Agricultural Production and Market Outlook
The Rising Agriculture....

Government bans 12 pesticides with immediate effect

The Centre has banned use of 12 pesticides with immediate effect and issued orders for banning six others from December 31, 2020 as their use is hazardous for humans and animals. The expert committee, constituted in July 2013, had reviewed the use of a total of 66 pesticides and submitted its report to the agriculture ministry two years later, recommending banning 18 of them. Incidentally, all the 66 pesticides are banned, restricted or withdrawn in one or more countries across the globe but continued to be used in India. The government then took more than two-and-a-half years to finally act on the recommendation of the committee and notified the ban on those 18 pesticides on August 8. The notification says that no person shall manufacture, import, formulate, transport, sell and use any of those 12 pesticides from the date of publication of the order.

In case of six others, the government has stopped issuing new certificate of registration to manufacture them with immediate effect and decided to disallow their import, manufacture and formulation from January 1 next year. Most of these pesticides were found to be highly toxic to honey bees, birds
and aquatic lives. These pesticides were also found to contaminate water bodies and underground water, causing health hazards to humans and animals. Besides recommending the ban, the committee chaired by former national professor of the Indian Agricultural Research Institute, Anupam Varma, had suggested continued use of 18 pesticides and review of use of 27 other pesticides after completion of certain technical studies. It means 45 out of 66 pesticides will continue to be used in the country even if these are banned, restricted or withdrawn in other countries.

**CCI to directly procure cotton from farmers in Rajasthan**

The Cotton Corporation of India will procure the fibre directly from farmers in Rajasthan at the minimum support price (MSP) and make the payment to their accounts in the upcoming cotton season. Rajasthan is the first cotton-growing state in the northern region to make direct transaction compulsory for procurement at MSP. The new cotton season begins officially in October. Much of the cotton purchased by the CCI previously came through middlemen or aggregators in the northern states of Punjab, Haryana and Rajasthan. This meant, the farmers weren't getting the government-set MSP. Direct cotton procurement is unlikely to take-off in Punjab and Haryana where payments for bulk MSP crops paddy and wheat are circumvented through middlemen, or arthiyas. The Haryana government had to withdraw its plans for mandatory direct procurement and payments of MSP to farmers after arthiyas and commission agents opposed the move. But, these states too are making efforts such as providing electronic markets for farmers to sell their produce directly.

**Fresh spells of rains boosts Kharif planting**

Kharif crop planting has picked up in the past week, boosted by fresh spells of rains in particularly northeast and eastern India, but still is marginally lower than the level this time last year. Planting on 924.76 lakh hectares this season is 1.48% less than a year earlier, data from the agriculture ministry showed on Friday. Total area to be planted in kharif season is estimated at 1,058.10 lakh hectares. Coarse cereals, cotton, rice and pulses have seen a fall in acreage while oilseeds and sugarcane showed an increase. Monsoon data showed rains were 11% below normal since June 1. Still, India’s 91 major reservoirs together held 5% more water than at this time last year, suggesting better water availability for crops after the monsoon ends. At 77.554 billion cubic metres, the water level is 2% less than the 10-year average.

**Solar irrigation pumps can help India reach 38% of its green energy target**

A switch from conventional diesel- and electric-powered irrigation pumps to solar-powered ones can help the country achieve 38 per cent of its envisaged 175 Gw renewable energy target by 2022. The shift to solar-powered irrigation pumps can also save enormous sums of money and generate additional income for farmers, says a report by the US-based Institute for Energy Economics & Financial Analysis (IEEFA). The Government of India’s Kisan Urja Suraksha Evam Utthan Mahaabhiyan (KUSUM) scheme and the Gujarat government’s Suryashakti Kisan Yojana (SKY) are steps in the right direction for solar-
powered irrigation initiatives. The KUSUM scheme mandates deployment of 2.75 million solar pumps in the first phase of its implementation. The initiative would produce an additional 4 Gw of installed solar power, thus giving a material boost to the country’s renewable energy deployments. The government, to its credit, is encouraging farmers to install stand-alone, solar-powered, off-grid pumps to not only meet their irrigation needs but also to provide an extra income source from selling surplus power to distribution companies (discoms). About 70 per cent of the country’s households are still dependent on agriculture for their livelihoods. Successful farming is driven by irrigation facilities. Only 48 per cent of the country’s net sown area is irrigated. The rest is dependent on the vagaries of nature. Demand for sustainable irrigation far exceeds the current available pumping capacity and despite the government’s announcement of various initiatives to boost deployment of solar irrigation pumps, the uptake has been slow. A robust national solar irrigation programme could successfully contribute to the country reaching its goal of 100 Gw of installed solar power capacity by 2022. The upfront cost of solar pumps, the heavily subsidised supply of electricity to the rural sector, poor after-installation maintenance support and lack of awareness on benefits of solar power have dissuaded most farmers to shift from the conventional irrigation mode. However, solar-powered irrigation offers huge economic and environmental benefits and schemes like KUSUM and SKY are pointers to the attitudinal shift.

**Govt Looks to Increase FRP of Sugar cane by 8%**

The government plans to recommend an 8% increase in the fair and remunerative price (FRP) of sugarcane over the previous year, which the industry fears will make their operations unviable. If FRP is raised to Rs 275/quintal for the 2018-19 season beginning October, mills may find it difficult to pay farmers their dues. Official sources said the Prime Minister’s Office (PMO) has asked the food and consumer affairs ministry to examine the minimum selling price (MSP) of sugar, currently fixed at Rs 29/kg. The industry wants the price to be Rs 33/kg for south and West India and Rs35/kg in North India. The FRP set by the center is the minimum price that sugarcane farmers are legally guaranteed. The hike would impact farmers in Andhra Pradesh, Karnataka, Maharashtra, Tamilnadu, Madhya Pradesh and Gujarat who are paid by mills at FRP rate. In other key growing states of Uttar Pradesh, Punjab, Haryana, Tamilnadu, and Uttarkhand, farmers get the State Advised Price (SAP) fixed by state governments which is usually higher than FRP.

**India Sees Record Spices Exports in FY18**

India exported a record 1.03 million tonnes of spices and spice products in FY 18, registering an increase of 8% in volume terms. At about Rs 17, 930 crore, exports were 1% in volume terms. In dollar terms, exports were pegged at $ 2.8 billion, up 5%. “Exports of Indian spices maintained an increasing trend during 2017-18 and exceeded the target fixed for 2017-18” Spices Board Secretary Ajayathilak said. Compared to the target of 1.023 million tonnes, valued at Rs 17,665 crore ($2.64 billion) for FY 18, the achievement was 100% in terms of volume, 101% in rupees, and 105% in dollar terms. Jayathilak attributed the increase to innovative market interventions and the emphasis on value-added products by the board. Exports of small cardmom created an all time record, with shipments of 5,680 tonnes valued at Rs 609.08 crore as against 3,850 tonnes worth Rs 421.50 crore a year earlier, registering an increase of 48% in volume and 45% in value. Chill continued to lead Indian spices shipments with export of 4, 43,900 tonnes, fetching
an amount of Rs 4,256.33 crore. While volumes increased by 11%, the value declined by 16% from the previous year due to volatility in prices of chilli in international markets. Mint products fetched the second highest revenue among spices with a volume of 21,500 tonnes worth Rs 3,228.35 crore. The value rose by 28% but volume fell 3.5%. Cumin exports yielded 1,43, 670 tonnes valued at Rs 2,418 crore, increasing 21% in volumes and 23% in value. Other gainers included garlic, asafetida and tamarind and value-added products like curry powder, spices oils and oleoresins. A total volume of 17,200 tonnes of spices oils and oleoresins worth Rs 2,661.72 crore were exported, marking an increase of 42 in volume and 15% in value.

Govt Plans Financial Penalties to Push Agri-crop Insurance

More than two years after its formal launch, the Center is planning to impose financial penalties on state governments, banks and insurance companies for violating the guidelines of the Pradhan Mantri Fasal Bima yojana (PMFBY), including delay in claim settlement. It is also looking to incentivise states that promptly pay their share of premium disburse claims to farmers on time and use technology for crop cutting, official said PMFBY is an yield-based programme, where farmers are charged two percent for all Kharif crops, 1.5 percent for all crops and five percent for commercial and horticulture crops. All most 30 percent or a third of the agriculture ministry’s budget is spent on premium for the PMFBY every year. The penalties on states could be in the form of a levy on the premium amount due or asking them to bear a higher share of the premium then the current 50:50 between center and the states. In the case of banks, the government could lower the four percent service charge it gives from farmer’s share of premium. And in the case of better performing banks, this might even be ratted. Against the mandatory two months, the government has found the average time for settlement if claims under PMFBY has been five to six months. Earlier, too, the center had the warned states and other stakeholders of financial penalties for delay in calm settlement, but it was never seriously implemented. This time, officials said, the matter was being seriously considered.

Fertilizers Rich in Potassium Can Help Increase Paddy Yield: Study

Fertilizers with high potassium content in farms located in areas that are chronically short of water can help increase paddy yield. Ireland and Belgium produce three times more yield of paddy compared to countries in South Asia because the fertilizers farmers there use have high content, an essential plant nutrient, says a research report. Water availability for agriculture will reduce by 15 percent by 2025 in the country for various reasons, and thus use of fertilizers with high potassium content in farms will only help save the day for us. Dipika Patel, a graduate student of department of genetics and plant breeding, in her research report done under the guidance of Dr Kriti Bardhan and Dhiraj P Patel of Navasari Agricultural university (NAU), says fertilizers with high potassium content in areas facing moisture deficit condition, help rice plant (Variety NAUR-1) produce roots with a significant reduction of root area, average density, maximum width of the root system, and width-to-depth ratio but with increase in the rooting depth as the plant roots grow deep in search of water.