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Agricultural Production and Market Outlook

The Rising Agriculture....

Budget 2021-22: Agriculture a key focus area

In a slew of steps to support the Agriculture Sector, Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman announced 9 measures for Agriculture Sector as part of inclusive development for aspirational India while presenting the Union Budget 2021-22 in Parliament.

1. SWAMITVA Scheme



Smt. Sitharaman proposed to extend SWAMITVA Scheme to all States/UTs. Earlier this year, Hon'ble Prime Minister Shri Narendra Modi had launched SWAMITVA Scheme to bring transparency in property

ownership in villages. Under the Scheme, a record of rights is being given to property owners in villages. Up till now, about 1.80 lakh property-owners in

1,241 villages have been provided cards.

2. Agricultural credit target enhanced to Rs 16.5 lakh crore in FY22

To provide adequate credit to our farmers, the Finance Minister enhanced the agricultural credit



target to Rs 16.5 lakh crore in FY22. The Government will focus on

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

Email : aerc@spuvn.edu
director.aerc@gmail.com

Web : http://www.spuvvn.edu/academics/academic_centres/agro_economic_centre/

ensuring increased credit flows to animal husbandry, dairy, and fisheries.

3. 33% increase Rural Infrastructure Development Fund

The Finance Minister also announced the enhanced the allocation to the Rural Infrastructure Development Fund from Rs 30,000 crore to Rs 40,000 crore.

4. Micro Irrigation Fund doubled

Smt. Sitharaman proposed to double Micro Irrigation Fund, started with a corpus of Rs 5,000 crore under NABARD, by augmenting it by another Rs 5,000 crore.

5. Operation Green Scheme – 'TOPS' to include 22 more perishable products

To boost value addition in agriculture and allied products and their exports, Smt. Sitharaman **proposed to increase the scope of 'Operation Green Scheme' that is presently applicable to tomatoes, onions, and potatoes (TOPS), to be enlarged to include 22 perishable products.**

6. 1,000 more mandis to be integrated with e-NAM

The Finance Minister said that around 1.68 crore farmers are registered and Rs 1.14 lakh crore of trade value has been carried out through e-NAMs. Keeping in view the transparency and competitiveness that e-NAM has brought into the agricultural market, the Finance Minister **proposed to integrate 1,000 more mandis with e-NAM to bring transparency and competitiveness.**

7. APMCs to get access to Agriculture Infrastructure Fund

The Finance Minister proposed to make available the Agriculture Infrastructure Fund to APMCs for augmenting their infrastructure facilities.

8. To develop 5 major fishing harbours

proposed

Smt. Sitharaman proposed substantial investments in the development of modern fishing harbours and fish landing centres. The Finance Minister said that to start with, **5 major fishing harbours – Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat – will be developed as hubs of economic activity.** Smt. Sitharaman also proposed to develop inland fishing harbours and fish-landing centres along the banks of rivers and waterways.

9. Multipurpose Seaweed Park to be established in Tamil Nadu

Recognising the potential in Seaweed farming, the Finance Minister said that it is an emerging sector with potential to transform the lives of coastal communities – it will provide large scale employment and additional incomes. **To promote seaweed cultivation, Smt. Sitharaman proposed a Multipurpose Seaweed Park to be established in Tamil Nadu.**

Reiterating the commitment of the Government to the welfare of farmers over the years, Smt. Sitharaman said that there is a steady increase the procurement of wheat, rice, pulses from farmers. The Finance Minister said that the Minimum Support Price (MSP) regime has undergone a sea change to ensure price that is at least 1.5 times the cost of production across all commodities.

Providing details of procurement and amount paid to farmers over the years. For wheat, the total amount paid to farmers in 2013-2014 was Rs 33,874 crore. In 2019-2020 it was Rs 62,802 crore, and even better, in 2020-2021, this amount, paid to farmers, was Rs 75,060 crore. The number of wheat growing farmers that were benefitted increased in 2020-21 to 43.36 lakh as compared to 35.57 lakh in

2019-20.

For paddy, the amount paid in 2013-14 was Rs 63,928 crore. In 2019-2020 this increased Rs 1,41,930 crore. Even better, in 2020-2021, this is further estimated to increase to Rs 172,752 crore. The farmers benefitted increased from 1.24 crore in 2019-20 to 1.54 crore in 2020-21. In the same vein, in case of pulses, the amount paid in 2013-2014 was Rs 236 crore. In 2019-20 it increased Rs 8,285 crore. Now, in 2020-2021, it is at Rs 10,530 crore, a more than 40 times increase from 2013-14.

The receipts to cotton farmers have seen a stupendous increase from Rs 90 crore in 2013-14 to Rs 25,974 crore (as on 27th January 2021).

A comparison of payment to farmers has substantially increased shown as under:

(Rs in crore)

Crops	2013-14	2019-20	2020-21
Wheat	33,874	62,802	75,060
Rice	63,928	1,41,930	172,752
Pulses	236	8,285	10,530

Impact of Covid-19 on Agriculture



During the lockdown, the agriculture sector had functioned smoothly. Government of India has taken all necessary measures to ensure

smooth operation of agriculture related activities. Farming and allied activities were exempted from the lockdown. Seed, pesticide, fertilizer etc. dealers / shops and other input related activities were allowed to open / free for making inputs available to the farmers. Inter and intra state movement of farm machinery specially combine harvesters was facilitated. As a result of the various steps taken by the Department, both harvesting activities of the

Rabi Crop and sowing activities of Summer Crop took place in a systematic manner. However, no income assessment report which estimates the impact of Covid on the income of small and marginal farmers due to nation-wide lockdown is available. Agriculture and Allied Sectors registered a growth of 3.4% during 2020-21 even as the overall economic growth declined by -7.2% during the same period. Growth rate of Agriculture and Allied sectors during the last 5 years are given below.

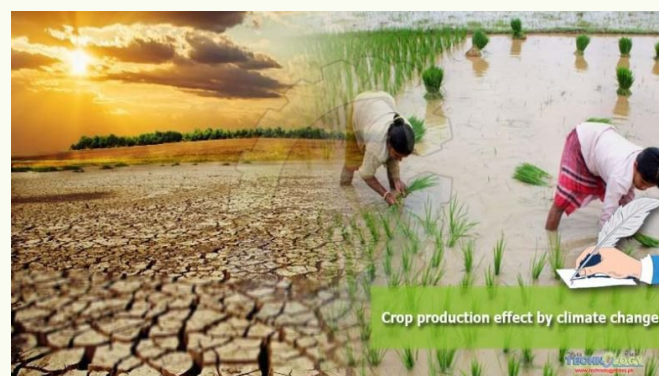
(2011-12 prices)

YEAR	Growth (%)
2016-17	6.8
2017-18*	6.6
2018-19 #	2.6
2019-20@	4.3
2020-21**	3.4

Source: Central Statistics Office (CSO) M/o Statistics & PI

** As per First Advance Estimates of National Income, 2020-21 released on 7th January 2021

*Third Revised Estimates, # Second Revised Estimate, @As per the First Revised Estimates for 2019-20 released on 29th January, 2021



Climate change is perceptible through a rise in all India mean temperature and increased frequency of extreme rainfall events in the last three decades. This causes fluctuation in production of major crops in different years. Impact of climate change on Indian agriculture was studied under National Innovations in Climate Resilient Agriculture (NICRA). Rainfed rice yields in India are projected to

Acknowledged the information used/taken from the public domain

reduce marginally (<2.5%) in 2050 and 2080 and irrigated rice yields by 7% in 2050 and 10% in 2080 scenarios. Further, wheat yield projected to reduce by 6-25% in 2100 and maize yields by 18-23%. Future climates are likely to benefit chickpea with increase in productivity (23-54%). Indian Council of Agricultural Research (ICAR) has initiated a network project NICRA during 2011 to address the impact of climate change on Indian agriculture. NICRA project is being reviewed by a High Level Monitoring Committee (HLMC) under the Chairmanship of Secretary, DARE & DG, ICAR with invited members representing different Ministries, Government of India. This committee recommends measures to be taken through NICRA for making Indian agriculture more resilient to changing climate. Besides an expert committee periodically review the project and advise on various aspects. Vulnerability assessment of Indian Agriculture to climate change is undertaken by Indian Council of Agricultural Research (ICAR). Such an assessment was for 573 rural districts of India (excluding the Union Territories of Andaman and Nicobar Islands, Lakshadweep). Based on the vulnerability

analysis, 109 districts out of 573 rural districts (19% of total districts) are 'very high-risk' districts, while 201 districts are risk districts. The details are available at

[-http://www.nicraicar.in/nicrarevised/images/publications/Risk%20&%20vulnerability%20assessment%20of%20Indian%20agriculture%20to%20climate%20change.pdf](http://www.nicraicar.in/nicrarevised/images/publications/Risk%20&%20vulnerability%20assessment%20of%20Indian%20agriculture%20to%20climate%20change.pdf)

Integrated simulation modelling studies indicated that under Representative Concentration Pathway 4.5, maximum temperature is expected to increase by 1 to 1.3°C in 256 districts, by 1.3 to 1.6 °C in 157 districts (2020-2049). The increase ranged from <1.3 °C in 199 districts to >1.6 °C in 89 districts. Cultivation of wheat in these districts is likely to be affected by heat stress.

Under NICRA project, wheat germplasm comprising of advanced breeding lines and land races have been screened for heat/drought tolerance. ICAR-Indian Agricultural Research Institute (IARI) has released the high yielding varieties such as HD 2967 and HD 3086 which are being grown in large areas of North-west and North India. Zero till planting of wheat has advanced the wheat sowing in Punjab and Haryana.

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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

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