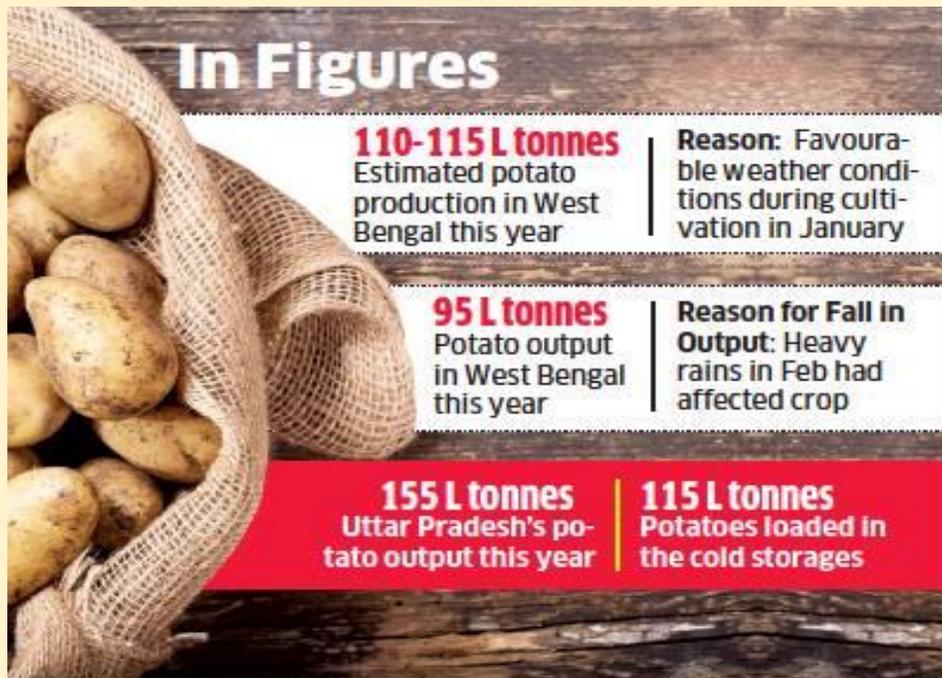




COMMODITY OUTLOOK AND SITUATION ANALYSIS



Weekly Report 1st - 7th September, 2019

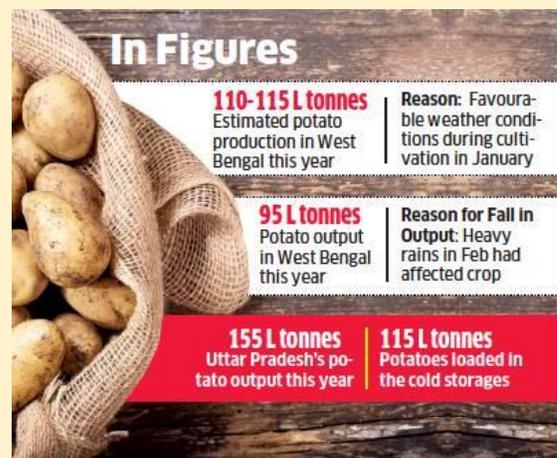
✚ Potato Drives a Price Wedge Between 2 Major Producers

Kolkata: The two leading potato producers in the country, Uttar Pradesh and West Bengal are witnessing two very different trends in prices. While potato retailing rates have appreciated by 5-6% in West Bengal over the past fortnight, the tuber has become cheaper by 11% in Uttar Pradesh in the same period.

UP, the largest producer of the tuber, is facing a production glut, while West Bengal, the second largest, has witnessed a shrinkage in crop size. The eastern state is also getting trade queries from places such as Hassan, Belgaum and Chikkamagaluru in Karnataka, where the new potato crop has been damaged due to heavy rains.

The potato trade in West Bengal had anticipated a crop of 110-115 lakh tonnes this year due to favourable weather conditions during cultivation in January. But heavy rains in February had affected the crop, bringing down output to 95 lakh tonnes.

“During the June–July period, prices had fallen. But in the last fortnight, prices have started moving up and there has been good offloading from the cold storages,” said Patit Paban De, former president of West Bengal Cold Storage Association. “In the upcoming



festive season, we expect prices to move up by another 10%. Also, demand is coming in from potato producing areas in south India where the new crop has been affected due to heavy rains recently.”

Farmers in West Bengal have also gained from this price rise. They are now getting Rs 480-500 per quintal for average quality crop. Better quality crop is fetching Rs 540-550 per quintal. But the trade in Uttar Pradesh has not been as lucky as in West Bengal. Production glut still continues to be a major concern for traders and farmers alike. “With two months left for the new season of cultivation, we have huge crop left in the cold storages,” said Arvind Agarwal, secretary of Cold Storage Associations of Uttar Pradesh.

“Only 30-35% of the crop loaded in the cold storages during the beginning of the new season has been offloaded. The rest is still in cold storages. Prices have fallen 11% in the past 7-10 days,” Agarwal added.

Uttar Pradesh produced 155 lakh tonnes of potatoes this year. Of this, 115 lakh tonnes were loaded in the cold storages.

States need to set up price stabilisation funds: Ram Vilas Paswan

NEW DELHI: The Centre has asked states to set up separate price stabilisation funds, similar to the one established by the Centre, to help regulate price volatility in important agri-horticultural commodities such as onion, potatoes and pulses. On Tuesday, minister for food, public distribution and consumer affairs Ram Vilas

Paswan also asked states facing shortage of onions and pulses to source them from the Centre's buffer stock, which has 1.4 million tonnes of pulses and 56,000 tonne of onions. "West Bengal, Odisha, Andhra Pradesh and Telangana have their own PSF. More states should join the league. States facing shortage of onions and pulses may ask us for supply," Paswan said at the fifth national consultation meeting with ministers of states who have gathered to deliberate on consumer issues. "We will ensure that prices of these commodities don't rise." Paswan said the Centre has also sought suggestions from states on changes in the Essential Commodities Act.



NAFED tries to provide a lifeline to Kashmir's apple growers.

New Delhi: The National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED) move to buy all three grades of apple at higher price may provide a lifeline to apple growers in Kashmir. Srinagar district magistrate Shahid Choudhary in a tweet on Wednesday said, "Exciting news for apple growers. The NAFED is set



to buy in all three grades at an impressive price. Every single fruit will bring in greater value, enhanced income at no transportation hassles." Apple

cultivation is the mainstay of Kashmir's economy with revenue of around Rs1,200 crore a year, and has been hit due to the clampdown post abrogation of the state's special status guaranteed under Article 370 of the Constitution.

With Himachal Pradesh and Kashmir accounting for three-quarters of India's apple crop, the proposed J&K's first investor summit to be held is also expected to focus on apple cultivation. The announcement comes in the backdrop of a litmus test for Prime Minister Narendra Modi's administration as it begins to restore normalcy in the region against the backdrop of unrest in the valley. Nafed is the central agency assigned to procure directly from farmers and is expected to play a pivotal role in helping double farmers' income by 2022. The move is aimed at helping farmers, and comes in the backdrop of New Delhi imposing long-pending retaliatory tariffs on 29 US products. Key items imported by India from the US include almond and fresh apples worth \$645 million and \$165 million, respectively.

✚ Rich dividends for Punjab farmers expected from bumper cotton crop this season

Cotton crop is expected to pay rich dividends to farmers this season as Punjab is expecting a bumper production. Though cotton crop season starts from October 1, bales of cotton already started coming in to Abohar Mandi on Wednesday.

Full-fledged harvesting will start after September 15. Farmers got around Rs 5,611 per quintal as the “opening rate” of ‘Kapas’



(raw cotton along with seed) against the Minimum Support Price (MSP) of Rs 5450 per quintal set by the government. ‘Kapas’ is later ginned to separate the cotton seed, which is used to make cattle feed, oil, oil seed cake etc., while lint is used to make yarn. Abohar Mandi, one of the of biggest cotton markets in Fazilka district of Malwa region, received 125 bales on Wednesday with each bale weighing 170 kg. “Farmers have brought around 500 quintals cotton to our mandi today. The main crop will start coming in mid-September. We are expecting a bumper crop along with good price,” said Anil Nagori, president of the Arhtiya Association Abohar Cotton Mandi, adding that they purchased the cotton at a rate around Rs 5,611 to 5,650 per quintal on Wednesday.

“In Fazilka mandi too, around 15 quintals cotton had arrived and farmers got more than the MSP rate per quintal,” said Vinod Gupta, a commission agent of Fazilka Mandi. “I have sown cotton on 10 acres land. The first round of plucking has started, and 2-3 more pickings will take place in October, November and December,” said cotton grower Ram Kishan from Abohar, adding that the weather is quite favourable for the crop this time and the yield will also increase if the same weather continues. “If the crop is good then a farmer can get 10 to 13 quintals raw cotton from one acre,” said farmer Vinod Jyani of Abohar, adding that this year a bumper crop is expected and MSP is also good. Going by Wednesday’s rate, which is around Rs 160 above the MSP, sale of raw cotton per acre at a rate of Rs 56,000 to Rs 73,000 in the market and can earn farmers Rs 36,000 to Rs 53,000 per acre after meeting all expenses.

Cotton is a good alternative to Paddy in punjab, and the state government is keen on diversifying paddy area under cotton. The MSP of paddy is Rs 1,835 per quintal this year and a farmers gets around 28 to 30 quintals paddy from one acre which can be sold at Rs 52,400 to Rs 55,050 at the MSP rate. The earning would be Rs 34,000 to 38000 after meeting production cost — which is lower than cotton. This year 3.91 lakh hectares area is under cotton crop against 2.83 lakh hectares last year, while paddy (parmal rice) area is still around 23 lakh hectares if basmati rice (around 6.29 lakh hectares this year) is excluded.

Director, Punjab Agriculture department, Dr Sutantra Airy said that the opening rate is much higher than the MSP and they hope to increase it further. Punjab's cotton belt includes Bathinda, Mansa, Mukatsar Sahib, Fazilka, Barnala Moga, Faridkot and Sangrur. Following the white fly attack on crop in 2015, farmers in Punjab had decreased area under cotton drastically and since then, Punjab could not touch the 4 lakh hectares figure. Officials in the agriculture department said that farmers should not be worried about the crop now as the Cotton Corporation of India is ready to purchase the crop at MSP rate if the rate goes down in the market.

CM: Govt. to strengthen market intervention

Kerala: Chief Minister Pinarayi Vijayan said that the government would strengthen market intervention activities to hold the prices of essential commodities. Speaking after inaugurating the Onasamruddhi market for agricultural produce, he said the network of stores under the Civil Supplies Corporation had managed to control prices of most items over the past three years. The Onasamruddhi market would provide farm produce through 2,000 outlets of HortiCorp at less than the open market price.



Fair price shops of Consumer fed and the Civil Supplies Corporation were also geared up to provide essential commodities to consumers during the Onam season, he said. Presiding over the function held at the Horticonp outlet at Palayam, Agriculture Minister V.S. Sunil Kumar said the market intervention strategy of the department was aimed at benefiting both the consumers and the farmers. The Minister said vegetables and fruits were procured from farmers at a price 10% more than the market rates and sold to consumers at a discount of up to 30%.

Mobile app

Mayor V.K. Prashant launched the Onasamruddhi mobile app. Agricultural Production Commissioner D.K. Singh and Chairman, Horticonp Vinayan were among those present.

[Source: Verbatim reproduced from different sources](#)