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**F.No. 1-7/2011-NFSM (Pt. III)-NCEAR
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation
(Crops Division)**

Krishi Bhawan, New Delhi
Dated: 17th April, 2013

Subject: Minutes of the Sixteenth Monthly Briefing meeting held on 15th March, 2013 under the Chairmanship of Secretary (A&C) for Sixteenth Monthly Briefing under NCEAR Project on "Agricultural Outlook and Situation Analysis for Food Security"-reg.

Undersigned is directed to forward herewith a copy of the minutes of Sixteenth Monthly Briefing meeting held on 15th March, 2013 under the Chairmanship of Secretary (A&C) for review the NCEAR Project on "Agricultural Outlook and Situation Analysis report for information and necessary action.


(Dr. D. P. Malik)
17/4/13
9/2

Addl. Commissioner (Crops) Director (Crops)

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(As per list enclosed)

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Issued
18/4/13

List of Participants of Sixteenth Monthly Briefing meeting held on 15th March, 2013 under the Chairmanship of Secretary (A&C) for Sixteenth Monthly Briefing under NCEAR Project on "Agricultural Outlook and Situation Analysis for Food Security

1. Shri Anup K. Thakur, Special Secretary, DAC, Krishi Bhawan, New Delhi.
2. Sh. Siraj Hussain, Addl. Secretary, DAC, Krishi Bhawan, New Delhi.
3. Shri A.K. Srivastwa, Addl. Secretary Agriculture, DAC, Krishi Bhawan, New Delhi.
4. Shri Raghav Chandra, AS & FA, DAC, Krishi Bhawan, New Delhi .
5. Mrs. S. Bhawani, Principal Adviser, DES, DAC, Krishi Bhawan, New Delhi.
6. Dr. Anandi Subramanian, Member Secretary, CACP, New Delhi, (e-mail:ms_cacp@nic.in)
7. Shri Atanu Purkayastha, Joint Secretary (TMOP), DAC, Krishi Bhawan, New Delhi.
8. Shri Sanjeev Gupta, Joint Secretary, DAC, Krishi Bhawan, New Delhi
9. Shri Narender Bhushan, Joint Secretary, DAC, Krishi Bhawan, New Delhi.
10. Smt. Reena Saha, Director (Crops), DAC, Krishi Bhawan, New Delhi (Phone No. 9868138998 e-mail: reena.saha@nic.in)
11. Dr. Anupam Barik, Additional Commissioner, (TMOP), DAC, Krishi Bhawan, New Delhi .
12. Dr. D.P. Malik, Additional Commissioner, (Crops), DAC, Krishi Bhawan, New Delhi (e-mail:dpmalik69@gmail.com).
13. Shri Bhaskar Goswami, Policy Specialist FAO, 55 Lodi Estate, New Delhi. (Mobile: 9811191335)
14. Dr. Y.R. Meena, Additional Commissioner, (Extn.), DAC, Krishi Bhawan, New Delhi (e-mail:yrmeena@gmail.com).
15. Shri B. Gangaiah, Adviser, Directorate of Economics & Statistic, DAC, Krishi Bhawan, New Delhi
16. Shri B.S. Bhandari, Adviser, Directorate of Economics & Statistic, DAC, Krishi Bhawan, New Delhi
17. Shri S.K. Mukherjee, Adviser, Directorate of Economics & Statistic, DAC, Krishi Bhawan, New Delhi
18. Nilabja Ghosh, IEG, New Delhi, (Phone No. 9811912468)
19. Dr. Anita Kumari, IEG, New Delhi, (Phone No. 9910137273 e-mail:anita@iegindia.org).
20. Shri Vijay Datta, President, Solvent Extractors' Association of India, 142, Jolly Maker Chambers No.2, 14th Floor, 225, Nariman Point, Mumbai – 400 021. (Fax: 91-22-22021692)
21. Shri Sushil Goenka, Immediate Past President, Solvent Extractors' Association of India, 142, Jolly Maker Chambers No.2, 14th Floor, 225, Nariman Point, Mumbai – 400 021.
22. Dr. B. V. Mehta, Executive Director, The Solvent Extractors' Association of India, 142, Jolly Maker Chambers No 2, 14th Floor, 225, Nariman Point, Mumbai - 400021. INDIA, Tel : (91 22) 22021475, 22822979, Fax: (91 22) 22021692
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24. Shri. V.P. Ahuja, Consultant, NCAER, New Delhi
25. Shri. S.K. Mondal, Consultant, NCAER, New Delhi
26. Dr. Mandira Bhattacharya, NCAER, New Delhi.
27. Dr. Vikas Bhardwaj, Agronomist Research, Noble Resources, Solvent Extractors' Association of India, 142, Jolly Maker Chambers No.2, 14th Floor, 225, Nariman Point, Mumbai – 400 021.
28. Dr. J.P. Singh, Consultant (TMOP), DAC, Krishi Bhawan, New Delhi.
29. Shri Narender Kumar, Joint Director (INSIMP), DAC, Krishi Bhawan, New Delhi.

**Summary Record of the Sixteenth Monthly Briefing meeting held under NCAER
Project on Agricultural Outlook on 15th March, 2013.**

Sixteenth monthly briefing under NCAER Project on "Outlook and Situation Analysis for Food Security" was held under the Chairmanship of Secretary (A&C) at 4.00 pm on 15th March, 2013, in Acharya Jagdish Chandra Bose Hall (Committee Room No. 142), Krishi Bhawan, New Delhi. The list of participants is attached.

Two presentations were on the agenda:

- i) "Outlook for India's Edible Oil Sector, Issues & Challenges" By Dr. B. V. Mehta, Executive Director, The Solvent Extractor's Association of India, Mumbai and
- ii) "How to increase Rapeseed Production to reach 10 Million Tonnes target in next three years" by Dr. Vikas Bhardwaj, Agronomist Research, Noble Resources, New Delhi.

Sh. Atanu Purkayastha, Joint Secretary (Seeds & TMOP), Department of Agriculture and Cooperation, Ministry of Agriculture, welcomed the participants and gave a brief introduction regarding the context of the presentations. Thereafter, he requested Dr. Mehta to make his presentation on Outlook for India's Edible Oil Sector, Issues & Challenges.

Presentation by Dr. B. V. Mehta, Executive Director, The Solvent Extractor's Association of India, Mumbai.

Initiating his presentation Dr. Mehta said The Solvent Extractor's Association of India (SEA), Mumbai is the largest Association in the Vegetable Oil Sector in India with over 850 members representing Solvent Extraction Units, Oil Millers, Vanaspati Manufacturers, Importers and exporters.

Following were the key points from his presentation:

Rapeseed oil, Soybean oil, Cottonseed oil, Rice Bran oil & Groundnut oil are the major vegetable oils produced in India. Area under Oilseed Cultivation is about 26-27 million ha. with production of around 29.8 million tonnes of 9 cultivated oilseeds viz. groundnut, castor seed, sesamum, nigerseed, rapeseed & mustard, linseed, safflower, sunflower and soybean. In addition, India produces about 11 million tonnes of Cottonseed & Copra. The average yield of the 9 major oilseeds is about 1100 Kg/ ha.

The annual production of vegetable oils in the Country is about 7-7.50 million tonnes as against demand of about 17.0 million tonnes. India imported about 10.5 million tonnes of edible Vegetable Oils during the current year 2012-13 (Nov-Oct). Per capita consumption of vegetable oils in India is 14.3 kg./annum (2011) which is rising by 3 to 4% per annum. In the international scenario India produces about 5% and consumes about 10 % production level vegetable oil in the world.

In mid 1990s, MSP for food grains were raised more than for oilseeds. As a result, increasingly favorable returns from rice and wheat have drawn area away from oilseeds, lowering oilseed production. However, since 1998-99, the MSP of the major edible oilseeds have been moving upward more decisively, to lure back growers towards the oilseed crops.

Looking at zone wise consumption pattern, western India has the highest per capita consumption of edible oils. Acceptability of palm oil in this region has improved but still MP and Maharashtra are the highest soy oil consuming states and Rajasthan is the major mustard oil consuming state. Gujarat has switched to cottonseed oil from traditionally used groundnut oil.

North India was traditionally a mustard oil & groundnut oil market but has partially shifted to soy oil for household use and palm oil for out of home consumption. This market has a mix of all oils but palm oil consumption in this region is the lowest.

South India is the highest consumer of palm oil both in absolute and percentage terms (70% households). It is also the biggest market for sunflower oil in India. There is a small share of soya oil and a small proportion of other oils in total oil consumption.

East India is the lowest per capita consuming region for oils. This is the second region after south where broadly the whole of the region has accepted palm oil for household use (about 40%). East India is the biggest market of mustard oil (29% share in total oil consumption in the region).

At the all India level, lower & middle class is price sensitive and palm oil being cheapest it is also their preferred oil. India's consumption basket for edible oils (2011-12) is: Palm Oil (46%), Soybean Oil (16%), Mustard oil (11%), Sunflower oil (8%), Cottonseed Oil(7%), Rice Bran Oil(5%), Groundnut Oil (2.4) and others(4%).

Due to rising income levels and increasing trend in spending, India promises to continue high growth in consumption of edible oils and consumption is likely to reach 23 million tonnes by 2020 assuming 3% growth rate.

Stagnant domestic oil production is leading to higher imports year on year to meet the growing demand. In last 3 years, import dependence has increased much more (57%) due to rising consumption and stagnant domestic production. As regards direction of imports, palm oil is primarily being imported from Indonesia and Malaysia, sunflower oil from Ukraine and Argentina and soybean oil from Argentina and Brazil.

Among the major constraints in increasing domestic production of oilseeds are low productivity, small farm size, lack of varietal replacement, shifting of acreage from oilseed to other crops, losses due to pests and diseases and vagaries of nature. Dr. Mehta said production of vegetable oils is increasing by 350/400 thousand tonnes per year as against the demand increase of 700 to 800 thousand tonnes per year. Production of oil palm in India is yet to pick up.

Major demand drivers of vegetable oils in India are a) consistent GDP growth rate at about 7% in last 5 years b) big emerging Indian middle class c) faster urbanization d) nuclear families, e) change in food habits f) double digit growth in out of home consumption of edible oils and g) supply of edible oils, mainly palm oil, by the Government at subsidized rates under PDS. Dr. Mehta was of the view that at the current growth rates in demand (about 3% per annum), India will be importing over 60% of its requirement of vegetable oils by 2020.

Citing the Economic Survey 2012-13, he said import dependence was about 3 per cent during 1992-93. The production of oilseeds has increased in recent years from 184.40 lakh tonnes in 2000-01 to 297.99 lakh tonnes in 2011-12, but has not kept pace with the demand for edible oils in India. Imports have helped raise the per capita availability of edible oils from 5.8 kg in 1992-93 to 14.5kg in 2010-11. One instrument for promoting future domestic production is calibration of the import duty structure. Large imports of edible oils are primarily due to competitive prices of edible oils in the international market and the import duty has been sharply reduced to near zero levels over time to benefit the consumers. However, it should be recognized that India has a market share that allows it to set independent tariff policy to benefit both the producer and the consumer. Considering the situation, it is time to frame a price band for edible oils in a manner that harmonizes the interests of domestic farmers, processors, and consumers through setting the import duty at an appropriate rate. The import duty would also generate revenue for the state, which could also be utilized for the oilseeds development programme.

Dr. Mehta also pointed out that the increase in Wholesale Price Index (WPI) for edible oils during 2004-12 at 51% is the lowest among all essential commodities viz. rice (101%), wheat (104%), pulses (153%) and dairy products (78%).

He said if India needs to raise the production of oilseeds & reduce its dependence on imported oils, it has to ensure remunerative prices to farmers, ensure availability of high yielding quality seeds at the time of sowing, encourage shifting of crop from grains to oilseeds by offering higher MSP, better irrigation facility, higher allocation of funds for Oilseeds Development Programme, promotion of Oil Palm crop and fullest exploitation of rice bran oil & minor oils potentials.

Presentation by Dr. Vikas Bhardwaj, Noble Resources, New Delhi.

Dr. Bhardwaj started his presentation by saying that India is the 2nd largest producer of Groundnut, 3rd largest producer of Rapeseed & Mustard and 4th largest producer of Soybean in the world, yet it has a very low ranking in their productivity at 40th, 28th and 44th respectively. He said India can increase rapeseed production to 10 million tonnes in next three four years with efficient use of seed varieties, balanced fertilization, timely sowing & harvesting and pest management.

Key points from his presentation are:

Oilseeds are still grown in poorly irrigated and marginal lands not suitable for adoption of advanced technology, often cultivated with low inputs and poor management practices. Lack of timely availability of suitable HYV or hybrid seeds at farm level and lack of awareness on balanced use of fertilizers, pest management and timely harvesting are reasons for poor yields. Stress caused by insect-pests & weeds result in approx 45% yield loss annually. Lack of Government support to oilseed procurement is another drawback.

He said farmers are not using recommended practices in oilseed cultivation. Right time for sowing of Rapeseed and Mustard seed is first fortnight of October. Late sowing results in yield loss. For fertilizer application the suggested approach is 4 R Nutrient Stewardship: Right product (Match the fertilizer source and product to crop need and soil properties), Right rate (Match the amount of fertilizer applied to the crop needs), Right time (Make nutrients available when the crop needs them) and Right place (Place and keep nutrients when crop can use them)

Pre-sowing irrigation and one irrigation at flowering stage are sufficient for better yield during normal rainfall year. Additional irrigation at flowering and siliqueae formation stage is required only in drought year. Two hand weeding, one after 3 weeks and 2nd after six weeks of sowing are required for better output.

Horizontal and vertical intensification through varietal improvement and introduction of mustard in non traditional areas such as the example of GM3, regular and active follow ups to ensure farmer awareness on appropriate variety selection, balanced fertilization, pest management and timely harvest, active role of agro-advisory services (weather/pest alerts etc.) and continuous efforts to bridge the gap between scientific & farming community can lead to significant improvement in yield and production.

Some of the points raised and discussion that followed the two presentations are summarized below:

Dr. J. P. Singh, DAC clarified that oil content in mustard is highest in Haryana and it is in the range of 35%-39% in general and around 40% in some cases.

Sh. Atanu Purkayastha, Joint Secretary (Seeds and TMOP) wanted to know the efficiency of oil extraction. Dr. Bharadwaj replied that oil recovery rate varies from oil seed to oil seed. After the oil is extracted from the mustard seed, the cake is further processed in the extraction unit to get the remaining oil content. Usually oil cake retains 7% to 8% oil which after extraction is left with about 1%. Oil meal is either used for animal feeding or exported.

Prof. Neelabja Ghosh, IEG wanted to know about Palm Oil, how it is sold and who the buyers are apart from household users. Dr. Bhardwaj said most of the hotels, restaurants and processed food manufacturers use this oil. It was also mentioned that across states the taste preferences and prices determine the consumption pattern of edible

oils and not nutrition.

With regard to the recommended dose of fertilizer in the presentation, Mr. Bahuguna, Secretary DAC wanted to know how these figures were arrived at and how it was generated. He also mentioned that the recommended dose may vary from one plot to another plot of farm land depending upon several factors. Dr. Bharadwaj replied that the numbers were from a study by Haryana Agricultural University. Ms. Bhawani, Pr. Adviser, requested that the study may be shared with the ministry.

Dr. Mehta, said they will conduct a survey next time to verify the use of actual and recommended dose of fertilizers. Secretary DAC cautioned that the survey/ trials will be on a particular type of soil and generalization may not be possible.

Dr. Mondira Bhattacharya, NCAER, mentioned that Fertilizer Association of India (FAI) provide recommended dose of fertiliser for various crops.

Dr. Gangaiah, Adviser emphasised the need to probe into the determinants of blending of edible oils, price and nutrition aspects and demand in recent times. Dr. Mehta said, sometimes it is purely commercial and some times it is nutritional aspects which play in the market. He said SEA has submitted a representation to the Food Safety and Standards Authority of India (FSSAI) regarding norms for blending of vegetable oils.

Question of stock limit in edible oils was also raised and Dr. Mehta replied that stock limits are stringent in Karnataka and Maharashtra.

Mr. Narendra Bhooshan, Joint Secretary (M&T) asked, why small land holding is a constraint for growing oil seeds? The reply was that farmers with small holdings are sensitive to price, uncertainty and procurement facilities. Even if small farmers are getting more through MSP of Oilseeds, they prefer to grow wheat due to better marketing facilities and higher yields.

Secretary said it should make economic sense for what we grow. If we are not competitive in growing oil seeds, then why should we grow them?

Dr. Neelabja pointed out that technology is an important issue to address.

Dr. Bhandari mentioned that all imported oils are GM. It was clarified that there is no GM in palm oil, it is only imported soya oil which is GM.

The Secretary DAC concluded the meeting by saying that it was an extremely interesting and useful presentation. He said in terms of policies we are moving in the right direction. Secretary requested Dr. Mehta to pass on a copy of their representation to FSSAI.

The meeting ended with a vote of thanks to the chair.

List of participants of the Sixteenth Monthly Briefing under NCAER Project on "Agricultural Outlook and Situation Analysis for Food Security" held on 15th March, 2013 under the Chairmanship of Secretary (A&C).

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