

## Cauvery River Authority meeting on September 19

GARGI PARSAI

A day after the Supreme Court pulled up the Centre for delay in convening the Cauvery River Authority, the government set September 19 for a CRA meeting here to discuss the issue of sharing of Cauvery waters among the riparian States of Tamil Nadu, Karnataka, Kerala and Puducherry.

The CRA, chaired by Prime Minister Manmohan Singh, is meeting after almost nine years to discuss Tamil Nadu's demand for immediate release of water by Karnataka as it is facing distress. Tamil Nadu moved the Supreme Court to urge the CRA to approve the distress-sharing formula arrived at by the Cauvery Monitoring Committee.

On Tuesday, Water Resources Minister P.K. Bansal told journalists that the Centre was in touch with the Chief Ministers of the member-States.

The Cauvery Water Disputes Tribunal announced its final award in 2007. In its interim order, the tribunal, set up in 1990, allocated 205 tmcft of water to Tamil Nadu. The CRA was set up in 1997 to ensure implementation of the interim order.

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## Avoid panic selling, turmeric farmers told

STAFF REPORTER

*Farmers in Erode, Salem have stopped selling produce*

Turmeric farmers should avoid panic selling of turmeric, All India Turmeric Producers Association (AITPA) said here on Tuesday.

P. K. Deivasigamani, President, AIPTA, told reporters that a decision was taken at the conference of the AIPTA to appeal to farmers to shun panic selling in turmeric till the rate reaches Rs. 9,000 per quintal.

Based on the appeal, farmers in Erode and Salem stopped bringing their turmeric produce to the market for selling.

Unaware of the AIPTA appeal, farmers from Krishnagiri, Dharmapuri, Tiruvannamalai and Vellore district continue to bring their produce to the Erode turmeric market and were pressing the buyers to procure their produce.

The farmers are bringing on an average 5 to 10 gunny bags of turmeric to the market for selling.

This will force them to sell their produce at the lowest prices, and even the cost of production will not meet production and other incidental expenses, he said.

For the first time in the history, the farmers had fixed the selling rate of turmeric at Rs. 25,000 per quintal at the Erode Conference.

Due to failure of monsoon, the production of turmeric has gone down to 62 per cent from previous years. The price of turmeric per quintal was Rs. 17,000 during December 2010, it was reduced by Rs. 2,500 per quintal during the current year.

Experts from agricultural marketing opined that the rate will go up to Rs. 20,000 per quintal during the next calendar year.

### **Financial crunch**

The farmers who are in severe financial crunch were asked not to sell their produce in distress, as they will not even get their production cost, instead they were asked to contact the AIPTA office in Erode (Mobile No. 98425-06834) to get guidance for easy and cheap finance till their produce gets good price in the market.

The AIPTA is arranging for turmeric farmers to get loans at a low rate of interest through the centrally-sponsored National Collateral Management Services Limited (NCMSL).

The NCMSL was guiding the farmers on how to pledge their produce in government-operated godowns and get loans at lower rates of interest from banks.

Hence, the farmers were asked to contact the AIPTA or sell their produce at the Regulated Markets for Agriculture Produce in the districts.

The AIPTA is collecting data about the government godowns available in all districts so as to share the information with farmers, to help them to store their produce in times of distress and sell it when the prices shoot up, he said.

K.M. Ramagoundar, State General Secretary, Tamizhaga Vivasayigal Sangam was present.

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## Rain gives hope to farmers

### STAFF REPORTER

Heavy rain continued to lash the district for the second day on Tuesday and farmers have expressed happiness over being able to save their water-starved paddy crops which had attained the mulching stage. However the sky remained overcast throughout the day.

The maximum rainfall of 14.6 mm was recorded at Kurunthencode followed by 14.2 mm in Eraniel, 12.4 mm in Colachel, 12 mm in Thiruvattar, 10 mm in Adayamadai, 9 mm in Anaikidangu, 8.6 mm in Surulode and 7 mm in Kozhiporvilai.

The water level in Pechipparai dam stood at 4.5 feet with the inflow of 11 cusecs of rainwater. However the dam was closed following the widespread rainfall in different parts of the district for the last two days.

The water level in Perunchani dam stood at 32.65 feet with an inflow of 96 cusecs of water and the outflow was 53 cusecs.

Moreover, the water level in Chittar I stood at 2.98 feet, 3.08 feet in Chittar II and 50.52 feet Mambazathuraiyaru dam.

## Fishing operations hit

The fishermen in Colachel and Nithravilai areas did not venture into the sea for fishing for the second day on Tuesday after giant waves hit the western coast affecting the normal life of fishermen on Monday.

The officials of fisheries department visited the coastal villages (western coast) to assess the damage caused by the tidal waves.

In the preliminary report taken by the officials, it was known that as many as 31 houses and 46 fishing boats had been damaged in both Coalchel and Nithravilai areas.

However, the fishermen from Colachel who went for deep sea fishing in the last week returned to the shore with a big catch and the Colachel seashore wore a festive look as the traders from Kerala were eager to purchase the fish after the 10-day Onam celebration which came to an end with the conduct of colourful cultural procession on Monday in the State's capital, Thiruvananthapuram.

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## Drought's bitter truth: sugarcane output may drop

V. SRIDHAR

*Production is expected to decline by 16 per cent this year*

The drought this year is likely to result in the sugarcane output declining by 16 per cent in the 2012-13 sugarcane crushing year (October-September), according to the Karnataka chapter of the South Indian Sugar Mills Association (SISMA). Niraj Shirgaokar, President, SISMA, said cane output is likely to fall to 280 lakh tonnes in 2012-13, from 335 lakh tonnes in 2011-12. Mr. Shirgaokar said drought conditions in three major sugarcane producing States — Maharashtra, Gujarat and Karnataka — is also likely to result in sugar prices remaining firm during the next year. Although Uttar Pradesh is expected to overtake Maharashtra as the top producing State in the current year, it would still not be enough to arrest the decline caused by widespread drought, Mr. Shirgaokar told *The Hindu*.

The association estimates that area under cane in Karnataka has fallen from 4.5 lakh ha last year to 4.1 ha in the current cane-growing season. “Not only are yields likely to fall, but even the sugar content in the cane is likely to dip,” Mr. Shirgaokar said. He said the widespread drought has affected the main sugarcane growing districts of Belgaum, Bagalkot, Bidar and Gulbarga in Karnataka. Output in the southern districts of Mysore, Mandya and Chamarajanagar, where a relatively smaller acreage is under sugarcane, are also likely to be hit badly this year.

In 2011-12, sugarcane was grown in 2.13 lakh hectares in Belgaum district, nearly half the acreage in the entire State. It is not surprising that 20 of the 59 sugar mills that are working are in this district. Sugar output in the State, which accounts for about 15 per cent of the national sugar output, is likely to decline by almost 25 per cent — from 38.1 lakh tonnes in 2011-12 to 29 lakh tonnes in the current year.

### **Revenue-sharing model**

The SISMA is arguing for a shift to a revenue-sharing model that would index the price of cane that is paid to farmers to the realisation of revenues that the sugar mills make. “This would put an end to ad hocism that plagues cane pricing,” Mr. Shirgaokar argued. He said the Fair and Remunerative Price (FRP), which is announced by the government before the cane-crushing season commences in October, would still be valid as the “floor price” that farmers would get for the cane they sell to the sugar mills. Growers will also be entitled to a share of the profits that the mills make through the sale or production of bagasse, ethanol and molasses, and power generated through cogeneration units attached to the sugar mills, Mr. Shirgaokar said.

### **On de-control**

A committee, headed by the Prime Minister’s Economic Advisory Council Chairman C. Rangarajan, is examining the issues involved in decontrolling the sugar industry. The committee recently submitted its report to the PMO.

Asked if the revenue-sharing model would not expose farmers to the vicissitudes of the market, V. Venkata Reddy, vice-chairman, Bannari Amman Sugars Ltd. said, “Yes, there could be some variation in prices between what the farmers expect at the time of sowing and what price they actually get at the time of the harvest, but they would still get a fair and remunerative price.”

Compared to the FRP of Rs. 1,700 per tonne, the average mill in north Karnataka, where the cane yields 12 per cent sugar content, pays about Rs. 2,000 per tonne to farmers, Mr. Reddy said. "The farmer stands to gain Rs. 200 more per tonne if sugar control is abolished," he said. He blamed sugar control for the longstanding complaint by farmers that many mills take a long time to pay for the cane they supply.

Clearly, the industry regards revenue sharing as a magic bullet to solve the problems it faces. Mr. Shirgaokar said Chief Minister Jagadish Shettar has assured the SISMA that he would constitute a committee to define the contours of such a scheme "within a week". Although SISMA claims that farmers themselves would welcome such a move, it remains to be seen if they see it as being in their interest.

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## Shettar inaugurates irrigation project

### STAFF CORRESPONDENT

*SLIP first phase will irrigate 1.71 lakh acres*



Tradition: Chief Minister Jagadish Shettar offering 'bagina' to the Tungabhadra river in Huvinahadagali taluk on Monday. Minister for Water Resources Basavaraj Bommai is seen.

Chief Minister Jagadish Shettar on Tuesday formally inaugurated the Singatalur Lift Irrigation Project (SLIP), which will irrigate 1.71 lakh acres of land in Bellary, Gadag and Koppal districts.

Initially, irrigation will be provided to 12,000 acres on the right bank of Huvina Hadagali taluk, as part of the first phase. In the second phase, another 24,000 acres of land in the taluk will be irrigated.

Addressing a huge public gathering here on Tuesday, Mr. Shettar said that the BJP government had accorded top priority to completing all pending irrigation projects. "There have been several instances when political parties proposed some projects and forgot them after the foundation-laying ceremony. This was primarily due to lack of political will and non-allocation of funds. But the BJP government has provided adequate funds for completing the projects," he said.

Mr. Shettar said that the second phase of irrigating 24,000 acres on the right bank would be completed by December this year. The entire project, including the construction of a pump house, canals and distributories on the left bank, would be completed by December 2013.

The Chief Minister said that there was no paucity of funds "Adequate funds will be released for early completion of irrigation projects," he reiterated.

Basavaraj Bommai, Minister for Water Resources, in his address, thanked the former Chief Minister B.S. Yeddyurappa for his initiative in not only according priority to irrigation projects but also making budgetary provisions and releasing funds.

The Union government had approved, in principle, a project to modernise the Narayanpur canals. Work on this project will soon be launched, he said.

B.S. Anand Singh, Minister in charge of the district, spoke.

Govind Karjol, S.K. Bellubbi, Kalakappa Band and C.M. Udasi, all Ministers; J. Shantha, MP; and Kardi Sanganna and Nemiraj Nayak, both MLAs, were present.

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## State-level conference for young farmers on October 2

### STAFF CORRESPONDENT

The Karnataka Rajya Raitha Sangha and Hasiru Sene will be organising a State-level conference for young farmers here on October 2.

Chamarasa Mali Patil, president of the sangha and the sene, told presspersons on Tuesday that the conference would spread awareness among young farmers on the importance of agriculture. It will motivate them to stay in villages and adopt agriculture as their occupation, instead of migrating to urban areas.

Mr. Patil said farmers would be educated about various agriculture-related jobs, marketing products, and other agriculture-related issues.

Agricultural experts and economists would take part and educate farmers on the benefits of adopting agriculture as an occupation.

He said the State and Union government had failed to protect the interests of farmers. The Centre had enhanced the prices of fertilizer and seeds but failed to fix a remunerative price for agricultural produce.

The State government was acquiring fertile land from farmers in the name of development and industrialisation. The conference would be attended by young farmers from across the State, he added.

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## Farm universities for increasing production

### SPECIAL CORRESPONDENT

Representatives of State Agricultural Universities (SAUs), Indian Council of Agricultural Research (ICAR) and Confederation of Indian Industries (CII) on Tuesday called for developing coordination between the public and the private sector to increase agriculture production.

They were participating in a meeting at Chaudhary Charan Singh Haryana Agricultural University (CCSHAU), Hisar, which was also attended by representatives of research institutes, agro-industries and entrepreneurs and progressive farmers.

In his inaugural speech, CCSHAU Vice-Chancellor Dr.K.S.Khokhar emphasised the need for public-private partnership to achieve Millennium Development Goal of poverty alleviation, food security and improvement in nutritional status in the country.

He said that the State and Central governments had already initiated steps in this direction and constituted working groups to seek a comprehensive report on agricultural production as well as value addition and marketing in agriculture.

He added that there was no dearth of technology in the country to increase agriculture production but its commercial application was not possible without collaboration with the private sector.

Dr. Khokhar also urged the farm scientists to focus their research on meeting the need for food grains for the teeming population.

He emphasised on developing GM crop varieties to achieve food and nutritional security.

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## Potato, onion traders call off bandh

### SPECIAL CORRESPONDENT

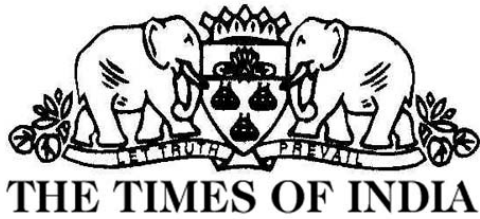
The Bangalore Potato and Onion Traders' Association has called off the bandh at APMC Yard at Yeshwanthpur on Thursday following a promise by the government that it will construct a market at Srigandhada Kavalu on 70 acres of land belonging to the APMC.

The inauguration of the APMC Market at Dasanapura on the outskirts of the city, which was scheduled for Thursday, has been postponed.

Association president B.L. Shankarappa and secretary C. Udaya, in a press release on Tuesday, said the bandh was called off in view of the meeting between office-bearers of the association and Minister for APMC S.K. Bellubi. "The Minister has assured to look into the construction of APMC Market at Srigandhada Kaval," they said.

The association planned a bandh following the government's instruction to traders to shift their business from the present APMC yard at Yeshwanthpur to the Dasanapura market.

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5 SEP, 2012, 05.57AM IST,

## India can cut agricultural emissions & subsidies by creating a market for farm offsets



*India can launch a prototype in Punjab and Bihar, may be under the Sustainable Agriculture Mission under the NAPCC.*

**Ashok Gulati & Jyoti Gujral**

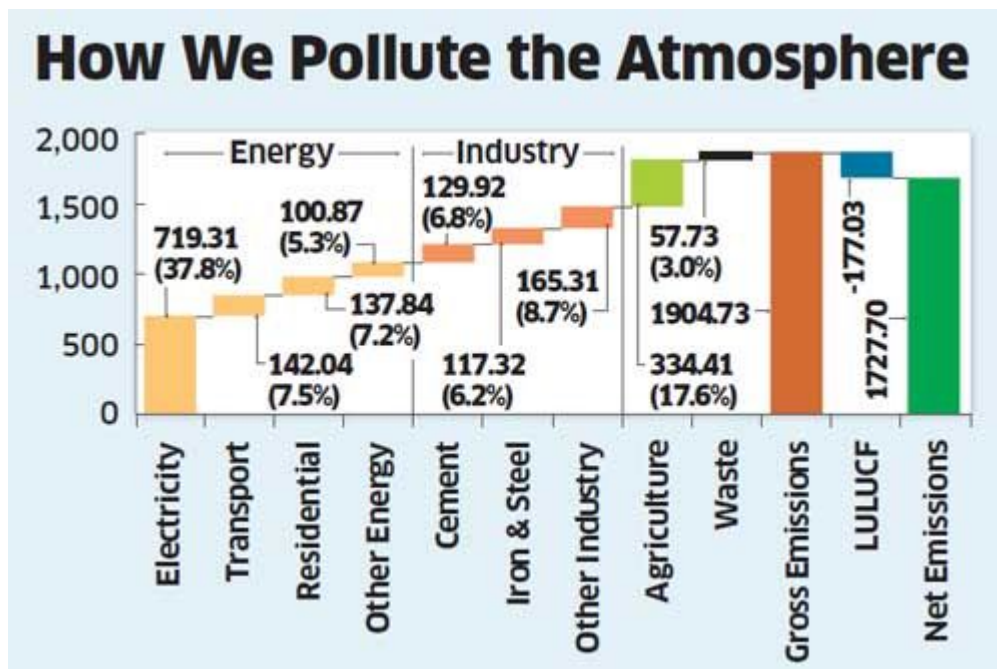
India has committed to a non-binding target to cut its emission intensity by 20-25% (from 2005 levels) by 2020. This does not include agriculture. To meet this target and to adapt to climate change without sacrificing growth, India has articulated the National Action Plan for Climate Change (NAPCC) with eight programmes.

Faster growth will raise energy demand by about five times, from 725 billion units now to 3,600 billion units by 2030. Energy is the biggest polluter, contributing 58% to greenhouse gas emissions, followed by industry (22%) and agriculture (18%). Within energy, power generation by thermal stations is the worst polluter. Land use, land use changes and [forestry](#)(LULUCF) is a net sink that [sequesters carbon](#) (see accompanying graph).

And here is an opportunity for agriculture to gain, provided there is a clear vision and courage to implement this. Lower costs and pollution are added benefits.

India has two objectives: one, cut carbon through conservation and energy efficiency - 15% savings on generation - and, two, switch to renewable energy, to reduce share of fossil fuels in power generation. We have introduced several market-based instruments based on the polluter-pays principle. Renewable energy generation also benefited from carbon credits when carbon markets were vibrant, without any burden on the exchequer for these shifts and creating a domestic market for offsets.

Agriculture can offer one more market-based instrument. Within agriculture, [livestock](#) is the largest contributor of greenhouse gas emissions (63%), followed by [paddy cultivation](#) (21%). Agriculture contributes 90% to nitrous oxide emissions from fertiliser and irrigated paddycultivation.



The estimates account for direct emissions and not indirect sources, like groundwater pumping, and producing [fertilisers](#) and pesticides.

We need efforts to make agriculture more resilient to climate change. The carbon sequestration potential, water conservation and harvesting on croplands in India is estimated to be 100-200 kg per hectare per year. Forestry too is a significant opportunity for offsets.

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Central team visits Rajasthan to assess crop damage due to deficit rain

TNN | Sep 5, 2012, 02:11AM IST

JAISALMER: A high-level team from the Centre visited rural areas of Jaisalmer district on Tuesday to take stock of the drought situation. The Central team will visit five districts of the state to take information on the crop losses due to deficit rainfall. Before arriving at Jaisalmer, team visited Jodhpur.

U K Singh, joint secretary at the Union agriculture ministry, water works ministry advisor Sudhir Saxena, director (agriculture, foodgrain) J P Singh, director (animal husbandry) Harbansh Singh and additional secretary (rural development) R R Meena comprise the team which visited the state.

During their visit, the officials interacted with farmers, district officials and public representatives to take their feedback on the situation. "The officials went to Baramsar, Pohda Kathaudi village and spoke to farmers over the medical facility provided to their cattle, their drinking water management and livelihood. They also asked them about the damages due to no rainfall," an official said. The team members even collected samples of the plants and crop for technical analysis with agriculture scientists and experts.

Later, Barmer district collector Shuchi Tyagi gave a detailed presentation on the rainfall in the district and informed about its effect on agriculture, animal husbandry and public life among others. After their visit here, the team left for Barmer.

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## Sowing revives after good spell of rain in parched Saurashtra

TNN | Sep 5, 2012, 03.46AM IST

RAJKOT: With the latest spell of rains reviving the hopes of farmers in [Saurashtra](#), sowing is once again underway in the region for crops whose produce is still expected before the end of this [Kharif](#) season.

Agriculture department officials said sowing has been undertaken by the farmers in most parts of the region after good spell of precipitation in the last one week.

Crops like cotton and groundnut that had been sown earlier in the beginning of the [monsoon](#) have failed on account of rain deficiency that was experienced for most of the last two months. Farmers said the latest spell of rain has ensured at least ample fodder production.

On the brighter side, Surendranagar district, which is one of the most rain-deficient districts in Saurashtra, is expecting sowing of jowar, castor and sesame along with the other crops on an area of at least 1 lakh hectares in the days to come. Officials said there is 7.53 lakh hectares of cultivable land in the district and out of which 3.20 lakh hectares had been sown earlier. But most of these crops had failed. "We have now recommended sowing of jowar, castor, sesame and cumin to the farmers," an official said. Sources disclosed that Surendranagar district has received 49 per cent of its average annual rainfall till now.

Agriculture department sources said the sowing will also begin soon in [Junagadh](#), Amreli and Bhavnagar districts. "The rainfall in the last one week has changed the entire picture of the drought-like situation in the region. This has led to the farmers regaining some confidence," an official said.

Farmers are now expecting that even the fodder produce will bring good returns and they will be able to make up for the losses incurred on purchase of seeds and fertilizers for the crops they had sown earlier.

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## Chennai - INDIA

### Today's Weather



Sunny

Wednesday, Sep 5

Max Min

33.9° | 23°

Rain: 0

Sunrise: 05:57

Humidity: 74

Sunset: 06:16

Wind: normal

Barometer: 1005

### Tomorrow's Forecast



Rainy

Thursday, Sep 6

Max Min

34° | 26°

### Extended Forecast for a week

Friday

Sep 7



31° | 26°

Rainy

Saturday

Sep 8



31° | 26°

Rainy

Sunday

Sep 9



31° | 26°

Rainy

Monday

Sep 10



31° | 27°

Rainy

Tuesday

Sep 11



29° | 26°

Rainy

Food bill: Stretching the ceiling to 67%

New Delhi, September 05, 2012



Food bill: Stretching the ceiling to 67%

Ironing out last-mile hurdles in the National Food Security Bill, the ruling Congress's flagship social safety

legislation, the government has decided to have a single category of beneficiaries - instead of two - and give 67%

of the population a legal right to food.

The changes are aimed at addressing worries within the government that the proposed legislation is unwieldy in

its current form, and needs fine-tuning to prevent it from draining public finances.

The bill is currently being scrutinised by a parliamentary panel. Some of the changes could come as part of the

parliamentary panel's suggestions, following consultations.

Food minister KV Thomas said 67% of beneficiaries would qualify as a single "priority category" for food

handouts.



To meet the obligations, the government will require 62 million tonnes of grains, up from 60 million tonnes now.

The expenses are expected to touch nearly Rs. 1.19 lakh crore, an increase of about Rs. 9,000 crore from the

current subsidy on grains.

Each member of a household, entitled to cheap grains under the proposed food law, will get 5 kg of rice, wheat

or millets at R3, R2 and R1 a month, which is way below the market price.

Eliminating the "general" category gives the government more leeway to widen the coverage from the proposed

63.5% of the population to 67%. But entitlements may be pared to 25 kg, from the earlier 35 kg per household.

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# Business Standard

Petrol, diesel prices may be raised after Monsoon session ends

Press Trust Of India / New Delhi Sep 05, 2012, 00:27 IST

An increase in petrol, diesel, domestic cooking gas and kerosene prices

looks "imminent" after the finance ministry said it had no money to provide for

fuel subsidy. "This (hike) is imminent. There is no question of holding it back

now," a top oil ministry official said on Tuesday.

In all possibility, fuel prices may be increased after the current monsoon session of Parliament ends on Friday.

Diesel, domestic Liquefied Petroleum Gas and PDS kerosene rates have not been changed since June 2011, even though the cost of production has soared 28 per cent. State-owned fuel retailers are losing Rs 560 crore a day on the sale of diesel and cooking fuel, and are forced to resort to short-term borrowings to meet funds needed for importing crude oil (raw material).

Borrowings of the three fuel retailers have shot up to Rs 1,57,617 crore at the end of June from Rs 1,28,272 crore as on March 31. Besides, they are losing close to Rs 5 per litre on petrol, which was decontrolled in June 2010, but its rates have not moved in tandem with cost. "The finance ministry says it is not left with funds to subsidise oil companies. Oil companies are jewels of India.

They need to be saved at all cost. Governments come and go, but oil companies will be required to fuel the country," the official said.

Diesel is being sold at a loss of Rs 19.26 a litre, kerosene at Rs 34.34 a litre and domestic LPG at Rs 347 for a 14.2-kg cylinder.

At the current rates, the three firms are projected to lose Rs 1,

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## **Stagnating agriculture**

### **Economic Outlook highlights incomplete agricultural reforms**

**Business Standard / New Delhi September 05, 2012, 0:02 IST**

The Prime Minister's Economic Advisory Council (PMEAC) has rightly stressed in its recent Economic Outlook report the need for agricultural reforms and cutting down subsidies on power and water. Because reforms have not been introduced, agricultural growth in India has lagged that of other fast-developing countries. It is noteworthy that China began its journey towards economic transformation with institutional reforms in agriculture, by altering its land tenure system and freeing the prices and marketing of most farm commodities. In contrast, India has focused on industrial, financial and trade sector reforms, leaving agriculture virtually untouched. Even subsequent bids to reform the farm sector have been half-hearted and misguided. Unsurprisingly, the long-term trend rate in the growth of foodgrain production continues to be under three per cent, which compares poorly with that in India's neighbouring countries. The PMEAC has also done well to indicate that the factors that deterred bold policy initiatives in the farm sector in the past have lost much of their relevance today. The two key ones among them were the perception that the majority of farmers, being small and marginal, lacked the ability to absorb shocks and that carrying out reforms in

this sector was difficult since agriculture was a state subject. Various ways and means are now available for the Centre and the states to work on the reforms agenda, and arrange for its speedy implementation.

The areas that require urgent attention include the reduction and rationalisation of input subsidies, ensuring glitch-free marketing of farm produce and liberalising tenancy arrangements. Precious little has been done to rein in subsidies, which are mounting to unsustainable levels. Most states have not revised the water rates for decades; nor have they stopped supplying free or highly subsidised power to the farm sector. The time schedule for rationalising fertiliser subsidy through the nutrient-based subsidy regime has also gone awry with no sign yet of decontrolling the prices of urea, the most consumed fertiliser. Meanwhile, marketing reforms, initiated over a decade ago, still remain inconclusive. Many of the states that have amended their agricultural produce marketing committee (APMC) Acts have not done so strictly on the lines of the model law circulated by the Centre. Much-needed provisions, such as the permission for out-of-mandi transactions and exclusion of perishable items like fruit and vegetables from the ambit of the APMC regulations, are missing in the amended statutes in several states. The end goal, ensuring one nationwide market for agricultural produce, remains elusive.

In addition, the land reforms agenda has not gone beyond the imposition of land ceilings. The issue of land leasing remains totally unaddressed, though the incidence of tenancy remains too high in all parts of the country. Worse, substantial chunks of scarce land remain untilled because of landowners' reluctance to lease out land for fear of losing its ownership. Legalising land leasing is, therefore, urgently needed. Unless such critical issues are suitably addressed, the country's farm sector will remain an underperformer.