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Agricultural Production and **Market Outlook**

The Rising Agriculture....

NABARD to set up 250 FPOs in Gujarat



National Bank for Agricultural and Rural Development (Nabard) aims to set up 250 Farm Producers Organizations (FPOs) in Gujarat over the next three years. Setting up of the FPOs - which are farmers' collectives that help reduce cost of production by encouraging common cultivation and bulk transport - is a NABARD initiative to help boost the income of small and marginalized farmers in the state. Currently, there are 168 FPOs operational in Gujarat, spread across Banaskantha, Bhavnagar, Dahod, Narmada, Sabarkantha, Bharuch, Bhavnagar NABARD and Panchmahal districts. About 66% of farmers in Gujarat are small and marginal farmers, who barely have 30% of the total land

holding by farmers. Smaller land parcels will not help boost farmer incomes. Therefore, by setting up FPOs, it is not just encouraging collective cultivation but also helping farmers through financial assistance as well as skill development. This way they can reduce cost of production and also adopt better farming practices to help boost individual incomes. So far, NABARD has provided financial assistance to some 31 FPOs, with an average credit of more than Rs 3 lakh per FPO. According to NABARD data, small and marginal farmers in Gujarat have an average land holding of less than two hectare. However, after being part of the FPOs, individual incomes of farmers have increased significantly.

Centre approves interest subvention scheme for farmers



The Reserve Bank of India said the government has approved implementation of the interest subvention scheme (ISS) with modifications for the years 2018-19 and 2019-20. Under this, banks will provide farmers short-term crop loans up to Rs. 3 lakh at 7 per cent, and those repaying promptly will get loans at 4 per cent. This

comes in the backdrop of the Union Budget unveiling the 'Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)', whereby vulnerable landholding farmer families, having cultivable land up to two hectares, will be provided direct income support at the rate of Rs. 6,000 per year. To ensure hassle-free benefits to farmers under ISS, banks are advised to make Aadhaar linkage mandatory to avail of short-term crop loans in 2018-19 and 2019-20. In order to discourage distress sales by farmers and to encourage them to store their produce in warehouses, the RBI, per the government's advice, said the benefit of interest subvention will be available to small and marginal farmers having Kisan Credit Card for a further period of up to six months after the harvest of the crop. This will be at the same rate as available for crop loans, against negotiable receipts issued on stored produce in warehouses accredited with the Warehousing Development Regulatory Authority. For farmers affected by natural calamities, interest subvention of 2 per cent per annum will be made available to banks for the first year on the restructured loan amount. Such restructured loans will attract a normal rate of interest from the second year onwards. However, to provide such relief to farmers, an interest subvention of 2 per cent per annum will be made available to banks for the first three years/entire period (maximum of five years) on the restructured loan amount. Further, in all such cases, the benefit of prompt repayment incentive of 3 per cent per annum will also be provided to affected farmers.

Rajasthan set to pip Gujarat in cumin production



Armed with estimated 20% increase in cumin seed (jeera) production 2019-20, Rajasthan is expected produce more cumin than Gujarat, the largest producer of the spice so far. Unlike Rajasthan, Gujarat is likely to witness 3% reduction in cumin production during 2019 due to lower acreage. Cumin production in Rajasthan is estimated to rise to 2.50 lakh metric tonne (MT) in 2019 from 207.83 MT in 2018. As against this, the production in Gujarat is likely to decline to 1.67 lakh MT in 2019 from 1.73 lakh MT in 2018, shows trade estimates released at the Spice Meet 2019, which was recently organised in Ahmedabad by Federation of Indian Spice Stakeholders (FISS). Traditionally, Gujarat and Rajasthan account for most of the cumin production in India. The cumin production in the country is expected to rise 9% to 4.17 lakh tonne this year. Spices Board of India under union ministry of commerce and industry had put Gujarat as the top producer with production of 2.91 lakh tonnes in 2018. With lower production this year, Gujarat in all probability is going to produce less cumin than Rajasthan. Less availability of water for irrigation during the sowing season has

resulted into lower production of the spice in Gujarat.

Kutch racing ahead in Kesar mango cultivation



Known for its dry land, Kutch district is gaining recognition as a fertile land for the 'Kesar' mango variety, Farmers claim that chrip irrigation from groundwater is helping Kutch become a Kesar mango heartland a title currently enjoyed by Gir Somnath district in Saurashtra. The acreage of the fruit in the district saw a sharp increase of about 1,700 hectares or 7 per cent to 10.033 hectares in 2017-18, as compared to about 6 per cent in Gir Somnath district to 14,820 hectares. Growth in mango cultivation in the Kutch region is primarily attributed to the drip irrigation method and fertile land. This makes it a favourable condition for mango cultivation even in a place such as Kutch. More and more farmers are taking up mango cultivation by switching from conventional crops such as castor. According to data of the Horticulture department show that mango production in Kutch has been promising. In 2015-16, Kutch produced 85.240 tonnes of mango, which jumped to 91,206 tonnes in 2016-17, the peak production year. Output,

however, dipped in 2017-18 to 72.739 tonnes. "This year we expect a better crop. Even as there is water shortage in other parts of Kutch, we are able to provide adequate water due to drip irrigation through groundwater. We are waiting for the canal network to get completed, which will further boost the prospects for Kutch to become a kesar land," said Batuksinh Jadeja, a mango producer in Kutch. Jadeja has developed mango orchard on about 150 acres of land.

Cotton exports set to fall 27 per cent



Notwithstanding robust demand, the Cotton Association of India(CAI) expects exports to plunge 27 per cent to 50 lakh bales (lb) this cotton season, ending September (2019-20), against 69 lakh bales registered last year due to lower output. Overall export demand is looking up with China emerging as the largest buyer. However, in its latest estimate CAI has reduced cotton output for this year to 328 lb against 330 lb estimated in January. The output was at 365 lb last year. According

to CAI, the country has supplied 5 lb to China and another 8 lb will be shipped out by April. Overall cotton exports to China are expected to touch 15 lb against 8 lb logged last year Chinese cotton buyers are willing to purchase cotton at 80-81 cents a pound at a time when the global prices are hovering at 78-79 cents a pound. CAI plans to sign a memorandum of understanding with Bangladesh to enhance India's cotton exports to that country by 30 per cent from 20 lb shipped out last year. India has shipped out 10 lb till now to Bangladesh. Cotton exports to Pakistan have come to standstill after the recent tensions. India has already exported 8 lb and pending orders will be fulfilled once normalcy returns. Pakistan's annual cotton crop is estimated at 330 lb but its demand is about 570 lb, forcing it to buy cotton from other countries. Lack of sufficient rain in states such as Gujarat, Karnataka, Telangana and Maharashtra is expected to pull down the cotton crop to a nine-year low this year. The previous lowest output was 305 b recorded in 2009. Moreover, the government of Maharashtra and Telangana had given instructions to the farmers to remove the cotton plants by December-end to avoid Pink Ball worm problems.

Book Post

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