



## Food Grain Production-Second Advanced Estimates – 2020-21

The Directorate of Economics and Statistics under the Ministry of Agriculture and Farmers Welfare have recently published the second advance estimates of output of major crops. These major crops are classified into three major categories i.e food grains, like wheat, rice, maize, pulses, oil seeds like groundnut, linseed and soyabean and cash crops include cotton, jute, mesta, and sugarcane. These crops together form ~58% of the Gross Value Added of the agriculture and the allied sector as per the National Account statistics. These estimates are published by the Ministry of Agriculture over the course of the year as per the flow of information availability according to the crop cycle during the year. Usually as per the norm, the period of an agricultural crop is from July to June. Also, different crops are grown in different agricultural seasons in India popularly known as the Kharif and Rabi seasons. The terminology has been in vogue since antiquity and the words mean Kharif=Autumn and Rabi=Spring indicating the harvesting periods for various crops which are specifically harvested during these seasons. In this report we briefly look at the production estimates, the methodology of estimation, and major crop production in India.

**The various estimates for Crop Production during a year:** The Directorate of Economics and Statistics publishes five estimates for area and production over the course of the agricultural year (from July to June as mentioned above) and spilling over into the next year as well. Below is a table of the schedule of estimates that are published by the Directorate:

Estimates	Published
First Advance Estimates	September
Second Advance Estimates	February
Third Advance Estimates	April/May
Fourth Advance Estimates	July/August
Final Estimates	January/February next year

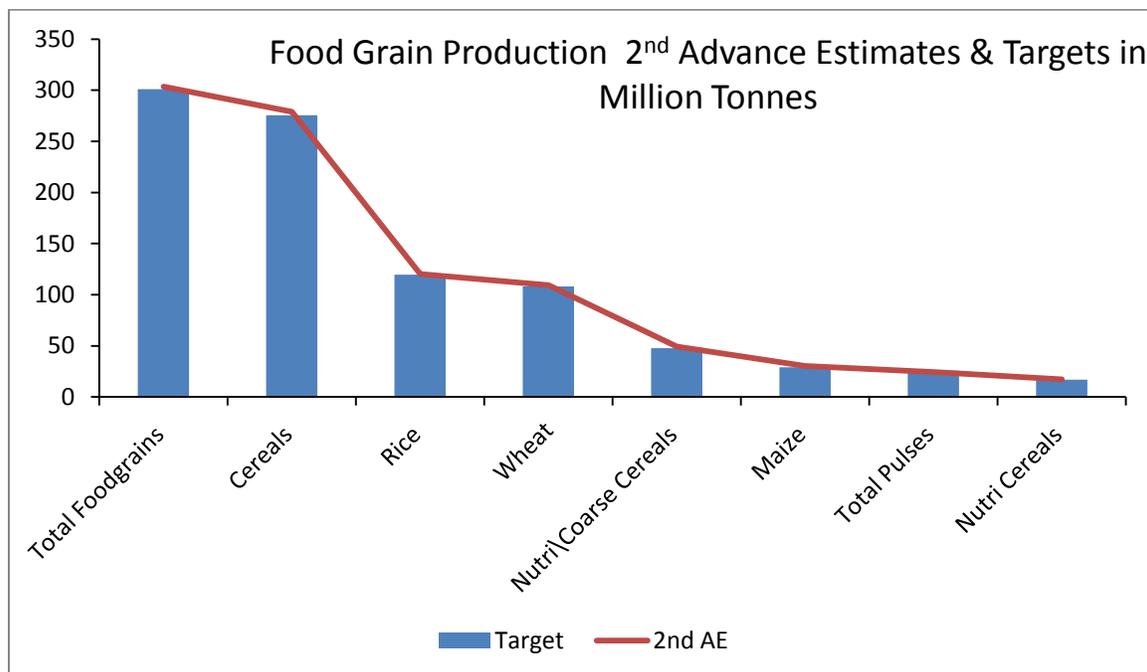
Source: Agricultural Statistics at a Glance 2019

The estimates of crop production are obtained by multiplying the area estimates along with the yield estimates. Hence, area as well as yield estimates are of prime importance in estimating crop production. These multiple estimates are prepared using the available data and various sources like the First Advance Estimates are prepared with inputs from State Agricultural Statistical Authorities (SASAs) guided mostly by visual observations and validated further by the inputs of the Crop Weather Watch Group (CWWG)



meetings. The Second Advance estimates are published in the month of February every year.

**Food grains Production 2020-21:** The data published by the Directorate of Economics and Statistics indicate an overall record production of food grains for the year 2020-21. These are the chronologically the second advance estimates which are published as mentioned above in February or end of February each year. These estimates cover the second estimates for the Kharif Crops and the first estimates for Rabi crops. The data published for the year 2020-21 indicates that the production for the agricultural year is set to overshoot the targets that were set for the food grain production for the period.



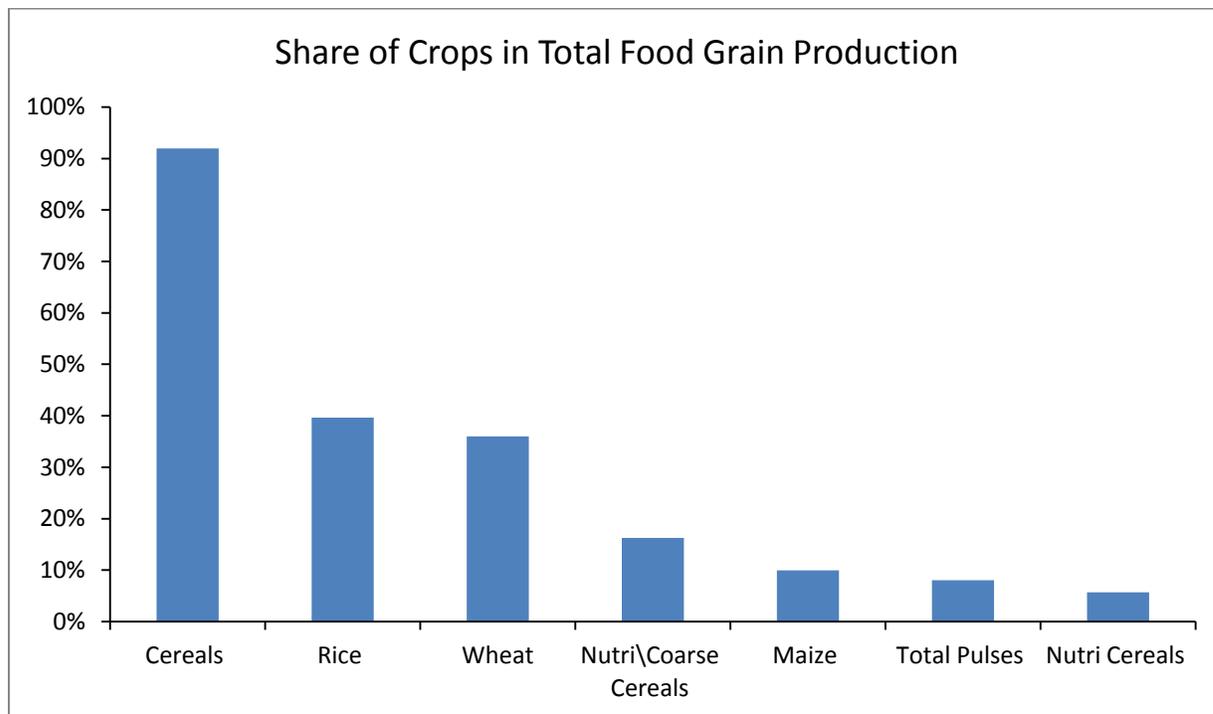
Source: Directorate of Economics and Statistics

The target that was estimated for the total output of food grain production was 301 million tonnes and the second advance estimates on the basis of the area sown and yield estimates project an overall food grain production at 303.34 million tonnes based on data available till February 2021. The Final estimates or actuals of food grain production shall be available only at the beginning of the following year.

**Crop Shares in Food Grain Production:** The share of cereals remains dominant at ~92% in the overall food grain production and rice dominates the food grain production at 40%. While wheat is the single most produced cereal, the crop is harvested only in the Rabi season, while rice is cultivated mostly in the Kharif season and is mainly known as the dominant kharif crop. However, some of the harvesting is done in the Rabi season as well and hence the total output across seasons is more for rice as compared to wheat or

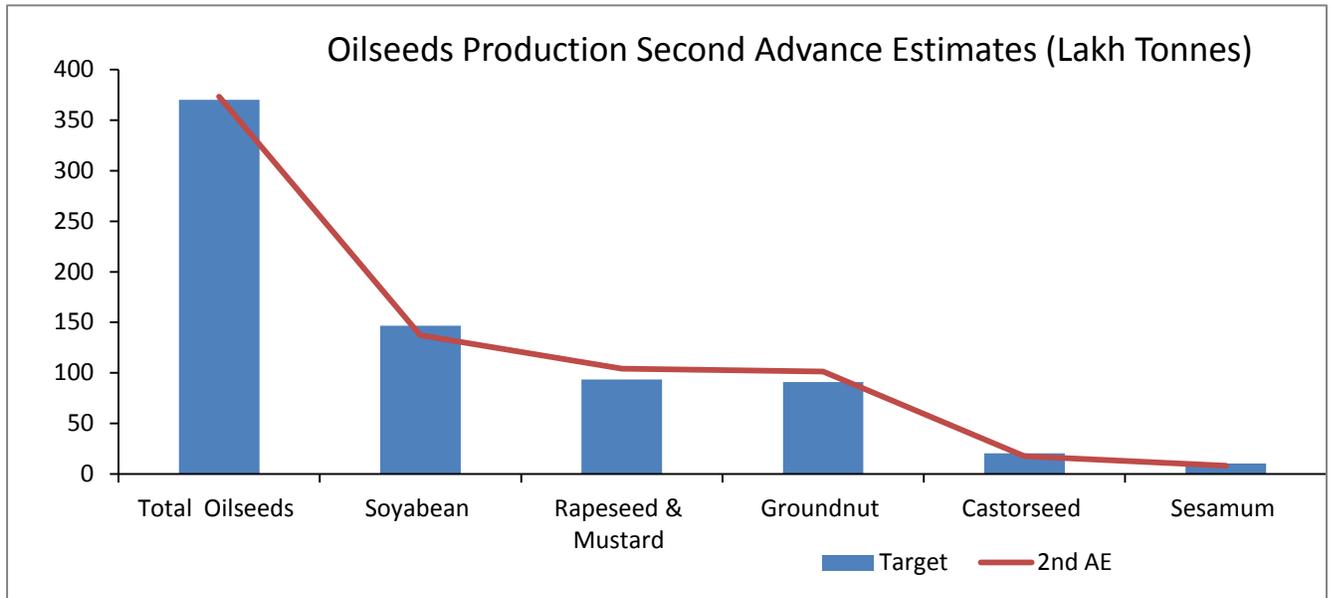


any other cereal. The share of pulses in the overall food grain production remains very low at around 8%, while wheat claims a share of 36% in the total output.



Source: Directorate of Economics and Statistics

**Oil Seeds Production 2020-21:** The other category of agricultural output covered under the crop estimates are the oilseeds. The scale of production for oilseeds as compared to major food grains is much smaller. In this category the major oilseed is Soyabean with a share of 37%. Following soyabean are rapeseed and mustard and groundnut. India is an importer of oilseeds but according to the data collected, the oilseed output is set to exceed the total output target, and hence it is expected to curb the dependence of the country on imports. Actual oilseeds production has overshoot the targets that were set by the Ministry of Agriculture for the year, with the target for total oilseeds production for 2020-21 at 369.98 Lakh tonnes while the second advance estimates project a total output of 373.11 Lakh tonnes for the same period. The oilseeds production target for Kharif is 255.45 Lakh tonnes and for Rabi season it is 114.53 Lakh tonnes, and the second advance estimates point to a kharif output of 250.13 Lakh Tonnes and a rabi output 122.98 Lakh Tonnes.



Source: Directorate of Economics and Statistics

**Cash Crops:** Amongst the cash crops, sugarcane is the crop that is estimated to cross the target, with the annual target for sugarcane set at 3900 Lakh tonnes and the actual output estimated is at 3976.57 Lakh tonnes. Jute production is estimated to be less than the target output level of 100 Lakh Tonnes at 93.17 Lakh tonnes.

**Outlook:** The year ahead looks to be good with food grain production estimated to overshoot the targets set and consequent benign effects on food inflation. If cereals & pulses see a bumper production, then the question of the MSPs will be all the more pertinent since prices could decline and the Central Government will have to step in to procure rice and wheat at MSP. Nonetheless, overall food scenario looks to be favourable for the next year and should augur well for food inflation in the wholesale and consequently on the retail front.



**STCI Primary Dealer Ltd.**

CIN: U67110MH2006PLC165306

A/B1- 801, A Wing, 8th floor, Marathon Innova, Marathon Next Gen Compound,  
Off. Ganpatrao Kadam Marg, Lower Parel (w), Mumbai 400013.

Dealing Room: (022) 66202217-20 • Settlements: (022)66202262-64, Fax (022) 66202288

Delhi Office: (011) 47676557-58 • Kolkata Office: (033) 40611435-36 • Bengaluru Office: (080) 42183166/1021

Please mail your feedback to [stcipd@stcipd.com](mailto:stcipd@stcipd.com) • Website: <http://www.stcipd.com>

THIS COMMUNICATION IS FOR PRIVATE CIRCULATION ONLY. IT IS BASED UPON THE INFORMATION GENERALLY AVAILABLE TO PUBLIC AND CONSIDERED RELIABLE. THIS REPORT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SUBSCRIBE FOR OR PURCHASE OR SALE OF ANY SECURITY AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT WHATSOEVER WITH STCI PRIMARY DEALER LTD.