



Vol.2
Issue- 07
July 2016

Agricultural Production and **Market Outlook**

The Rising Agriculture....

Food Security to Income Security

With the rapid growth of Indian economy, the focus of agriculture sector is gradually shifting from production towards marketing and value addition. Farmers' profitability is determined not only by per unit production but also the price obtained from their output. Therefore a well functioning market structure is prerequisite for an efficient price realization for farmers and higher production and prosperity for farming sector. The traditional regulated marketing system whereby producer is merely a price taker and traders' collusion determines the market price is becoming outmoded. However, most of the farmers are unaware about the factors which determine the prices such as demand, supply and price for produce prevailing in other markets. The low and fluctuating prices for agriculture produce discourage the farmers. The news coming from the farm sector is not very encouraging. Farmers; suicides, indebtedness, crop failures, un-remunerative prices for crops and poor returns over cost of cultivation are the foremost features of India's agriculture today. Adequate income from crop cultivation and other land based activities is essential not only for the survival of the farmers but also facilitate to reinvest in agriculture for the next season. In fact Situation Assessment Survey which found that about 40 percent

Chairman

Dr. Harish Padh

Hon. Adviser

Dr. Mahesh Pathak

Chief Editor

Dr. S. S. Kalamkar

Associate Editors

Dr. H. P. Trivedi

Dr. D. J. Chauhan

Managing Editor

Dr. Hemant Sharma

Subject Editors

Dr. M. N. Swain

Dr. S. R. Bhaiya

Shri M. C. Makwana

Circulation Incharge

Shri Deep K. Patel

Publisher

Agro-Economic Research

Centre, Sardar Patel

University

Vallabh Vidyanagar 388120

Anand, Gujarat.

Agro-Economic Research Centre

of farmers are willing to quite agriculture citing poor remuneration as the main reason. Though we have achieved food security, we need to give back to our farmer a sense of income security to sustain same.

The Agriculture market environment is changing with unprecedented speed and in very diverse ways-locally and globally. These dynamics affect farm prices and there by farm income. Even after 68 years of independence, the quality, timely and cost effective delivery of adequate inputs remains a dream for majority of Indian farmers. They are not able to sell their surplus produce remuneratively and there are plenty of distress sales among farmers of the country. Much of the reason for the same could be increasing emphasis on enhancing production through improved technologies. Accordingly, extension efforts were directed towards transfer of production technologies and almost no or very little attention was paid for higher price realizations for the farmer's produce. This has made no substantial impact on increasing farm incomes over decades. However, the advent of globalization and emergence of new market mechanisms has opened new opportunities for the farmers of the country across crop categories and agricultural regions. This calls for transfer of new extension approaches involving productivity to profitability, subsistence to commercial agriculture, commodity oriented to farming systems orientation, local market to export market, mono cropping to crop diversity and so on.

The majority of the rural producers are unable to understand and interpret the market and price behaviour to their advantage. The most important marketing information input needed by a farmer in the current scenario is the price

intelligence. Successful marketing of high value crops like plantation crops, spices and other commercial crops need to have a fairly good understanding of markets prices and consumers preferences by the stakeholders. Some crops observed too much price volatility with poor price fluctuation and better marketing information. Most of the farmers still lack a good understanding and capacity to use market intelligence in guiding their production and marketing decisions.

Therefore, in the present scenario, Market led extension is the perfect blend for reaching at the door steps of our farmers. With globalization of the market, farmers need to transform themselves from mere producers-sellers in the domestic market to producers cum sellers in a wider market sense to best realize the returns on their investments, risks and efforts. Besides the production technologies, the extension workers now have to get equipped with market information which requires imparting new training skills to the extensionists. In order to bridge the gap, a regular monthly market outlook in English and Gujarati has been published by the Agro Economic research Centre (AERC), Sardar Patel University, Vallabh vidyanagar since July 2015. The Market outlook is not only timely but also extremely effective in reorientation of the farming community to market driven agricultural practices. In 2015-16, the theme covered in issue of market outlook were agriculture input (price and subsidy of seed, fertilizer etc.) Expected & actual agriculture production in kharif and Rabi season; Minimum Support price (MSP); Milk and Dairy; New agriculture policy and Scheme; Soil health card; Agriculture Budget; Agriculture marketing and price forecasting news were covered in market outlook to help the farming community, traders and researchers



On the occasion of AERC Foundation day 2015 celebration, dignitaries released 'Agricultural Production and Market Outlook' monthly magazine of AERC (Gujarati and English language)

We aim to

- Provide improved regional linkages in the generation , dissemination and sharing of agriculture information for better decision making.
- Provide improved access and use of market intelligence with better production and marketing strategies to all stakeholders in the marketing chain.
- Help the farmers in realizing higher net Income and Living of Standard.

Unjha Market would not to be a Part of National Agri-Market (NAM)

Asia's biggest jeera (cumin seed) trading market at the Unjha Agricultural Produce Market Committee (APMC) in Gujarat has refused to join the central government's online National Agricultural Market (NAM), saying it lacks capability. Over 5,000 farmers from Gujarat, Rajasthan and Madhya Pradesh come to the Unjha APMC daily for sale of commodities, most of which is jeera. At the peak season, daily arrival of jeera reaches 100,000-150,000 bags. Sampling, lab testing and grading are not possible on such a huge quantity for us at this time. Hence, They have refused to go online under NAM.



Unjha is globally renowned as a jeera trading hub. Currently, about 20,000 bags of it arrive daily here. Other commodities such as fennel seed, coriander and isabgul also arrive in big quantities. As on date, three APMCs in Gujarat has joined the online platform — Patan, Botad and Himmatnagar. Ten more will be under NAM by the end of this month.

MMTC invites bids to Import 5,000 tonnes of Pulses



MMTC (Metals and Minerals Trading Corporation of India, is one of the two highest earners of foreign exchange for India and India's largest public sector trading body) is looking to import 5,000 tonnes of pulses to keep the domestic prices under control by increasing the availability of lentils. The gap in demand and supply of pulses has widened in the last two years due to drought.

Pulse production is around 17 million tonnes while demand is for 23.6 million tonnes (mt). The country had imported around 5.5 mt of pulses in 2015-16, there is still a shortfall of around 1 mt, putting upward pressure on prices. The government is importing pulses through MMTC, using Price Stabilisation Fund for creating buffer stock of pulses and other essential commodities so as to intervene in the market to check prices when need arises.

According to the tender document, the MMTC has invited bids for import of Desi Chick Peas from Canada or Australia. The bid should be made for minimum 2,500 tonnes and last date is June 15.

The Centre is procuring pulses to create a buffer stock of 1.5 lakh tonnes. State run agencies FCI, NAFED and SFAC had already procured 1.11 lakh tonnes of pulses so far from farmers for creating buffer stock. At the same time, for raising lentils' domestic output, the Centre has raised their minimum support price (MSP) by up to Rs 425 per quintal for this year.

The tur MSP has been raised to Rs 5,050 per quintal for this year from Rs 4,625 per quintal last year. Moong support price has been increased to Rs 5,225 per quintal for the 2016-17 kharif season from Rs 4,850 per quintal in the year ago period. Urad MSP has been raised to Rs 5,000 per quintal from Rs 4,625 in the said period.

India is the world's largest producer of pulses, but its domestic demand outstrips production. The shortfall is met from import. As per the Agriculture Ministry's estimate, pulse production is estimated at 17.33 mt in 2015-16 crop year (July-June), marginally higher than the previous year's production of 17.15 mt.

Sugarcane price arrears down at Rs 6,225 crore



Sugarcane price arrears for sugar season 2015-16 have come down to Rs 6,225 crore. First week of June, 2016, about 87 per cent cane dues have been paid for the season. During the same period of last year these, dues were Rs 19,437 crore.

Out of Rs 6,225 crore cane arrears, Uttar Pradesh has a maximum share of Rs 2,428 crore followed by Rs 1,325 crore in Karnataka and Rs 883 crore in Maharashtra. In last one year, the government has taken several measures to improve liquidity position of sugar mills enabling them to clear cane prices dues to farmers.

The government had provided soft loan to millers to clear cane arrears. It also increased import duty to 40 per cent, and offered export subsidy on raw sugar and a production subsidy to sugar mills to offset

cost of cane price. The government also promoted Ethanol Blending Program (EBP). India's sugar production is estimated to be 25 million tonnes in 2015-16 season, as against 28.3 million tonnes in the previous year.

State wise cane price arrears for sugar season 2015-16

Name of State	Dues at FRP (in Rs./cr.)
Bihar	143
Punjab	28
Uttarakhand	198
Uttar Pradesh	2428
Andhra Pradesh	181
Telangana	99
Gujarat	255
Maharashtra	883
Karnataka	1325
Tamil Nadu	610
Puducherry	11
Chhattisgarh	15
Odisha	32
Madhya Pradesh	16
Goa	1
Total dues	6225

Area sown under kharif season down (2016-17)



It is estimated that total area sown under paddy is lower by 10 per cent so far in this kharif season at 5.75 lakh hectares, while pulses acreage is down 37 per cent mainly due to delay in onset of monsoon. Farmers have sown pulses in 1.46 lakh hectares so far in the ongoing kharif season of the 2016-17 crop year as against 2.32 lakh hectares in the same period last year. According to Agriculture Ministry data, paddy acreage is 5.75 lakh hectare so far this Kharif as against 6.42 lakh hectare in the corresponding period of last year. Area under coarse cereals is also down by 47 per cent at 2.01 lakh hectares so far compared with 3.82 lakh

hectares in the year ago period. In nonfood grains category, oilseeds acreage is lower at 0.72 lakh hectares so far as against 1.22 lakh hectares in the same period last kharif. Cotton sowing is also lagging behind by 31 per cent at 9.87 lakh hectares compared with 14.30 lakh hectares in the year ago period. However, sugarcane area is up at 44.38 lakh hectares so far against 41.01 lakh hectares in the same period last year. India's foodgrains production stood at around 252 million tonnes (MT) during the 2015-16 and 2014-15 crop years (July-June) due to two consecutive drought year.



Celebrating completion of one year of Market Outlook





Dr. Mahesh Pathak
Honorary Advisor



Dr. Harish Padh
Chairman



Dr. S. S. Kalamkar
Chief Editor

Associate Editors

Managing Editor



Dr. H.P. Trivedi



Dr. D. J. Chauhan



Dr. Hemant Sharma

Subject Editors



Dr. M. N. Swain



Dr. S.R. Bhaiya



Shri M. C. Makwana

Circulation In-charge



Shri Deep K. Patel

Book Post

To,

From:

Agro-Economic Research Centre

For the states of Gujarat and Rajasthan

(Ministry of Agriculture & Farmers Welfare, Govt. of India)

H.M. Patel Institute of Rural Development,

Opp. Nanadalaya Temple, Post Box No. 24,

Sardar Patel University

Vallabh Vidyanagar 388120, Anand, Gujarat

Ph.No. +91-2692-230106, 230799, Fax- +91-2692-233106

E-mail : director.aerc@gmail.com

Website: www.aercspu.ac.in

Lajja : 02692-233864

Acknowledged the information used/taken from the public domain