

# Business Standard

## Increase in soybean acreage likely to boost output by 30% this year

Barring a few, soybean prices moved above the MSP almost throughout the year

Dilip Kumar Jha | Mumbai November 10, 2018



In a major relief to the government and farmers alike, India's soybean output is likely to rise by a staggering 30 per cent this year, on an increase in acreage as well as favourable agro-climatic condition.

Data compiled by the United States Department of Agriculture (USDA) showed India's soybean output at 11 million tonnes this year. The world's premier agriculture output forecasting agency had earlier estimated India's overall soybean output at 10.3 million tonnes.

The global agency was perhaps prompted to revise its soybean output estimates upwards primarily on supportive agro climatic condition in major producing states including Madhya Pradesh, parts of Maharashtra and Andhra Pradesh. Despite half the villages in Maharashtra being drought-prone, some agri zones in the state received normal and above-normal rainfall during the southwest monsoon season 2018.

“We had witnessed an exceptional year in terms of soybean output during kharif season 2017. This year, however, acreage under soybean has increased due to farmer-friendly government policies. In fact, farmers received good price for their soybean, which prompted them to bring in additional area under the oilseed this year.

Given that the agro climatic condition is favourable, we estimate 10.5-11 million tonnes of soybean output this year,” said B V Mehta, Executive Director of the Solvent Extractors’ Association (SEA) — the apex industry body catering to edible oilseed and oils in India.

Meanwhile, the First Advanced Estimate of the Ministry of Agriculture for 2018-19 forecasts India’s soybean output at 13.46 million tonnes as compared to 10.98 million tonnes reported during the previous year and 18.82 million tonnes of output target set for the current year.

Thus, the output estimated by the SEA is somewhat similar to that was projected by the USDA. Meanwhile, according to the Indore-based Soybean Processors’ Association (SOPA), total soybean output during the 2017 kharif season stood at 8.53 million tonnes.

SOPA, however, is in the process to compile the soybean output data for the current year. Given soybean is under harvests, the vagaries in climatic condition i.e. cold, warm, fog etc, are unlikely to impact the overall output figure.

Data compiled by the Union Ministry of Agriculture showed 5 per cent increase in the acreage under soybean this year at 10.96 million hectares (ha) according to the First Advanced Estimate for the season 2018-19, against the 10.77 million hectares (ha) reported in the Fourth Advanced Estimate for the season 2017-18.

“It is for sure that soybean output is above normal this year due to timely support from the government. The government increased import duty on vegetable oils, including crude oil and refined oils such as palm, soybean and sunflower. This helped increase edible oil prices in Indian markets translating thereby a proportionate increase in soybean and other oilseeds prices,” said an industry expert.

Barring a few, soybean prices moved above the minimum support price (MSP) almost throughout the year.

An increase in soybean output will not only reduce India’s reliance on import of edible oils, but would also save its precious foreign exchange. It will also help farmers yield better to support the Prime Minister’s objective of doubling farmers’ income by 2022.

**Source:** [https://www.business-standard.com/article/economy-policy/increase-in-soybean-acreage-likely-to-boost-output-by-30-this-year-118111000832\\_1.html](https://www.business-standard.com/article/economy-policy/increase-in-soybean-acreage-likely-to-boost-output-by-30-this-year-118111000832_1.html)