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Agricultural Production and **Market Outlook**

The Rising Agriculture....

Wheat production likely to cross all-time high of 100 MT in 2018-19



The country's wheat production might cross 100 million tonne, an all-time high level, in the current rabi season, helped by good weather conditions during winter, a senior government official Agriculture Commissioner S K Malhotra Said. Wheat production stood at record 99.70 million tonne in the 2017-18 crop year (July-June). The Centre will soon announce production estimates for rabi crops of 2018-19. Wheat output is expected to rise despite fall of around 8 lakh hectare in wheat area to 296 lakh hectare so far this rabi season. The government had increased the minimum support price (MSP) of wheat to Rs 1,840 per quintal from Rs 1,735 per quintal, as part of its decision to fix the support price at least 1.5 times of the production cost. The Food Corporation of India (FCI), the nodal agency for procurement and distribution of foodgrains, and state agencies buy wheat from farmers at MSP and the grain is distributed at Rs 2 per kg to over 80 crore people under the National Food Security Act.

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KALIA' a better alternative to farm loan waivers?

KALIA Yojana

Krushak Assistance for Livelihood & Income Augmentation

The rising farm distress has prompted many states to look for alternatives to provide relief to farmers, with many chief ministers announcing loan waivers and some implementing major schemes. Odisha's Naveen Patnaik is showing the country a new way under 'KALIA' programme, which is expected to provide financial, livelihood and cultivation support along with insurance support to small, marginal and the landless farmers. The Krushak Assistance for Livelihood and Income Augmentation (KALIA) scheme would benefit about 92% of the farmers in the state and the government has earmarked Rs 10,180 crore for the plan in 3 years.

KALIA scheme stands for "Krushak Assistance for Livelihood and Income Augmentation".

5 major features of this scheme that could benefit farmers:

1) Assistance for cultivation: Financial assistance of Rs 25,000 per farm family over five seasons will be provided to small and marginal farmers so that farmers can purchase inputs like seeds, fertilizers, pesticides and use assistance towards labour and other investments from 2018-19 to 2021-22.

2) Assistance for Livelihood: Financial Assistance of Rs 12,500 will be provided to each landless Agricultural Household for agricultural allied activities like for small goat rearing unit, mini-layer unit, duckery units, fishery kits for fisherman, mushroom cultivation and bee-keeping, etc.

3) Assistance for vulnerable agricultural household: Vulnerable cultivators and landless agricultural labourers will get financial assistance of Rs 10,000 per family per year to enable them to take care of their sustenance. The vulnerable cultivator and landless agricultural labourers those who are in old age, having disability or disease and are vulnerable for any other reason.

4) Life insurance for cultivators & landless agricultural labourers: Life insurance cover of Rs 2 lakh at a very nominal premium of Rs 330/ will be provided to all savings bank account holder of age

between 18-50 years. Odisha government will bear farmers' share of the annual premium of Rs 165. Personal accident cover of Rs 2 lakh at a very nominal annual premium of Rs 12 for all savings bank account holder aged between 18-50 years.

Out of Rs 12 towards premium, Rs 6 is the farmers' share, which will be borne by the state government. A beneficiary whose age is between 51-70 years, the entire amount of Rs 12 towards annual premium will be borne by the government.

5) Interest-free crop loan: Vulnerable landless labourers, cultivators and agricultural families identified by Gram Panchayats will be provided with crop loans up to Rs 50,000 made available at 0% interest.

Rabi sowing falls by 3.41%



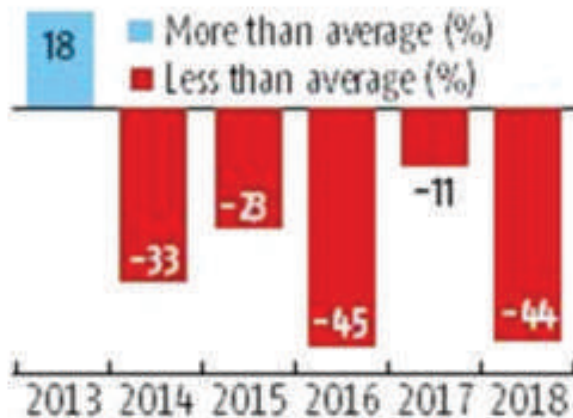
Sowing of rabi crops was almost 3.41 per cent less than last year during the week ended January first week as drought in the October-December period impacted the planting of pulses, mainly gram and coarse cereals. According to latest data from the department of agriculture, rabi crops have been sown in around 56.44 million hectares which was around 1.99 million hectares less than the area covered during the same period last year. With rabi sowing almost 90 per cent complete and nearing its end in most parts, there is little chance of any sharp recovery in acreage. A big drop in acreage has been seen in the case of gram due to low area coverage in Maharashtra as it has been hit by drought. Coarse cereal acreage in the state and also in neighbouring Gujarat has seen a fall also due to low soil moisture.

The area covered under gram was around 9.3 million hectares. This is around 1.13 million hectares less than last year. Of this, around 0.61 million hectares is in Maharashtra alone. Acreage under rabi rice has also fallen by almost 25 per cent due to low rain in Tamil Nadu and Andhra Pradesh.

Between October and December 31, 2018, in the post monsoon period, the country received around 44 per cent less rain than normal. This, coupled with

SHOWER SCALE

Rains in India during the post monsoon period October 1 to December 31



Source: IMD

the drought in some parts, have impacted rabi sowing and could aggravate the distress in the farm sector. The southwest monsoon was almost 22 per cent below normal in the Marathwada region of Maharashtra, while in north interior Karnataka, the deficit was almost 29 per cent and 37 per cent below normal in Rayalseema. Sowing of wheat, the biggest foodgrain grown during the rabi season was, however, better than last. The crop was sown in around 28.83 million hectares, which is 1.7 per cent more than the area covered during the same period last year.

Govt considering NITI Aayog's area-based package for distressed farmers



The NITI Aayog has come up with a proposal to give relief to distressed farmers which, among other suggestions, is being considered by the government. The proposal will have a minimum impact on the exchequer and will be the least 'market-

distortionary', say NITI Aayog officials. The area-based income compensation (ABIC) scheme says that farmers should be paid the difference between the actual price they get and the state-mandated minimum support price (MSP). The compensation, according to this model, will be determined on a per acre basis by using district-level estimates of marketable surplus and prices in the harvest season. The payout under this proposal will be different for each district and could be implemented easily as the price data is reported on a daily basis from over 3,000 mandis across the country in the government's own agmarket.nic.in portal. The model could also be used to compensate for past losses as the agmarket portal has the arrival and the price data of the past months as well. The payment will not be applicable in those districts where government procurement for the public distribution system is in operation as the prices in such places will, in any case, be closer to the MSP. This method of payment will take care of productivity variations as well as price variations across the mandis and will be the least market-distortionary.

In the other models of income transfer currently being talked about, whether it is the Rythu Bandhu of Telangana or the Krushak Assistance for Livelihood and Income Augmentation (Kalia) of Odisha, payment is paid on a per acre and per household basis, irrespective of the quantity of agriculture produce sold or produced by the farmers. All farmers will need to do is give their land and crop production details to the government through a special portal. In return, they will be compensated for the difference between the MSP and the actual market price on a per acre basis after the harvest is over. The payout will be applicable only for those crops for which the Centre declares the MSP. Through this model, farmers can even be compensated for the losses suffered by them in the past and it will have the lowest financial burden on the central exchequer. The ABIC model will allow the free play of market forces and is not expected to affect exports as the compensation will be paid directly to farmers. The proposal said there is also talk of providing crop insurance free to farmers at zero interest on timely repayment of short-term crop loans, as part of the relief package. At present, under the Pradhan Mantri Fasal Bima Yojana, the government charges an insurance premium of 2 per cent for all kharif crops, 1.5 per cent for rabi crops, and 5 per cent for horticulture. For interest subvention for short-term farm credit, the Centre spent around Rs 15,000 crore in 2018-19, which might go up to Rs 28,000 crore if the subvention is waived completely. At present, farmers get short-

term farm loans of up to Rs 300,000 at a 7 per cent interest rate. An additional incentive of 3 per cent is being given to farmers for prompt repayment. The government has set a target to provide Rs 11-trillion credit to farmers in the current financial year. It extended Rs 11.69 trillion credit to farmers in the previous financial year, surpassing the target of Rs 10 trillion.

Fish Production and Consumption



The fisheries and aquaculture production contributes around 1% to India's Gross Domestic Product (GDP) and over 5% to the agricultural GDP. According to Food and Agriculture Organization (FAO) report "The State of World Fisheries and Aquaculture 2018" apparent per capita fish consumption in India [average(2013-15)] lies between a range of 5 to 10 Kg. Keeping in view of the potential fisheries resources in the aquaculture, inland fisheries, coastal & marine fisheries and substantial scope of export augmentation, The Fisheries division of Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture and Farmers Welfare, Government of India is implementing various developmental schemes under the umbrella of "Blue Revolution Scheme" for overall development of fisheries sector, including enhancement of production and productivity, improving the livelihood of the fishers and welfare of fishermen for realizing "Blue Revolution" in the country. Besides, Cabinet Committee of Economic Affairs (CCEA) has also approved the setting up of a dedicated Fisheries and Aquaculture Infrastructure Development Fund (FIDF) worth Rs. 7,522 crore on 23rd October, 2018

to fill the large infrastructure gaps in fisheries sector in the country through developing infrastructure projects such as fishing harbours/ fish landing centres, fish seed farms, fish feed mills/plants, setting up of disease diagnostic and aquatic quarantine facilities, creation of cold chain infrastructure facilities such as ice plants, cold storage, fish transport facilities, fish processing units, fish markets, etc.

The funds released under the various schemes supported by the fisheries division of the Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture and Farmers Welfare, Government of India to to promote fisheries in the country during the last three years and current year as below;

Financial Year	Funds Released (In Rs. Crores)
2015-16	416.80
2016-17	424.11
2017-18	337.53
2018-19 (till date)	312.80
Total	1491.24

National Fisheries Development Board (NFDB) is being implementing various schemes and components since its inception in the year 2006 for development of Fisheries in the country namely Intensive Aquaculture in ponds and tanks, reservoir fisheries development, Coastal Aquaculture, Mariculture, Seaweed cultivation, Infrastructure: Fishing harbor and Fish Landing Centres, Fish dressing centers and solar drying of fish, Domestic marketing, Technology upgradation Projects, Human resources development programs in fisheries sectors, Deep sea fishing and tuna processing, Ornamental Fisheries, Innovative Projects Quality seed dissemination program, Cage and pen culture in open water bodies etc. However, Under the Centrally Sponsored Scheme on "Blue Revolution: Integrated Development and Management of Fisheries" an amount of Rs. 3000 Crores has been approved towards budget outlay for a period of five (5) years from 2015-16 to 2019-20.

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