

## **FDI in retail is boon for consumers, farmers: SC**

In a relief to the Centre, the Supreme Court on Wednesday upheld the government's proposal to allow foreign direct investment (FDI) in multi-brand retail trade (MBRT) saying the move did not suffer from any unconstitutionality, illegality, arbitrariness or irrationality.

A three-judge bench of Justices R.M. Lodha, Madan B. Lokur and Kurian Joseph said "consumer is the king and if that is the philosophy working behind the policy then what is wrong in it." The Bench referred to the Centre's counter and said the decision to allow FDI in retail has a legal basis – FEMA 2000. The court welcomed what it called the focus on benefiting the consumer by "enlarging the choice of purchase at more affordable prices and by eradicating the traditional trade intermediaries/middlemen to facilitate better access to the market [ultimate retailer] for the producer of goods."

The Bench also said that the new policy aims to throw out middlemen, "who are a curse to Indian economy and who are sucking it." Farmers will benefit significantly from the option of direct sales to organised retailers. The bench said: "This court does not interfere in the policy matter unless the policy is unconstitutional, contrary to statutory provisions or arbitrary or irrational or there is total abuse of power. The impugned policy cannot be said to suffer from any of the vices."

The Bench also noted that the policy to allow FDI, up to 51 per cent in retail trade was only an enabling policy. "The State governments/Union Territories are free to take their own decisions in regard to implementation of the policy in keeping with local

conditions.” It said the Department of Industrial Policy and Promotion (DIPP) was empowered to make policy pronouncements and there was no merit in the contention that the Government of India had no authority to formulate the FDI policy.

Petitioner’s advocate Manoharlal Sharma said the notification was issued without any source of law and parliamentary approval.

The Attorney General G.E. Vahanvati said: “FDI is covered by the definition in section 2(e) of FEMA Capital Account Transaction. Under Section 6(2) of FEMA, RBI is empowered in consultation with the Central Government to specify and permit any class of capital account transactions which can be regulated by RBI under Section 6(3) of FEMA.”

He said: “The Policy of the Government (set out in the Press Notes issued on FDI) falls within the jurisdiction of the Department of Industrial Policy and Promotion as per Allocation of Business Rules. Once the Policy is announced the RBI follows it up with the issuance of notifications.”

***“Consumer is the king and if that is the philosophy working behind the policy then what is wrong in it”***

## **FDI in retail is a boon, says Supreme Court**



*A Bharti Walmart mall in Hyderabad. — FILE PHOTO: P.V. SIVAKUMAR*

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## **An ecosystem to save, or squander**



This is a challenging time in India’s development history where a number of tenets of environmental governance are being questioned by the imperative of growth. Environmental governance in India is under assault, and is thus in need of both fresh thinking, and a new focus, based on outcome and results.

The Western Ghats are no ordinary ecosystem. They constitute the water tower of peninsular India, providing water to 245 million people and draining a large part of the land surface of India. They

are also a treasure trove of biodiversity. The Convention on Biological Diversity confers sovereign rights over these elements of biodiversity for which we are a country of origin. India can play an important role in research relating to such biodiversity elements and claim a share in the commercial profits flowing out of their use. The elements of value not only include medicinal plants and cultivated species of plants and their wild relatives, but seemingly worthless creations such as spider cobwebs, which turn out to be sources of a new kind of silk stronger than steel. Notably enough, such elements of value are by no means confined to natural forests, but occur everywhere across the Western Ghats, underscoring the need to maintain connectivity amongst biodiversity rich habitats.

## **Hostility**

Today, however, it is estimated that only seven per cent of the Ghats' primary vegetation survives and there are many threatened species, of which 51 are critically endangered species. It was in this context of threats and in response to demands by people of the Western Ghats, that the Western Ghats Ecology Expert Panel (WGEEP) was set up in March 2010 by the Ministry of Environment and Forests (MoEF) to assess the state of the Ghats and suggest ways for their "conservation, protection and rejuvenation" through a process of consultations with State governments, industry, and local people. Post submission of the report in August 2011, its "quarantine" until May 2012, and its subsequent release, the panel presumed that a more detailed public discussion would follow its translation into regional languages, and then finalised. This did not happen. Instead, an adversarial environment emerged or was created, resulting in hostility to the WGEEP report. State governments protested that development will be affected, without a careful reading of what it allows, promotes and seeks to protect. They chose to ignore, as did the MoEF, the tentativeness of the panel's recommendations, the provisional nature of zone boundaries and sectoral guidelines, to be used for informed and inclusive deliberations, a point made repeatedly but which

continues to be misrepresented. However, instead of there being a larger debate around the WGEEP report, the Ministry chose to appoint a High Level Working Group (HLWG) whose mandate it was to examine the WGEEP report “in a holistic and multidisciplinary fashion.”

We would like to comment on three aspects of this examination: (i) the process followed, (ii) analytical approach adopted, and (iii) recommendations made.

### **The process**

The stakeholder comments received by the MoEF (1,750 in a population of 50 million in the Working Group States) should have been shared with the panel. Instead, secrecy followed — inexplicable, given that the WGEEP was an MoEF appointed panel, not a fly-by-night operator as seen in the mining regions of the Ghats. The MoEF also summarily rejected the panel’s plea that any decision in the matter should be made only after the report is made available to people in regional languages and their feedback obtained. The HLWG’s examination of the WGEEP report ought surely to have commenced with a dialogue with the panel. This was not done, but for a meeting with the chairperson and some of the members, very late in the game. Instead, the HLWG had a limited consultative process and finalised the recommendations and submitted its report, without sharing this with the Gadgil Panel, suggesting that the intention was not to make the WGEEP recommendations “implementable,” but really to replace it by an alternative framework.

### **Analytical approach**

The approach adopted for the examination combined a selective review of development issues in the WGEEP report with its own reasoning that insufficiently regarded the Western Ghats as an ecosystem from the perspective of “conservation, protection and rejuvenation.” An ecosystem such as the Western Ghats comprises

both people and the ecology, and hence WGEEP carried out its mandate using a social-ecological lens. It is misleading then to suggest that the WGEEP did not have local people or the state's development needs in mind in arriving at its recommendations. What WGEEP did was mainstream into development planning for the districts of the Western Ghats the more long-term needs of the people such as water and ecosystem services. With this in mind, it suggested not just the graded regulation of the more ecologically harmful activities, but the promotion of more benign, job creating activities, for example, agro and biomass-based industry, regulated ecotourism, industries and services that involve dematerialisation, education hubs, etc. In energy provisioning, it recommended clean energy, "smart" demand side management campaigns, and more equitable distribution policies.

### **Misread**

Despite a detailed discussion of the sectoral issues and dilemmas and a whole chapter dedicated to multi-centred governance for the Ghats that examined both regulatory and market instruments, the impression has been created that there was no engagement in our report with social and development issues. We do agree that there was need for more discussion on the recommendations, but these were to be discussed and refined after submission to the MoEF. Many arguments were made for incentivising environmental improvements through ecosystem payments and fiscal measures, as were discussions of how the Green India Mission, Compensatory Afforestation and Management and Planning Authority (CAMPA), and National Afforestation and Ecodevelopment Board (NAEB) should aim for genuine and effective transfer of powers and funds to local institutions for implementing the programmes. Similarly, it was argued that international mechanisms such as Clean Development Mechanism (CDM), and (REDD+) or Reduced Emissions from Deforestation and Forest Degradation (REDD), Forest Conservation, and Enhancement of Carbon Stocks and Sustainable Management of Forest could be tapped to provide



adequate financial resources for larger scale efforts, for example, where plantation owners chose to regenerate forests where these plantations were no longer seen as profitable, as some owners suggested to us. Instead, it is suggested that WGEEP had recommended that coffee plantations be restored to forests, creating panic among plantation owners of Kodagu, when no such reference was made.

It is thus unfortunate that the spirit of the WGEEP report is being distorted and misread and an impression being created that it was rigid, disregarded social and development issues, and is thus, not implementable. The WGEEP approach was to engage with the community in understanding their concerns, do the scientific assessments, and then take the science back to the local community, and have the state and community take the final decisions on both ecologically sensitive areas and sectoral activities that should be allowed.

The use of more detailed remote sensing data and inclusion of more social data in the HLWG report is an improvement for arriving at a more detailed zoning. But only a few parameters are used to arrive at ecological sensitivity. It is not evident to us if this list of parameters is sufficient to define the sensitivity of this unique ecosystem. Nor is it clear that just incentives and current regulations will result in improved behaviour of agents in harmful activities in the other (cultural landscape) areas. It was, in fact, in response to the people in the inhabited areas, where such activities impact people's lives, water, health and livelihoods, that we had suggested that there was need for strong oversight and regulation of such activities. This is where the pressures are most high as are conflicts.

## **Recommendations**

The HLWG calls for an Ecologically Sensitive Area for just 37 per cent of the Western Ghats; it drops the layered ecological sensitivity approach for the rest of it. Mere incentives for greener growth for

the rest of the 63 per cent of the Ghats, we believe, will result in business as usual. How does that protect the Western Ghats as an ecosystem? In sum, the HLWG report does not review and refine the WGEEP report, but provides instead an alternative framework and recommendations.

In the light of these two reports, we need more thinking on the kind of environmental governance needed for the Western Ghats around: (i) the value of the Western Ghats ecosystem and the services it provides (ii) the consultative processes required to arrive at recommendations, and (iii) the argument made about “implementability.” To which we ask: for whom and for what?

*(Madhav Gadgil and Ligia Noronha were members of the Western Ghats Ecology Expert Panel.)*

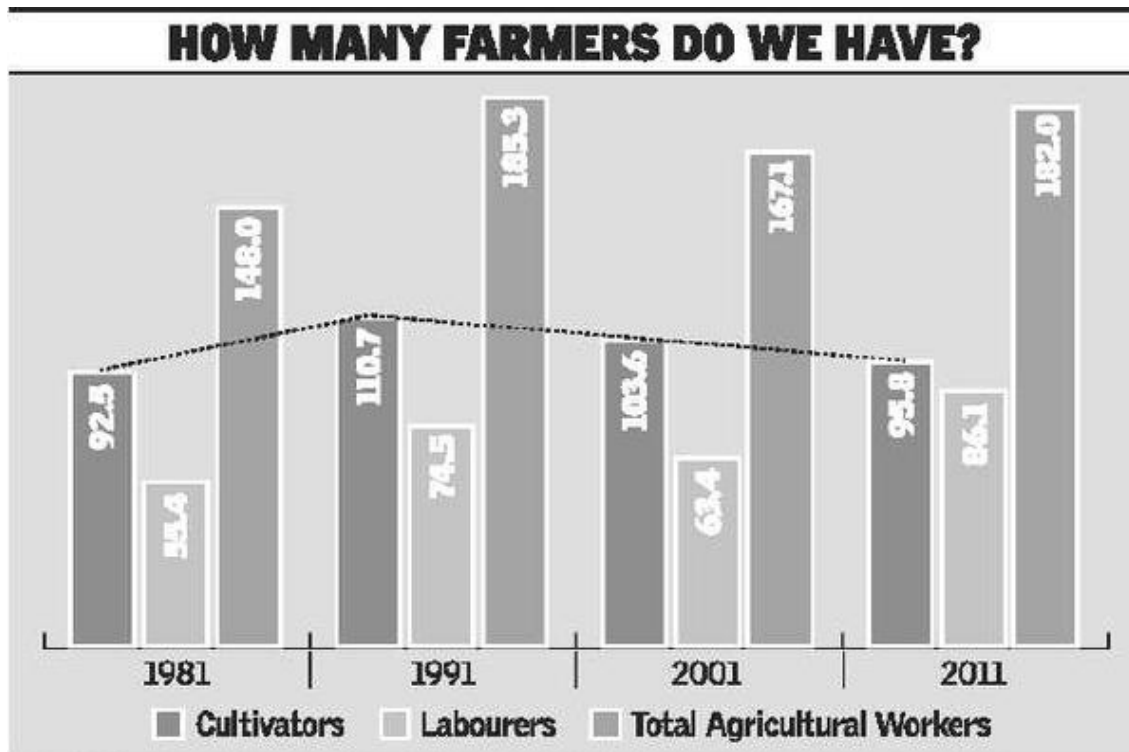
***Instead of opening a debate on the Gadgil panel’s report on the Western Ghats,***

***the government has chosen to sideline***

***and replace it with another by***

***an alternate group***

# Over 2,000 fewer farmers every day



Source: derived from successive Census of India tables 1981-2011 (numbers rounded off in millions)



(Continued from Page 1)

There are nearly 15 million farmers ('Main' cultivators) fewer than there were in 1991. Over 7.7 million less since 2001, as the latest Census data show. On average, that's about *2,035 farmers losing 'Main Cultivator' status every single day for the last 20 years*. And in a time of jobless growth, they've had few places to go beyond the lowest, menial ends of the service sector.

A December 2012 report of the Institute of Applied Manpower Research (IAMR) - a part of the Planning Commission - puts it this way: "employment in total and in non-agricultural sectors has not been growing. This jobless growth in recent years has been accompanied by growth in casualization and informalization." It speaks of an "an absolute shift in workers from agriculture of 15 million to services and industry." But many within the sector also likely moved from farmer to agricultural labourer status. Swelling the agrarian underclass.

### **So how many farmers do we have?**

Census 2011 tells us we now have 95.8 million cultivators for whom farming is their **main occupation**. That's less than eight per cent of the population. (Down from 103 million in 2001 and 110 million in 1991). Include all marginal cultivators (22.8 million) and that is still less than 10 per cent of the population.

Even if you count together all cultivators and agricultural labourers, the number would be around 263 million or 22 per cent of the population. (Interestingly, this reduced figure comes after a few big states have actually reported a rise in the total number of cultivators. Since 85 per cent of all marginal workers reported more than a 100 days work, this could possibly reflect the reverse pull of MNREGA, among other factors).

Between 1981 and 1991, the number of cultivators (main workers), actually went up from 92 million to 110 million. So the huge decline comes post-1991.

Hold on: aren't 53 per cent of the population farmers?

No. That's a common fallacy. The over 600 million Indians **dependent on agriculture** are not all farmers. They are deployed in an array of related activities — including fisheries. This confusion is widespread and innocent.

Yet, there are also a few whose colossal ignorance leads them to dismiss the country's massive farmers' suicides as trivial. For instance: "at least half of the Indian workforce is engaged in farming. This fact points to a much lower suicide rate per 100,000 individuals for farmers than in the general population." Note how easily those '*engaged in farming*' become '*farmers!*'

As a notion it borders on the whacko. It goes: After all, 53 out of every 100 Indians are farmers. So our 270,940 farm suicides since 1995 are a low number on a population base of over 600 million. So low that we should be agitated over how the suicide rate in the general population can be brought "down to the levels prevailing amongst farmers."

Never mind for now the appalling moral position that a quarter of a million human beings taking their lives is hardly alarming. The Bhopal gas tragedy, the worst industrial disaster in human terms, claimed over 20,000 lives. But in this perverse logic, since that was less than 0.003 per cent of the then population, it is rendered meaningless. That position says more about its authors than about the suicides. It shows they are clueless about who a farmer is — and about what the data show.

It shows even greater ignorance of who defines and counts a 'farmer suicide.' **The Census records cultivators. The police count suicides. The police do not read the Census.** Not for definitions, anyway.

The Census groups the population into workers and non-workers. The latter would be infants, children, students, housewives,

unemployed, aged and retired people. Farmers, or cultivators come under 'Workers' — *a huge category covering many varied groups*. Now rural workers account for close to 70 per cent of all workers. And rural workers consist of farmers, agricultural labourers and non-farm workers.

**Cultivators (main workers) in the Census are barely eight per cent of the population as a whole. (That's after a two-decade secular decline in this group). The ongoing farm suicides — 184,169 of them since 2001 according to the National Crime Records Bureau — are taking place on a smaller and shrinking base. Their intensity has hardly diminished. In most of the States accounting for two-thirds of all farm suicides, the intensity has likely risen.**

Of course distress affects a much wider population dependent on agriculture. (Farmer bankruptcies crush the village carpenter, and even play a role in weaver suicides). The sufferings of others are as real. It is not as if the agricultural labourer or non-farm worker is having a great time. Both sections have seen distress migrations — and suicides. (For that matter the owner of a small industrial unit in an urban city could be distress-hit). Their suicides are no less tragic. But it is vital to know **who officially gets counted as a farmer**. And who gets **listed** in the 'farmers' suicides. For that tells us more about the ongoing tragedy and gives us a sense of its awful scale.

Everybody who works in the film industry is not an actor. Everyone in the educational system is not a student. And all those in the 53 per cent of the population related to the farming sector are not farmers. Even among those who are, only a limited group gets counted as such when police and governments make farmers' suicide lists. Cultivators are counted by the Census. Suicides are recorded by police stations across the country. The numbers collated by State governments. Very different approaches are involved.

The Census considers someone a cultivator if he or she operates a piece of land — which they may or may not own; State governments and police count only those with a title to land as farmers. The Census records two kinds of cultivators: ‘Main workers’ and ‘marginal workers.’ The latter are more like agricultural labourers or non-farm workers since farming is not their main activity. A ‘Main worker’ in cultivation is someone for whom that is the major occupation for *at least half the year*. That group makes barely eight per cent of the population as a whole.

Suicides among the others in the agrarian world (within that “53 per cent”) won’t be recorded as ‘farmer suicides.’ Try getting State governments and their police to do that! Even within the ‘recognised’ eight per cent, those whose title to land is not clear will not be listed as farmers’ suicides, should they take their own lives. For instance, women and tenant farmers are routinely excluded. Even eldest sons running the farms — with the land still in the names of their aged fathers — would also be omitted.

Police and State governments run the suicide lists, not the Census. Nor does the NCRB, which has neither the vested interest nor the ability to fiddle that data. It merely collates what the State Crime Record Bureaus submit to it. Hence, the Chhattisgarh government could brazenly declare a ‘zero farm suicides’ figure in 2011. That after the State saw over 7,500 of them (by its own admission) between 2006-10. With all the fiddles in the data, the numbers and intensity remain appalling.

Maharashtra revels in such fraud. With close to 54,000 since 1995, the State has been the worst in farm suicides for over a decade. And even those numbers conceal major exclusions. They’ve invented categories like ‘Farmer’s relatives suicides,’ or “non-genuine” suicides, in order to further trim the numbers. So the State governments and their police, have immense power in re-defining who a farmer is. Watch out for more and more States doing ‘a

Chhattisgarh' and declaring 'zero' farm suicides in coming months and years.

***The mistaken notion that the 53 per cent of India's population 'dependent on agriculture' are all 'farmers' leads many to dismiss the massive farmers' suicides as trivial***

## **Subsidy on fertilizers slashed**

*The move may save the government around Rs. 5,000 crore*



The Union Cabinet, on Wednesday, gave its go-ahead for slashing the subsidy on phosphatic and potassic (P&K) fertilisers for this fiscal.

The move is expected to save the government around Rs. 5,000 crore.

The decision to cut subsidy has been taken in view of falling global prices.

Despite the reduction in subsidy, the government is hopeful that the maximum retail price (MRP) of di-ammonium phosphate (DAP)



and Muriate of Potash (MoP) would come down by Rs. 1,500 and Rs. 1,000 per tonne, respectively.

“The Cabinet has taken a very important decision on P&K fertilisers. The total subsidy outgo for P&K fertilisers for 2013-14 will be lower by 15 per cent because of decline in global prices. Actually, outgo of subsidy cost will depend on consumption,” Finance Minister P. Chidambaram told reporters after a Cabinet meeting.

The Fertiliser Ministry estimates the subsidy on P&K fertilisers to come down by Rs. 4,500-5,000 crore to around Rs. 27,500 crore in this fiscal. The government has been implementing the NBS policy on P&K fertilisers since April 2010, under which it announces a fixed subsidy for 22 grades of P&K fertilisers and their MRP is freed.

Mr. Chidambaram said the subsidy on nitrogen had been reduced to Rs. 20.875 per kg from Rs. 24 per kg last year. Similarly, the subsidy for phosphate had been cut to Rs. 18.679 per kg from Rs. 21.804 per kg last year, while the subsidy on potash had been slashed to Rs. 18.333 per kg from Rs. 24 per kg. However, the subsidy for sulphur has been kept unchanged at Rs. 1.677 per kg for this fiscal. “This subsidy will be the lower than the rates approved for 2012-13. As a result, subsidy on DAP will be Rs. 12,350 per tonne, and on MoP it would be Rs. 11,300 per tonne,” he added.

The Fertiliser Ministry would put in place a mechanism to ensure that a lowered MRP is fixed by manufacturers , he added.

“If there is any violation or contravention, there will be a monitoring mechanism which will take corrective steps to ensure that the benefit is passed on to farmers,” he said. The country requires around 29-30 million tonnes of DAP, MoP and complex fertilisers. The bulk of this requirement is imported.

According to the NBS policy, the government announces NBS rates for various nutrients, namely nitrogen , phosphate , potash and sulphur , for P&K fertilizers covered under the policy every year.

## **Focus on plant proteins to feed billions**

*Innovations to boost production on land used for agriculture are needed*



*Superior variety:Barley, growing at The John Innes Centre, engineered for enhanced zinc content in the endosperm.— photo: The John Innes Centre*

Growing food sustainably to feed a growing global population will require improving the way staple crops take in and transport substances, says a group of a dozen scientists from six countries.

As it was, some two billion people in the world were suffering dietary deficiencies that had an enormous impact on their health, noted Julian Schroeder of the University of California at San Diego in the U.S. and his colleagues in a Perspective article appearing today (May 2) in *Nature*. During the next four decades, an expected additional two billion humans would require nutritious food.

“Global demand for food is predicted to increase by 40 per cent by 2030. Innovative solutions are required to increase production on the land currently used for agriculture, because we are already close to the sustainable limit of 15 per cent of the Earth’s surface that can be exploited for crop production.”

Utilising the biology of a class of plant proteins known as ‘membrane transporters’ could be a “key contributor to the goal of global food security,” they said. These proteins, embedded within membranes of cells, could improve the efficiency with which plants took up and used water and nutrients. The transporters were also central to mechanisms for drought tolerance in plants as well as their ability to grow in other adverse conditions, such as in saline or acidic soils.

### **Salt tolerance**

The ‘HKT’ family of transporters, for instance, moves sodium and potassium, and plays an essential part in salt tolerance. In the course of fundamental research using the plant *Arabidopsis thaliana*, Prof. Schroeder's lab discovered the genes for these proteins and their mechanism for improving salt resistance.

Recently, agricultural scientists in Australia, led by co-author Rana Munns, used marker-assisted breeding to move members of this gene family from a wild, salt-tolerant wheat species to a commercial variety, boosting the latter’s yield by 25 per cent in field trials.

“Aluminium tolerance genes are also very promising for enhancing yields in acidic soils,” said Prof. Schroeder in an email. Such soils,

with low crop yields, were widely distributed in sub-tropical and tropical regions of the world where developing nations are located.

Many millions of people in the world suffered from iron and zinc deficiencies “because their plant-based diets are not a sufficiently rich source of these essential elements,” the scientists observed in their paper.

### **Boosting iron content**

To fortify rice with more iron, scientists had turned on key transporter genes in the plant’s seeds. These genes are usually expressed in the root so that the plant could take in nutrients from the soil. The result was a greenhouse-grown rice with three- to four-fold higher levels of iron in polished grain.

In a similar fashion, zinc content of cereal grains could be increased, according to Dale Sanders, director of the John Innes Centre in the U.K. and another co-author. His team had demonstrated this with barley. “We are also in the early stages of research to increase iron and zinc content in wheat,” he added in an email.

### **Fertiliser reduction**

Targeting appropriate membrane transporters could increase the efficiency with which plants took up phosphorus and nitrogen. The amount of phosphate and nitrate fertilisers used for cultivation could then be substantially reduced.

“This is an important goal for sustainable high-yielding agriculture,” remarked Prof. Schroeder in his email. However, more basic research was needed into the fundamental mechanisms operating in plants.

# Integrated programme enables prudent use of water



*Special feature: The project serves to benefit five villages covering an area of 1,370 hectares.-Photo: Special Arrangement*

Minimal use of water, avoiding its wastage and proper ways of conservation are the key inputs to sustain any agricultural activity.

As a part of its comprehensive rural development initiatives, the National Agro Foundation, Chennai, has taken up creation of watershed projects in Kanchipuram district, Tamil Nadu. The project, supported by the Nabard Watershed Development Fund, serves to benefit five villages covering an area of 1,370 hectares.

## **Lack awareness**

“Initially we could not make much headway into this because farmers lacked the awareness about the importance of watersheds and did not know that this would help them complete their two-season crop growing calendar. We realized that though there is good rainfall, there was not enough water harvesting at the village level, which was the root cause of the misery.

“Often the lakes that serve as main source of water for the first season and wells, for the second season, were dry during summer,” says Mr. S.V.Murugan, Nodal officer of the foundation.

Discussion with farmers led to forming a watershed committee involving the local people and named as Arasur watershed program.

The first work that the committee undertook after its formation was to repair an old temple pond in a village called Kumili.

“Soon after monsoon season, farmers called us to inform that the water table level has considerably improved in their wells,” he says.

Enthused by the instant benefit, efforts were subsequently expanded to cover a 100-hectare area as a pilot project with support from Nabard wherein low cost water harvesting measures like farm ponds, sunken ponds, strengthening of field bunds, cleaning up of supply channels, percolation ponds etc were constructed” says a veteran farmer, R. Jothi, who heads the watershed committee.

“About 3,400 lakh litres of water has so far been saved from being wasted and we are able to harvest not only a second crop but also go in for a third short term cultivation which adds to our income,” says Mr. Jothi.

### **Increase in level**

“We are able to see an increase in water table up to 2.5 metres in our wells even now. This has motivated neighbouring villagers to participate in this program, “ says Mr. C. Sudhakar, from adjoining Chitur village who is now a member of the committee. Efforts are now on to cover an additional area of about 1,250 hectares comprising Chitur, Andarkuppam, Mampattu, Mampakkam and Agaram villages involving about 750 families with a population of 3,000 people. The State Government also shares the financial support.

### **Additional components**

“The watershed design also accommodates additional components like afforestation, governance, livelihood promotion, training and demonstration.

“It is inclusive as it involves both landless and cultivating farmers. It is the blend of native wisdom of the community coupled with

scientific expertise, which makes the program unique” says Brig R.I. Raghunathan, CEO of the foundation who spearheads the entire watershed program.

The special feature of the program is the active involvement of village community from project planning to implementation and maintenance, a bottoms-up approach.

“It is by the community, for the community and of the community which is the key for its long term sustainability”, he adds.

“Our farmers have made full use of the watershed program as the benefits are immense. Usually our crops get affected during heavy rains in October – November since excess rain water flows over cultivated fields because of lack of storage structures. Now we are relieved” adds Mr Sudhakar, another farmer.

“We are benefited not only by water saving but also by protection of fertile top soil, which is key to productivity. NAF provides technological support in the form of soil fertility management, good agriculture practices, agro enterprises like dairying, vermicompost etc. This helps us improve the productivity of crops like groundnut, vegetables, paddy etc by about 25 – 30 per cent on an average” Mr Jothi summed up.

“We have identified three more such watersheds in the adjoining areas of Chitamur block of Kancheepuram district. covering 15 more villages in an area of 4,000 hectares.

“This would benefit 2,500 families with a population of 10,000 people. Apart from this we can also give consultations to those interested and approach us for guidance,” says Brig Raghunathan.

## **Founded**

The institution was founded in the year 2000 by late C. Subramaniam, architect of India’s first Green Revolution for implementing grassroots projects to upgrade life of rural people .

The foundation is also equipped with a modern laboratory for soil, food, water and compost/manure testing inear Chennai where quality testing services are available at subsidised rates.

Readers can contact NAF, Anna University, Taramani campus, CSIR road, Taramani, Chennai: 600113, email: nationalagro@gmail.com, website: [www.nationalagro.org.in](http://www.nationalagro.org.in), mobiles: 09445504853 and 09444036400 and the farmers Mr. Jothi mobile: 9962008572 and Mr. Sudhakar at 9626815957.

## **Bacteria can help farmers use less potash**

Potash is one of the major nutrients required by all crops.

There is no such source in India and the entire requirement of potassic fertilizer is met by imports and distributed to farmers at subsidised price eroding both the foreign exchange reserve and revenue.

### **Import**

During the year 2011-12 India imported about 38 lakh tonnes of potassic fertilizers for supplying to farmers. One can imagine the spending by the Government apart from the expenditure to the farmers.

Usually about 50-60 kg of potassium is recommended for a hectare of rice.

Crops like sugarcane, banana, potato and tapioca require more potassium. As much as 200 kg of potassium is recommended per hectare of sugarcane.



To supply this quantity of potassium, farmers have to apply 330 kg of Muriate of Potash which costs Rs. 5,450.

But to our advantage Indian soils are naturally rich in potassium and there is a potash mobilizing bacterium to mobilize this native potassium for plant absorption.

Potassium in soil exists in different forms but the crop can absorb what is present in soil solution only. The readily available potassium in soil solution is just 2 per cent out of the total and the remaining 98 per cent of soil potassium is locked up in soil minerals and hence not readily available for plant absorption.

The remaining gets fixed in the clay minerals and this could be mobilized by the use of potash mobilizing bacterium.

Recently a bacterium mobilizing soil potassium (KMB) has been identified from the banana rhizosphere soil and advocated for use among the farmers based on field testing on paddy, groundnut and vegetable crops.

### **Save money**

According to Dr. C. Vaithilingam Managing Director, Rom Vijay Biootech, Puducherry who is an agricultural expert and an entrepreneur in the production and popularisation of Potash Mobilizing Bacterial (KMB) biofertilizer and biopesticides among the farming community, by using this farmers can mobilize the potassium present in their own field soil and save up to 50 per cent of their potassium fertilizer requirement.

(Dr. C. Vaithilingam, Rom Vijay Biootech, 5, Cuddalore -Pondy main Road Kanniakoil, Puducherry –607 402, mobile: 094432 39092, Phone: 0413- 2611165.)

# Fall in intake of calorie, foodgrains availability

*Country has to import pulses, edible oil, says Thomas*

Despite surplus food stocks in the central pool, the per capita per day intake of calorie and protein has declined in the country between 2004-05 and 2009-10.

The per capital net availability of foodgrains including rice, wheat, other cereals and pulses too declined every year between 2006 and 2010, and, while 42.5 per cent children under five years are under-weight, 69.5 per cent are anaemic.

The country is surplus in wheat and rice but has to import pulses and edible oil to bridge the shortfall in availability, Food Minister K.V. Thomas told Parliament on Tuesday while giving data on per capita caloric intake and availability of foodgrains.

Although calorie intake is higher in the rural areas compared to urban areas, it has declined in both populations. Calorie intake in 2004-05 was 2,047 Kcal and protein intake was 57 grams in rural populations.

It declined to 2020 Kcal and 55 grams in 2009-10. In urban populations, the Calorie intake of 2020 Kcal and protein intake of 57 gram in 2004-05, fell to 1946 Kcal and 53.5 grams respectively in 2009-10.

The per capita availability of foodgrains per year in 2006 was 162.5 kg. This has come down to 160.1 kg in 2010, the Minister said.

Answering a question on availability of foodgrains and per capita consumption, Mr. Thomas said that as on April 1, the rice and wheat stocks in the country were 59.6 million tonnes as against the buffer norm of 21.2 million tonnes.

He said that while the estimated production of pulses was 17.5 million tonnes in 2012-13, the demand was 20.4 million tonnes and the gap of around 3 million tonnes is met by imports.

In edible oils, the total consumption during 2011-12 was 18.9 million tonnes against which domestic availability was around 8.9 million tonnes and 9.9 million tonnes was imported.

The government has not conducted any survey to assess the foodgrains requirement in the country. The total foodgrains allocation in the targetted Public Distribution System and for welfare schemes was 62.7 million tonnes in 2012-13.

“While the National Food Security Bill that provides for mandatory distribution of subsidised foodgrains to 67 per cent of the population is in the offing, the government has no immediate plan to introduce direct cash benefit in the Public Distribution System nor will it give foodgrains in lieu of wages under the Mahatma Gandhi National Rural Employment Guarantee Act,” the Minister said.

## **World Bank picks 20 projects for \$1,00,000 grant**

*Awardees include profit and not-for-profit firms in M.P., Chhattisgarh and Jharkhand*



*Onno Ruhl, World Bank Country Director in India (right), viewing a cyclerickshaw model at a stall of SMV Wheels Pvt. Ltd. of Varanasi, during the*

*'2013 India Development Marketplaces (DM)' programme funded by the World Bank Group, in Bhopal on Wednesday.— Photo: A.M Faruqui*

The World Bank Institute awarded \$2 million (Rs. 10.74 crores) to 20 organisations working in the sectors of financial inclusion, trafficking, health, education and livelihood. The grant of \$ 100,000 (Rs. 53.7 lakhs) per project is to help these social enterprises expand in the States of Madhya Pradesh, Chhattisgarh and Jharkhand.

The awards were given by World Bank's country director Onno Ruhl and Programme Lead (Development Marketplace) Drew von Glahn, at the 2013 India Development Marketplace held at the Indian Institute of Forest Management, here on Wednesday.

The winners include successful social sector endeavours like Operation ASHA, which uses technology and a network of health workers with minimum education to ensure that tuberculosis patients take the full course of medicines and are healed. Embrace Innovation, which supplies low-cost infant warmers in public hospitals, also won a grant to collect data and educate new mothers in Jharkhand.

Mr. Ruhl explained that after the economies of China and India have grown, the share of the World Bank in funding development per se has decreased in these countries. "Now we help governments in ensuring the services reach people who need them the most. The challenge is the last mile — how to get the medicine for the drug store or the grain from the warehouse to the beneficiary. These entrepreneurs start from the beneficiary, so the potential for synergy between us is huge. Their work helps us and the government to understand what really works."

Awardees included both profit and not-for-profit firms. SMV Wheels, Varanasi, is an example of a profit-making awardee that sells cyclerickshaws, pushcarts and trolleys. They also use these for advertising and enable the operators to buy the vehicle within a

year. Its founder and MD Naveen Krishna explained that most pullers aren't able to afford their own rickshaw or cart even after working for a decade. Also, they lack identity papers which leave them prey to extortion by corrupt public officials.

“We offer weekly instalments of Rs. 300 for 52 weeks to buy a rickshaw. We also provide pullers photo ID cards and talk to police and district officials to prevent harassment.” SMV gets ads from telecom and health firms. “Rickshaw owners get 60 per cent of the proceeds and those who are paying instalments get 20 per cent. The grant will allow us to expand in all the target States,” says Mr. Krishna.

The key factors that the World Bank looks for in such projects is whether they can be replicated and scaled up, the degree of entrepreneurial ability and the use of technology. All projects have been operating for at least two years. They are mentored for 18 months after the project commences. The selected 20 are among 195 applicants. Those who didn't make it are also assisted in fund-raising from other sources.

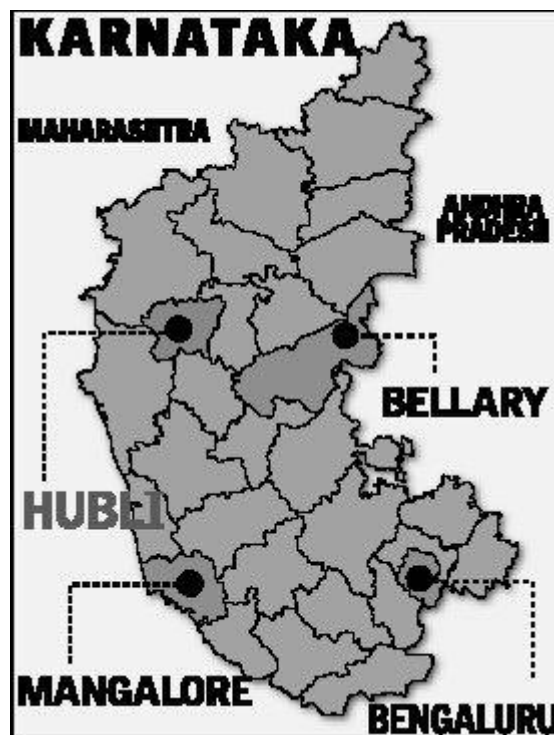
Even established social enterprises like Business Correspondents, who link banks to rural populations, have won grants for new innovations. Chennai's Alternative for India Development (AID) runs rural banking kiosks in 108 hamlets of the naxal-affected Palamu division in Jharkhand.

“We operate a community radio to spread financial literacy and engage local youth as business correspondents. NREGA and other transfers are made through this system. We want to expand to 600 kiosks but the State Bank of India takes a long time to upload customer data and allot codes. With the grant, we will involve women's SHGs and make them operate kiosks,” says K.T. Arasu of AID.

AID's Business Correspondent in Manika block in Latehar district, Ramesh Prasad Gupta, told *The Hindu* that even though Maoists

destroy government buildings, they do not harm business correspondents. The *bhaiya log* ('big brothers,' as Maoists are commonly called in Jharkhand) will punish anyone who tries to rob us."

## Floods, drought and now polls under the scorching sun



Most of the houses constructed under the flagship Aasare scheme of the Bharatiya Janata Party government in the villages of Kongawad and Aratti in Navalgund taluk of Dharwad district remain unoccupied. They stretch out in long lines of small yellow boxes baking under the hot April sun. The few that have been occupied have been extended with tin sheets or thatch to form sheds to accommodate a family's cattle and other belongings. These are villages built to rehabilitate victims of the devastating floods that ravaged several north Karnataka districts in October 2009, claiming 229 lives and reducing thousands of villages to rubble.

"The houses were ready two years after the floods, and it took another year for it to be formally inaugurated," said Neelappa

Jakkanavar, a farmer with two acres, who lives with his wife and three children in his small house. People have not moved in because though pipes have been laid there is no water. For large families the 260-sq.-ft space is insufficient.

In Aratti village, Muthappa Dyamappa Madar's is among a handful of families that have moved in. He evinces little interest in the elections to be held on May 5. In these flood-created villages, it is ironically the impact of drought and the uncertainty of employment that is staring working families in the face. The elections have generated some jobs in an otherwise jobless situation, especially in the semi-urban and urban areas of the district, where parties employ people for campaigning, for anything between Rs. 200 and Rs. 400 with two meals thrown in.

Muthappa Dyamappa does not associate any particular party with solving the problems of agrarian distress, the signs of which are there to see. The black cotton soil of the area lies fallow after the failure of last year's rains. Crops have failed, migration is widespread, crop prices have dropped and employment is stagnating.

"Development is visible, the people are happy with our work. We have waived Rs. 3,600 crore agricultural loans, and 16 lakh farmers have benefited," Jagadish Shettar, the outgoing Chief Minister, who is contesting from Hubli-Dharwad (Central) constituency, told *The Hindu*.

Not too different from the promise made by Basavaraj Horatti, MLC, and former Education Minister in the H.D. Kumaraswamy-led Janata Dal (Secular)-BJP coalition. He said: "We have promised to waive Rs. 19,800 crore in agricultural loans in 24 hours if we are elected. People know we are pro-development."

Not in Anchetigari village, just 12 km from Hubli, where there are few jobs to be had. Here the Mahatma Gandhi Rural Employment Guarantee Scheme designed to create jobs has failed. "There is too

much paperwork, people want daily payments and, therefore, go to Hubli rather than work on the site,” a panchayat official admitted.

B.S. Soppin, a former teacher and presently an activist of the Karnataka Prantha Raitha Sangha in the district, said, “Loan waivers, even if they take place, are meaningless in a situation where a majority of farmers are weighed down by high-interest personal loans.” Indeed, “development” has become an abused word in the electoral vocabulary, vague and in permanent disconnect with day-to-day reality. The wide sweep of north Karnataka, which includes the two blocks that are still called Bombay Karnataka (with seven districts) and Hyderabad Karnataka (six districts), has 96 of the 224 seats in the Karnataka Assembly. In the 2008 elections, the BJP won 59 seats, the Congress 28 and the JD(S) eight. One seat went to an Independent candidate. In these elections the new political factor is Chief Minister B.S. Yeddyurappa’s Karnataka Janata Paksha, a force that is expected to cut into the BJP’s vote base.

This broad swathe that is north Karnataka, knit in respect of its economic and human development indicators, has lagged far behind the rest of the State. Until these pressing issues of underdevelopment are addressed in their specificities in the electoral debate, in manifestos, and in post-election policies, the democratic exercise of elections will be empty of substance for a majority of the voters from this region.

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- *Dharwad taluks in the grip of agrarian crisis and unemployment*

- *“Loan waivers of no use when many farmers are weighed down by high-interest personal loans”*

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# Farmers told to be aware of schemes

Special gram sabha meetings were held in all the 425 village panchayats in the district on Wednesday as part of the May Day celebrations.

Collector C.Samayamoorthy participated in the gram sabha meeting held at Ariyakulam near Palayamkottai with panchayat president S.E.Selvaraj in the chair.

Mr.Samayamoorthy said the village panchayats, which had been empowered to enact legislations, could fulfil their basic requirements by utilising their resources mobilised through the taxes collected from the public.

Village panchayat ward members should ensure fair and prompt distribution of monthly assistance to the senior citizens and physically and mentally challenged people. They must make available the benefits of Farmers' Social Security Scheme to the eligible. The farmers should be well aware of the welfare schemes being implemented by the Departments of Agriculture and Horticulture and make better use of them, Mr.Samayamoorthy said.

A.Vijayakumar, Project Director (in-charge), District Rural Development Agency, S.Veerabathran, Assistant Director (Panchayats), and officials from various departments participated in the meeting.

The subjects discussed in the gram sabha meetings across the district were: drinking water projects, Chief Minister's Green House Scheme, Indra Awas Yojana, sanitation and health-related issues, Mahatma Gandhi National Rural Employment Guarantee Scheme, rural roads scheme, solid waste management, stray dog menace, anti-plastic campaign, removal of parthenium, audit and approval

of village panchayat general fund and its expenditure between last January and March.

## **‘Make stand on tobacco farming clear’**

Anti-Tobacco Forum convener Vasanthkumar Mysoremath has asked all candidates contesting from the 11 Assembly constituencies in Mysore district to make their stand on reducing tobacco cultivation clear.

Elected representatives must be more responsible and support India in reducing consumption of tobacco by 80 per cent by 2020, as per a protocol agreement with the UN and the WHO-sponsored Framework Convention on Tobacco Control, he said.

## **State to unveil comprehensive organic agriculture policy soon**

The State government will soon come out with a comprehensive organic agriculture policy, according to K. Ramasamy, Vice-Chancellor, Tamil Nadu Agriculture University (TNAU).

Addressing the launch of ‘SUSTAIN,’ a Public Private Partnership initiative to deploy innovative drying and storage technology to farmers, Dr. Ramasamy said here on Tuesday that various components of the policy, including the formation of a Department of Sustainable Organic Agriculture and establishment of a Directorate for Organic Agriculture, were under preparation.

On SUSTAIN, which envisages promoting sustainable agriculture and improvement of quality of life of farmers through solar drying and cold storage technologies, Dr. Ramasamy said the TNAU could assist in identifying suitable locations where the project could be rolled out across the State and in matching the right crop with the soil type.

According to Dr. Ramasamy, organic certification for products would help farmers' collectives compete in the global markets and fetch much better prices, which in turn, would motivate them to achieve higher productivity. It was important that organic agriculture was not only environmentally sustainable but economically viable, he said.

SUSTAIN, a government-supported three-way partnership, will help farmers, over an 18-month period, install the equipment, transfer knowledge to empower participant farmers to train others and even establish market linkages.

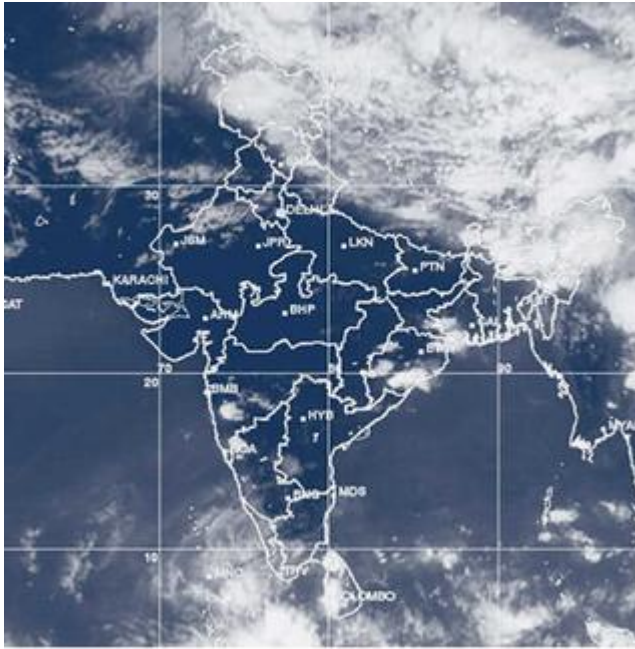
One of the farmer communities where the project is being introduced is in Theni, where banana cultivation is the mainstay. Around 100 farmers have been provided two solar dryers and three cold storage units free of cost on common farm land. Farmers are also trained to use the equipments and maintain them in proper working conditions.

The initiative involves DEG, a development finance institution in Germany, and two other organisations. The 3.21 lakh Euro (equivalent to Rs. 2.27 crore) funding for the project is shared by Bayer and DEG.

Isaac Emmanuel, Head-Business Development and Social Business Initiatives, Bayer Material Science (P) Ltd, one of the three partners in the initiative, said the project was being rolled out for the first time in India in Tamil Nadu.

Farmers' collectives would be provided Solar Drying and Cold storage energy efficient farming technologies that would help generate new and value-added products.

# Weather



INSAT PICTURE AT 14.00 hrs. Observations recorded at 8.30 a.m. on May 1st.

	Max	Min	R	TR
New Delhi (Plm)	40	23	0	26
New Delhi (Sfd)	39	23	0	22
Chandigarh	38	22	0	26
Hissar	39	20	0	41
Bhuntar	30	14	0	139
Shimla	24	15	0	113
Jammu	36	22	0	36
Srinagar	24	9	0	171
Amritsar	38	19	0	10
Patiala	39	22	0	25
Jaipur	39	28	0	14
Udaipur	39	24	0	15
Allahabad	46	26	0	11
Lucknow	42	23	0	1
Varanasi	43	25	0	21
Dehradun	37	19	0	39
Agartala	35	27	0	158
Ahmedabad	41	27	0	6
Bangalore	37	23	0	25
Bhubaneshwar	39	27	0	52
Bhopal	42	25	0	53
Chennai	36	27	0	32
Guwahati	31	23	1	111
Hyderabad	40	27	0	51
Kolkata	37	28	0	32
Mumbai	33	27	0	0

Nagpur	45	26	0	24
Patna	41	27	0	14
Pune	41	23	0	3
Thiruvananthapuram	36	24	40	150
Imphal	32	20	1	119
Shillong	24	17	0	106

The columns show maximum and minimum temperature in Celsius, rainfall during last 24 hours (tr-trace) and total rainfall in mm since 1st March.

## RAIN AT FEW PLACES

**RAINFALL:** Rain/thundershowers have occurred at isolated places over Himachal Pradesh and Jammu and Kashmir. Weather was dry over rest of the region.

**MAXIMUM TEMPERATURES:** The maximum temperatures rose appreciably in Uttarakhand, rose in east Uttar Pradesh and changed little elsewhere. They were appreciably above normal in east Uttar Pradesh, above normal in Uttarakhand and normal in rest of the region. The highest maximum temperature in the region was 45.9°C recorded at Allahabad (Uttar Pradesh).

**FORECAST VALID UNTIL THE MORNING OF 03rd May 2013:** Rain/thundershowers may occur at one or two places over Jammu and Kashmir, Himachal Pradesh and Uttarakhand. Weather would be mainly dry over rest of the region.

**FORECAST FOR DELHI AND NEIGHBOURHOOD VALID UNTIL THE MORNING OF 3rd May 2013:** Mainly clear sky.

## Water level

: The water level in Periyar dam was 112.50 feet (the permissible level 136 feet) with an inflow of 100 cusecs and discharge of 100 cusecs on Wednesday. The water level in Vaigai dam was 36.42 feet (71) with nil inflow and discharge of 60 cusecs. The combined storage at Periyar credit was 1,949 mcft. There was no rain in the region, PWD officials said.

Water level in the Papanasam dam on Wednesday stood at 61.15 feet (permissible level is 143 feet). The dam had an inflow of 200.58 cusecs and 598.50 cusecs was discharged from the dam. The level of Manimuthar dam stood at 82.80 feet (118 feet). The dam had an inflow of 20 cusecs and 80 cusecs was discharged.

## Kanyakumari

The water level in Pechipparai dam stood at 14.85 feet on Wednesday, while it was 23.10 feet in Perunchani, 2.89 feet in Chittar I and 2.98 feet in Chittar II.



## Weather

Chennai - INDIA

### Today's Weather



Sunny

**Thursday, May 2**

Max 34° | Min 28°

Rain: 0

Humidity: 75

Wind: normal

Sunrise: 05:47

Sunset: 06:24

Barometer: 1006

### Tomorrow's Forecast



Partly Cloudy

**Friday, May 3**

Max 37° | Min 27°

### Extended Forecast for a week

Saturday May 4	Sunday May 5	Monday May 6	Tuesday May 7	Wednesday May 8
37°   28°	37°   28°	36°   28°	35°   28°	37°   28°
Partly Cloudy	Overcast	Overcast	Overcast	Overcast

# No wealth tax on agricultural land: Finance Minister

Delhi/NCR

Much to the relief of farmers in Haryana the finance minister, on 29th April gave an assurance to the chief minister that no wealth tax would be imposed on the agricultural land.

The Haryana CM, along with a delegation met the finance minister at the North block office to discuss the issue of wealth tax imposition on farm land in the state. The chief minister of Punjab, Rajasthan, Orissa and Delhi also met finance minister who assured them the same.

The CM said, "The finance minister has assured that he will make a statement on the floor of the House while replying to the finance bill and no wealth tax will be imposed on agricultural land, whether within the municipal limit or outside the municipal limit." In Haryana farm-land in all the districts is not under direct control of the local municipality or corporation.

The delegation submitted a presentation and urged the finance minister to intervene for withdrawal of the proposed amendment, and issue a clarification to the effect that urban land does not include agricultural land, and no wealth tax is liable to be paid.

It may be noted that the income tax department, which comes under the finance ministry has already started the process of recovering wealth tax from the farmland owners in Haryana and other states. In the meeting Hooda also sought necessary directions to IT department to not issue fresh notices seeking payment of wealth tax on agricultural land. In Haryana, the proposed wealth tax on farm land had created a havoc since the move has upset all the farmers.

Source: The Times of India, Delhi/NCR

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THE  NEW  
**INDIAN EXPRESS**

## Don't set up Cauvery Management Board, Committee till polls: EC

The Election Commission has sought deferment of the constitution of the Cauvery Management Board and the Cauvery Water Regulation Committee till the completion of the poll process in Karnataka.

The poll body has asked the Union Ministry of Water Resources not to constitute the proposed Board and Committee that are necessary for operation of reservoirs and regulate water release in the Cauvery basin till May 5.

The states of Tamil Nadu and Karnataka, besides Kerala have locked horns over the sharing of Cauvery waters and Tamil Nadu is pressing the central government for early setting up of Cauvery Management Board and Cauvery Water Regulation Committee as proposed by the Cauvery Water Disputes Tribunal.

"After considering all relevant facts of the case, the Commission



has desired that the constitution of the Board/ Committee may be deferred till the completion of the poll in Karnataka ie 5th May, 2013," said an EC communication in response to a Water Resources Ministry's letter in this regard.

The Water Resources Ministry had sought EC's advice on the matter after a PMO reference to examine if any decision on Cauvery dispute at this stage will be violative of the Model Code of Conduct as election to Karnataka Legislative Assembly has been notified.

Cauvery is an inter-state basin having its origin in Karnataka and flowing through Tamil Nadu and Puducherry before outfalling in Bay of Bengal and the three southern states are locked in a fierce tussle over the sharing of its waters.

The Water Resources Ministry had said that for the purpose of securing compliance and implementation of final decision of the Cauvery Water Dispute Tribunal, it had ordered that an inter-state forum to be called Cauvery Water Management Board be established.

"Action for constitution of Cauvery Management Board (CMB) and Cauvery Water Regulation Committee (CWRC) is under consideration of this Ministry in consultation with Ministry of Law and Justice (MoLJ). The view of MoLJ is awaited.

"The issue is highly sensitive politically and considering the emotions attached to the issue by the respective states involved, it is opined that constitution of the above mentioned bodies may be utilised by the political parties leading to undue political advantage as well as causing hatred among the communities," Water Resources ministry had told EC.

## Drought: State looks for more central aid

Kerala would submit an additional memorandum to the Centre seeking more financial assistance to meet the severe drought conditions in the state, in addition to a package of Rs 7,900 crore sought earlier, Chief Minister Oommen Chandy said here on Tuesday.

“Compensation for losses in the agriculture sector, owing to drought will be provided,” he said, on the basis of norms laid down by the state itself in place of the stringent clauses prescribed for Central assistance.

“The Centre will be urged to relax the conditions. It was done last year also,” Chandy said.

In a post-Cabinet briefing, Chandy said that the government had reviewed the drought situation based on district-level assessment across the state.

Permissive sanction had been accorded to many local bodies by relaxing the existing rules till May 31, to enable proper and adequate supply of drinking water through tankers and in boats in areas such as Alappuzha. At present, drinking water is being supplied in tankers in 451 grama panchayats, 10 municipalities and four corporations.

“The Cabinet has given its nod for local bodies having no funds to spend the remaining balance of the plan fund on drinking water supply,” the Chief Minister said.

Water for supply should be drawn only from the sources of the Kerala Water Authority (KWA) or in case of shortage, from private sources but only after getting the approval for the quality of water.

In 112 grama panchayats, which come under the Jalanidhi project functioning under World Bank guidelines and where its management is under people’s committees, one-time financial

assistance will be sanctioned in case of necessity. The Cabinet also gave administrative sanction for a proposal with an outlay of Rs 109.3 crore, to extend the pipelines of the KWA water supply scheme in select areas.

“Sanction was accorded to 1,481 extension works of the KWA, utilising own funds of ` 51.24 crore,” the Chief Minister said.

“State Disaster Relief Fund totalling ` 51.28 crore would be utilised in the districts, after assessing the requirement of such an allocation till May 31. Finance and Revenue Ministers have been assigned to make the assessment,” Chandy said.

The Chief Minister said that the Ground Water Department had utilised ` 10.46 crore out of the ` 13-crore allotted to it to alleviate the sufferings of people in drought-hit areas. 441 out of the planned 555 borewells had been dug so far. Out of it, 197 are with head pumps and in 30 places, mini water supply schemes have been set up. “The department also repaired 1,457 hand pumps and put it to optimum use,” he said.

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## **Business Standard**<sup>beta</sup> **Groundnut exports down by 48% in last two months**

**Apeda's new regulation adversely affecting exports, forcing shelling units to shut down**



Groundnut exports from India seem to have been adversely affected due to the new regulations by Agricultural and Processed Food Products Export Development Authority (APEDA). The industry data showed that groundnut export from India during January and February period this year has been declined by 48 per cent.

What's more, about 50 per cent of groundnut shelling units in Gujarat have been closed since last two months after APEDA new rules, traders claimed.

According to data provided by Indian Oilseed and Produce Export Promotion Council (IOPEPC), groundnut export from India during January and February 2013 stood at 70,917 tonnes, down by 65,491 tonnes as compared to last year during same period.

India had exported 136,408 tonnes of groundnut in January - February period in 2012. As per the data, total export in 2012-13 till February stood at 492,219 tonnes, which was 853,080 tonnes in 2011-12.

A Rajkot-based leading exporter said, "Main reason for decline in groundnut export is new rules of registration and certification. Buyers are cancelling the orders due to delay in executing the order."

It is also learnt that buyers have started arm-twisting the exporters to negotiate prices due to delay in shipments.

According to exporters, Indian peanuts prices are higher than international market. At presently for 80/90 count Indian peanut price is around \$ 1,350 per tonne and for 40/50 count it is around \$ 1,450 per tonne. While in the international market, the groundnut prices rule around \$ 1,250-1,300 per tonne.

Vikram Duvani, managing director of Rachana Seeds Industries, Junagadh, said, "Weak demand in international market and higher Indian prices are affecting the off take and as result, around 40-50 per cent shelling units have closed their business in Gujarat."

There are around 5000 shelling units in Gujarat, mostly located in Rajkot and Junagadh region.

As per DGFT notification dated January 3, 2013, exports of groundnut have been subjected to registration with APEDA along with controlled Aflatoxin level certificate issued by APEDA recognized laboratories.

Moreover, as per new rules, the registered units must have to follow CODEX rules for aflatoxin and moisture limitation rules to export.

"We have to do business, but compulsory registration and certification has hurt our business badly during January and February", said Duvani.

## Govt may trim 2013-14 wheat procurement target

**However, this will not have any impact on the PDS as wheat stocks in state-run warehouses are more than three times the required quantity**



The government may have to trim its 2013-14 wheat procurement target by four million tonnes (mt) to around 40 mt because of heightened purchases by private traders from Madhya Pradesh and Uttar Pradesh. However, this will not have any impact on the public distribution system (PDS) as wheat stocks in state-run warehouses are more than three times the required quantity.

In the 2013-14 crop marketing season that started from April 1, the

government had targeted to purchase around 44 mt of wheat from farmers, almost six mt more than the actual procurement of last year. The target was raised because of bumper harvest in Madhya Pradesh, Uttar Pradesh, Punjab and Haryana.

“In Madhya Pradesh and Uttar Pradesh, private traders have been active this year in purchasing wheat directly from farmers and are not waiting for the government to make the first move which could lead to lower-than-expected procurement for the central pool,” food minister K V Thomas told Business Standard.

He added the government might also think of exporting more wheat from the central pool over the already sanctioned around 10 mt as and when the need arises. “First, we will have to exhaust the total allocated quantity for exports and then think of increasing it,” Thomas said.

The government first allowed export of 4.5 mt of wheat from the central pool and then okayed another five mt to clear its inventories ahead of the new procurement season. “We might think of giving private traders more time to export wheat from the second lot,” the minister said.

Meanwhile, latest government data showed that in Uttar Pradesh, state-run agencies have procured around 210,195 tonnes of wheat till last week against 502,337 tonnes procured during the corresponding period last year. In Madhya Pradesh, state agencies procured around 4.65 mt of wheat till last week, against 3.85 mt during the year-ago period.

Thomas said private traders were not very active in the northern states of Punjab and Haryana because of high taxes imposed by the state governments. Punjab imposes a tax of around 14.5 per cent on wheat, while Haryana has a tax of around 11.5 per cent. In contrast, the total tax on purchase of wheat from Uttar Pradesh is nine per cent, while in Madhya Pradesh it is 4.7 per cent.

Officials said in the 2013-14 marketing year, across the country, the government has till date purchased around 19.44 mt of wheat from farmers

against 18.99 mt purchased during the corresponding period last year. Of this, highest procurement has been in Punjab, where till Sunday, around 8.89 mt of wheat has been procured by central agencies, up from 7.56 mt procured during the same period last year, while Haryana purchased 5.13 mt of wheat till Sunday against 6.47 mt during the year-ago period.

#### **WHEAT PROCURED TILL APRIL 28 (IN MILLION TONNE)**

<b>STATES</b>	<b>2012-13</b>	<b>2013-14</b>
PUNJAB	7.56	8.89
HARYANA	6.47	5.13
MADHYA PRADESH	3.85	4.65
UTTAR PRADESH	0.50	0.21
RAJASTHAN	0.52	0.51
<b>TOTAL</b>	<b>18.99</b>	<b>19.41</b>

NOTE: The Total Might Not Match As All States Have Not Been Included. Also, the procured quantity might be of some dates which are day or two before April 28, 2013, but has been collated as per last information available with the central government.

## **Amul raises milk prices by Rs 2/litre in Delhi**

**An increase of 5-8% expected in other regions, too; other dairies to follow suit**



With a rise in overall inflation and higher procurement cost, India's largest milk marketing player, Amul, has decided to increase prices in the Delhi-NCR

region by Rs 2 a litre from May 1. Dairies operating in different regions are set to follow suit, citing higher procurement and logistics costs.

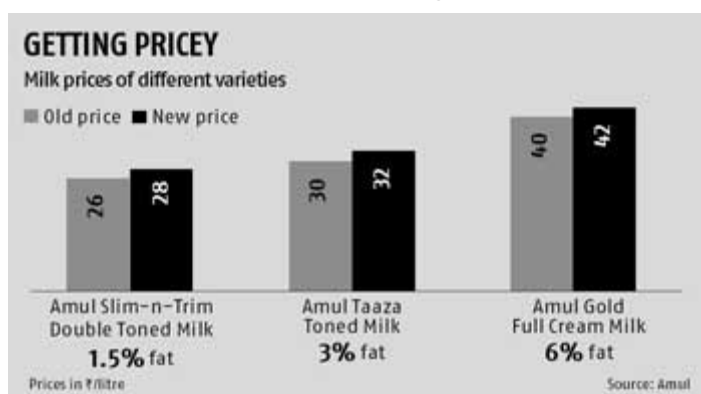
The price rise has come after a gap of 13 months since the last increase by the Gujarat Cooperative Milk Marketing Federation (GCMMF), which sells the Amul brand of milk.

“We are raising prices in the Delhi-NCR region by Rs 2 a litre across all varieties. Last increase was made in April 2012,” said R S Sodhi, managing director, GCMMF. The recent increase is due to inflation and increase in milk procurement prices, paid to farmers, he added.

Amul sells around 2.4 million litres of packaged milk a day in the Delhi-NCR market.

Among private dairies, Hatsun Agro Products, a leading milk player from the south, said a five per cent hike is on the cards. This would be implemented within the next month. R G Chandramogan, chairman and managing director of Hatsun said, “In the past year, there has hardly been any inflation for milk. Normally, there is a five per cent inflation annually.

Logistic costs are increasing, and a five per cent rise is imminent.” He added that while Hatsun is planning to raise prices within the next month, other



regional dairies will also follow suit in the next two-three months.

Another north-based dairy, SMC Foods Ltd, which sells milk and milk products under the Madhusudan brand, is also

mulling raising prices by around Rs 2 a litre during the coming fortnight.

Punjab State Cooperative Milk Producers' Federation Ltd, popularly known as MILKFED (Verka), which had raised prices by Rs 1 a litre in August 2012, is also planning to raise prices within the next month. Sources in the dairy indicated that the rise could be in the range of Rs 1-2 a litre.



One of the major players in the western region, Parag Milk Foods, which sells milk and milk products under the Gowardhan and Go brands, too, has hinted at the possibility of a price rise.

According to Devendra Shah, chairman, Parag Milk Foods, milk and milk products could become costlier by five-eight per cent in the next three months, driven primarily by drought in parts of Maharashtra and Karnataka.

However, Mother Dairy, which supplies over three million litres of milk a day in Delhi-NCR, including packaged and loose milk through vending machines, has not yet decided on price rise.

Commenting on the milk price hike issue, a Mother Dairy spokesperson said, "The procurement cost and other overhead costs have gone up in the past few months. Mother Dairy at this point is still reviewing the situation and a decision on an increase is yet to be taken."

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## THE HINDU Business Line

### **Non-urea fertiliser subsidy cut for current fiscal**



(Rs/tonne)			
<b>Reduced subsidy</b>			
	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>DAP</b>	<b>12,350</b>	<b>14,350</b>	<b>19,763</b>
<b>MoP</b>	<b>11,300</b>	<b>14,440</b>	<b>16,054</b>

Govt expects DAP price to come down by Rs 1,500/tonne  
**New Delhi, May 1:** After a month's delay, the Government on Wednesday announced a cut in subsidy on complex non-urea fertilisers for the current fiscal following the decline in global prices of potassic and phosphatic nutrients.

Under the nutrient-based subsidy (NBS) scheme, the Union Cabinet approved the new rates for nitrogen (N) at Rs 20.875 a kg against last year's Rs 24.

Similarly, for potash (K) the subsidy rate has been fixed lower at Rs 18.33 (Rs 24), phosphate (P) at Rs 18.679 (21.80) and sulphur unchanged at Rs 1.677. The subsidy rates are applicable from April 1, an official statement said.

Based on these rates, the subsidy for di-ammonium phosphate (DAP) is fixed at Rs 12,350 a tonne, a 14 per cent decline over last year's Rs 14,350 .

Similarly, the subsidy for muriate of potash (MoP) is pegged at Rs 11,300 , a 22 per cent decline over last year's Rs 14,440 . The subsidy for other P&K fertilisers covered under the NBS policy shall also be according to the nutrient content in that grade.

Announcing the Cabinet's decision, Finance Minister P. Chidambaram said that the total subsidy outgo for P&K fertilisers for 2013-14 would be lower by 15 per cent because of the decline in global prices. The actual subsidy outgo would depend on the consumption of these complexes.

### **MRP cut**

Despite the subsidy cut, the Government expects the maximum retail prices of DAP and MoP to come down by Rs 1,500 and Rs

1,000 a tonne, respectively. DAP was sold at Rs 24,000 a tonne last rabi, while MoP was priced at Rs 17,000 a tonne. Fertiliser makers are expected to cut the maximum retail price (MRP) global prices have dropped more than the cuts in subsidy announced by the Government.

As a result, they are expected to pass on some of the benefits to farmers. Besides, the pressure to offload the existing stocks may prompt the fertilisers companies to lower prices.

According to industry estimates, the build-up in non-urea fertiliser stocks is estimated at eight million tonnes due to poor offtake in the past two seasons. Chidambaram said the Fertiliser Ministry would put in place a mechanism to ensure that lower MRP is fixed by the manufacturers and the benefits of decline in global prices were passed on to farmers.

“If there is any violation or contravention, there will be a monitoring mechanism that will take corrective step to ensure that the benefit is passed on to farmers,” he noted.

Without waiting for the Government’s announcement, fertiliser makers have been tagging bags with the MRP of last rabi season printed on them. With the Government announcing the subsidy cut, the companies are expected to revise the prices accordingly.

The reduced prices of complexes such as DAP and MoP may help boost their usage, as farmers had shifted to cheaper urea during rabi and kharif seasons in last two years following the rise in prices.

The Government had decontrolled the prices of non-urea fertilisers in April 2010, after which the prices of the complexes had almost doubled on account of rise in global raw material costs and a weakening rupee.

[vishwanath.kulkarni@thehindu.co.in](mailto:vishwanath.kulkarni@thehindu.co.in)

## Coonoor tea volume hits 11-week high

**Coonoor, May 1:** A volume of 13.70 lakh kg would be offered for Sale No: 18 of Coonoor Tea Trade Association auction to take place on Thursday and Friday, reveals an analysis of the brokers' listings. This is the highest volume in 11 weeks. It is some 26,000 kg more than last week's offer and as much as 4.10 lakh kg more than the offer this time last year.

Of the 13.44 lakh kg on offer, 9.74 lakh kg belongs to the leaf grades and 3.70 lakh kg belongs to the dust grades. As much as 12.66 lakh kg belongs to CTC variety and only 0.78 lakh kg, orthodox variety. In the Leaf auction last week, Hindustan Unilever Ltd bought brighter liquoring and medium varieties while Duncans Tea Ltd was fairly active on medium brokens. Godfrey Philips India Ltd operated on medium grades .

In the Dust auction, HUL, Tata Global and Duncans were selective. AV Thomas and Co Ltd bought brighter liquoring smaller grades. Exporters were selective on plainer grades but upcountry buyers demanded brighter liquoring teas.

## Weak buying by millers pounds pulses

**Indore , May 1:** Pulses and pulse seeds continued to trade lower on slack demand and buying support from millers. Tur (Maharashtra) declined by Rs 25 to Rs 4,550 a quintal, while tur (Madhya Pradesh) also declined by Rs 100 to Rs 4,000-4,100 amid slack demand and weak buying support from the millers. Tur dal (full) in local mandis was at Rs 6,500-6,600, tur dal (sawa no.) at Rs 5,900-6,000, while tur marka ruled at Rs 7,000-7,100. Bearish sentiment also prevailed in moong with steady rise in arrival . Moong dal (bold) ruled steady at Rs 5,500-5,700 while

moong (medium) ruled at Rs 5,000-5,300. Moong dal was at Rs 6,600-6,700, moong (bold) at Rs 7,300-7,400, while moong mongar ruled at Rs 7,400-7,500.

Urad (bold) was quoted at Rs 3,475-3,500, while urad (medium) ruled at Rs 3,000-3,200. Urad dal (medium) was at Rs 4,000-4,100, urad dal (bold) at Rs 4,500-4,600 while mongar ruled at Rs 5,700-6,100 a quintal.

## **Poultry feed prices seen ruling flat**

**Karnal, May 1:** Poultry feed prices are likely to rule around current levels for the next few days due to lack of demand. According to experts, marginal fluctuation in production costs apart from slack demand is keeping poultry feed prices unchanged.

Aditya Mishra, an expert, told *Business Line* that following volatility in prices of key ingredients in the last couple of weeks, feed prices have not changed yet. .

Soyameal and maize dropped further this week. On Wednesday, soyameal eased by Rs 200 to Rs 36,800 a tonne. Bajra went up by Rs 20 to Rs 1,490 a quintal, DCP was at 35 a kg, MBM improved by Rs 5 and quoted at Rs 41 a kg while maize dropped by Rs 50 and quoted between Rs 1,400 and Rs 1,450 a quintal.

Mustard de-oiled cake went down by Rs 100 at Rs 14,500 a tonne, DRB remained unchanged at Rs 9,100 a tonne while rice bran oil was at 52 a kg.

### **Feed products**

“Layer concentrate 25 per cent” sold at Rs 1,465 for a 50-kg bag while layer concentrate 35 per cent went for Rs 1,150. Pre-lay mash quoted at Rs 1,040 while layer grower mash sold at Rs 980 . Broiler concentrate quoted at Rs 2,000 while Broiler Starter Mash was at Rs 1,520.

### **Poultry Products**

Meanwhile, higher supplies in the market coupled with steady demand pulled poultry products down, on Wednesday. Egg went down by 18 paise on slack demand and sold at Rs 2.20. Broiler eased by Rs 12 and quoted at Rs 60 a kg, while chick went for 10-12, Rs 10 down from previous levels.

## **Pawn brokers look to tide over volatile gold**



Bearing the brunt: A scene at a pawn broker's shop at Begum Bazar in Hyderabad earlier this week as gold prices fell sharply. — P.V. Sivakumar

**May 1:** Fifty-two year old Gautam Bose, a pawn broker in the Munshi Bazar market in Beliaghata in eastern Kolkata, is unperturbed by the current volatility in gold prices. Bose, whose family has been in this business for almost three generations now, says this has been a part of their trade and they have learnt to deal with it.

“Yeh Kismat Ka Mamla Hai” is how M. Gyanchand Lodha, a pawn-broker in Hyderabad, reacts in despair when asked on the impact of recent fall in gold price on his business. “I don’t recall a serious scenario of this magnitude in the recent past. Our interest profits will be much less, though there could be more serious problems going forward,” Lodha said.

### **Huge volatility**

Pawn brokers have never come across such volatile movement in gold before. From around Rs 33,000 for 10 gm in November last, gold prices had dropped to Rs 30,000 by March first week. And two weeks ago, prices plunged to Rs 25,000 before recovering to a little over Rs 27,000 now.

The volatile movements have left the owner of a pawn shop tucked away in the bylanes of Palace Guttahali, part of old Bangalore worried. “We expect slowdown in business with the volatility,” says the owner of Sona Jewellery.

With the steady appreciation in gold price in the last decade, some pawn brokers had been extending 80-85 per cent loans to gold’s value, depending on the customer credentials at 18-24 per cent interest.

But people such as Kolkata’s Bose say they are up to the task. “We lend only up to 50 per cent of the value of gold unlike some of the companies which lends more than 75-80 per cent. So even if there is a drop in gold prices we are not affected,” he says.

“By and large, we are safe,” says Anand Sharma, a pawnbroker in Chennai. He says that they do not give more than Rs 1,500 a g.

However, those who lent more than Rs 2,300-2,400 a gram when the metal was ruling at over Rs 3,000 a g, may have to take a small cut in their margins, “that too only notionally,” he said.

### **Demand unaffected**

Knowledge of the local market and personal rapport with the customers help prevent defaults by customers. “We know the families of customers to whom we extend loan against gold. Hence

we have not seen many instances of defaults happening,” Sharma said.

The rise or fall in gold prices does not impact the demand for such loans, said another pawn broker in Hyderabad.

“People do not pledge their gold to get money. It is done most often on some purpose, either for agriculture or for marriage or health reasons. Price of gold, whether it is high or low, makes little sense to such customers, who are looking to get money from some avenue or other to meet their needs,” Bose says.

According to Hyderabad’s Rajkumar, whose family is in the business in the well-known pot market here for over two generations, problems crop up when customers do not turn up to get their gold released from the mortgage.

“If prices continue to drop further, many customers might not release their gold,” he said.

The Sona Jewellery owner in Bangalore says that the pawn business itself isn't doing well because people have reduced spending on marriages and other social functions.

Ramllok Chand, another pawnbroker in the Chennai says, it is business as usual for him. People continue to come and pledge. “In fact, some even pledge to buy new jewellery,” he said. According to rules, a pawn-broker cannot dispose of the gold kept under mortgage for a period of two years after one stops paying interest.

The demand for loans is slightly humbled. Those who wish to avoid Know Your Customers norms of banks and gold loan companies and people in urgent need to company are still there.

“However, people who keep gold in large quantities to invest somewhere or meeting business expenses have almost vanished,” says Nemi Jain who runs a major jewellery showroom besides pawn-broking at Begum Bazar in Hyderabad.

Interestingly, not many sympathise with pawn-brokers. “They always charge higher interests and never give a single day concession. I really don’t think they can ever lose anything come



what may,” Padma, a teacher says as she steps out of a pawn-broker’s shop!

Pawn brokers expect business to fall at least 20 per cent. “But it will take at least a month to know the full impact,” says Bose of Kolkata.

*(Naga Sridhar, Hyderabad; Shobha Roy, Kolkata; K. Giriprakash, Bangalore; and R. Ravikumar, Chennai contributed to this report.)*

## **Base price for palm oil imports reduced**

**New Delhi, May 1:** The Government has reduced the base import price of palm oil and its variants, while increasing the same for crude soyabean oil in line with the change in international prices. The base price for import of crude palm oil has been reduced to \$824 a tonne from \$827 earlier. For refined, bleached and deodorised (RBD) palm oil, the new base price has now been set at \$851 a tonne (\$857), while for other palm oil it stands at \$838 (\$842).

For crude palmolein, the base price has been reduced to \$838 (\$842), while for RBD palmolein it has been fixed at \$861 (\$867). For palmolein (others), the base price is fixed at \$860 (\$866). The base import price for crude soyabean oil has been increased by \$9 a tonne to \$1,103 from \$1,094.

Imports in March 2013 were up 23.22 per cent at 8.96 lakh tonnes over 7.27 lakh tonnes in the corresponding last year.

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