



Agro Chemical Industry – Challenges in current scenario with focus on state of Gujarat

Presented

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Food security: India ranks lower than Rwanda

India 67th In Global Hunger Index Among 81 Countries With Worst Figures

Times Insight Group

New Delhi: India's food security situation continues to rank as "alarming" according to the International Food Policy Research Institute's Global Hunger Index, 2011. It ranks 67 of the 81 countries of the world with the worst food security status. This means that there are only 14 countries in the world whose people have a worse nutritional status.

The GHI is composed of three equally weighted indicators — the proportion of the population that is undernourished, the proportion of children who are underweight and under-five child mortality.

India's GHI for 2011 was 23.7 — lower than it was last year, but

HUNGER PANGS

GLOBAL HUNGER INDEX			
Country	1990	2001	2011
India	30.4	24.1	23.7
China	11.7	6.8	5.5
Pakistan	25.7	21.9	20.7



higher than it was 15 years ago — giving it a rank of 67. Pakistan, Nepal, Rwanda and Sudan all did better than India, while Bangladesh, Haiti and the Democratic Republic of Congo were among the countries that did worse.

While the DRC is the only country whose food security situation

has deteriorated in the last ten years, India has the ignominy of being among the countries with the least improvement in the same period. It has however moved from having an "extremely alarming" food security situation — the worst grade given by IFPRI — to "alarming", that is, having a GHI between

20 and 29.9. China, Iran and Brazil are among the countries that have more than halved their GHI scores over the last decade.

The UPA government was not able to introduce a Food Security Bill in the monsoon session and there is little agreement yet over who qualifies as poor enough to receive subsidized food grain.

The IFPRI report notes that there is growing volatility in global food markets which it attributes to three factors: "increasing use of food crops for biofuels, extreme weather conditions and climate change, and increased volume of trading in commodity futures markets. These factors are exacerbated by highly concentrated export markets that leave the world's

staple food importers dependent on just a few countries, a historically low level of grain reserves, and a lack of timely information about the world food system that could help prevent overreaction to moderate shifts in supply and demand."

"The poorest and most vulnerable people bear the heaviest burden when food prices spike or swing unpredictably," said Klaus von Grebmer, lead author of the report and IFPRI communications director. The IFPRI report comes just a day after the Food and Agriculture Organisation's State of Food Insecurity in the World 2011, which said that food price volatility is likely to increase over the next decade.



Basic Facts of Indian Agriculture

In million hectares

Country	Arable land	Irrigated Area
India	161	55.80
USA	176	22.40
China	130	54.50



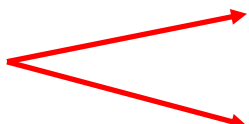
Average Yield

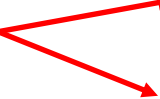
Kg/ha

Crop	India	China
Rice	3034	6233
Wheat	2688	4155
Ground nut	1109	2886

- China looking at improving Rice yield to 11,000 kg/ha

Certain Myths

Small farm size 
1.4 h.a in India
0.4 h.a in China

Farm mechanisation 
15.7 tractors/1000 h.a. in India
7 tractors/1000 h.a. in China



Role of Agriculture in economy

- ❖ 75% live in rural areas.
- ❖ 60% population depend on agriculture.
- ❖ 54% labour force employed in agriculture.
- ❖ Agricultural growth at 2.5% -3% as against GDP growth of 8%



Problems faced by Indian Agriculture

- ❖ Low yield
- ❖ Monsoon failure
- ❖ Non availability of inputs
- ❖ Lack of knowledge of Good Agriculture practices
- ❖ Crop Loss
- ❖ Price of produce



Challenges faced by the Agrochemicals Industry in the domestic market

- Negative Perception.
- Rising cost of inputs including cost of capital. Duties & taxes account for more than 20%.
- Non availability of inputs.
- High data generation costs for different crops/pests and systems and protocols needed for registration stringent.
- Increasing sale of spurious pesticides.
- Dependence on single step reactions – limited integrated manufacturing facility.
- Illegal import.
- Bio pesticides laced with chemical pesticides.
- Improper dealer training
- Curb on export of agriculture produce by slapping new MRLs etc.



Challenges faced by the Industry in the export market

- Registration barriers – Even generic need registration in each target market.
- Re registration Programmes in E.U.
- Non tariff barriers : Stockholm | Rotterdam | Reach



The Challenges in nut shell

- Negative Perception.
- Spurious pesticide.
- Lack of integrated manufacturing facility.



Suggested remedies

- Invest in data generation.
- Stricter law enforcement.
- Incentives for integrated producer so that investment can come.



Challenge to the Industry in the state of Gujarat

Be a responsible producer



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Thanks