

CPS.1-7/2011-NFSM (Pt. III)-NCAER
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation
(Crops Division)

Krishi Bhawan, New Delhi
Dated: the 16 July, 2013

Subject: Minutes of the Twentieth Monthly Briefing of NCAER Project on "Agricultural Outlook and Situation Analysis" for Food Security-reg.

The Undersigned is directed to enclosed herewith a copy of the minutes of Twentieth Monthly Briefing under NCAER Project on "Agricultural Outlook and Situation Analysis for Food Security" was held under the Chairmanship of Secretary (A&C) on 26th June, 2013 at Krishi Bhawan New Delhi for information and necessary action.

[Signature]
16/7/13
(Dr.D.P.Malik)

Additional Commissioner (Crops)

O/C

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(As per list enclosed)

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17-7-2013
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Minutes of the Twentieth Monthly Briefing meeting under NCAER Project on Agricultural Outlook and Situation Analysis for Food Security held on 26th June, 2013.

Twentieth monthly briefing under NCAER Project on "Outlook and Situation Analysis for Food Security" was held under chairmanship of Secretary (A&C) at 4.00 P.M on 26th June, 2013, in Acharya Jagdish Chandra Bose Hall (Committee Room No. 142), Krishi Bhawan, New Delhi. The list of participants is appended.

Two presentations were on the agenda: i) Presentation on "Assessment of Monsoon 2013" by Prof. U.C. Mohanty, Centre for Atmospheric Sciences, Indian Institute of Technology, Delhi, and ii) Presentation on "Sugar and Sugarcane: Policies and Outlook for the Sector" by Sh. Abinash Verma, Director General, Indian Sugar Mills Association (ISMA).

Introducing the speakers, Prof. U.C. Mohanty and Sh. Abinash Verma, to the participants Dr. Shashanka Bhide, NCAER, noted that both the presentations were of significance for the Agricultural Outlook Reports.

1. Prof. Mohanty said the presentation is based on their project on development and application of an Extended Range Forecast System (ERFS) for climate risk management in agriculture for India. The objective of this study was to develop a deterministic and probabilistic ERFS for monsoon rainfall at each meteorological sub division and for the entire country. Climate predictions were made by using two types of approaches: dynamical and statistical. In their statistical analysis, data for last 27 years were used. He said they have made different predictions at the meteorological subdivision level as well as across homogenous regions in India on a monthly and seasonal basis. They also examined how to apply these climate forecasts to agriculture. Such predictions were made from 2009 onwards. They used several methods of bias correction to arrive at improved predictions and selected one that gave best results. They correlated predicted and actual values over the years at the meteorological subdivision and also at the All India level. The correlations were quite low at several places. But a higher correlation of 0.6 was also obtained. He further informed that improvement in the system is continuing.

cane area reservation, minimum distance criteria between mills, State Administered Prices (SAP), Fair and Remunerative Prices (FRP), levy sugar, release mechanism, export-import policy and compulsory jute packaging. Irrational cane pricing caused mainly by high SAP fixed by some states, had been responsible for huge payment arrears by mills to the farmers and reduction in cane acreage across states. Cane arrears were reported higher in U.P. Further, mills were under obligation to supply 10 % of their production as levy sugar at highly discounted prices. These regulations were making sugar mills unviable.

There had been surplus sugar production continuously for last 3 years both in India and at global level. The opening balance for 2013-14 is expected to be over 80 lakh tonnes which is more than 4 months of consumption requirement of the country.. Internationally, sugar prices had crashed in the last two years. Domestic cost of production of sugar was rising because of rising input costs, especially higher cane prices.

On 4th April 2013, Govt. announced partial decontrol of sugar and dismantled restrictions on sale quantities and levy obligations of sugar mills. Revisions of export-import tariffs had been initiated even though low import duty is still allowing sugar imports. As for compulsory sugar packing in jute bags, now only 40% sugar was packed in jute bags. However, dual pricing of sugar cane was still a concern as the state administered prices (SAP) were still very high that distorts cane and sugar economy causing cane payment arrears and cyclicity in cane production. The revenue sharing model as envisaged by the Dr. Rangarajan Committee would help rationalize the cane pricing system. Mr. Verma said all major sugar producing countries had followed it successfully. Karnataka Government had already passed an act for revenue sharing model for the cane producing farmers and the sugar industry.

Mandatory 5% ethanol blending with petrol would be achieved by 30 June, 2013. In India, only molasses were used for ethanol production and it would require about 35% of total molasses production. As regards imported ethanol, its landed price

List of participants

1. Sh. Ashish Bahuguna, Secretary (A&C) **Chair**
2. Sh. Raghav Chandra, AS & FA, DAC
3. Sh. R. L. Jamuda, Additional Secretary, DAC
4. Dr. B. Gangaiah, Economic & Statistical Adviser, DES
5. Sh. Mukesh Khullar, Joint Secretary (Crops), DAC
6. Sh. Narendra Bhooshan, Joint Secretary (), DAC
7. Sh. Atanu Purkaystha, JS(Seeds)
8. Sh. Amar Singh, Adviser, DES
9. Sh. Thomas Verghese, Director(Ext.& IT)
10. Sh. V. N. Kale, Additional Commissioner(M&T)
11. Dr. Daleep Singh, Add. Statistical Adviser, DES
12. Sh. Bhaskar Goswami, Policy Specialist, FAO, India
13. Dr. D. P. Malik, Additional Commissioner (crops), DAC
14. Sh. Narender Kumar, Joint Director, DAC
15. Prof. U.C. Mohanty, Centre for Atmospheric Sciences, Indian Institute of Technology, Delhi.
16. Sh. Abinash. Verma, Director General, Indian Sugar Mills Association, New Delhi.
17. Sh. Kasi Viswanathan, Executive Secretary, ISMA, New Delhi.
18. Dr. S. Bhide, Senior Research Counsellor, NCAER, New Delhi.
19. Ms. Mondira Bhattacharya, Associate Fellow, NCAER, New Delhi.
20. Sh. V. P. Ahuja, Consultant, NCAER, New Delhi.
21. Sh. S.K.Mondal, Consultant, NCAER, New Delhi.