



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

The Rising Agriculture....

Vol.2

Issue-05

May 2016

## **Agriculture sector grows by 1.6% in first 4 years of 12th Five Year Plan**

The average annual growth rate of agriculture and allied sector during the first four years of the current Five Year Plan period (2012-17) has been estimated to be 1.6 per cent as against the 12 th plan target of 4 per cent per annum due to lower production. The low average rate of growth in farm sector is due to set back in the annual crop production (except for 2013-14). Deficiency in the monsoon rainfall, moisture stress and unfavourable weather, temperature conditions adversely impacted production of kharif and rabi crops. Investment in terms of Gross Capital Formation (GCF) in agriculture and allied sector stood at Rs 2, 56,495 crore in 2014-15 fiscal.

"Government has taken several steps for increasing investment in agriculture sector such as enhanced institutional credit to farmers, promotion of scientific warehousing infrastructure for increasing shelf life of agriculture produce, setting up of agri-tech infrastructure fund for making farming competitive and profitable, developing commercial organic farming.



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

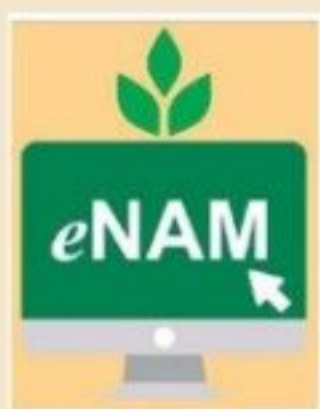
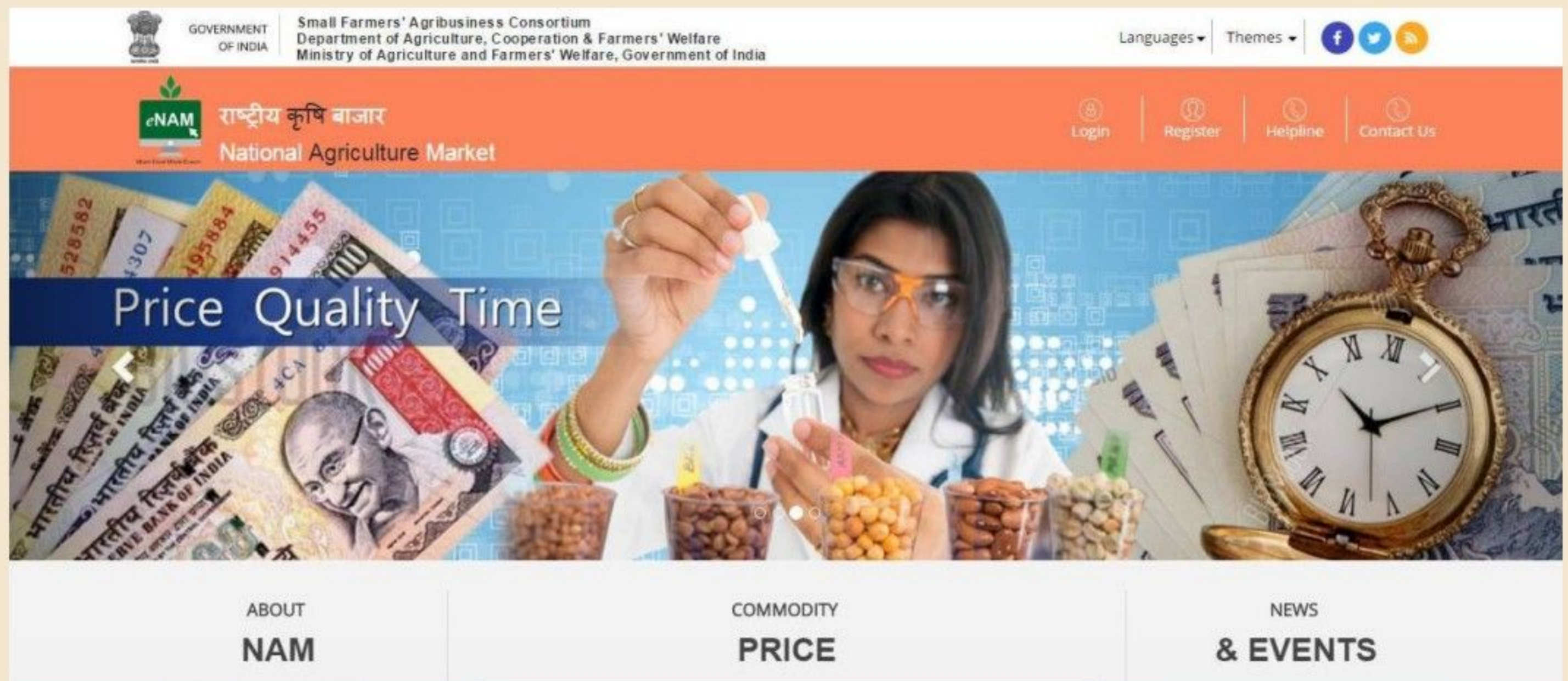
Managing Editor  
Dr. Hemant Sharma

Subject Editors  
Dr. M. N. Swain  
Dr. S. R. Bhैया  
Shri M. C. Makwana

Circulation Incharge  
Shri Deep K. Patel

Publisher  
Agro-Economic Research  
Centre, Sardar Patel  
University  
Vallabh Vidyanagar 388120  
Anand, Gujarat.

# E-portal to be launched by 2018 for benefit of farmers



A pan-India electronic trading portal (eNAM) will be deployed in 585 regulated wholesale markets across the country by March 2018 for the benefit of farmers. The Union Government has approved a central sector scheme 'Promotion of National Agriculture Market' (NAM) through Agri-Tech Infrastructure Fund (ATIF) on July 1, 2015 with a budget allocation of Rs 200 crore.

NAM is envisaged as a pan-India electronic trading portal that seeks to network the existing Agriculture Produce Marketing Committee (APMC) and other market yards to create a unified national market for farm commodities. Currently, there are more than 7,000 wholesale markets in the country. The eNAM portal was launched on April 14 on a pilot basis integrating 21 mandis in eight states. States selected for

the pilot project include Gujarat, Telangana, Rajasthan, Madhya Pradesh, Uttar Pradesh, Haryana, Jharkhand and Himachal Pradesh.

Initially 12 commodities, including chana (black gram), castor seed, paddy, wheat, maize, turmeric, onion, mustard, mahua flower, tamarind and shelling pea, will be traded on e-platform and not in the physical market.

The government provides grant as one-time fixed cost, subject to the ceiling of Rs. 30 lakh per mandi/APMC for related equipment, infrastructure and software free of cost.

The sale of agriculture produce shall continue through mandis/APMC, an online market would reduce transaction cost, provide single license valid across all markets, and maintain quality standard with provision of quality testing and single point levy of market fees.

## Gujarat government targets quadrupling agricultural income



Launching the 12th edition of statewide Krishi Mahotsav from Anand in central Gujarat, Chief Minister Anandiben Patel said her government's new agriculture policy intended to quadruple the income from agriculture and stressed on increasing the farm yield, increase storage capacity, value addition and quality improvement and use of land. Under the new comprehensive Agricultural Business Policy-2016 policy, government wanted to open the doors of global trade for farmers and youth of the state through modern farming, food processing and establishing value chain from farm to global commodity markets. Even as the state's farmers are linked to extension centres of agricultural universities for latest lab-to-farm inputs. Smt. Anandiben Patel Patel, gave a slogan: "Samriddh Kisan, Sukhi Kisan (prosperous

farmer, happy farmer)" and claimed that her government was pro-farmer and her government had been encouraging organic farming and was setting up an organic farming university.

The government is taking measures to prevent adulteration in fertilizers and milk, while it would provide land at concessional rates to agricultural produce marketing committees (APMCs) and milk distribution centres. The government planned to provide one lakh new electricity connections during the Krishi Mahotsav, loan at one per cent interest, allocation of Rs.10 crore for drip irrigation and Rs. 100 crore to check damage to crops by animals.

The chief minister claimed that the almost three-time rise in the yield of groundnut, bajri, wheat, banana and rai was because of efforts made during the Krishi Mahotsav.

## Government cuts subsidy on P&K fertilizer



The government reduced the subsidy on phosphatic and potassic (P&K) fertilisers to an estimated Rs 21,274 crore for the next financial year due to a decline in global prices of finished fertilizer and raw materials. The subsidy on nitrogen and phosphorous has been reduced by about Rs 5 per kg, while a marginal cut has been made on potash. This could lead to a saving of about Rs 5,000 crore to the exchequer. The subsidy on DAP has come down to Rs 8,945 per tonne from Rs 12,350 a tonne in the current financial year. The subsidy on MoP has been reduced to Rs 9,280 per tonne from Rs 9,300/- in 2015-16.

The Cabinet Committee on Economic Affairs (CCEA) approved Rs 15.85/kg for Nitrogen (N), Rs. 13.24/kg for phosphorous (P), Rs. 15.47/kg potash (K) and Rs 2.04/kg for sulphur (S). For the current financial year, the subsidy on N was Rs. 20.88/kg, P was Rs 18.68/kg, K was Rs. 15.50/kg and S was Rs. 1.68/kg.

The government has been implementing Nutrient Based Subsidy (NBS) policy for decontrolled P&K fertilisers since April 2010. Under this policy, the subsidy on P&K fertilisers was announced annually for each nutrient on a per kg basis, which is converted into subsidy per tonne depending upon the nutrient content in each grade of the fertilisers. These rates are determined taking into account global and domestic prices of P&K fertilisers, exchange rate and inventory level in the country, among others. While the government announces fixed subsidy on NPK fertiliser, the manufacturers are free to decide the maximum selling price on these complex fertilisers.

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](mailto:director.aerc@gmail.com);

Website: [www.aercspu.ac.in](http://www.aercspu.ac.in)

*Acknowledged the information used/taken from the public domain*