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Agricultural Production and **Market Outlook**

The Rising Agriculture....

Center's Rs 575-cr plan to douse stubble fire:



To keep Delhi environment clean and pollution free during winter, the Center would provide Rs 575.18 crore to Punjab, Haryana and Uttar Pradesh to buy 55,622 stubble machines to farmers of these states. The move is expected to go a long way in tackling air pollution as stubble burning is identified as one of the key problem areas especially during the post-harvest season of October-November. The Center's decision could take care will provide funds to buy state-of-the-art machines, including happy seeder, paddy straw chopper/cutter, mulcher, RMB plough, shrub cutter, ZERO till drill, super straw management system on combine harvesters, rotary slasher and rotavator. Through this Centrally- sponsored scheme, the Government will assist individual farmers, cooperative societies, farmer producer organization(FPOs), Self-Help Groups(SHG), private entrepreneurs and registered groups of women farmers. Sources in the Agriculture Ministry said Punjab would be given over Rs 269 crore to buy 37,500 agro machines to control in situ crop residue burning of 36.60 lakh hectares in 22 districts. Besides, Punjab Government has also decided to provide subsidy worth Rs

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395 crore from its own sources, in the current fiscal, for the purchase of 28,641 agro-machines to farmers for the management of paddy residue. Subsidy ranging from 50 percent to 80 percent is being provided to the farmers under the scheme. This will be part of the Rs 665 crore subsidies announced by the Amarinder Singh Government for 2018-19 and 2019-20.

IFFCO ventures in to food processing space:



Fertilizer major IFFCO announced a joint venture with Spain's Congelados De Navarra to set up a food processing plant at Ludhiana in Punjab with an investment of Rs 325 crore. With this joint venture, the co-operative IFFCO is entering the food processing sector. Congelados De Navarra is a \$220-million company that has pioneered individually quick frozen (IQF) technology. It is into processing of vegetables, fruits, herbs and readymade pre-cooked dishes. "We have formed a JV with Congelados De Navarra to set up a plant in Ludhiana. We have already identified 40-acres of land for this purpose," IFFCO's MD US Awasthi informed. IFFCO will have a 30 per cent stake in the JV, while its Spanish partner will hold the remaining 70 percent stake, headed. "the joint venture company will invest €40 million(about Rs 325 crore) to set up a Greenfield food processing unit. The foundation stone will be laid in December and work will be completed in 18 months," Awasthi said. The proposed plant will source potatoes, peas and cauliflower from farmers and than process them for sale in the domestic and export markets. IFFCO'S MD said it was a logical step for the co-operative to get into the food processing business for the benefit of farmers. This will help meet the government goal of doubling farmers income by 2022, he added. IFFCO said this new facility would generate 400 direct and 5,000 indirect local jobs in Punjab.

MNREGA to raise farmers income:



With an eye on the polls and under pressure of farmers unions, the center is considering a proposal to link the Mahatma Gandhi National Rural Employment Gurantee act (MGNREGA) with agriculture. Besides increasing farmers income, the move will also help meet the demand of shortage of farm labourers during pre-sowing and post-harvest phases across the country and create jobs in the rural sector and official said the Prime Minister recently constituted a committee consisting of Chief Minister of Seven states- Madhya Pradesh, Andhra Pradesh, Bihar, Uttar Pradesh, Gujarat, West Bengal and Sikkim-to examine the feasibility of the proposal. The PM expressed concern over low corporate investment in agriculture sector and wanted states to formulate policies that promote corporate investment in areas such as warehousing, transportations, value addition and food processing. After hiking the minimum support prices of 14 Kharif Crops, including paddy, the Narendra Modi Government is hoping that linking MGNREGA with the agriculture will help increase famers income, as promised by the center.

India's groundnut output may fall 29% this kharif season on lower rainfall



In a major impediment to India's goal of achieving self-reliance in edible oil, the country's groundnut output is likely to decline by a staggering 29 per cent this kharif season due to deficient rainfall in major producing states including Gujarat, Karnataka and Maharashtra. A study conducted by the apex industry body the Solvent Extractors' Association (SEA) showed India's total groundnut output at a mere 3.7 million tonnes for the current kharif crop season compared to 5.3 million tonnes reported in the same season previous year. Kharif season contributes nearly 80 per cent of India's groundnut output and rabbitakes the rest. The sharp decline in kharif groundnut crop is set to reduce availability of one of India's largest oilseeds, resulting in a proportionate decline in crushing and availability of its derivatives including oil and meal. This will translate into increased reliance on India's vegetable oil imports which meet nearly 65 per cent of the country's overall demand. Crop was damaged in major growing states including Gujarat and Karnataka due to deficient rainfall this monsoon season. A number of districts, including Saurashtra and Kutch in Gujarat, received less than 70 per cent of average rainfall this year. Groundnut prices, however, are unlikely to move up due to seed and oil prices' global linkages. In its First Advanced Estimate, the Ministry of Agriculture has forecast India's groundnut output at 6.33 million tonnes this kharif season as against the target and last season's output of 7.54 million tonnes reported. A marginal upsurge in groundnut output was estimated in Rajasthan due to favourable climatic condition and positive crop progress. Groundnut output in Rajasthan is estimated at 820,000 tonnes for the current kharif season compared to 800,000 tonnes during the comparable season last year. India exports around 500,000–600,000 tonnes of groundnut every year to various countries including the South East Asia, Europe and China.

India's southwest monsoon rainfall stood at 92 per cent of the long period average (LPA) which is considered normal. But the distribution remained erratic with surplus in some regions and deficiency elsewhere.

Cabinet hikes MSP for Rabi season 2018-19

The Government announced 6 per cent hike in support price of wheat at Rs 1,840 per quintal, a move that will give farmers an additional income of Rs 62,635 crore and help contain their simmering

CROP	MSP 2017-18 (₹/QUINTAL)	MSP 2018-19 (₹/QUINTAL)	% INCREASE %
Wheat	1735	1840	6.1
Barley	1410	1440	2.1
Gram	4400	4620	5
Masur (Lentil)	4250	4475	5.3
Rapeseed & Mustard	4000	4200	5
Safflower	4100	4945	20.6

discontent over high input cost and low sales realisation. The Cabinet Committee on Economic Affairs (CCEA) headed by Prime Minister Narendra Modi approved higher minimum support price (MSP) for winter-sown or Rabi crops. The decision will help farmers earn an additional income of Rs 62,635 crore. The decision comes within months of announcing higher price for Kharif crops, when the government fulfilled its promise of giving farmers 50 per cent more price than their cost of production. The Cabinet has approved a Rs 105 per quintal hike in wheat MSP to Rs 1,840 for 2018-19 season. The MSP of wheat was Rs 1,735 per quintal in the 2017-18 crop year. The MSP for all Rabi crops is higher than the cost of production ranging from 50-112 per cent. As per the CCEA decision, the MSP of barley has been increased by Rs 30 per quintal to Rs 1,440 per quintal, while that of gram (Chana) by Rs 220 per quintal to Rs 4,620 per quintal. Masur's MSP has been raised by Rs 225 to Rs 4,475 per quintal, while the support price of rapeseed/mustard has been hiked by Rs 200 to Rs 4,200 per quintal. Safflower MSP has been increased by Rs 845 per quintal to Rs 4,945. The support price has been increased based on the recommendations of farm advisory body CACP (Commission for Agricultural Costs and Prices) and is in line with the government's announcement to provide farmers a 50 per cent profit over the cost of production.

Gujarat to have a seed-potato center for excellence:

A center for excellence for potato-seed is all set to come up in Gujarat, through a collaboration between Indian and Dutch companies. The setting up of the center for excellence is being facilitated by Netherlands Business Support Office (NBSO), with a view to helping produce better quality potatoes which will help improve the per hectare of potatoes. "we aim to produce better quality seed potatoes



with the use of latest technology and innovating farming process. This will not just improve the quality of seed potatoes for the farmers of Gujarat but also help improve the yield, "said Al phonsusStoelinga, the ambassador of the kingdom of Netherlands to India, who was in Ahmedbad at the kickstart ceremony of Gujarat Seed Vally Federation (GSVF). Stoelinga said that a similar facility was inaugurated in Mohali, in 2016, as a joint venture between an Indian Company and a Dutch company. The location for the center for excellence is yet to be finalized, said sources in the NBSO. NBSO is also facilitating other projects in Gujarat in the textile sector using recycling technologies available with Dutch companies. Officials confirmed that by October 2018, a pilot collaboration project will begin. "there are a few companies based in Netherlands which specialize in technologies that help convert the discarded cotton textiles into yarn. We will take up a pilot project through collaborations between a Gujarat-based firm and adutch company," said Amlan Bora, Trade and Investment Commissioner of Netherlands to Gujarat.



Poor rains likely to hit Gujarat cotton crop:

Cotton farmers of Gujarat are expecting a lower yield and crop failure due to insufficient rains in the state thus far. The state has similar acreage of cotton this year as it was last year but at the crucial growing period many cotton growing areas, mainly in Saurashtra and North Gujarat are still dry and do not have enough irrigation facilities. According to farmers and cotton industry experts, it will be harmful for standing cotton crop if the state does not have good spell of monsoon instantly. According to the state agriculture departments latest data, as on August 6, 2018, cotton sowing has been done on 2.65 million hectares which was 2.64 million hectares in corresponding period last year. "Cotton crop needs immediate rain. It is a growing period and if rain does not come within a week, cotton may face big loss. This year, farmer had begun sowing late due to delay in monsoon. The flood situation has already damaged cotton in some parts of Saurashtra and South Gujarat. Yield of the crop will not be as expected in Gujarat this year in present scenario," said Ramesh Bhorania, farmers and agriculture expert from Naranka village of Rajkot.

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