

Impact of Foodgrain Output in India

What is the issue?

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- India's foodgrain production in the current kharif season might equal if not surpass last year's record output.
- This will give strong support to the economic growth in the current financial year besides mitigating inflationary pressure on food items.

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What is happening?

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- According to data released by the ministry of agriculture, 791 lakh hectares have already been sown, up 3% from last year.
- According to the IMD, the cumulative rainfall received so far across the country has been 104% of the benchmark long period average.
- This **well-distributed monsoon rains** have indeed helped farming.
- Only a few regions in south India like south interior Karnataka and all of Kerala have reported deficient rains.
- Also, standing **oilseed crops** in Saurashtra, Kutch and North Gujarat regions were partly destroyed by heavy rains.
- So, there are concerns over these crops, the robust harvest of which is critical to reducing India's edible oil import bill.
- The cropping area under **pulses might shrink** this year following a sharp fall in their prices in the last few months.
- Agriculture experts say the good rains together with the hike in the MSP for pulses may have motivated farmers to sow more.

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- Higher acreage means **food inflation would remain in check**, giving the RBI sufficient assurance when it decides to cut policy rates later this year.

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- If the prices do not recover sufficiently, owing to agri-marketing stress, it could dent farm incomes.

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- It will not only add to more demands for loan waivers but also depress rural consumption.

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Source: The Indian Express

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