THE HINDU

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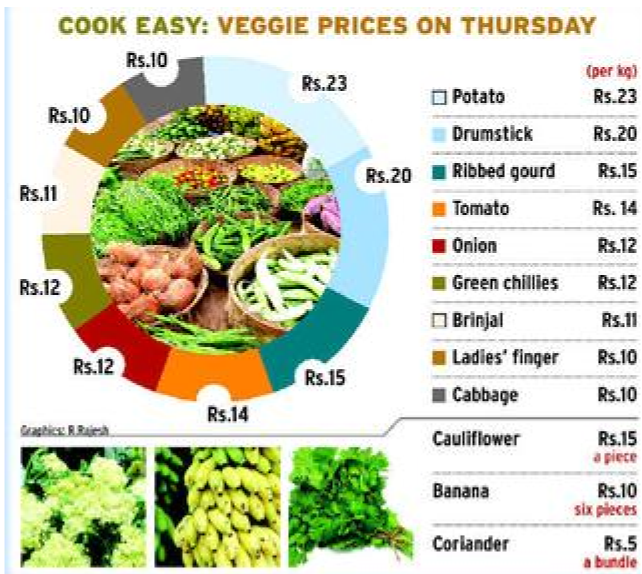
Prices of vegetables dip as farmers wish bye to paddy

G.Sathyamoorthi



The prices of vegetables show a declining trend at Gandhi Market here, one of the biggest markets in the district. Tiruchi district is home to a number of vegetables. While banana is raised in 9,000 hectares, onion covers about 3,000 hectares, tapioca 6,000 hectares, and other vegetables, including brinjal, tomato, chillies, snake gourd, drumstick, and lemon are raised in total in about 2,000 hectares.

On Thursday, even at the retail level, tomato was quoted around Rs.14 a kg (Rs.20 for 1.5 kg), drumstick Rs.20 a kg, brinjal Rs.10 to 12 a kg, ladies' finger Rs.10 a kg, onion Rs.12 a kg, green chillies Rs.12 a kg, ribbed gourd Rs.15 a kg, cauliflower Rs.15 a piece, cabbage Rs.10 a kg, potato Rs.23 a kg, banana Rs.10 for six pieces, and coriander Rs.5 a bundle.

Except onion, the price of other vegetables are said to be far lower than what it was a few days ago.

Official sources, who do not want to be identified, attribute this to a number of farmers switching over to vegetables from paddy as water has become a serious issue in the region. “It is quite possible that they might feel that they would be able to manage with the ground water if they were to raise only vegetables,” they added. In addition, there could have been substantial arrivals from various other places too.

N.Selvaraj, a vegetable farmer from Devanoor in Thathaiyengarpet block, says the first reason is that there are no Hindu marriages during the entire month of Aadi (which commenced during the third week of July) and there would be hardly any major function during this period.

He points out that apart from a number of farmers switching over to vegetable crops, the major reason for the current trend is that quite a few have gone in for drip irrigation which has been quite successful.

“Whoever has opted for drip irrigation is virtually able to get double the yield,” he asserts.

According to him, farmers who could harvest hardly 10 tonnes per acre of tapioca under conventional irrigation method are now able to get as much as 20 tonnes.

“In Thathaiyengarpet block of Musiri taluk alone, at least 500 to 600 acres, usually well-irrigated areas, have already been selected to go in for drip irrigation with the help of the agriculture department. In addition, almost an equal area would come under drip irrigation using the private sources of the farmers. This is used for raising turmeric and onion also. The price of onion touched even Rs.2 a kg during the third week of July,” he says.

Mr.Selvaraj, who is also a seed farmer, says that water scarcity has already forced a substantial number of farmers to switch over from paddy. “In our depot at Thathaiyenagarpet, we used to sell 25 tonnes of paddy seeds this time every year. This year we have not been able to sell even 10 tonnes which is a clear indication of the hesitation of the agriculturists to go in for paddy.”

He says farmers are extremely grateful to Prof. Vadivel of Tamil Nadu Agricultural University for encouraging them to take up cultivation of onion and banana instead of sticking to the traditional paddy. “He has definitely played a crucial role in our prosperity,” he adds.

The unexpected boon to the farmers this year is the cultivation of coleus, which has medicinal properties. Against the cultivation cost of about Rs.50, 000 per acre, it is able to fetch as much as Rs.2.5 lakh as private companies have promised Rs.25,000 per tonne.

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Farmers to get subsidy for sprinklers early

Staff Correspondent

Maize growers to get subsidy in August due to rain deficient

5,550 farmers have submitted applications this year seeking subsidy for buying sprinklers.— File photo

In the wake of shortage of rain in the district this year, the Department of Agriculture has decided to expedite the process of offering subsidy to maize growers to purchase sprinklers.

Under the Micro Irrigation Scheme — funded by the Centre and the State governments — the Department of Agriculture provided 90 per cent subsidy to farmers from Scheduled Castes and Scheduled Tribes to purchase sprinklers.

It provides 75 per cent subsidy to the rest of farmers. The applications will be cleared on the basis of seniority and no ceiling is fixed on the number of beneficiaries.

By July 20, the district had received 414.10 mm of rain as against the average rainfall of 960.20 mm. Maize was grown on 62,830 hectares of land in the district but sowing was undertaken only on 45,720 hectares of land this year because of scanty rain.

In District Vigilance and Monitoring Committee meeting held in the city recently, Gurumurthy, a member of the committee, had said that maize crop was facing shortage of water at many places in the district. He had asked the Government to provide sprinklers to farmers to save the crop.

Joint Director of Agriculture Shivamurthappa had said in the meeting that the Government would be urged to clear the applications submitted by maize growers for subsidy to purchase sprinklers at the earliest.

5,000 more applicants

Mr. Shivamurthappa said that 5,550 farmers had submitted applications this year seeking subsidy for purchasing sprinklers.The applications were cleared in October every year. Because of the dry spell in the district this year, the Department of Agriculture had decided to disburse the subsidy amount from August. About Rs. 7 crore had been released for the district to clear the pending applications.The Agriculture Department was expecting 5,000 more applications seeking subsidy for purchasing sprinklers.It urged the State Government to release Rs. 5 crore more to provide subsidy for the fresh applicants, he said.

- *Area under maize sowing has fallen by 27% in the district because of scanty rain*
- *Agriculture Department has asked government to release another Rs. 5 crore as subsidy*

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Vegetable farmers begin sowing operations

G.Venkataramana Rao

They are given subsidy for purchasing seed

A variety of vegetables flood market in Vijayawada. —PHOTO: RAJU. V

Even as paddy farmers seem to be caught in a sort of limbo vegetable farmers in Krishna district are venturing out to sow their crops. Vegetables are cultivated in about 3,000 hectares in the district during kharif.

The farmers are given 50 per cent subsidy for purchase of vegetable seed to meet the needs of a maximum of two hectares.

Assistant Director of Horticulture R. Rama Mohan said farmers in Krishna district cultivate tomato, lady's finger, gourds (different varieties) brinjal, cabbage, and cauliflower during the kharif season. The Horticulture Department has earmarked Rs.20 lakh for seed subsidy in the cultivation of vegetables in 800 hectares. A farmer has to spend up to Rs.6,000 per hectare only for seed.

But, there was a process for the farmers to avail the subsidy. They had to purchase the seed only from the 82 seed manufacturing companies that were recognised by the department. The farmers had to pay the rest of the amount (besides subsidy) to the departments in the form of a demand draft specifying the seed (vegetable) and company. The seed is procured within a fortnight and released to the farmer, Mr. Rama Mohan said.

The seeds are sown and the saplings transplanted after 30 days. Saplings of tomato, cabbage, and cauliflower are transplanted, he added.

Tomato was cultivated in around 1,200 hectares in G.Konduru, Ibrahimpatnam, Mylavaram, Jaggaiahpet, Hanuman Junction, Bappulapadu, and Nuzvid. The vegetable season begins in August and September towards the latter half of kharif, he said.

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Rs. 6-crore boost for small tea growers

Special Correspondent

Chief Minister Jayalalithaa on Thursday ordered the release of Rs. 6 crore to give "workable rates" to small tea growers, and another Rs. 5.46 crore as grant for modernising the machines in the Industrial Cooperative Tea factories for improving production.

A government release stated that Rs. 6 crore would be utilised for giving Rs. 2 more per kg of green tea to 22,000 small tea growers between July and December.

Earlier, the Chief Minister had released Rs. 6 crore to Industrial Cooperative Tea Factories to match the rate of Rs. 8 per kg given by private tea companies up to March this year.

Since the machines in these cooperative factories were old and could not provide the rate to match the private companies, the Chief Minister once again released Rs. 6 crore.

The government said that when the price of green tea went down in the international market in 2001 Chief Minister Jayalalithaa had arranged the procurement of 200 metric tonnes through INDCOSERVE and sold the same through Tamil Nadu Civil Supplies Corporation outlet as 'Ooty Tea'.

Moreover in 2003, she launched TEA SERVE and electronic tea auction centre for the benefit of small tea farmers.

She also implemented small tea farmers' protection scheme in 2005 when the rate of green tea went down in the market.

Now the Chief Minister had also allowed INDCOSERVE to utilise Rs. 54 lakh to refurbish the buildings of the factories.

- *Members of 15 Industrial Cooperative Tea Factories will benefit*
- *Rs. 5.46-crore grant for modernising machines*

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Project to develop remedies based on coconut

Special Correspondent

The Coconut Development Board and CareKeralam, a joint venture of entrepreneurs in Ayurveda and Kinfra, have joined hands to conduct research studies for development of value added products from coconut.

A memorandum of understanding for the new project was signed at a function here on Friday by CDB chairman T.K.Jose and Karimpuzha Raman, Managing Director of CareKeralam.

Under the project, clinical studies will be conducted on the use of virgin coconut oil as oral application to infants to develop immunity. There will be pharmaceutical studies to develop antibiotics using tender coconut water. Studies will be held to develop products based on tender coconut water against urethral stones and diarrhoea. Research will also be done to make products to treat diabetes as well as liver and skin diseases.

Mr.Jose said assistance for the programme would be extended under the Board's Technology Mission on Coconut.

For the development of technologies, the board provided 100 per cent of the project cost, limited to Rs.75 lakh for government institutions and cooperative societies, and 50 per cent of the project cost, limited to Rs.35 lakh for NGOs, entrepreneurs and private research organisations.

Development of new products under the mission was a pet project of Sam Pitroda, Chairman of National Innovation Council.

He said the anti-bacterial, anti-fungal and anti-viral properties of coconut oil were sought to be established through the chain of research.

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Now, training in tree climbing

'Friends of coconut tree' scheme to be launched in Dindigul soon

'Friends of coconut tree,' a special scheme to groom young coconut tree climbers, would be launched in the district shortly to solve acute labour shortage in coconut farms, and 30 per cent of them will be women, said Collector N. Venkatachalam.

Presiding over the agriculturists' grievance day meeting here on Friday, he said that physically fit and unemployed men and women aged between 18 and 40 years would be eligible for this training programme.

A pass in seventh class would suffice to enrol I the scheme in which 30 per cent of seats had been reserved for women.

It would be implemented in nine districts, including Dindigul. A total of 100 persons would be selected and they will be trained in tree climbing using machines in the nearest Krishi Vigyan Kendras (KVK). The KVKs would train 20 members in each six-day training session.

The trainees would get an incentive of Rs.150 a day for boarding, lodging and other expenses, he added.

After the training, they would be not only trained coconut tree climbers but also experts in crop protection measures.

They would be taught about pests attacking coconut trees and preventive measures also.

Those who had completed training successfully would be given a coconut tree climbing machine worth Rs. 2,300. The contact number and address of the professional climbers would be informed to farmers through newspapers.

Steps would be taken to fix the wages for climbing each tree and plucking matured and tender coconuts.

Farmers could contact the nearest KVKs to hire these climbers to pluck matured and tender coconuts separately and for better pest management.

In Kerala, women were engaged in this work in large numbers. They had been earning Rs.600 to Rs.1,000 a day, he pointed out.

With many youth shifting to less laborious jobs, coconut farmers had been facing an acute shortage of coconut climbers.

The climbing machine would make the job easier. Besides solving the labour shortage problems of coconut farmers, this scheme would be a sustainable income generation programme for youth, he said and appealed to young men and women to join the training programme and become professional coconut climbers.

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Farmers walk out of grievances meeting

up in arms:Farmers staging a protest in front of the collectorate in Nagapattinam on Friday.

Acrimonious scenes of walkout, sloganeering, and debates marked the monthly farmers' grievance meeting here at the Collectorate on Friday.

Demanding that the entire delta be declared 'drought-hit,' the farmers demanded a compensation of Rs.10, 000 per acre. Additionally, they also demanded Rs.10, 000 per month for farm labourers for the entire period of kuruvai season.

Further, the State government drew flak for not releasing its share of crop insurance for 2010-11 paddy. Farmers have for long been demanding the 35 per cent crop insurance component due from the State government. Pitching their protests primarily on these three demands, farmers cutting across party lines, barring AIADMK, staged an acrimonious walkout to record their 'loss of faith' in the government. According to Giridharan, of Tamizhaga Vivasayigal Sangam, the State government is 'anti-farmer' and this is evident from its refusal to heed to the demands of farmers.

Following the walkout, farmers associations affiliated to the Communist Parties, including Tamil Nadu Vivasayigal Sangam and Tamilzhaga Vivasayigal Sangam staged a protest outside the collectorate refusing to return to the hall.

A few others, including those from the Cauvery Farmers' Protection Association, returned to the hall to place their demands on record. Kaveri Danapalan of Cauvery Farmers' Protection Association called for Centre's intervention in gazetting the Cauvery River Disputes Tribunal award. "The award has remained unacceptable to all four states. However, it is for the Centre to intervene and ensure the award is enforced through statutory intervention."

Farmers also demanded that the State government declare the situation in delta as a 'national calamity.'

According to Mr.Danapalan, delta regions were facing a productivity loss of 2.5 tonnes of rice per acre, which would impact country's food security. “Therefore it was only right for the government to declare Kuruvai loss as a national calamity. This would relieve farmers of penal interests on loans and allow for extension of loan repayment period .”

The agriculture department came under flak for ‘slumbering’ over since the closing of the Mettur dam on January 28. It was alleged that the department had failed to equip itself to meet the collective demand for labour, agricultural inputs, and finance, with the cropping proposed to be taken up simultaneously in the event of water release.

Other grievances include the steadfast refusal of the State government to provide relief to sugarcane farmer of Maapadugai in Mayiladuthurai, who took his own life owing to crop loss. Collector T.Munusamy presided over the meeting.

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Farmers advised to start coconut oil extraction plant

Special Correspondent

Union Minister of State for Finance S.S.Palani Manickam has appealed to coconut farmers of Peravurani in the district to start a coconut oil extraction plant and produce coconut oil.

The oil can be branded ‘Peravurani coconut oil’ and can be exported to other countries. “If the farmers come forward to put an oil extraction unit at Peravurani, the Union government would extend all help to them. Bank loans can be arranged for the project,” he said.

The Minister was speaking at a conference of coconut farmers held at Peravurani on Wednesday.

He said that coconut farmers should try to produce value added products instead of sticking to coconut cultivation alone. “Value added products will fetch good income,” he said. He also said that he would explore the possibility of overcoming the fall in prices of coconuts.

T.K.Jose, Chairman, Coconut Development Board, said that the board would consider the demand from coconut farmers for hiking procurement price of copra to Rs.75 per kilo from the present Rs.51. The board will bring to the notice of the Central government the demand of farmers. People's representatives should also raise the issue in Parliament.

He said that the Karnataka Government is providing Rs.7 per kilo as incentive to coconut farmers over the procurement price.

Farmers can demand such incentive from State government.

He also said that Sri Lanka is exporting coconut oil. Like that farmers can produce coconut oil and export it to other countries.

A.Alagu Sundaram, Director, Indian Institute of Crop Processing Technology (IICPT), said that the institute was doing research for processing odourless toddy from coconut trees.

When once the research is completed, coconut farmers of Thanjavur can extract toddy from coconut inflorescence and process it and export it. It will be a value added product.

A.Palanivel, convenor of the conference and president of Coconut Farmers Association of Thanjavur district, said that the Central government should increase the procurement price to Rs.75 per kilo from Rs.51 per kilo.

Peeled coconuts should be purchased at Rs.25 per kilo.

Price of coconut is abysmally low at Rs.3.50 per nut. Only when the nut is sold at a higher cost, can the farmer eke out his livelihood.

Cost for cultivation for one nut is Rs.8.

He also demanded ban on import of coconut cakes. State government should pay incentive to coconut as has been done for paddy, wheat, and sugarcane.

Resolutions to this effect were adopted at the conference and sent to State and Central governments. Nearly thousand farmers attended the conference.

VIRUDHUNAGAR, July 28, 2012

Free cow scheme has raised milk production: Minister

Distribution of free cows and goats not only improved the economy of rural women, but also increased milk production in the State, Minister for Information and Special Schemes Implementation, K.T. Rajendra Balaji, has said.

After giving away free goats worth Rs. 3.9 lakh to 39 beneficiaries and Rs. 1.50 lakh to 70 beneficiaries towards cattle-feed assistance at Kichchanayakkanpatti near Sivakasi on Friday, he said that Chief Minister Jayalalithaa had announced the scheme with the aim of improving the rural economy, especially that of womenfolk. It had been planned to give away seven lakh milch animals in five years. The hybrid cows, at a cost of Rs. 36,750 each, would give higher quantity of milk to the beneficiaries. The Chief Minister had paved way for the second white revolution.

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Demarcation of tiger reserves begins

V.S. Palaniappan

Tourism activities have come to a standstill in Top Slip

The work for demarcation of core areas and buffer zones in the Anamalai Tiger Reserve as well as that of two other tiger reserves has begun at the State-level based on the proposals submitted by the officials at the field.

On July 24, the Supreme Court bench comprising Justices Swatanter Kumar and Ibrahim Kalifullah imposed a ban on tourism activities in core areas of tiger reserves while hearing a petition filed by conservationist Ajay Dubey. With the entry of tourists having been banned over the last three days, the Anamalai Tiger Reserve and its adjoining Parambikulam Tiger Reserve are wearing a deserted look.

To respond to the court order within the time given and to explore the scope for reviving tourism in buffer areas, the proposals sent from the field are being scrutinised and the work for notifying buffer and core areas have begun at the Forest Department’s higher level in Chennai, official sources told *The Hindu* here on Friday.

Based on the identification of core and buffer areas given in the proposals and the justifications given therein, the State was expected to file its counter and notification of core and buffer areas in respect of Anamalai Tiger Reserve (spread over Coimbatore and Tirupur districts), Mudumalai Tiger Reserve in the Nilgiris and the Kalakkad Mundanthurai Tiger Reserve in Southern Tamil Nadu within the next one or two weeks. After notifying the core and buffer areas, the scope for reviving tourism could be explored, sources added.

Meanwhile, with not a single tourist visiting Top Slip in the last three days, tourism activities have come to a standstill in Top Slip and this has resulted in Parambikulam Tiger Reserve in

Kerala also wearing a deserted look. For reaching Parambikulam, one will have to go through Pollachi, Sethumadai and Top Slip, as this was the only access route as there was no road from Kerala side to Parambikulam. There could not be an access from Kerala side because it will have to then pass through the thick Chalakudi forest.

Though Parambikulam has a very clearly demarcated core and buffer zones unlike the tiger reserves in Tamil Nadu, the ban has come into effect because of the access road issue, officials said. Classification or demarcation of ATR wherein the route, Top Slip area, Hozhikamudhi, tribal hamlets and teak plantation are included as buffer zone alone would help in revival of tourism.

Sources also added that the total revenue from ATR was close to Rs. 1.5 to 2 crore from eco-tourism activities that were carried out only in buffer zones.

In fact, Rs 10 lakh per month was the revenue from Top Slip in the form of entry fee, vehicle fee, camera fee and rest house rent.

With Top Slip wearing a deserted look, the canteen run by the Eco-Development Committee has become defunct. The livelihood of the tribal people involved in running the canteen and in working as trekking guides, tourist guides and sanitary watchers was almost at stake now.

The ban on tourism and closure has also resulted in the neighbouring Parambikulam, which has a well laid out eco-tourism plan facing a revenue loss of Rs. 3 to Rs. 4 crore which was providing livelihood to the tribal people living there.

An official said that clearly demarcated buffer and core zones and a proper notification can ensure revival of restricted and regulated eco-tourism without compromising on tiger conservation measures.

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India's mid-summer nightmare

It's a long expedition nature undertakes each year. Drafts of early-summer breeze in the southern Pacific stream northwards, preparing to travel more than 8,000 km to reach Asia in time, picking up moisture along the way. Meanwhile, in central India, the temperatures are still rising. They will touch 40 degrees or more eventually. If the Pacific winds are one essential ingredient of a perfect monsoon, the Indian summer is another.

In due course, the winds will sweep the Indian landscape, with heat conditions just the right for "precipitation" or rainfall to shower down.

During its four-month journey across India, the monsoon hits Kerala in June, its first port of call on the Indian mainland. It then cuts off into two branches — one travelling over the Bay of Bengal and the other over the Arabian Sea, before typically covering the whole of India within a month.

Until recently, the monsoon was thought to be a distinctly Asian phenomenon. Monsoons do occur in other locations of the world too, such as in Europe, Africa and Chile. Until the 1990s, there was a debate if the June-September rainy season in the US was indeed a monsoon. Meteorologists ultimately classified it as the North American monsoon.

The June-September rains provide relief from a overbearing, sticky summer. Schools shut down. Families go on vacation. But the monsoon is more than just a cool respite: it is the life-blood of Asia's third-largest economy.

This year, a 21% deficiency in the rains has caused alarm. The monsoon, which acts as a strong check on inflation, is vital for not only the farm sector, but also the broader economy. They are critical for drinking, power and irrigation.

Domino effect

Just two years ago, India had its worst drought in three decades, resulting in high food prices.

A patchy monsoon trims food output and hits farm income, which supports two-thirds of the Indian population, or about 800 million people. Rural spending on most items — from television sets to gold — goes up with adequate rains and farm output. This aids economic growth, keeps jobs and investment going. A sharp rise in rural consumer spending explains why India's rural markets are important. For instance, rural buyers account for close to 40% of India's total motorcycle sales.

"We are more concerned about the impact of a weaker summer crop on primary food inflation (the whole price index)," said Chetan Ahya of Morgan Stanley Asia.

High prices essentially shrink household incomes, as middle-class Indians have to spend much more for the same amount of goods. Since the 2009-10 food-price shocks could not be controlled in time, they spread into what economists call "core inflation", or prices of non-food and non-fuel commodities.

India's retail prices are already high. On a year-on-year basis in June, vegetable prices rose the sharpest at 28%, while milk and allied products shot up 13.2%. Oil and fats rose 16.4%. Non-alcoholic beverages — like your can of soft drink — rose 9.54%. Prepared meals' prices — a proxy for restaurant rates — rose by 9%.

Eventually, high food inflation hits the overall economy and prompts the Reserve Bank of India to raise interest rates to suppress prices. Currently, high interest rates have made borrowing costlier for firms, which do much of their business on short-term loans.

"There are blunt instruments which can bring down inflation but also dampen growth. But we don't have a consensus on how much of dampening of growth is acceptable to bring down inflation," Kaushik Basu, India's chief economic advisor, said.

This year, normal rains are critical for India to claw out of a sharp slowdown. In the first three months of the current year, India's gross domestic product (GDP) grew 5.3% from a year ago, the slowest quarterly pace in a decade, taking the steam out of what was the few "engines of global growth".

Shortly after that in April, global ratings firm S&P revised India's rating outlook to "negative" from "stable" while another, Fitch, followed suit.

A drought-like situation, high prices and subdued demand for manufactured items could make the government's task of speeding up decision-making and pushing reforms more difficult.

Reduced availability of raw materials to industry is another potential result of an adverse agricultural shock. About 17% of India's industry is susceptible to such a farm jolt. These include industries based on food products, beverages, tobacco, oilseeds and cotton.

Not all of India's worries are homegrown though. A severe drought in the US, the worst in 55 years, is projected to cuts American corn and soyabean output, pushing up global prices. India imports these two items for cooking oil and animal feed, which will reflect in domestic prices.

India not only has the lowest credit rating among the four BRIC (Brazil, Russia, India, China) nations, but it is also the only one with a "negative" outlook. Fiscal deficit and lower profits have pulled down public and private sector savings, which could result in lower investment, while raising the current account deficit. This in turn could slow GDP growth.

"For India to grow at 9% overall, agriculture must grow at 4%," says Abhijit Sen, a member of the Planning Commission. Poor monsoons in 2003 (-19%) and 2009 (-22%) had caused farm growth to dip by

-6.6% and rise only slightly by 0.2% respectively against a median of 3.5%.

Many expect prime minister Manmohan Singh, who recently took charge of the finance ministry, to announce a string of reformist measures to steer India out of a web of economic mess — from sharp slowdown to a free-falling rupee and industrial deceleration to rising prices. Investors nonetheless remain hopeful about an economist-prime minister, best remembered for his big reforms he had unveiled as finance minister years ago.

Farms in a fix

Like cricket, agriculture is a glorious game of timing. Delayed rains have hit planting of key crops, even as major food-bowl states are well past their peak sowing period, typically the first fortnight of July.

Paddy saplings, for instance, first need to be grown in small nurseries for 21 days before being transplanted or laid out on watery fields. Without timely rains, they will over-age. Rice planting this year is down by 4%, pulses by 21% and coarse cereals by 27%. Emergency steps, such as setting aside power and diesel for farm operations, will additionally burden the government's finances.

Four states — Karnataka, Maharashtra, Gujarat and Rajasthan — have been the worst hit. In Gujarat, sowing lags 24%.

The country's grain basket, Punjab and Haryana, have assured irrigation networks to fall back on. But 60% of Indian farms have to rely on the monsoon-fed irrigation alone.

This needn't have been this case had irrigation been ramped up. There is a huge difference between irrigation potential created and the actual area irrigated. In the past five years, irrigation facilities could be created only for 10 million hectares, against a target of 16 million. Of these, only 3 million hectares have actually been irrigated.

"Irrigation is still growing. What is not growing is area irrigated," the Planning Commission's Sen said.

There's a huge mismatch, Sen says, between potential created and actual area irrigated. Engineers only consider "potential created" but actual irrigation takes water to flow into every field long after the engineers have left. That often doesn't happen.

Many economists argue that allowing FDI in organised retail could free up supply lines and help farmers get better prices, but fears that this could threaten the livelihood of thousands of middlemen in the supply chain have stalled the reform.

"I get insurance cover, better price and don't have to pay commission that local markets charge," said Tukaram, a farmer in Pune's Narayangaon, who has tied up with an MNC in organised retail.

Yet, India remains hostage to the monsoon because of the rigorous nature of its farming. Temperate-climate nations, for instance, have much less-intensive agriculture and a one-crop season, against India's two. Europe has no crops in winters, when its farmers turn to livestock. Indian farmers have no such luck. They have a billion mouths to feed.

Sen, one of India's best-known economists, sums it up pithily. "No agriculture," he says, "anywhere can work without water. No water in India without the monsoon."

Farmers struggle to keep their kitchen fires burning as rain becomes rare

'Now, everything is in God's hand'
Lakhwinder
Village: Jehangir, Punjab
One day you have a ripe healthy crop standing before your eyes and when the next morning you wake up, it vanishes — flattened by rains, winds and hail.

'Rab te kise nu Jatt di joone na paave' (a person should not be born into a farmer's family). I commenced paddy transplantation on June 12. With a prayer on my lips and the 'ardas' (prayer) of my wife, I drove the tractor to the field which had been filled to the brim with water. This process, which was over in five days last year, got extended till July 2 this time because not a drop of water fell from the skies.

A canal passes along the edge of my fields but for the last 20-years not a drop has flowed through it, though it is cleaned of weeds every year. I just do not know the reason. I always look to my crop like my own children and rear these accordingly. This year, as of now, I have left everything in the hands of God.
— *As told to Harkirat Singh*

'I hope I don't have to sell my cattle'
Gopal Rau Jadhav

Village: Sangli, Maharashtra

I have been planting sugarcane for several years. I have never seen such a critical situation in the last 55 years. I have seen droughts but never experienced scarcity of water in my life. We have been searching for drinking water for the past six months. In this situation, I cannot think of watering sugacane. This is a such a crop, which gives me money but it is totally dependent on water. I have not been able to water sugarcane since January.

Every year, I used to get almost 100 tonnes of sugarcane that would give me an income of Rs. 100,000 after making all the payments. I am doubtful whether I will get half of the income this time. Lower production and less weight, will bring down my income by half.

We are seven people in the family and have no other source of income. I had never anticipated this kind of situation. I just hope I do not have to sell my cattle to meet our daily expenses.
— As told to Satyajit Joshi

'I am scared of the unexpected'

Aparna Malikar

Village: Vara-Kawatha, Maharashtra

I had borrowed a Rs. 60,000 loan from self-help groups to cultivate cotton and soyabean on my six-acre land and later Rs. 40,000 from a private moneylender. Both times, the crops either dried up or were washed away. Cotton is the biggest cash crop of Vidarbha and its price virtually decides the fate of 30 lakh families in this highest-cotton-producing state. Over 14,000 cotton growers, mostly from Vidarbha, have committed suicide because of debts and crop failure since 2001.

I did not get a loan from the banks as my husband Sanjay was a defaulter. He committed suicide on August 21, 2008 and I was responsible for repayment of the loan I never knew my husband had taken. I do not know whom to approach for a fresh loan, how to repay the existing one and fund daily expenses of me and my two children.

I am scared of the unexpected. In our villages there are countless stories of farmers suicides, sorry tales of widows like me living under the constant fear of moneylenders
— As told to Pradip Maitra

Answers beyond chasing the rains

We asked three experts to make sense of the season of shock. The bottom line: the economy will come through, but sweeping, new reforms are essential

'Policy should focus on the poorest segment'

Kaushik Basu

Chief economic advisor

Finance ministry

The income earned by individuals is fundamental. And even more than that, the per capita income of the bottom segment of population is what we should focus on while crafting policy.

So, just the average per capita income rising in the country, which is happening in India and very rapidly, that in itself is good but not good enough. We must learn to evaluate a nation in terms of how its poorest segment fares. At least for me that is the fundamental focus of policy-making.

It is easy to make policy blunders, whereby you end up helping no one. For instance, some people argue that we should massively tax the corporate sector and divert that money to the poor. Trying to do this in today's world will mean that you will soon see the best companies and skilled human beings leaving the country and then there would be no wealth being generated to be diverted to the poor. And the poor will lose out. So diverting money and resources to the poor, I believe, should be our target, but trying to do that foolishly will mean that you will drive out the rich and hurt the poor.

In India, while per capita income is rising very fast, there are large tracts of poor people. But the good news is that poverty is declining.

Foreign direct investment in retail is just one instrument to modernise the retail sector. You will not only improve the sector in terms of what consumers or farmers are getting but also activate the real estate sector, open up export channels.

Opening up FDI would mean international MNCs will come in. People would ask me, do you think multinational companies are coming to help India?

To me, that's not even a question to ask. Of course, they are not coming to help us, they are coming here for their own profits. We don't realise that in the economic world there are many non-zero sum games. One person's profit can be another person's profit as well.

'Truant monsoons will choke growth engine'

Samiran Chakraborty
Regional head of research, South Asia
Standard Chartered Bank

It is probably Murphy's law that a deficient monsoon has struck at a time when the economy is buffeted by serious domestic and global headwinds. True, the relatively lower share of agriculture in GDP, better irrigation facilities, improved drought management techniques and availability of buffer food stock could cushion the impact of a drought but it is hard to ignore that the confidence could be badly shaken. Prices of some agro commodities have already started moving up anticipating deficient monsoon, poor sowing, lower yields and in sympathy to global price movements. We would not be surprised to see headline inflation inching up to 8% if El Nino conditions dry up the next two months also.

While inflation risks are obvious, the knock-on effect on growth is also a real worry. The rural consumption story was probably providing a floor to GDP growth as the economy was running on a single engine. Truant monsoons may impede fuel supply to that engine as well. There are some early indications of this in tractor and two-wheeler sales, spreading to even some FMCG items where the consumers will be prone to shift to a cheaper brand. Achieving even 6% growth could be challenging in a drought scenario.

Upside risks to inflation and downside risks to growth — monsoon failure is going to pose further challenges to policymakers. Fiscal space is anyway limited to pump prime and RBI's resolve to stick to its anti-inflationary stance will be tested.

While there is an urgent need to revive investment through long-term structural measures, we fear that precious bandwidth of policymakers might be used up in fire-fighting a monsoon failure.

'Opportunity to usher in policy changes'

NR Bhanumurthy

Professor,

National Institute of Public Finance Policy

Drought like conditions in India does not augur well for the Indian economy. As it is growth forecasts for the year 2012-13 has been downgraded by most to around 6%. But of greater concern would be its impact on inflation. Recent data on inflation shows that inflation of most of the food items (except for protein products) have started soaring since early 2012-13. Defieicent rains will only push up prices.

One comfort is that there is huge surplus, more than adequate, of cereals with the Food Corporation of India (FCI). But there are lesser options left in the case of pulses and edibile oil. Global conditions, such as drought in the US and Brazil would mean that despite domestic measures, India could face a situation similar to 2008 where both commodity and fuel prices touched record highs and devastated many economies.On the fiscal side, deficient rains have dashed hopes of achieving 5.1% deficit target. Poor farm output will put pressure on the governments — both the Centre and the states — to enhance allocation for food, fertiliser, energy, employment and other development programs. The drought-like conditions along with slowing industrial sector, high inflation, and unsustainable fiscal conditions could result in slowest growth since 2002-03. But it could also provide the opportunity for implementing FDI in retail, revamping public delivery mechanism, and other policies that improve productivity in the agricultural sector.

http://www.hindustantimes.com/StoryPage/Print/903463.aspx

THE ECONOMIC TIMES

27 JUL, 2012, 02.20PM IST, PTI

Chilli succumbs to profit-booking in futures trade

NEW DELHI: Chilli prices fell by Rs 124 to Rs 5,700 per quintal in futures trade today after speculators booked profits amid weak trends at spot market. At the National Commodity and Derivatives Exchange, chilli for delivery in August month fell by Rs 124, or 2.13 per cent to Rs 5,700 per quintal with an open interest of 6,120 lots.

The spice for delivery in September contract declined by Rs 110, or 1.82 per cent to Rs 5,948 per quintal in 4,895 lots.
Analysts said besides profit-booking by speculators at prevailing higher levels, subdued demand in the spot market kept pressure on chilli prices at futures trade.
However, lower output concerns due to weak rainfall in key growing regions, restricted the losses.

27 JUL, 2012, 02.11PM IST, PTI

Coriander futures strengthen as demand picks up

NEW DELHI: Coriander prices rose by 1.98 per cent to Rs 5,038 per quintal in futures trading today following rising spot market demand against restricted arrivals from producing belts.
At the National Commodity and Derivative Exchange, coriander for delivery in October moved up by Rs 98, or 1.98 per cent, to Rs 5,038 per quintal, with an open interest of 1,780 lots.
Similarly, the spice for delivery in August gained Rs 27, or 0.58 per cent, to Rs 4,670 per quintal in 15,660 lots.
Market analysts said besides rising demand in the spot market, restricted arrivals from producing belts mainly led to the rise in coriander futures.

27 JUL, 2012, 02.18PM IST, PTI

Chana futures remain weak on fall in demand

NEW DELHI: Chana prices fell further by Rs 64 to Rs 4,652 per quintal in futures market today following drop in spot demand at prevailing higher levels.

However, thin supplies in physical markets restricted the losses.

At the National Commodity and Derivatives Exchange, chana for delivery in September month fell by Rs 64, or 1.36 per cent, to Rs 4,652 per quintal with an open interest of 42,410 lots.

The commodity for delivery in August contract shed Rs 56, or 1.21 per cent to Rs 4,562 per quintal in 79,300 lots.

Analysts attributed the fall in chana futures to decline in demand at prevailing higher levels but thin supplies limited the losses.

Business Standard

Jul 28, 2012

Govt releases stored wheat to control price rise

Anindita Dey / Mumbai July 28, 2012, 0:48 IST

The government has started releasing wheat from its own warehouses to quell the price rise in the domestic market.

Following price rises in the international market, Indian wheat is preferred. This has triggered more export from India in the past month. According to official sources, the Food Corporation of India has bought surplus wheat for exports from the major wheat producing states of Rajasthan, Punjab, Haryana and Uttar Pradesh. This is because Indian wheat is available in the global market at a competitive price, even after fetching a premium over the floor price of $228 per tonne, said sources.

In the international market, Australian wheat is available at $350 per tonne, while the Black sea or the Ukranian variety is fetching $300 per tonne. In contrast, the Indian government decided to export wheat at a minimum price (floor price) of $230 per tonne, which is currently fetching $280-290 a tonne. The rupee depreciation has also helped the suppliers prefer exports over supply to the domestic market.

In the past month, wheat prices rose to Rs 1,350-1,500 a quintal, as against $1,170-1,250 a quintal in the domestic market. Official sources added export is not a worry since the government is laden with stocks in warehouses. “Moreover it is a rabi crop and won’t be much affected by the monsoon”, they said.

In June, an Empowered Group of Ministers had approved the open market sale of 8 million tonne (mt) of wheat, both for bulk sale and the public distribution system. The need to explore the opportunity to export wheat arose after grain stocks in state-run granaries bulged to 71 mt against the available storage space for 66 mt. The stocks are 150 per cent more than the required quantity, officials said.

In July, the Cabinet Committee on Economic Affairs approved export of 2 mt wheat from the government stock at a floor price of $228 (about Rs 12,400) a tonne. The last time the government had exported wheat from the Food Corporation of India's reserves was in 2004-05.

While it has been decided to immediately allow export of 90,000 tonnes of wheat through bids received by a public trading firm in its recent tender, a committee headed by the commerce secretary has been set up for exporting the remaining quantity.

Textile min to regulate cotton exports

Anindita Dey / Mumbai July 28, 2012, 0:50 IST

The textiles ministry wants to regulate cotton exports and export registration to better manage supply, demand and prices in the domestic market.

The ministry has written to the ministry of commerce and to the Directorate General of Foreign Trade (DGFT) on this issue. Sources said the proposal had been endorsed by the minister of textiles, Anand Sharma, who also holds the commerce portfolio. DGFT has cited instances of mismanagement of export registration, raised by cotton associations.

In all likelihood, cotton would be taken off the open general licence (OGL) in the ensuing season, commencing from October. The commerce ministry had put cotton under OGL in 2011 for the cotton season ending September 2012.

This is in the wake of spike in cotton prices in the domestic market. In the domestic market, cotton prices are currently at Rs 37,000-38,000 a candy (a candy is 356 kg of cotton). Indian cotton mills have already contracted 10 million bales for imports and around three to four million bales have already been imported in last two-three months.

Until recently, India was a big exporter of cotton. The country's annual harvest was 35.2 million bales, while domestic requirement was just 26 million bales. Currently, there are hardly any stock in the domestic market to feed the domestic market which is a peculiar situation, said officials.

Reportedly, in the current procurement drive, arrivals in mandis have started tapering off. This year, cotton output has been 33.6 million bales, of which 12.5 million bales have been exported, mainly to China. Against 200,000 bales of daily arrivals during the peak season, arrivals have dropped to 15,000 bales a day.

Currently, there are hardly any stock in the domestic market to feed the domestic market which is a peculiar situation, said officials. The government's plan to create a special buffer of one million bales under Cotton Corp of India looks stretched because only 350,000 bales have been procured at a cost of Rs 500 crore. The government has sanctioned Rs 2,500 crore for the purpose.

Besides, delayed sowing due to insufficient rains is likely to affect cropping in Gujarat, the major cotton producing state. "The cotton production is likely to be subdued around 336 lakh bales as per current arrivals against previous estimate of 352 lakh bales for the current season by the Cotton Advisory Board", said an official.

Until last year, cotton exports were regulated by the textile ministry . Currently, the ministry is assessing the impact of spike in cotton prices in the domestic market on yarn prices and other downstream industries using cotton as a raw material.

THE HINDU Business Line

Palm oil may pullback, drop

Gnanasekaar .T
July 28, 2012:

Malaysian palm oil futures on Bursa Malaysia Derivatives exchange pulled back from recent lows on Friday after the European Central Bank pledged to protect the Euro Zone in comments that helped risk assets bolstered risk appetite. The ECB President's reaction also raised expectations it will move quickly to tackle skyrocketing borrowing costs in countries such as Spain. But crude palm oil (CPO) still posted an almost four per cent weekly loss, the worst performance since mid-June, as forecasts for rain in the US Midwest relieved some fears of tightening global oilseed supplies. Slowing exports coupled with better production expected in Malaysia this month could boost palm oil stock levels and ease some pressure off tightening global oilseed supplies. CPO active month futures tanked lower breaking key supports. As mentioned in the previous update, failure to hold support at key levels has dashed our bullish hopes for 3,325 Malaysian ringgit (MYR) a tonne. The bullish pattern that we have been tracking has also been violated. Decline below 2970-75 MYR/tonne has hinted at weakness going forward. This level could become a strong resistance to surpass in the near-term. Immediate support is at 2845-50 MYR/tonne being a trend line support point followed by 2745-50 MYR/tonne close to the recent low. Beyond here, prices could even aim for 2415-20 MYR/tonne. Immediately, we see a minor pullback rally to either 2975 MYR/tonne or even higher to 3015 MYR/tonne followed by a sustained fall to the above mentioned levels.

A possible new impulse ended at 3628 MYR/tonne. A corrective decline in the form of a wave "A" could still be in progress. A corrective wave "B" could unfold with potential targets near 3210 MYR/tonne or even higher to 3325 MYR/tonne. A wave "C" kind of a decline below 2700 MYR/tonne looks likely subsequently in the coming months. Alternatively, an "A-B-C" corrective move is coming to an end near 2750 MYR/tonne and subsequently a new impulse will begin targeting 3,300 MYR/tonne levels. Since prices have gone below 2920 MYR/tonne, we are abandoning this wave count and will elaborate on the fresh counts. The averages in MACD have gone below the zero line of the indicator hinting at weakness again. Therefore, look for palm oil futures to pullback higher initially and then decline. Supports are at MYR 2900, 2845 & 2750, Resistances are at MYR 2975, 3015 & 3075.

(The author is the Director of Commtrendz Research and also in the advisory panel of Multi Commodity Exchange of India Ltd (MCX). The views expressed in this column are his own and not that of MCX.

This analysis is based on the historical price movements and there is risk of loss in trading. He can be reached at gnanasekar_thiagarajan@yahoo.com.)

Spot rubber rules firm

Kottayam, July 28:

Spot rubber ruled steady on Saturday.

The market remained firm on late trades following a better closing in domestic futures, but failed to record further gains on buyer resistance.

Sheet rubber finished unchanged at Rs 181 a kg at Kottayam and Kochi, according to traders and the Rubber Board.

FUTURES GAIN

In the futures market, August contracts improved to Rs 180.98 (Rs 178.80), September to Rs 178.15 (Rs 176.85), October to Rs 177.05 (Rs 176.01) and November to Rs 177.50 (Rs 177.14) a kg on the National Multi Commodity Exchange.

Spot rates were (Rs / kg): RSS-4: 181 (181); RSS-5: 174.50 (174.50); Ungraded: 168 (168); ISNR 20: 167.50 (167.50); and Latex 60%: 128.50 (128.50).

Moth strengthens on selective buying

New Delhi, July 28:

In restricted activity, moth prices firmed by Rs 200 per quintal on the wholesale pulses market on Saturday on selective buying by retailers.

However, other pulses moved in a narrow range on alternate bouts of trading and settled around previous levels. Marketmen said selective buying by retailers helped moth prices to strengthen.

In the national capital, moth rose by Rs 200 to Rs 3,700- 4,100 per quintal. The following are today’s pulses rates per quintal:

Urad 3,900-4,500, Urad Chilka (local) 4,750-5,050, best 5,200-5,700, Dhoya 5,750-5,840, Moong 3,900-4,900, Dal Moong Chilka local 4,750-5,150, Moong Dhoya local 5,250-5,350 and best quality 5,950-6,050.

Masoor small 3,800-4,100, bold 3,950-4,200, Dal Masoor local 4,800-4,900, best quality 4,900-5,000, Malka local 4,450-4,500, best 4,650-4,750, Moth 3,700-4,100, Arhar 4,000-4,300, Dal Arhar Dara 5,550-5,750.

Gram 4,700-5,700, Gram Dal (local) 5,700-5,800, best quality 5,750-5,850, Besan (35 kg) Shakti bhog 2,290, Rajdhani 2,290, Rajmah Chitra 7,500-9,500, Kabli Gram small 5,500-8,800, dabra 2,700-2,800, imported 4,700-5,100; Lobia 4,800-5,600, Peas white 2,950-3,000 and green 3,000-3,100.

Walnut kernel prices up on firm demand

New Delhi, July 28:

Walnut kernel prices shot up by Rs 45 per kg in an otherwise tight range in the local dry fruits market on Saturday on strong demand, driven by festive season.

However, other dry fruits continued to trade in a tight range in limited deals and settled around previous levels.

Traders said strong demand supported by festive season mainly pushed up walnut kernel prices.

In the national capital, walnut kernel prices shot up by Rs 45 to Rs 400-600 per kg.

The following are today’s quotations (per 40 kg): Almond (California) Rs 11,700 Almond (Gurbandi-new) Rs 6,500-7,200; Almond (Girdhi) Rs 3,000-3,300; Abjosh Afghani Rs 6,000-20,000. Almond Kernel (California) Rs 420-425 per kg, Almond Kernel (Gurbandi-new) Rs 350-400 per kg. Chilgoza (Roasted) (1 kg) Rs 1,290-1,415 Cashew Kernel 1 kg (no 180) Rs 690-720 Cashew Kernel (no 210) Rs 655-665 Cashew Kernel (no 240) Rs 590-605 Cashew Kernel (no 320) Rs 530-570 Cashew Kernel Broken 2 pieces Rs 375-420 Cashew Kernel Broken 4 pieces Rs 325-400 Cashew Kernel Broken 8 pieces Rs 300-360

Copra (qtl) Rs 6,600-6,700 Coconut Powder (25kg) Rs 1,950-2,050 Dry Dates Red (qtl) Rs 2,500-10,000 Fig Rs 5,000-16,000 Kishmish Kandhari Local Rs 7,000-7,800 Kishmish Kandhari Special Rs 10,000-15,000 Kishmish Indian Yellow Rs 3,000—3,800 Kishmish Indian Green Rs 3,400-5,600 pistachio Irani Rs 780-860 Pistachio Hairati Rs 870-945 Pistachio Peshawari Rs 1,170-1,245 Pistachio Dodi (Roasted) 550-580 Walnut Rs 155-205 Walnut Kernel (1kg) Rs 400-600.

Dhunseri buys two tea estates in Malawi for Rs 122 cr

Abhishek Law
Kolkata, July 28:

Kolkata-based Dhunseri Petrochem & Tea Ltd has acquired two tea estates in the Republic of Malawi, a landlocked country in southeast Africa, at a consideration of Rs 122 crore ($22 million).

Together the estates have a capacity to produce 9.5 million kg (mkg) of tea and 0.5 mkg of macadamia and coffee. Dhunseri currently produces 13.5 mkg of tea in India.

Following the acquisition, Dhunseri's annual production is likely to be around 23 mkg, Mr C.K. Dhanuka, Chairman of the company, said. This incidentally, is its first acquisition overseas.

According to a notification by the company to the NSE, it has bought two tea estates in Africa — Makandi Tea & Coffee Estates Ltd and Kawalzi Estate Company Ltd — through its wholly owned subsidiary, Dhunseri Pertrochem & Tea Pte Ltd.

The tea estates were acquired from London-based Global Tea & Commodities Ltd through a share purchase agreement.

"We were previously looking for acquisitions in Kenya and Vietnam. However, we intend to keep plans on hold for another year or so. But if an opportunity comes midway we might take it up," he said.

Cotton thrives as rains revive hopes of AP farmers

K. V. Kurmanath

Barring Prakasam, Nellore, Chittoor, Kadapa and Anantapur districts, other regions received bountiful rain during July 19 to 25.
Hyderabad, July 28:

Week-long rains have revived the hopes of farmers in Andhra Pradesh, with rainfall deficit coming down to just 6 per cent from 24 per cent a fortnight ago.

Barring Prakasam, Nellore, Chittoor, Kadapa and Anantapur districts, other regions received bountiful rain during July 19 to 25, registering an excess rainfall of 5 per cent.

However, the as-on-date figures show there is a huge shortfall of 8 lakh hectares in the area to be sown. By now, the farmers would have sown in 47 lakh ha. But according to the latest figures, sowings were completed only in 39 lakh ha.

Paddy, however, continues to be the worst-hit among the major crops. It is sown only in 3.5 lakh ha against the average as-on-date area of 5.60 lakh ha.

On the other hand, cotton area has gone up significantly. Farmers grew cotton in 16.14 lakh ha against the normal area of 12.32 lakh ha, registering a growth of 131 per cent.

Govt cuts penalties levied on tobacco farmers

K. V. Kurmanath

The Ministry has reduced the penalty on registered farmers to 7.5 per cent from 15 per cent and on unregistered farmers to 15 per cent from 22.5 per cent.
Hyderabad, July 28:

The Union Ministry of Commerce has reduced the penalties levied on registered and unregistered growers of FCV (Flue Cured Virginia) tobacco.

The Ministry has reduced the penalties on registered farmers to 7.5 per cent from 15 per cent and on unregistered farmers to 15 per cent from 22.5 per cent.

At the beginning of the each cropping season, the Tobacco Board specifies the quantity to be produced by the farmers. Whatever quantity produced over and above this will not be allowed to be traded on the auction platforms.

The board levies penalties on such excess produce to discourage the farmers from growing additional tobacco. The proceeds would go to Tobacco Fund maintained by the board.

With the cost of cultivation going up significantly, the Ministry has decided to reduce the penalties to support the farmers financially.

The move will benefit 40,000 farmers in Andhra Pradesh in the ongoing auctions, Mr G. Kamalavaradhana Rao, Chairman of Tobacco Board, has said.

Monsoon deficit this year portends grimmer situation than in 2009

M. R. Subramani

Chennai, July 28:

Despite the Government's confidence, the unfolding of the monsoon this year could be grimmer than in 2009. Three years ago, the country went through its third most deficient monsoon after 1918 and 1972.

Many parallels are drawn to the situation in 2009, when monsoon was 47.3 per cent below normal, to show that this year could be better.

The India Meteorological Department (IMD) data shows that June rainfall in 2009 was the lowest since 1926, when it was 48.3 per cent below normal. Monsoon has had worse starts in June in 1962, 1965, 1972 and 2002.

Other worrisome factors

But there are other worrisome factors that are emerging. Though monsoon was deficient in June 2009, it made up in July, cutting the deficit to 4.3 per cent of the long period average (LPA). Then by July-end, the country received 405 cm rainfall against the normal 428 cm.

This June-end, the monsoon was 30 per cent deficient. Up to July 25, it was 22 per cent lower than the LPA. In 2009, when monsoon set in early on May 23, seven of the 36 meteorological subdivisions had received excess rainfall until July-end. This year, only one subdivision, Meghalaya, has received excess rainfall.

Rainfall deficit

The problem this year is that rainfall deficit in Punjab is 66 per cent (versus 34 in 2009). In Haryana, it is 70 per cent deficient (35) and in western Uttar Pradesh, 55 per cent (43). These form the crucial north-western parts of the country where rice is the major crop.

In terms of coverage in the country, only one-third part of the country has received normal rainfall this year, whereas in 2009 more areas had received normal rainfall. However, it must be noted that the IMD declares a region to be deficient in rainfall only if it receives 20 per cent lower than the LPA.

In Gujarat, where Kutch and Saurashtra regions received excess rainfall in 2009, as also in western Rajasthan the rains have been scanty this year. The entire western flank, barring Goa, has received deficient rainfall. These are key areas for coarse cereals, cotton, pulses and sugarcane. In 2009, the Marathwada region, south and north interior Karnataka received excess rainfall.

Winter SHOWERS

Only winter showers have been better this year compared with 2009. During January-February, rainfall was five per cent deficient compared with 46 per cent in 2009. It resulted in the storage level being higher this year during the onset of monsoon. Since then things have changed.

In 2009, by June-end, the storage level in the 84 major reservoirs had dropped to 9 per cent of the full reservoir level before rising to 27 per cent by July-end. This year, the storage level was 20 per cent at the start of June but then dropped to the lowest in 10 years (16 per cent) in the first week of July. Currently, the storage level is 19 per cent of the capacity.

Comparable sowing figures are also different.

The acreage under rice so far this year is 191.06 lakh hectares (lh) compared with 191.30 lh in 2009. Coarse cereals acreage is 117.48 lh against 159.56 lh then and pulses coverage is also lower at 62.99 lh (73.58 lh). A perusal of foodgrains-growing regions shows that over 50 per cent of the area under cereals is rain-deficient. In 2009, rice production took a hit in the country due to lower rainfall during June and August.

Similarly, oilseed sowing is down at 138.33 lh (141.79 lh) this year, though the area under sugarcane and cotton is higher.

With prices of agricultural produce already up about 10 per cent since the start of this month, inflation could surge if monsoon doesn’t make up in the next two months.

In 2009, food inflation that was in single digit till June touched a high of 19.95 per cent in December. Also, what could push prices is the higher minimum support price (MSP) fixed by the Centre for Kharif crops this year.The MSP has been raised between 18 and 37 per cent for various crops this year, thus raising a spectre of inflation. This could also mean higher expenses for the common man.The other worry for the Government could be agricultural labour force being rendered jobless in case the situation worsens. In 2009, monsoon withdrew late by pouring aplenty throughout the country. That could be a saving grace if that happens this year, though meteorologists are pointing out to the emerging warm weather effect of El Nino.