

## NCAER's wheat output estimate is lower than government's

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A report prepared by the National Council for Applied Economic Research (NCAER) for the agriculture ministry has pegged India's wheat production in 2015-16 would be 85 million tonnes (mt) — 1.5 mt less than the final estimate of 2014-15. This is in stark contrast with the government's estimate that production in 2015-16 would be 7.3 mt more than last year's.

The NCAER report released in January also said that India might not export any wheat in 2016-17 marketing year. However, because of lower procurement and strong purchases by private traders from October 2015 to March 2016, the

total wheat stock in the Central pool might fall to 15 mt by April, which would be 2 mt less than the stocks during the year-ago period.

According to the report, 2015-16 rabi rice production would be lower than the 2014-15 production due to poor post-monsoon rains and lower water levels in reservoirs.

Rabi rice exports are forecast to decline to 9 mt from 11.8 mt in marketing year 2014-15, it added.

The report noted that this year, like last year, external factors would remain less conducive to Indian agricultural exports.

On pulses, the NCAER report paints a grim picture. It said the total pulses production in 2015-16 (both kharif and rabi) would be 16.6 mt, which would be 0.55 mt less than the final production of 2014-15.

This means that according to NCAER, India's domestic pulses production would fall for the third consecutive year.

To offset the low production, the think tank assumes the import of pulses will rise to 5.5 mt in 2015-16, up from 4.5 mt last year.

On vegetables, the NCAER study showed that potato production in 2015-16 would be lower at 44.1

mt, down from 45.9 mt in 2014-15. This could lead to a spike in prices. Onion price is expected to rise to 20.6 mt, up from 18.7 mt a year ago.

On sugar, the report said that with an opening stock of 9.6 mt and expected domestic production of 27 mt in 2015-16 sugar season that started in October, any significant uptick in prices is not expected.

India's milk production could rise, but meeting the Centre's target of 160 mt in 2015-16 could be tough due to over-supply in the market. On global commodity markets, the NCAER report showed food markets would remain well-stocked and less volatile.

Overall, the report showed the prospects of India's agriculture sector wouldn't improve much in 2016 compared to 2015.