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RICE: CHALLENGES IN PRODUCTION AND MARKETING IN INDIA

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The views expressed in this publication are those of the author and do not necessarily reflect the views of the Food and Agriculture Organization of the United Nations.

RICE – CHALLENGES IN PRODUCTION AND MARKETING IN INDIA

The production of rice in India has shown an increasing trend from 83 million tonnes to 93 million tonnes during 1997-98 to 2001-02 as per the details given below:

YEAR	PRODUCTION (MILLION TONNES)
1997-98	82.54
1998-99	86.08
1999-00	89.68
2000-01	84.98
2001-02	93.08

The Rice crop in India is grown mainly during summer season (May-October) i.e. Kharif. However, in the Southern peninsula due to availability of the photo period, rice crop is also grown during subsequent season i.e. Nov-Apr.

In order to encourage farmers to increase their production, Government of India announces MSP well in advance i.e. around sowing time of the crop itself. The declaration of MSP, in advance can be taken as the backbone of green revolution in India because the farmer is assured to receive the value for his product. This assurance of the price is modulated through agriculture produce markets locally called 'mandis'.

Food Corporation of India is one of the largest organizations in the world and in India, which is undertaking assured procurement of foodgrains on behalf of Government of India throughout the country. About 20 to 25% of the total rice production in the country is purchased both under levy from the rice mills and directly in the form of paddy from the farmers. Stocks of paddy directly purchased from the farmers is subsequently milled by FCI. Rice so purchased is transported from the surplus areas to deficit areas for distribution under PDS. In addition, movement is taken to deficit areas also for price stabilization through open sale. This not only ensures food for the poor but also checks prices of even finished products of rice.

Stocks procured on behalf of the Government of India by FCI and other State Agencies is defined as stocks in the Central Pool. This rice in the Central Pool is issued against targeted population under ration (@35 kgs per family per month) and is also utilized for running various Welfare Schemes envisaged by the Government of India. Out of the procured stocks, FCI also ensured food security by maintaining buffer throughout the year varying from quarter to quarter. The stocks of rice, which are not liquidated during the year of its procurement are carried forward in the Central Pool to the next year and in this fashion, such stocks are liquidated through open sales as well as exports.

The offtake of rice has increased from 12 million tonnes during 1998-99 to about 25 million tonnes. Exports contribution was about 8 million tonnes during 2002-03. India has been a traditional exporter of high quality rice (Basmati or Super Fine Parmal) but since 2001, it released about 13 million tonnes of common rice/parboiled rice for exports.

1. The Government of India is targeting to achieve production of 129 million tonnes of rice by 2011-12 with the growth rate of 3.7% along with other foodgrains.
2. In order to achieve the higher marketable surplus of foodgrains at MSP, discussed earlier, about 7,500 gross route agricultural produce selling/procuring units will be established and it is estimated that about rupees hundred billion will be required.
3. In order to increase production and productivity, average yield of 8 tonnes per hectare for inbred varieties and 8.8% per hectare for hybrid varieties will have to be increased to achieve the desired level of production of 11 to 13 tonnes per hectare.
4. An integrated approach is necessary so that cultivators adopt to local environment and make provisions for providing sufficient nutrients and adequate irrigation facility along with complete control of pests, diseases and weeds.
5. India is also looking into the possibility of making agrarian reforms so that technology-dissemination through training, techno infrastructure and trade is made possible.
6. In order to increase the production bio-technological improvements in the field of photo synthesis, reduction in photo respiration and enhancing source-sink relationships, are being attempted so that the gap between the average production and the maximum production within the country is bridged.
7. Methods are being developed to form cooperative method for increasing production of farmers with small-holdings.
8. Increase soil nutrition by growing rice with pulses in rotation, so that maximum nitrogen fixation from the atmosphere is achieved for subsequent rice crop to increase production per hectare.
9. Government of India has already initiated project reports to link river basins to augment adequate irrigation facility for crop growth.
10. Additional crop area is being added into paddy cultivation after reclamation, both in upland and low lands near deltas.
11. Effective movement from surplus to deficit areas is achieved and rice is made available to all.