

Monthly Report December, 2020

Commodity Outlook and Situation Analysis





More farmer producer organisations are needed to unlock the potential of new farm bills

MSP incentivizes farmers to grow staples and the APMC enables procurement into PDS, ensuring a productivity increase in staple grains. But the system is inadequate for marketing higher value crops. Only 6% of Indian farmers benefit from the MSP, and there are few alternative value chains for quality, high-value produce.

PM Modi releases over Rs 18,000 crore to more than nine crore farmers under PM-KISAN scheme

Modi released the instalment of Rs 2,000 to every farmer on the birth anniversary of former prime minister and BJP stalwart Atal Bihari Vajpayee, which is every year celebrated as "Good Governance Day" by the ruling party.



Pride, prejudice and policy reform: A peek into the new Farm Act

APMC and MSP are the two major bones of contention. Despite repeated assurances agitating farmers think government is trying to withdraw MSP and close down APMC. This is despite government's recent announcement that it'll buy crops at 1.5 times of the cost of production.

Govt procures paddy worth Rs 79,675 cr at MSP so far; purchase in volume terms up 22 pc

Paddy procurement for kharif 2020-21 is continuing smoothly in Punjab, Haryana, Uttar Pradesh, Telangana, Uttarakhand, Tamil Nadu, Chandigarh, Jammu & Kashmir, Kerala, Gujarat, Andhra Pradesh, Odisha, Madhya Pradesh, Maharashtra and Bihar, an official statement said.



India, Bangladesh should collaborate more in farm sector

India has offered duty-free market access to Bangladesh in many products, including agri-exports, Goyal said and assured Bangladesh of complete cooperation in ensuring barrier-free trade between the countries.

Climate change ravages Kashmir's 'red gold' saffron crop

Dry conditions blamed on climate change have seen yields of the world's most expensive spice halved in the past two decades, threatening the future of a cash crop that has brought wealth to the region for 2,500 years.



Record minimum support price distributed to tribals during coronavirus outbreak



The state governments used the scheme as a way to put more money in the hands of the tribals through direct benefit transfers. As per government estimates, minor forest produce worth Rs 948 crore were acquired by state agencies and Rs 3,000 crore by private buyers. Overall, MSP worth Rs 4,000 crore was given in the first collection season by November.

Government aims to double farm mechanisation in next 10 years: Narendra Singh Tomar

The government's emphasis is on providing large advanced agricultural equipment to farmers for their field, the minister said.



Rice exporters seek government help to deal with high freight rate, container shortage

Exporters have sought government assistance in transportation and marketing along with benefits of export-promotion schemes, VK Kaul, executive director of All India Rice Exporters Association, said.

As a surplus sugar producer, India needs to become a major exporter

The Chinese are increasing sugar consumption. But they buy mostly from Australia and Indonesia. While India confronts them in Ladakh, they are unlikely to start eating Indian sugar. India will look for markets in Bangladesh, West Asia and Africa, but is unlikely to find a substantial market in a hurry.



Govt launches e-booklet highlighting success stories of farmers benefitting from new agri laws

In the 100-page e-booklet 'Putting Farmers First', the government said it has made clear the "truth" about the the farm reforms and has mentioned "what will happen" and "what will not happen" for farmers.



Government extends relaxed norms for onion imports till January 31

To facilitate import of onion, the government had on October 21 relaxed the conditions for fumigation and additional declaration on the Phytosanitary Certificate (PSC) under the Plant Quarantine Order (PQ), 2003 for import up to December 15, 2020.

Fruits, vegetables sales at Delhi’s wholesale market down 30% due to farmers’ protest

Buyers from Haryana, Uttar Pradesh and Rajasthan were unable to visit the mandi, hurting trade. "Vegetable sales are 30% less than a month ago with buyers staying away from the mandi," Anil Malhotra, a member of the Azadpur mandi, said.



By January, grain stock to be 2.7 times more than needed

Figures show procurement continued even after FCI stocks met the demands of the country’s food security and other welfare schemes.

Amidst protests, India launches digital facility for foreign investors to connect with farmers

The website will serve as a two-way funnel connecting interested investors to relevant agencies in India such as Agricultural and Processed Food Products Export Development Authority (APEDA) for agricultural exports from India.



UP govt seeks to impress the state's farmers, procures record wheat and rice at MSP

This came as thousands of farmers from western Uttar Pradesh, led by Bhartiya Kisan Union leader Rakesh Tikait, continued with their sit-in against the new farm laws at the Delhi-UP border in Ghazipur and again blocked the Noida-Delhi route at Chilla border on Wednesday.

Import of black tea up 24% year-on-year in January-September period

"The industry feels the surge in import has happened mainly due to higher volumes of tea from Nepal entering India. However, we need to have clarity on the end-use of these teas," Indian Tea Association chairman Vivek Goenka told ET.



India's grape exports will continue to shrink in 2021 as pandemic keeps demand subdued



The annual rate of growth of grape export to Europe has been declining from 32% registered in 2016-17 to a negative 12% in 2019-20. In value terms, the exports have increased from Rs 431 crore in the fiscal 2009-10 to Rs 2,176 crore in 2019-20, which is the highest of the decade recorded in 2018-19 at Rs 2,335 crore, data from Agricultural and Processed Foods Export Development Authority (Apeda) showed.

Agriculture reforms to improve market access, increase income opportunities for farmers:

CII

"The reforms will have a transformational impact on the agri sector by enhancing productivity, modernising infrastructure, enabling aggregation at scale and improving market access," ITC chairman Sanjiv Puri said. Puri, who is also chairman of the CII National Council on Agriculture, said the policy announcements will enable ITC to further its engagement with farmers through its e-choupal ecosystem.



Ongoing farmer protests big blow to interconnected economies: Assocham

and Himachal Pradesh.

Urging the government and farmers' organisations to resolve the impasse over the new agri laws, the Assocham on Tuesday said, the ongoing protests are dealing a big blow to the interconnected economies of the region, including Punjab, Haryana

Worsening economics of sugar industry worries mills, administration in Maharashtra

Sluggish domestic demand, subdued prices, no exports and an increase in price of sugarcane without commensurate rise in the sugar price have added to the worries of sugar millers and the administration that has to ensure that the standing sugarcane gets crushed on time.



View: Govt should set up a few institutions, like a contract farming regulator, to allay farmers' fears

The agricultural sector is undergoing a structural compositional shift. Foodgrains constitute 18% of the total output against livestock sector (30%), and fruits and vegetables and high-value commodities (19%).