

Sector Brief – June 2015

Current scenario: The agriculture sector in India is critical for ensuring food security, promoting sustainable development, and poverty alleviation. Indian agriculture contributes to 8% global agricultural gross domestic product to support 18% of world population on only

9% of world's arable land and 2.3% of geographical area. However, nearly one-third of the country's population still lives below poverty line. Over the 12 year period from 2003-04 to 2014-15, total food production in India has witnessed CAGR of 1.6%, a below mark performance in view of the country's pressing food security concerns. Agricultural growth has touched a new low of just 1.1 % in 2014-15, which was 4.7 % during 2013-14.

In this context soil analysis is a requirement for the farmers, as it will help to chalk out complete nutrient management plan and will be critical for augmenting productivity.

As per the Compendium of Environment Statistics India 2014, in the year 2011, the largest number of Soil Health Card (SHC) were issued for the North Zone (comprising the states & UTs of Haryana, Punjab, Uttarakhand, Uttar Pradesh, Himachal Pradesh, Jammu & Kashmir and Delhi) numbering 33.79 lakh, followed by West (21.54 lakh) and South zone (14.11 lakh) respectively. East (Bihar, Jharkhand, Orissa, West Bengal) and North East Zone (Assam, Tripura, Manipur, Meghalaya, Nagaland, Arunachal Pradesh, Sikkim and Mizoram) accounted for only 2.74 lakh and 1.47 lakh SHCs issued during the year 2011, vis a vis a national figure of 73.99 lakhs respectively. Calling for soil testing to be made a regular feature, Prime Minister,

Mr. Narendra Modi has said that a new class of entrepreneurs could set up soil testing labs even in small towns. 14 crore Soil Health Cards are envisaged to be issued over the next 3 years from 2015.

Future Outlook: Agribusiness is the way forward for Indian agriculture, as it will create a lucrative end to end value chain, where people would find gainful employment and the issue of negative land-to-people ratio (too many people are seeking livelihood from too little land) will be addressed. It will prompt agricultural production to be designed in a commercially viable way.

About 46% of India's net sown area is irrigated; in 2011-12, the net irrigated area was just 65 Mha leaving the majority of the farmers at the vagaries of monsoon. Between 2004 and

2014, the central government provided over Rs 53,000 crore to states for irrigation projects, but out of 297 projects, 163 were running delayed, including some for over 20 years. PPP mode investments and time bound completion of irrigation projects should be the order of the day.

Policy Announcements:

The Commission for Agricultural Costs (CACP) recommends options for better handling of fertilizer subsidy: CACP has recommended several options for better handling of the fertiliser subsidy by better distribution of the subsidy and streamlining the price differences between urea and non urea fertilizer.

Agriculture Ministry proposes Rs 50/quintal MSP hike in paddy, cotton & tur: The Agriculture Ministry has proposed a moderate hike in the minimum support price (MSP) of paddy by Rs 50 to Rs 1360/quintal for the 2014-15 crop year (July- June) and upto Rs 100/quintal raise in pulses MSP.

The Government is implementing a Centrally Sponsored Scheme "National e-Governance Plan in Agriculture (NeGP-A)" in the entire country. This centrally sponsored Mission Mode Project (MMP) was introduced during the last quarter of the 11th Plan Period from 2010-11 in 07 selected States (Assam, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Maharashtra & Madhya Pradesh) in Phase-I of this Project and have now been extended to cover all the remaining 22 States and 07 UTs during the current Plan Period starting from 2014-15. The Programme aims to achieve rapid development of agriculture in India through ICT enabled multiple delivery channels such as Internet, Government Offices, Touch Screen Kiosks, Krishi Vigyan Kendras, Kisan Call Centres, Agri-Clinics, Common Service Centers, Mobile Phones (Broadcast, IVRS, interactive messaging using unstructured Supplementary Service Data and Voice Recognition for ensuring timely access to agriculture related information for the farmers of the country.

The Union Government aims to move towards the creation of a national common market for agricultural commodities and simultaneously improve the supply chain. The Revised Kisan Credit Card (KCC) Scheme has been relaunched, wherein the cards have been converted into ATM enabled debit card, with facilities of one time documentation, built in cost escalation in the limit and any number of drawls with the limit.