



# Commodity Outlook and Situation Analysis

## Weekly Report (5<sup>th</sup>~7<sup>th</sup> November 2017)

### ✚ Soybean prices fall below MSP as arrivals surge during peak harvesting



Soybean prices have fallen sharply to trade below the government's Minimum Support Price (MSP) in major wholesale markets across the country, due to a surge in arrivals during the ongoing peak harvesting season.

Data compiled by government-owned web portal Agmarknet says soybean in Indore was quoted at Rs 2,711 a quintal for the week ended October 31, down 5.7 per cent from the earlier week and 43.5 per cent from the corresponding period last year. For near-month delivery, it is trading at Rs 2,822 a quintal on the National Commodity & Derivatives Exchange (NCDEX). Normally, the government offers to purchase cereals and other agri commodities at MSP when the market price falls below this benchmark. Soybean's MSP is Rs 2,850 a quintal, in addition to a Rs 200 bonus for farmers to encourage sowing

More Info at: [http://www.business-standard.com/article/economy-policy/soybean-prices-fall-below-msp-as-arrivals-surge-during-peak-harvesting-117110201312\\_1.html](http://www.business-standard.com/article/economy-policy/soybean-prices-fall-below-msp-as-arrivals-surge-during-peak-harvesting-117110201312_1.html)

## Rice drives India's agri exports

Farm exports, led by rice, jumped by 13 per cent during April-September as dealers overseas built up stocks amid fears of a ban by the EU, which strengthened quality norms. According to the Agricultural and Processed Food Products Export Development Authority (Apeda), exports of agricultural products registered with it jumped to \$8.73 billion in April-September from \$7.69 billion in the corresponding period a year ago. In rupee terms, Apeda-registered exports jumped by 8.64 per cent to Rs 56,183 crore from Rs 51,499 crore.



The rise in farm exports was primarily driven by rice, both basmati and non-basmati, which contribute nearly 44 per cent to the country's annual farm shipments. Exports of rice rose by over 30 per cent in dollar terms and 25 per cent in rupee terms during April-September as European buyers built inventories in anticipation of tighter quality tests effective November 1. Read More at: [http://www.business-standard.com/article/markets/rice-drives-india-s-agri-exports-117110500008\\_1.html](http://www.business-standard.com/article/markets/rice-drives-india-s-agri-exports-117110500008_1.html)

## Led by rice and pulses, rabi acreage up 18.5% to 163 lakh hectares



Making up for the shortfall in rice and pulses cultivation during kharif, farmers have increased area under these two important food crops during the current rabi season, according to the sowing data released by the Agriculture Ministry on Friday.

The total area sown during the current rabi season has gone up to 163.25 lakh hectares (ha), nearly 19 per cent more than the 137.72 lakh ha covered during the corresponding period last year. Pulses and rice accounted for much of this increase.

The area under pulses stood at 63.79 lakh ha, which is 40 per cent more than the

previous rabi season's 45.48 lakh ha. Most of this increase has been in Madhya Pradesh which has planted pulses on an additional 20 lakh ha. Among pulses, gram, whose area under cultivation, went up to 47.2 lakh ha from 32.93 lakh ha last year, accounted for the maximum acreage.

There is a nearly 6.5 per cent increase in the area under wheat cultivation too. Wheat is being grown on 27.39 lakh ha compared to 25.72 lakh ha last year.

There is, however, a dip in the area under oilseeds. Against 42.14 lakh ha in the previous season, the area so far covered is 40.94 lakh ha, the Ministry said.

The predominant rabi oilseed crops — mustard & rapeseed — have been planted on over 37.05 lakh ha compared to 38.41 lakh ha last season.

## Coarse cereals rise

Coarse cereals registered a 22 per cent increase in area under cultivation with the total area covered so far going up to 23.41 lakh ha as compared to 19.17 lakh ha during the previous rabi season. Jowar accounted for much of this increase.

The area under winter rice cultivation recorded 48 per cent increase to 7.73 lakh ha whereas the acreage during the corresponding period last year was 5.22 lakh ha.

Read More at: <http://www.thehindubusinessline.com/economy/agri-business/led-by-rice-and-pulses-rabi-acreage-up-185-to-163-lakh-hectares/article9953463.ece>

## ✚ Farmers may get good prices for wheat crop in November, December 2017

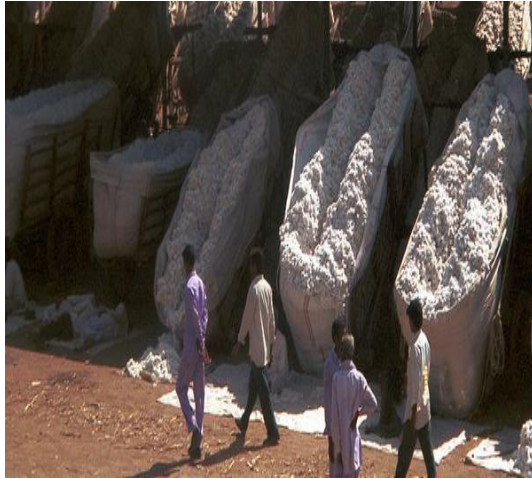
In a good news to the farmers who are engaged in cultivating wheat crop, this season they might get higher prices for the delivery of crop in the month of November and December. In a recent development, the government doubled the import duty on wheat to 20% in order to control cheap shipments and to give positive price signal to farmers in the ongoing Rabi season. Following the progress, the wheat prices spiked 2.35% to Rs 1,789 per quintal in futures market on Thursday(9.11.17).

It seems that market participants may have built up fresh positions along with the rising demand in the spot markets led to jump in the futures market. At the National Commodity and Derivatives Exchange (NCDEX), wheat for delivery in the month of December 2017 shot up by Rs 49, or 2.8% to Rs 1,797 per quintal with an open interest of 7,790 lots. The spot price of wheat was at Rs 1,855.1 per quintal. Whereas, the



wheat for delivery in the month of November 2017 rose by Rs 51, or 2.98% to Rs 1,763 per quintal with an open interest of 4,530 lots.

## **Bumper cotton crop, CCI eyes 100-lakh-bale procurement**



At a time when cotton has started to arrive in the market, dragging the price down, the Cotton Corporation of India (CCI) has begun procurement operations at select places in Gujarat and Telangana.

According to top CCI officials, the agency will procure at important cotton growing locations as and when the prices go below the Minimum Support Price (MSP) level once the arrivals gather pace, most likely after November 15.

“Till now we have procured about 40,000 bales (approximately 200,000 quintals) of cotton mainly from Telangana and a small quantity of about 3,000

bales from Gujarat. Currently, the prices at most places are hovering at around the MSP level. We expect some pressure on prices after increase in arrivals post November 15. Then we will step up the procurement,” said MM Chockalingam, Director (marketing), CCI. Speaking to *BusinessLine*, Chockalingam hinted that the CCI may procure about 100 lakh bales (of 170 kg each) this year as the country eyes a bumper crop of the fibre.

## **Bumper harvest**

Last week, urging the government to direct the CCI to procure 100 lakh bales, the India Cotton Federation had written to Prime Minister Narendra Modi estimating a record 400-lakh-bale output for the cotton season 2017-18 due to a 20 per cent increase in the acreage.

Read more at: <http://www.thehindubusinessline.com/economy/agri-business/amid-bumper-cotton-crop-cci-eyes-100lakhbale-procurement/article9945669.ece>

## **Chilli prices up 10% in a month as AP sowing falls**

Chilli prices have increased more than 10 per cent in one month due to a 60 per cent decline in sowing area in the principal growing region of Andhra Pradesh and diminished arrivals from Madhya Pradesh, exporters said. “The crop is down by 50 per cent due to virus attack,” said AP

Murugan, director at Paprika Oleos (India), a major exporter of the commodity. Chilli is the largest exported spice from the country with earnings of more than Rs 5,000 crore annually. Prices of best variety chilli now stand at Rs 95 per kg, up from Rs 85 per kg last month, traders said. The prices had plummeted to Rs 35 per kg early this year after glut.



A one month long strike in Guntur, the chilli hub of the country, against implementation of electronic trading system, from September helped lift the prices last month. Traders also said chilli arrivals from Madhya Pradesh are poor though the state is not a large enough producer to make a significant impact on the country's total output. Madhya Pradesh produces around 11 lakh tonnes of chilli, while the country's total output crossed 18 lakh tonne in the last season. Chilli exports have been robust this year with China buying large quantises of highheat variety of chilli. Though Chinese harvest has been good, its production of chilli of high heat variety is insufficient to meet the demand, exporters said. "The only problem exporters face now is the delay in refund of IGST paid," said Shailesh Menon, director of exporting firm Jabs International.

Read more at:

[//economictimes.indiatimes.com/articleshow/61557795.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/61557795.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## ✚ Bhadsavle's method — SRT farming — is very simple

This farmer's agri technology can help solve India's pollution woes



Under the SRT (Saguna Rice Technique) technique, tillage is completely avoided and the residue of the earlier crop (in this case paddy stubble) is disintegrated into soil by using weedicides and microbial cultures.

Bhadsavle, who has a Masters in Food Microbiology from UC Davis (USA), said the current technique of farming was flawed. "What we do is indiscriminately use tillage, killing nutrients. Then we use fertilisers to boost nutrients/NPK (nitrogen, phosphorus & potash)

in soil. We should instead simply increase organic carbon content of soil which increases its

fertility. This can happen if you let the plant residue of earlier crop decompose in soil, it will then bring in earthworms, which will help crops," explained Bhadsavle.

In his 50-acre farm Suguna Baug on the outskirts of Mumbai in Neral, Bhadsavle doesn't resort to tilling or burning of crop residue, and has increased productivity in his farm year-on-year. The Neral farmer's claims have caught on in Maharashtra, where 2,500 farmers use his technique. In fact, the results from Vidarbha — the suicide belt of Maharashtra — where cotton farmers are using the SRT technique, are overwhelming and they swear by its success.

Read more at:  
[//economictimes.indiatimes.com/articleshow/61600114.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/61600114.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## ✚ Agriculture, farmers deserve special focus: Naidu

Vice President Venkaiah Naidu said agriculture and farmers deserve special focus from the government and issues related to cultivators should be widely discussed in legislative bodies and the media.

The focus should be more on villages and agriculture, he said and suggested removal of restrictions over movement of farm produce in the country.

Naidu was speaking after the inauguration of Agrovision, a summit on the farm sector and its allied segments, at the Reshimbagh Ground here.

"I am a farmer myself and I am proud of it as farmers are providers of food to the country (andaata). The basic culture of India is agriculture and it is the responsibility of the government to look after the concerns of farmers," he said.

Issues related to the key sector should be discussed at various forums, the vice president said.

"The concerns of farmers, who was not organised, should be the main topic of discussion in Parliament, state legislatures, panchayats, research institutes and the media," he said.

Naidu emphasised on time-bound programmes for providing agriculture solutions in the form of cold storage, refrigerator van system, timely crop loans, godowns in rural areas, crop insurance and advice on farming techniques.

"These initiatives are very necessary so that the farmers do not move away from farming," the vice president said.

The government, the science and technology department, the NABARD and banks should come to the aid of farmers, who should be the top priority for the country, Naidu said.

Because farmers are not organised, there is a feeling in the rural areas that they are a neglected lot, he said.

"There is a need for increase in budget for agriculture and irrigation to ensure development of farmers," Naidu said.

The vice president highlighted the need for regular electricity and better roads in rural areas.

He praised Prime Minister Narendra Modi for the pro-farmer initiatives taken by his government.

PTI CLS RSY KJ

Source: <http://indiatoday.intoday.in/story/agriculture-farmers-deserve-special-focus-naidu/1/1087128.html>

## Agri sectors contribution to GDP up by 2%

Union Minister of State for Water Resources Arjun Ram Meghwal said the agriculture sectors contribution to the country's GDP has increased under the present government's rule. The minister also encouraged farmers to focus on growing horticulture and commercial crops to increase their income. Meghwal said the role of agriculture sector in GDP has increased by 2 per cent and now the efforts will have to be made to further enhance it. He said the state government is taking all steps and initiatives to double the income of farmers by the year 2022 and the farming community should also focus on horticulture and commercial crops to get more income. Union Minister of State for Law P P Chaudhary highlighted the steps taken by both the Centre and the state government for the welfare of farmers. He said that more than seven crore soil health cards have been distributed and the government has taken steps to check black marketing of urea which has benefited farmers. The state agriculture minister, experts of the farming sector, farmers and others were present on the occasion. The government also signed an MoU with companies in the area of food processing, cold storage and ware house, training and education, green house farming, among others.

Source: <http://indiatoday.intoday.in/story/agri-sectors-contribution-to-gdp-up-by-2percent-arjun-ram-meghwal/1/1086326.html>

## 22.5 lakh hectares brought under organic farming: Agri Minister

The government is promoting organic farming through many schemes and 22.5 lakh hectares have been brought under such cultivation so far: Agriculture Minister Radha Mohan Singh. He said organic farming has become a national and global requirement for providing nutritious food to people as well as to maintain sustainable production and soil health.

Addressing the Organic World Congress 2017 at Greater Noida, he said indiscriminate and excessive use of chemicals-based fertilisers, insecticides and pesticides is affecting soil health and environment as well as human beings.

"Food security is not an issue anymore in the country, but we still have the challenge of providing healthy and nutritious food to the growing population," Singh was quoted as saying in an official statement.

The minister noted that India is one of the oldest organic agricultural nations of the world and a large part of the country still practices traditional organic farming.

Singh highlighted that currently 22.5 lakh hectares have been brought under organic farming and 3,60,400 farmers have benefited under the Paramparagat Krishi Vikas Yojana.

He said the government targets to bring 50,000-hectare area under organic farming in the northeast region and 45,863 hectares have been brought so far under such farming.

Singh said that in Uttar Pradesh, Paramparagat Krishi Vikas Yojana was launched in 2015-16 and so far 28,750 farmers have benefited from 28,750 acres of land. For the marketing of organic products, the government is allocating Rs 5 lakh per district to set up sales outlets. The event, organised by the International Federation of Organic Farming Movements (IFOAM) and other partners, is likely to see the participation of 1,400 representatives from 110 countries, and 2,000

Indian delegates. He said the government acknowledges that indiscriminate and excessive use of chemicals during last several decades has posed a question- "how long can we continue to do farming like this?" The environment and social and economic issues are linked to chemical fertiliser based farming and it needs our attention, he said. "We have become dependent on chemical farming and the use of fertilisers, pesticides, and other chemicals have increased the production but at the same time excessive use of chemicals has led to the production of unhealthy crops," Singh said. Talking about the adverse effect of indiscriminate use of these chemicals on the environment, the minister said that a large part of chemicals is absorbed by the soil, air, and plants. Spraying of chemicals pollutes faraway plants and they seep into the ground and pollute water sources. Singh said the use of chemicals has led to climate change and created ecological imbalance and it is affecting human beings too. "For the sake of soil health, sustainable production, and healthy and nutritious food for people, organic farming has become a national and global requirement," he said. PTI MJH ABM

Source: <http://indiatoday.intoday.in/story/22.5-lakh-hectares-brought-under-organic-farming-agri-min/1/1085870.html>