

Agricultural Production and Market Outlook

The Rising Agriculture....

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Why skyrocketing onion prices

The skyrocketing prices of onions, (a key ingredient used in making dishes ranging from curries to biryanis,) reflects India's inability to insulate staples from weather-induced supply disturbances. Inadequate supplies have pushed up prices sharply over the last few weeks. Already, retail onion prices have touched Rs 80 a kg in country.

So, what is pushing up prices?

First, unseasonal rains and hailstorms in March and April month damaged the rabi crop affecting supplies. The July-September period is the lean period for onion production. The demand during this period is met from rabi (summer stocks). The unseasonal rains meant that stored rabi onions have nearly halved to 1.4 million tonnes. The domestic demand for onions is about 15 million tonnes a year. In a normal year, India produces about 18-20 million tonnes year. In the last onion crop year (June 2014-July 2015), the domestic production stood at 18.9 million tonnes, marginally lower than the previous year's 19.4 million tonnes. The rains and hailstorms, however, have dealt a blow to the winter harvest, which accounts for about 55% of the total production, damaging significant amount of stocks. Separately, inconsistent rains in the main onion producing states of Maharashtra, Karnataka and Andhra Pradesh have delayed planting of the kharif crop. The Nashik-based National Horticultural Research and Development Foundation (NHRDF), in its latest report, said that the onion prices are likely to remain on the higher side till September-end. Wholesale dealers have indicated that if the present trend continues, onions could soon hit the Rs.100 per kg mark. The government also announced that Minimum Export Price (MEP) of onions would now be raised to \$700 per metric tonne (mt) to ensure that onions are not exported and are made available in the domestic market.



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Sugar mills get time to clear farmers' dues



The government has extended the time period for payment of cane dues of farmers for the current sugar season 2014-15 to facilitate soft loans to sugar mills. To incentivize mills to clear the cane dues the government had earlier mandated that soft loans will be provided to only those units which have cleared at least 50 per cent of their outstanding arrears by June 30. "The government has decided to extend the date of achieving eligibility under the soft loan scheme from June 30 to August 31. Now mills are required to discharge 50 per cent of cane dues payable by August 31 to become eligible for the loan," government releases. The government has approved a soft loan

scheme to the extent of Rs 6,000 crore for the current sugar season to ensure that farmers are paid their dues. The government has provided one-year moratorium on this loan, and will bear the interest subvention cost to the extent of Rs 600 crore. The cane price arrears at present stand at Rs 15,400 crore. The government has decided that after clearing dues of farmers, subsequent balance, if any, will be credited into the mill accounts. The move will benefit about 150 additional sugar mills which liquidated over 90 per cent of their cane dues payable. This would ensure that mills arrange bridge finances for timely clearance of farmers' dues.

<http://www.thehindu.com/sci-tech/agriculture>

Gujarat farmers to be roped into tap solar energy

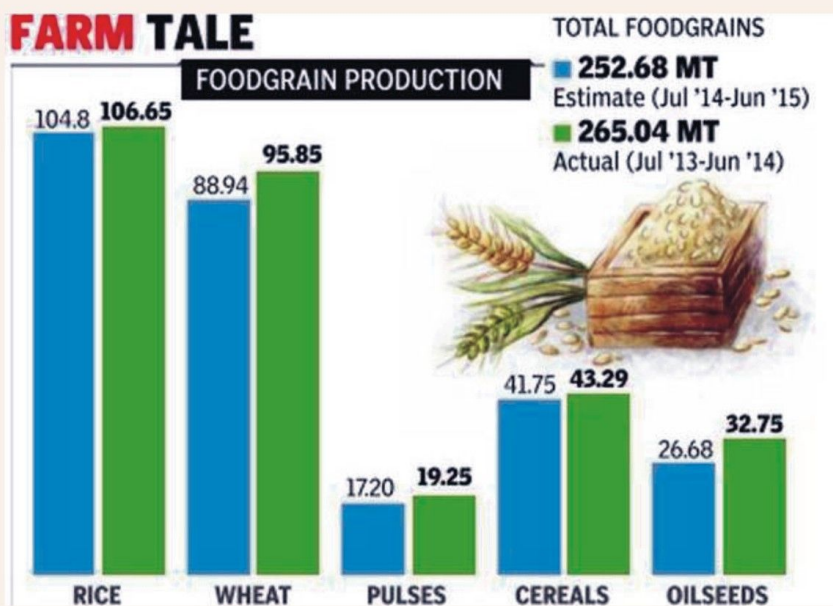
Gujarat is going to become the first state in the country to launch 'Agro-Solar policy' under which farmers will be roped into tap energy from sun which will also help them earn additional income from power generation companies, according to officials. According to officials in Gujarat Energy Research and Management Institute (GERMI), farmers and power generation companies will be in a win-win situation with generation of solar energy in agricultural fields. GERMI Director Prof. T. Harinarayana told PTI that the state-run companies will set up Solar Photo Voltaic (SPV) plants in different farms fields and experiments



were conducted in different agricultural universities in the state. "Generation Companies like GIPCL (Gujarat Industries Power Company Limited), GSECL (Gujarat State Electricity Corporation Limited) and GPCL (Gujarat Power Corporation Limited) have set up SPV plants in farm fields on the experimental basis," Harinarayana said. A senior official of GERMI said farmers are likely to get 30 to 40 per cent share from the profit of power generation companies and the solar photo voltaic plant will be set up on poles so that farmers can also grow their crops. "Gujarat will soon be the first state in the country to launch Agro-Solar policy under which farmers will lease out their agricultural land for solar energy generation and they will get to share profit from electricity production." "Farmers will get a supplementary income as revenue will be shared by the power generation companies. Besides, the companies will get good space for electricity generation, so there will be a win-win situation for both the sides," he added. State Energy Minister and spokesperson of the Gujarat government Saurabh Patel said, "We will declare the policy soon."

<http://www.thehindu.com/news/>

India to record 12.36 MT less foodgrain production in 2014-15 as compared to 2013-14



India's foodgrain production in 2014-15 is likely to decline by 12.36 million tonnes from the 2013-14 production level when the country had reported its highest ever foodgrain production of 265.04 million tonnes. The decline of over 4.6 per cent is attributed to deficit monsoon of last year that had affected the Kharif crops and unseasonal rains and hailstorms of February-March this year which damaged the standing Rabi crops in as many as 14 states. It also shows that all farm produce, except sugarcane, recorded decline in production in 2014-15 as compared to

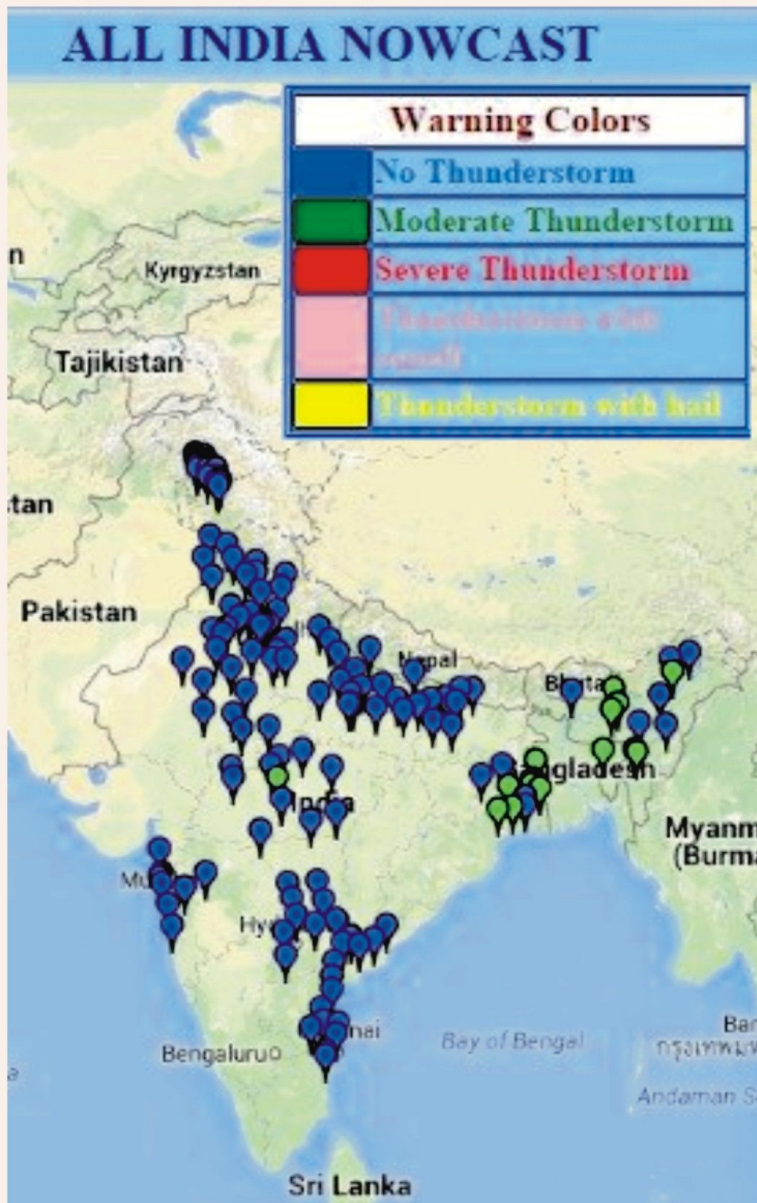
2013-14 which was the best year in terms of foodgrain production due to normal monsoon and good spatial distribution of rainfall across the country. The fourth estimates figures show that wheat and oilseeds would record the maximum decline. Production of wheat, estimated at 88.94 MT, is lower by 6.91 MT than the record production of 95.85 million tonnes achieved during 2013-14. Similarly with a decrease of 6.07 MT over the last year, total production of oilseeds in the country is estimated at 26.68 MT. Production of sugarcane, estimated at 359.33 MT, is however higher by 7.19 MT as compared to last year.

<http://www.theeconomicstimes.com/>

DAC Launched Crop Insurance Portal

Hon'ble Union Minister of Agriculture Shri Radha Mohan Singh launched Crop Insurance Portal. Main features of Insurance Portal is (i) The only Insurance Portal for all stakeholders including Farmer, States Insurance Companies and Banks, (ii) All three major Insurance Schemes viz. National Agriculture Insurance Scheme (NAIS), Modified National Insurance Scheme (MNAIS) and Weather Based Crop Insurance Scheme (WBCIS) are covered, (iii) Information to farmers on premium, cut off dates & company contact, details for their crops & location on web and SMS through USSD, (iv) Insurance premium calculator & creation of database of notified/ allotted units dynamically, (v) Farmers application for loans / insurance and its integration with Bank. Detail procedure is mentioned on the home page of the Insurance Portal i.e. www.farmer.gov.in/insurance

<http://pib.nic.in/newsite>



NOWCAST Service Launched for WEATHER ALERT SMS to Farmers

NOWCAST is an innovative initiative taken by Department of Agriculture Cooperation and Farmers Welfare, Ministry of Agriculture, Government of India. Main Features of NOWCAST are (i) Instantaneous advance warning by SMS valid for 3 hours regarding extreme weather conditions like squall, storm, hail etc. (ii) Based on the warning, farmers can take precautionary measures as needed and feasible (iii) Doppler based weather alerts from IMD is extracted and fed directly into mKisan Portal through web service (iv) SMSs to farmers in affected area get generated without human intervention. (v) Use of GIS database of NIC to identify affected districts/blocks.

<http://pib.nic.in/newsite>

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