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Department of Agriculture & Cooperation

Room No. 535
Krishi Bhawan, New Delhi,

Dated the 17th September, 2013.
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Subject:- Minutes of the 21st Monthly briefing meeting under NCAER Project on Agricultural Outlook and Situation Analysis for Food Security under the Chairmanship of Secretary (A&C), was held on 5th September, 2013 at 4.00 A.M, New Delhi. regarding.

The undersigned is directed to enclosed herewith a copy of the minutes of the meeting on NCAER Project on Agricultural Outlook and Situation Analysis for Food Security was held under the Chairmanship of Secretary (A&C) on 5th September, 2013 at 4.00 P.M in Acharya Jagdish Chandra Bose, Krishi Bhawan, New Delhi.


18/9/13

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Distribution

As per list enclosed.

Draft of 21st Monthly Briefing meeting under NCAER Project on Agricultural Outlook and Situation Analysis for Food Security held on 5th September, 2013.

The 21st monthly briefing under NCAER Project on "Outlook and Situation Analysis for Food Security" was held under the chairmanship of Secretary (A&C) on 5th September, 2013 at 4.00 P.M. in Acharya Jagdish Chandra Bose Hall (Room No. 142), Krishi Bhawan, New Delhi. The list of participants is appended.

Dr. S.Bhide made a presentation on Second semi-annual Medium Term Outlook Report, which he stated, was an update on the First Medium Term Outlook Report presented in February 2013. The highlights of presentation (copy enclosed) are as under:

- On the demand side, slowing economic growth in the short term would impact overall medium term outlook and Twelfth Plan GDP growth is expected to be less than 7 per cent per year.
- Inflationary pressures are expected to moderate. However, exchange rate depreciation is expected to generate export demand. Decline in energy prices will impact demand for grains, vegetable oils and sugarcane for bio fuel production at the global level.
- In the domestic economy, demand for livestock products, fruits and vegetables would continue to rise faster than demand for grains.
- The National Food Security Act will increase demand for grains because of lower consumer prices. The Act will also increase demand for other high value food commodities as money saved on account of cheap grains would be used for increased consumption of other food products.
- Transfer of labour from agriculture to non-agricultural employment to be slower in the short term due to slow down in economic growth.
- On the supply side, increasing scale of international trade in food commodities is expected to continue which will provide more stable trade opportunities for India's agricultural sector.
- On the input front, he said significant changes had taken place in the last 10 years viz. more balanced use of fertilisers, increased use of farm machinery, certified/ quality seeds and institutional credit. However, significant yield gaps still existed across regions in the country. In the context of constraints on bringing more land under cultivation, improvement in crop yields is critical for raising production in the medium term.
- As per the OECD-FAO Medium Term Agricultural Outlook Report 2014-2022 he noted that production of food products like rice, maize, oilseeds, vegetable oils, meat and milk was expected to see slower growth as compared to the past five years whereas soybean and

sugar might see higher growth in the medium term. Wheat was expected to continue to record the same rate of growth over the medium term as in the recent past.

- The report indicates moderate increase in global prices and improved stock position during the period 2014-22. India would contribute significantly to the increased production of commodities such as wheat and oilseeds.
- Based on the expenditure elasticity patterns, the medium term assessment for India indicates continued higher rate of growth in demand for fruits, vegetables, milk, edible oil, sugar, maize and relatively moderate growth in demand for rice, wheat and pulses. The Project domestic price scenario also indicated moderation in food commodity prices.

The issues raised by the participants are as under:

10. ESA wanted to know the basis for the projected pattern of growth in production of rice, wheat, and other crops. Dr. Bhide said that in the case of individual crops, area allocation was based on competing crop prices besides other factors. Relative prices, therefore, affect pattern of production. Oilseeds and pulses have relative price advantage.
11. AS&FA drew attention to the projection of very modest increase in global commodity prices. Dr. Bhide mentioned that policy reforms in the developed countries that were undertaken in the past decade or so have now been completed to a great extent. Secondly, the projected increase in energy prices over the medium term is less than 3 per cent per year. Thus, the market pressures on prices are less intense. Finally, the projected supply response is also leading to improved stock position over the medium term indicating favourable supply demand condition.
12. AS&FA also wanted to know the reasons for yield differentials between regions. Dr. Bhide said that the report only drew attention to the yield differential between the regions in the context of the need for raising productivity of land and had not examined the reasons for gaps in yields.
13. As regards, low rise in prices of food commodities in the global markets, Dr. Bhide explained that in the model used for medium term projection, exchange rate depreciation provided a wedge between domestic and international prices.
14. Because of the demand for maize for industrial uses, most of the increase in coarse grain production is expected to be from maize. It was also clarified that the impact of live stock sector's growth on feed demand had not been directly captured in the model. In the Indian context, use of maize for bio fuel production was not significant at present but its use for other industrial purposes had been taken into account.
15. Dr. Peter Kenmore, FAO Representative in India, emphasised the need to look at productivity of small farms in the medium term perspective. The issue of access to productivity enhancing strategies for small farmers would be important.
16. Agriculture Commissioner wanted to know the basis for shift in cropping pattern as had been reflected in the report. Dr. Bhide replied that the report had taken historical data for analysis and shift in area because of adoption of new technologies had not been captured.
17. Secretary (A&C) stated that as there is limited scope to increase cropped area. Dr. Bhide said that the model did not put a constraint on available land for individual crop but

increasing demand for commodities would mean trade-offs in land use and therefore, emphasized productivity improvement.

18. Secretary, (A&C), suggested that a more disaggregated analysis of yield gaps would be useful. Additional funds could be made available for such a study. He commented that NCAER study, during the course of the last two years, has provided some broad pointers and indicators which need to be addressed by appropriate policy measures to be designed:

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

List of participants

1. Sh. Ashish Bahuguna, Secretary (A&C) Chair
2. Sh. Raghav Chandra, AS & FA, DAC 18/9
3. Sh. Dalip Singh, Additional Secretary, DAC
4. Dr. J. S. Sandhu, Agriculture Commissioner, DAC
5. Dr. B. Gangaiah, Economic & Statistical Adviser, DES
6. Sh. Sanjay Lohiya, Joint Secretary (Crops and NFSM), DAC 18-9
7. Sh. Narendra Bhooshan, Joint Secretary (M&T, INM and Marketing), DAC
8. Sh. Atanu Purkaystha, JS(Seeds, TMOP)
9. Sh. Raj Singh, Joint Secretary (PC & Policy) 18.9
10. Sh. Peter Kenmore, FAO representative in India.
11. Sh. B.S.Bhandari, Adviser, DES
12. Sh. S.K.Mukherjee, Adviser, DES
13. Smt. Rugmani Parmar, Adviser, DES
14. Dr. J. P. Mishra, Adviser (Agriculture), Planning Commission, New Delhi 18/9/13
15. Sh. Sarvesh Rai, Director, DAC
16. Sh. S.K.Singh, Director, DAC
17. Dr. A.K.Mishra, Chief Director, DAC. 18.9
18. Ms. Reena Saha, Director (Crops) 18.9
19. Sh. A.B.Chawan, Deputy Secretary, M/ Commerce, Udyog Bhawan, New Delhi.
20. Dr. D. P. Malik, Additional Commissioner (crops), DAC
21. Sh. B.K.Srivastava, Joint Director, DAC
22. Dr. B.L.Saswat, Deputy Director (Credit & Cooperation)
23. Dr. S. Bhide, Senior Research Counsellor, NCAER, New Delhi.
24. Ms. Laxmi Joshi, Associate Fellow, NCAER, New Delhi.
25. Dr. A. Govindan, Consultant, NCAER, New Delhi.
26. Sh. V. P. Ahuja, Consultant, NCAER, New Delhi.

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