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Agricultural Production and Market Outlook

The Rising Agriculture....

Cabinet approves Minimum Support Price (MSP) for Copra for 2022 season

The Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi, has given its approval for the Minimum Support Prices (MSPs) for copra for 2022 season.

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The MSP for Fair Average Quality (FAQ) of milling copra has been increased to Rs10,590/- per quintal for 2022 season from Rs.10,335/- per quintal in 2021 and the MSP for ball copra has been increased to Rs.11,000/- per quintal for 2022 season from Rs.10,600/- per quintal in 2021. This is to ensure a return of 51.85 percent for milling copra and 57.73 percent for ball copra over the all India weighted average cost of production. The increase in MSP for copra for 2022 season is in line with the principle of fixing the MSP at a level of at least 1.5 times the all India weighted average cost of production as announced by the Government in the Budget 2018-19.

The decision is based on recommendations of the Commission for Agricultural Costs and Prices (CACP). It assures a minimum of 50 percent as margin of profit as one of the important and progressive steps towards making possible doubling of farmers' incomes by 2022. The National Agricultural Cooperative Marketing Federation of India Limited and National Cooperative Consumer Federation of India Limited will continue to act as Central Nodal

Agencies to undertake price support operations at the MSP in the coconut growing States.

The progress and expansion of organic farming in 3 years

Through various schemes, the government provides end to end support to organic farmers from organic production to certification and marketing, processing, packaging, storage among various other related supports



The Government of India has been promoting organic farming through dedicated schemes of Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Chain Development in North East Region (MOVCDNER) since 2015-16. Both the schemes provide end to end support to organic farmers from organic production to certification and marketing including post-harvest management support like processing, packaging, storage among various other related supports.

PKVY is implemented in all the states across the country to promote organic farming in cluster mode, in which, farmers are provided financial assistance of Rs 50,000/ per hectare for three years out of which, Rs. 31,000 per hectare for three years is provided directly to farmers through direct benefit transfer (DBT) for organic inputs such as seeds, bio-fertilisers, bio-pesticides, organic manure, compost, vermicompost, botanical extracts among other organic inputs.

MOVCDNER is implemented in all the North-Eastern states for the promotion of certified organic production, in which, organic farmers are supported to develop their value chain from organic production to processing and marketing through FPO formation. Under the scheme a sum of Rs. 46,575 per hectare for three years are provided for the creation of FPO, support to farmers for organic inputs, quality seeds, planting material and training, hand-holding and certification. Apart from that financial support is also provided as a subsidy to FPOs and private entrepreneurs at the rate of 75 per cent and 50 per cent respectively for setting up of post-harvest infrastructures such as integrated processing unit, integrated packhouse, cold chain component and small processing units as per the requirement of the value chain.

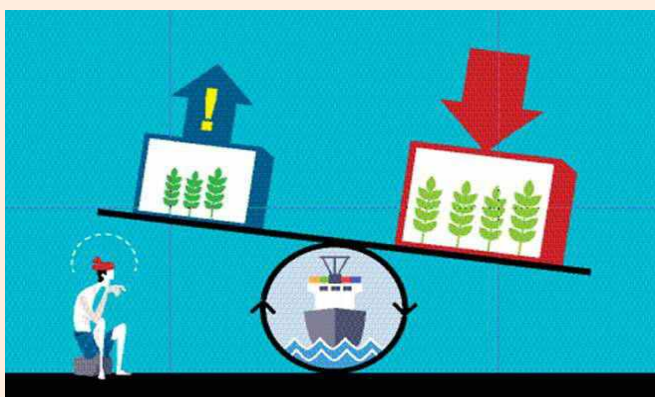
In addition, organic farming is also supported under Rashtriya Krishi Vikas Yojana (RKVY), Mission for Integrated Development of Horticulture (MIDH) and National Project on Organic Farming (NPOF), Network Project on Organic Farming under the Indian Council of Agricultural Research (ICAR.).

Financial outlay of PKVY and MOVCDNER in last three years

Year	PKVY scheme	MOVCDNER scheme		
		Budget Estimate (Rs. in crore)	Releases made (Rs. in crore)	Budget Estimate (Rs. in crore)
2018-19	360.00	329.46	160.00	174.78
2019-20	325.00	283.67	160.00	103.80
2020-21	500.00	381.05	175.00	137.17

Under PKVY and MOVCDNER schemes, there is a provision for the training and capacity building of farmers. Under PKVY, financial assistance of Rs 7,500 per farmer for three years is provided for capacity building. Whereas under MOVCDNER, there is a provision of financial assistance of Rs 10,000 per farmer for three years for training, handholding and certification.

Import and Export of Agricultural Products



During 2020-21, import of agricultural produces was Rs. 141448.05 crore as against export of Rs. 210093.40 crore, bearing a ratio of 0.67 to 1. India is self reliant in most of the agri commodities. However, vegetable oils, pulses, cashew nuts, fresh fruits and spices are major agri commodities which are imported. To ensure self-reliance in pulses, the Government has been implementing National Food Security Mission (NFSM) to improve the production of pulses. Besides, under Rashtriya Krishi Vikas Yojna (RKVY), funds are being provided to States for improving the production of pulses. NFSM-Oilseeds programme is being implemented to improve production of essential edible oils in the country. National Mission on Edible Oils-Oil Palm (NMEO-OP) has been launched with the aim to augment the availability of edible oil in the country by harnessing area expansion, increasing crude palm oil production to reduce the import burden. To address high import of turmeric, steps are being taken to organize cultivation of varieties with high curcumin content in clusters in suitable areas. To meet the growing demand of raw cashew nuts in the country, the Government seeks to increase the area with high yielding varieties, high density planting, rejuvenation of senile orchards and canopy management etc. Department of Commerce is the Nodal Governmental Agency dealing with import and export including agriculture sector in the country and is responsible for developing and formulating Trade Policy and programmes. Various organisations of the Department of Commerce are engaged in the development and promotion of exports of agriculture products viz. Agricultural & Processed Food Products Export Development Authority

(APEDA); Spices Board; Tea Board; Coffee Board; Rubber Board; Tobacco Board; Export Inspection Council. Besides, the Department of Commerce engages with various Export Promotion Councils, Trade and Industry Associations, Farmer-Producer Organisations, Cooperatives etc. to undertake export promotion of agricultural products and resolve the issues related to exports.

Also, product specific Export Promotion Forums (EPF) for eight high potential agri products i.e. Grapes, Mango, Banana, Onion, Rice, Nutri-cereals, Pomegranate, Floriculture & Plant material have been created under auspices of APEDA to promote export of identified product in a focused manner.

Govt releases standard operating procedure for use of drones in agricultural practices

The SOP for drone regulation for pesticide application covers important aspects like statutory provisions, flying permissions, area distance restrictions, weight classification among various related and issues



The Ministry of Agriculture & Farmers Welfare, Government of India, released the standard operating procedure for use of drones in agricultural practices such as pesticide application for crop protection and for spraying soil and crop nutrients. The adoption of drone technology is the need of the times and will benefit farmers. The drones were used for the first time in warding off the locust attacks in various states. The government is making continuous efforts to infuse new technologies in agriculture so as to provide a sustainable solution in the context of enhancing the productivity as well as efficiency of the agriculture sector. The SOP for drone regulation for pesticide application covers important aspects like statutory provisions, flying permissions, area distance restrictions, weight classification, overcrowded areas restriction, drone registration, safety insurance, piloting certification, operation plan, air flight zones, weather conditions, SOPs for pre, post and during operation, emergency handling plan. Considering the unique advantages of drone technologies in agriculture, the Department of Agriculture & Farmers Welfare in consultation with all the stakeholders of this sector has brought out standard operating procedures for use of drones in pesticide and nutrient application that provides concise instructions for effective and safe operations of drones.

The use of unmanned aerial vehicles (UAVs) commonly known as drones have great potential to revolutionise Indian agriculture and ensure the country's food security. The National Drone Policy has been notified and the Drone Rules 2021 have been made significantly easier for people and companies in the country to now own and operate drones. The requisite fees for permissions have also been reduced to nominal levels. Drones are well-equipped with many features like multi-spectral and photo cameras and can be used in many

areas of the agriculture sector such as monitoring crop stress, plant growth, predicting yields, deliver props like herbicides, fertilisers and water. Drones can be used for assessing the health of any vegetation or crop, field areas inflicted by weeds, infections and pests and based on this assessment, the exact amounts of chemicals needed to fight these infestations can be applied thereby optimising the overall cost for the farmer. Drone planting systems have also been developed by many start ups which allow drones to shoot pods, their seeds and spray vital nutrients into the soil. Thus, this technology increases the consistency and efficiency of crop management, besides reducing the cost. The farmers face many problems like unavailability or high cost of labours, health problems by coming in contact with agrochemicals such as fertilisers and pesticides while applying them in the field and bite by insects or animals. In this context, drones can help farmers in avoiding these troubles in conjunction with the benefits of being a green technology. The use of drones in agriculture may also give ample opportunities to provide employment to people in rural areas.

Facts about Kisan Rails transporting of agricultural commodities

Kisan Rails have been introduced by Indian Railways to enable speedy movement of perishables including fruits, vegetables, meat, poultry, fishery and dairy products



Since the launch of first Kisan Rail service on August 7, 2020 and up to November 28, 2021, Indian Railways, Government of India, has operated 1,642 Kisan Rails, transporting approximately 5.4 lakh tonnes of perishables including onion, banana, potato, garlic, pomegranate, oranges, capsicum, cabbage, cauliflower, and other fruits and vegetables. These services have operated from the states of Andhra Pradesh, Assam, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Telangana, Tripura, Uttar Pradesh and West Bengal. In compliance with the announcement made in Union Budget 2020-21, Kisan Rail trains have been introduced by Indian Railways to enable speedy movement of perishables including fruits, vegetables, meat, poultry, fishery and dairy products from the production or surplus regions to consumption or deficient regions. Kisan Rail services are time-tabled as well as demand-based. Kisan Rails enable farmers to utilise the vast railway network to gain access to distant, bigger and more lucrative markets. It is based on the concept of multi-commodity, multi consignor, multi consignee and multi stoppages. There is no minimum limit on the quantity that can be booked, enabling small farmers to reach bigger and distant markets.

Potential circuits for movement of Kisan Rail services are identified in consultation with the Ministry of Agriculture & Farmers Welfare and Agriculture, Animal Husbandry, Fisheries

departments of state governments as well as local bodies and agencies along with mandis. Based on demand, rakes are provided on priority for running of Kisan Rail services.

So far, no difficulties have been faced during the transportation of goods through Kisan rail services. Halts, the number of trips and composition of time-tabled Kisan Rail services and introduction of new services are finalised in consultation with farmers and consignors.

Cabinet approves continuation of irrigation scheme – Pradhan Mantri Krishi Sinchayee Yojana for 2021-26

The CCEA has approved a Central support of Rs.37,454 crore to the states and Rs.20,434.56 crore of debt servicing for loan availed by Government of India for irrigation development during PMKSY 2016-21



Launched in 2015, PMKSY is an umbrella scheme, providing central grants to the state governments for specific activities detailed below. It consists of two major components by the Department of Water Resources, River Development and Ganga Rejuvenation, namely, Accelerated Irrigation Benefits Programme (AIBP), and Har Khet Ko Pani (HKKP). HKKP, in turn, consists of four sub-components, being Command Area Development (CAD), Surface Minor Irrigation (SMI), Repair, Renovation and Restoration (RRR) of Water Bodies, and Ground Water Development. In addition, the Watershed Development part is being implemented by the Department of Land Resources. Another component of PMKSY, **Per Drop More Crop** is being implemented by the Department of Agriculture and Farmers Welfare. The **Cabinet Committee on Economic Affairs** chaired by Prime Minister Narendra Modi has today approved the continuation of the Government of India's flagship irrigation scheme, Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) for 2021-26 with an outlay of Rs.93,068 crore. The CCEA has approved a Central support of Rs.37,454 crore to the states and Rs.20,434.56 crore of debt servicing for loans availed by the Government of India for

irrigation development during PMKSY 2016-21. Accelerated Irrigation Benefit Programme (AIBP), Har Khet ko Paani (HKKP) and Watershed Development components have been approved for continuation during 2021-26.

Accelerated Irrigation Benefit Programme

Accelerated Irrigation Benefit Programme – a flagship programme of the Government of India aims for financial support to irrigation projects. Total additional irrigation potential creation targeted during 2021-26 under AIBP is 13.88 lakh hectares. Apart from the focused completion of 60 ongoing projects including their 30.23 lakh hectare command area development, additional projects can also be taken up. The inclusion criteria have been relaxed for projects under tribal and drought-prone areas. Central funding of 90 per cent of water components for two national projects, namely Renukaji Dam Project (Himachal Pradesh) and Lakhwar Multipurpose Project (Uttarakhand) have been provisioned. The two projects would provide the beginning of storage in the Yamuna basin benefitting six states of the upper Yamuna basin, augmenting water supply to Delhi as well Himachal Pradesh, Uttarakhand, Uttar Pradesh, Haryana, and Rajasthan and a major step towards rejuvenation of Yamuna.

Har Khet Ko Pani (Water to every farmland)

Har Khet Ko Pani (HKKP) aims for the enhancement of physical access on the farm and the expansion of cultivable areas under assured irrigation. Under HKKP, surface minor irrigation and repair-renovation-restoration of water bodies component of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) is targeted to provide additional 4.5 lakh hectare irrigation. In view of the importance of rejuvenation of water bodies, the Cabinet has approved a paradigm shift in the funding of their rejuvenation in both urban and rural areas, with significant expansion of their inclusion criteria, and enhancement of central assistance from 25 per cent to 60 per cent in the general area. Further, the Ground Water component of HKKP, approved provisionally for 2021-22, targets the creation of irrigation potential of 1.52 lakh hectares.

Watershed Development

The Watershed Development component focuses on the development of rainfed areas towards soil and water conservation, regeneration of groundwater, arresting runoff and promoting extension activities related to water harvesting and management. The approved Watershed Development component of the Department of Land Resources envisages the completion of sanctioned projects covering 49.5 lakh hectare rainfed/ degraded lands to bring an additional 2.5 lakh hectare under protective irrigation, during 2021-26. A specific provision for the development of springsheds has been included in the programme.

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