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# *Agricultural Production and* **Market Outlook**

The Rising Agriculture....

## **Soymeal exports to Iran surged to over 5 lakh tonnes in 2018-19**



A sharp jump in demand from the Iranian feed industry post-US sanctions has brightened the prospects for India's soymeal exports. According to the latest data released by the Solvent Extractors' Association of India (SEA), soymeal exports to Iran for the year 2018-19 stood at 508,050 tonnes, far higher than 22,910 tonnes reported in the previous year. With this, Iran emerges as the third largest importer of Indian oilmeals after South Korea (738,795 tonnes) and Vietnam (615,403 tonnes). The Iranian market has once again opened up for Indian soybean meal. It seems again

Iranian feed industries are looking at India for their requirement of soybean meal, supporting export of oilmeals from India." SEA said in its note. The trade with Iran got a further boost after it revised its payment mechanism for India and started accepting payments from India in rupee and used that fund to pay for its imports from India. Opening up of an export market has lifted India's overall soymeal exports from 11.87 lakh tonnes in 2017-18 worth Rs 2,909 crore to 13.37 lakh tonnes valuing Rs 3,831 crore in 2018-19. According to the SEA data, rapeseed meal exports jumped by about 58 per cent to 10.51 lakh tonnes worth Rs 1,654 crore for the year under review from 6.64 lakh tonnes worth Rs 992 crore in the previous year. The export of rapeseed meal is sharply increased and was mainly exported to South Korea, Vietnam and Thailand. The overall oilmeal exports during April 2018 to March 2019 is provisionally reported at 3,205,768 tonnes against 3,026,628 tonnes in the year ago period - up by 6 per cent. Groundnut meal exports reported at 8,673 tonnes worth Rs 13 crore against 7,931 tonnes worth Rs 16 crore reported last year. The exports of castor seed meal and rice bran extract stood at 367,084 tonnes and 440,927 tonnes respectively.

### Certification norms for small organic-



### food producers relaxed

In a move that is expected to bring relief to small organic food producers, the Food Safety and Standards Authority of India (FSSAI) has decided to relax certification norms for small original producers or producer organisations with an annual turnover of up to Rs 12 lakh, till April 1, 2020. According to the regulations, all organic food sold in the country needs to be certified either under National Programme for Organic Production (NPOP) or Participatory Guarantee System for India (PGS-India). The food safety authority has now directed State food safety officers to consider the organic food regulations as "Enabling Regulations" and not for prosecution - particularly for small original producers and producer organisation during the initial phase of its implementation till April 1, 2020. "Provision of direct sales of organic food to the end consumer by the small original producer/producer organisation having an annual turnover of organic produce of not more than Rs 12 lakh is permitted. They may be allowed to sell organic food without any certification i.e NPOP/PGS-India," FSSAI said.

### Govt Plans to Offload Excess Rice, Wheat in Open Market



Acknowledged the information used/taken from the public domain



The government plans to offload excess stocks of rice and wheat in the open market during the fresh procurement season to flour millers and other bulk consumers. The Committee of Secretaries (COS) met to decide on the course of action for the open market sale. Once the proposal gets through the CoS and the finance ministry, it will be vetted by the Election Commission of India. The government normally initiates an open market sale for bulk buyers after procurement. This time, an e-auction is likely to be held during the procurement season ending in June as the Food Corporation of India, the agency that buys foodgrain for the government, is grappling with a paucity of storage space. Our godowns are inundated with rice and wheat and we are procuring more in the current season. To make way for the new crop, we need to liquidate wheat stocks in the open market at above the reserve price, which is the sum of the minimum support price of the foodgrain and its procurement cost" said by food ministry. The FCI currently holds 26.3 million tonnes of rice and 20.1 million tonnes of wheat, according to data on its website. The government expects to procure 45 million tonnes of rice (kharif and rabi) and 35.7 million tonnes of wheat in the current season. The government had targeted the sale of 10 million tonnes of wheat and 2 million tonnes of rice in the open market in the previous season.

### **Rice export prices dip on poor demand**

Rice export prices in top exporter India edged lower this week due to sluggish demand, while fears of a drought this year supported up domestic buying in Thailand.



India's 5 per cent broken parboiled variety was quoted around \$387-\$390 per tonne this week, down from last week's \$390-\$393. "Demand is very poor at current price level. The appreciation in the rupee has limited scope to cut prices," said an exporter based at Kakinada in the southern state of Andhra Pradesh. A strong rupee dents exporters' returns from overseas sales. India's rice exports for April-February fell 9.4 per cent from a year earlier to 10.57 million tonnes, as major buyer Bangladesh trimmed its purchases due to a bumper local harvest. Farmers in Bangladesh have planted the summer rice variety on 4.9 million hectares of land, exceeding the target of 4.8 million hectares.

### **Agri , processed food products exports dip 2.27% in Apr-Feb 2018-19**



The country's exports of agricultural and processed food products have dipped by 2.27 per cent to \$16.27 billion during the April-February period of 2018-19, on account of

contraction in shipments of buffalo meat, wheat and non-basmati rice, according to data from APEDA. The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the government under a law. During the corresponding period of 2017-18, exports of these items stood at \$16.65 billion. Buffalo meat, wheat and non-basmati rice exports dipped by 11.32 per cent, 48.79 per cent and 19.33 per cent respectively, during the 11-month period of 2018-19. The other products that recorded negative growth include fresh fruits and vegetables, processed fruits and juices, sheep and goat meat, ground nuts, cereal preparations, and alcoholic beverages. However, floriculture, fruits and vegetables seeds, pulses, processed vegetables, processed meat, dairy products, guar gum and basmati rice recorded positive growth. Pulses exports grew 28.46 per cent to \$235 million during the period under review.

### **NSE to launch eight new agri commodity contracts**

The National Stock Exchange (NSE) will plunge into agri commodity trading with eight new contracts that are not traded on any other exchanges. The proposed new contracts for which the exchange has sought SEBI permission include almonds, castor oil, soya degum, urad dal, toor dal and



pulses. NSE's rival BSE, which started agri commodity trading in February 2019, has launched trading in guar seed and guar gum. BSE claims to have cornered more than 30 per cent market share in guar seed trading. SEBI has allowed exchanges to offer financial incentives on commodities not traded on other exchanges. NSE may be able to use market incentive schemes for the new contracts. Though the entry of NSE and BSE into agri commodity has created a buzz, the space has seen lacklustre growth for a while, as 90 per cent of commodity trading volumes in India is concentrated in the oil and metal space. The physical sale of agricultural produce is still administered by States, with each following its own regulations. Both BSE and NSE are trying to develop agri commodity trading, as there is no transaction tax in this segment. This may attract traders as they can generate arbitrage and jobbing volumes.

Book Post

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