then extended up to June 30.



FLIP-FLOP: DATE-WISE WHEAT IMPORT DUTY IN %

AUG 4, 2015	10 (applicable till 31.03.2016)
OCT 19, 2015	25 (applicable till 31.03.2016)
MAR 28, 2016	25 (applicable till 30.06.2016)
JUNE 17, 2016	25 (applicable without end date)
SEP 23, 2016	10 (applicable till 29.02.2017)
DEC 8, 2016	0 (applicable without end date)

Source: Central Board of Excise and Customs

On June 17, the Central Board of Excise and Customs (CBEC) issued a notification continuing with the 25 per cent duty “beyond 30.06.2016 and without an end date”. But in the last couple of months, the dominant view within the Centre has seemingly shifted away from the Agriculture Ministry’s assessment of wheat crop availability. On September 23, the import duty was suddenly slashed to 10 per cent, to be effective until February 29, 2017 (the new crop’s arrivals start in March). In the latest CBEC notification, dated December 8, imports have been made totally duty-free — and that, too, “without an end date”. This decision has come even as the Agriculture Ministry has reported higher wheat sowings this year, on the back of improved soil and subsoil

moisture conditions from good monsoon rains and the timely onset of winter conducive to germination. Farmers, as on December 23, had planted 278.62 lakh hectares (lh) area under wheat, compared to 259.37 lh during the same period last year.

Wheat of Black Sea origin (Ukraine and Russia) is currently landing in Indian ports at \$210-215 per tonne. It is slightly higher, at \$ 225-235 per tonne, for Australian wheat. At these rates, imported wheat would work out Rs 50-200 per quintal cheaper than the Centre’s minimum support price of Rs 1,625/quintal payable to Indian farmers. An estimated 3.5 mt of wheat imports has so been contracted during 2016-17 (April-March), with 2 mt-plus already arriving.

Sikkim becomes the first fully organic state of India



It's a landlocked state nestled in Himalayas with no train or commercial flight connectivity. Over the years around 75000 hectares of land has been converted into certified organic farms. Organic cultivation doesn't involve the use of chemical pesticides and fertilizers and thus helps to maintain a harmonious balance among the various complex ecosystems. Setting an example for the entire nation, Sikkim now join hands with the organic states of the foreign countries like California, Wisconsin among others.

Ministry launches e-pashuhaat portal (www.epashuhaat.gov.in)



The Union Agriculture & Farmers Welfare Minister, Shri Radha Mohan Singh has launched e-pashuhaat portal (www.epashuhaat.gov.in) on the occasion of National Milk Day (November 26, 2016). Shri Singh informed that for the first time in the world under the scheme National

Mission on Bovine Productivity 'e-pashuhaat' portal has been developed for connecting breeders and farmers regarding availability of bovine germplasm. Through the portal breeders/farmers can sell and purchase breeding stock, information on all forms of germplasm including semen, embryos and live animals with all the agencies and stake holders in the country has been uploaded on the portal. Through this portal, farmers will be aware about the availability of quality disease free bovine germplasm with different agencies in the country. The portal will lead to propagation of high genetic merit germplasm.

Rabi Crops Sowing Crosses 554 Lakh Hectare

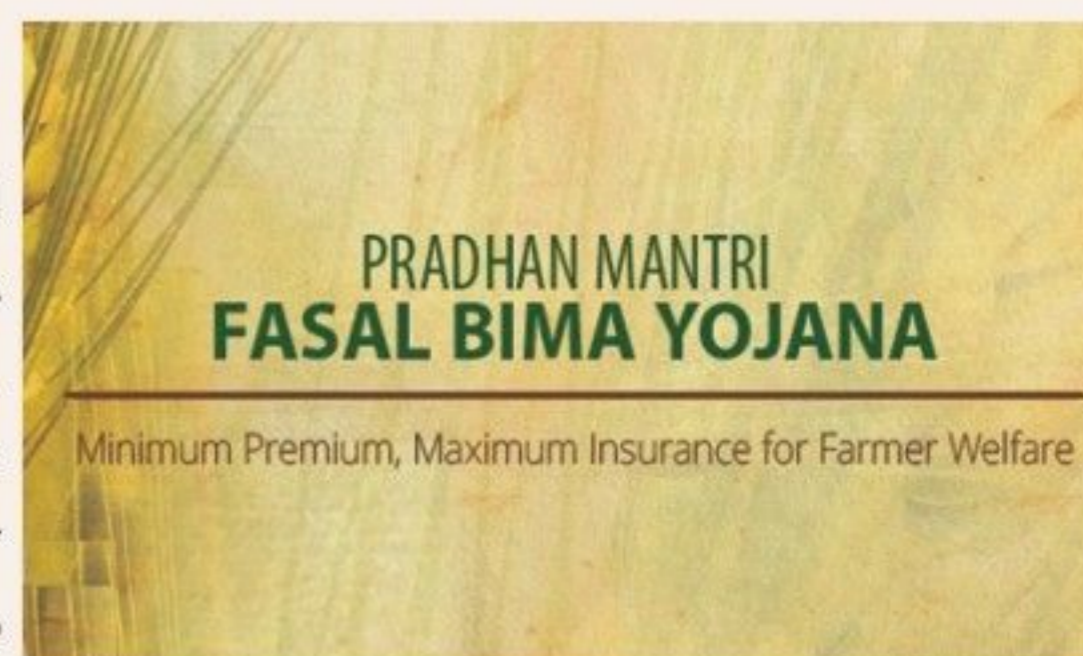
As per preliminary reports received from the States, the total area sown under Rabi crops as on 23 December 2016 stands at 554.91 lakh hectares as compared to 523.40 lakh hectare this time in 2015. Wheat has been sown/transplanted in 278.62 lakh hectares, showing increase from 259.37 lakh hectares last year. The area under rice crop has shown decline to 9.33 lakh hectares from 13.27 lakh hectares last year. The pulses crop area was higher at 138.25 lakh hectares compared with 125.73 lakh hectares same time last year. The area under coarse cereals crop was lower at 50.63 lakh hectares compared with 54.91 lakh hectares last year, while area sown under oilseeds moved up to 78.08 lakh hectares from 70.12 lakh hectares last year.



Crop	Area sown in 2016-17 (Lakh hectare)	Area sown in 2015-16 (Lakh hectare)
Wheat	278.62	259.37
Rice	9.33	13.27
Pulses	138.25	125.73
Coarse Cereals	50.63	54.91
Oilseeds	78.08	70.12
Total	554.91	523.4

Assistance to Farmers for Crop loss under PMFBY

Comprehensive risk insurance is provided under Pradhan Mantri Fasal Bima Yojana (PMFBY) to cover yield loss due to non-preventable risks viz. natural fire and lightening; Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane, Tornado etc.; Flood, Inundation and Landslide; Drought, Dry Spells; Pests/ Diseases etc. On the other hand, Weather Based Crop Insurance Scheme (WBCIS) provides insurance protection to



the farmers against adverse weather incidence, such as deficit and excess rainfall, high or low temperature, humidity etc. which are deemed to impact adversely the crop production. Union Government of India is implementing yield based PMFBY from Kharif 2016 season which has replaced the National Agricultural Insurance Scheme (NAIS) & Modified National Agricultural Insurance Scheme (MNAIS).

Financial assistance is also provided to farmers as per guidelines on the items and norms of assistance from State Disaster Response Fund (SDRF)/ National Disaster Response Fund (NDRF) dated 8th April, 2015 of Ministry of Home Affairs, where assistance is admissible for crop loss of 33% and above due to notified natural calamities viz. Avalanches, Cyclone, Cloud burst, Drought, Earthquake/Tsunami, Fire, Flood, Hailstorm, Landslides, Pest attack, Frost and Cold wave. The norms of relief under SDRF/NDRF are Rs. 6800/- per ha for rainfed areas, Rs.13500/-per ha for assured irrigated areas and Rs.18000/-per ha for all types of perennial crops. Assistance under SDRF/NDRF provided is for immediate relief and not by way of compensation for the loss suffered.

The scheme was recast as a new scheme by the government since two existing insurance schemes were not meeting the full requirements of farmers for insurance coverage. The performance this season has improved by 18.50% in terms of farmers coverage, 15% in terms of area coverage and 104% in terms of sum insured in comparison to Kharif 2015, which happened to be one of the worst drought affected seasons when the number of farmers covered was 309 lakh (22.33%), total area coverage was 339 lakh hectrae and sum insured was Rs 69,307 crore. There has been a jump of more than six times in coverage of non-loanee farmers from 14.88 lakh in kharif 2015 to 102.6 lakh in kharif 2016, which shows the scheme has been well received by nonloanee segment. Another significant achievement in this season has been 104% enhancement in sum insured. This was made

possible as the scheme mandates that the sum insured must be equal to the scale of finance and therefore, reflects better risk coverage of farmers in comparison to earlier schemes.

Govt contracts 4.06 lakh tonnes of pulses import



Import of 4.06 lakh tonnes of pulses has been contracted so far this year for buffer stock, and the total shipments could rise to 10 lakh tones. After a gap of two years, the government started importing pulses from 2015 to meet the domestic shortfall and price rise. It also decided to create a buffer stock of 20 lakh tones through domestic procurement and imports. Of the total pulses import deals clinched so far, tur was 1.58 lakh tonnes, masoor about 1.35 lakh tonnes, chana 70,000 tonnes and urad 42,500 tonnes. On price rise of pulses, the Minsiter of State for Food C R Chaudhary said the fall in output including chana in the last two consecutive years due to drought has put pressure on prices of select pulses and the government has taken measures to check rates. The government has released subsidised chana from buffer stock to state governments, central agencies and now also through auction.

The government is targeting a record 20.75 million tonnes of pulses output in the ongoing 2016-17 crop year (July-June). The previous record was 19.25 million tonnes achieved in 2013-14. Thereafter, output fell due to drought.

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