

**Rising farm wages will lift all boats**



**Investment in a scheme that guarantees rural employment with minimum wages should be seen as complementary and not alternative to development activities**

A recent paper by the Commission for Agricultural Costs and Prices (CACP) has argued that the “push” factors of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) are not as important as the economic growth “pull” factors, for increasing agricultural wages. The paper has received wide media attention and provided intellectual fodder to the usual anti-MGNREGA commentators. However, the conclusions of the analysis could well be misleading and in other instances, be stating the obvious.

First, the fact that MGNREGA has reversed the stagnation of agricultural wages of the early 2000s is well established by data and research, including that of CACP. An analysis by Jean Drèze observes that the pre-MGNREGA (2000–1 to 2005-6) growth rate of real agricultural wages was around 0.1 per cent per year for men and negative for women. After the implementation of MGNREGA (2005-6 to 2010-11), the growth rate for agricultural wages for men increased to 2.7 per cent per year and for women to 3.7 per cent per year.

Second, it is clear that investments in MGNREGA and agricultural growth and economic activities like construction, are not mutually exclusive. In other words, the importance of growth for development cannot be undermined and this should be viewed as being complementary, not alternative, to a social security scheme like MGNREGA.

### **Methodology**

That said, there are also concerns with regard to the methodology and the interpretation of the results of CACP's paper. MGNREGA self-targets itself to low wage areas and the correlation between MGNREGA employment (the primary variable in the analysis) and agricultural minimum wages is likely to be negative even if MGNREGA has had a substantial upward effect on wages. Thus, CACP's econometric model in the paper is simply not correct. Further, the legal agricultural minimum wages, used in the analysis, are not accurate reflections of the prevailing agricultural wages in several areas across the country. There are variations within States and wages tend to be higher in regions that are relatively developed due to factors such as better agro-climatic conditions, infrastructure facilities, and the availability of alternative employment. Once again, this substantiates the self-targeting claim of MGNREGA to less developed areas.

The CACP analysis also does not include district, time, seasonality and rainfall effects. On this account, results from research done by Oxford University, including a panel of 249 districts across 19 Indian States from a period of 2000-2011 appear more robust.

The analysis found that each annual person-day of employment generated by MGNREGA in a district increases real daily agricultural wage rates by 1.6 per cent in that district. On an average, MGNREGA boosts real daily agricultural wage rates by 5.3 per cent. The wage increase is true both for males and females and remains significant even after controlling for rainfall, district and time fixed effects, and phase-wise time trends. The research also indicates that MGNREGA mainly affects unskilled wages.

There is also an evident contradiction in CACP's criticism of MGNREGA that suggests that though MGNREGA has not significantly impacted agricultural wages, it is responsible for an increase in labour costs and diversion of labour.

### **Welfare benefits**

It is also important to note the findings of other studies on the topic. According to an analysis by the Paris School of Economics in 2011, MGNREGA also leads to an increase in private sector wages and has welfare benefits for non-participating households. The gains from the rise in wages are more for the poor and marginalised, including women. The National Sample Survey Office confirms that MGNREGA has reduced the traditional gender wage discrimination which was apparent in several States across the country. A study undertaken by the Ministry of Agriculture in 2010-11 also supported the fact that actual average wages under MGNREGA are higher than average wages in other types of public work and agricultural casual work.

MGNREGA also has enormous potential to boost agricultural growth. It has allowed the people in rural areas to undertake activities like desilting, pond excavation, etc in their own villages and on their own land, to increase water availability, soil fertility and develop land. A recent study of four States by the Indian Institute of Science (IISc) found that MGNREGA works have increased the area irrigated, soil fertility and contributed to an increase in crop yields in the range of 46 per cent to 100 per cent across districts. Also, as per the study, due to land development under MGNREGA, previously uncultivable land has now been brought under cultivation. In Andhra Pradesh, the increase has been estimated to be by as much as 10-15 per cent.

MGNREGA also has a positive impact in creating sustainable livelihoods for individual beneficiary households. As per a study conducted by Sambodhi, a research organisation, in six States, almost 85 per cent of the farmers have reported an improvement in land quality after the creation of MGNREGA assets. In the same sample, 11 per cent and 12 per cent of beneficiaries have also started horticulture and sowing of additional crops on their land.

Evidently, both MGNREGA and agricultural growth have a significant role to play in increasing agricultural wages and in rural development.

While MGNREGA is a definite source of income for small and marginal farmers and marginalised households across the country, its synergy with agriculture is unexploited in parts and needs to be further strengthened. The ultimate aim of MGNREGA is undoubtedly to allow for reductions in its own allocations in a way that the landed and landless labourers become self-sufficient and move back to farming on their own land or on to other more lucrative livelihood opportunities.

### **'Sugar factories should pay their dues to farmers soon'**

BJP State general secretary S. Suresh Reddy demanded that the district officials take immediate steps to ensure that sugar factories pay Rs. 70 crore worth dues to the sugarcane farmers.

He deplored that the Kovur Sugar Factory management was yet to pay Rs. 12 crore to the farmers, who were facing hardships due to the prolonged delay in payment.

### **Representations made**

Addressing a press conference here on Monday, Mr. Suresh Reddy appealed to the Nellore District Collector to take immediate steps in his official capacity to resolve the problems of sugarcane farmers. Though several representations have been made, no steps have been taken so far to make the payments, he deplored.

Mr. Suresh Reddy said that the managements of Gayatri Sugar Factory and Empee Sugar Factory (Nayudupeta) were yet to pay Rs. 22 crore and Rs. 26 crore respectively to the farmers.

### **Subsidy for borewells in cyclone-hit areas**

The district administration has proposed to sink as many as 350 deep borewells to improve the irrigation potential in the cashew belt of Cuddalore district to enable the 'Thane' cyclone-hit farmers to replant cashew crops.

In a statement, Collector R. Kirlosh Kumar stated that the government had taken various measures to encourage the farmers to revive cashew cultivation.

It has been decided to help the cashew farmers, depending upon their land holdings.

For a cluster of 20-25 acre, owned by a group of farmers, 75 per cent subsidy not exceeding Rs. 5.70 lakh would be given.

For raising individual orchards on an average of 15 acres, 50 per cent subsidy not exceeding Rs. 3.80 lakh, would be given to each farmer, for having deep borewells.

In all 350-borewells will be sunk in individual land holdings, he said.

### **Sale of seed potato begins**



Back to business: Farmers purchasing seed potato at prices that ranged from Rs. 1,300 to Rs. 1,400 a quintal in Hassan on Monday.— PHOTO: Prakash Hassan

The sale of seed potato began at the Agricultural Produce Market Committee (APMC) market here on Monday.

Farmers purchased the seed potato at prices that ranged from Rs. 1,300 to Rs. 1,400 a quintal.

On the first day, about 50 bags of seed potato, of 50 kg each, were sold.

The district administration has made arrangements for the sale. This time, no maximum selling price has been fixed for the produce.

However, merchants who brought the seed potato from Punjab have conveyed to the district administration that they would keep the price below Rs. 1,500 a quintal. As many as 31,000 tonnes of seed potato arrived from Punjab.

Last year, the administration fixed Rs. 1,300 as maximum price for a quintal of seed potato.

### **Jackfruit mela in Sirsi from May 25**

A two-day jackfruit mela will be held at Raghavendramath hall here from May 25.

It is being organised by the Kadamba Organic and Marketing Trust, Sirsi; University of Agricultural Sciences, Bangalore; NABARD, Karwar; Horticulture Department and Horticulture College, Sirsi.

The fair aims to create awareness on jackfruit products and delicacies, and marketing these in the domestic and international market. It will also provide insight into cultivation of various varieties of the fruit, ensuring subsidiary income for farmers and women in rural areas.

Branded jackfruit juice tins will be released. Products such as chips, papads, pickles and jams will be on display.

## Poor peasants migrating from Ganjam, says OKS

### OKS blames it on the lack of proper agriculture policy by the State government

While as per tradition agricultural work starts in Odisha from 'Akshaya Tritiya', poor peasants have started to migrate as labourers outside the State from Ganjam district as they do not feel agriculture to be profitable, alleged leaders of farmers' organisation, Odisha Krushak Sabha (OKS).

The OKS blamed it on the lack of proper agriculture policy by the State government. "It is an irony that farmers living in rural areas have lost faith on the agriculture department," alleged State vice president of the OKS, Kailash Sadangi.

According to him, the much publicised pro-agriculture stance of the State government was nothing but a political fiasco which stands on gimmicky promises like mobile phones for farmers.

According to Ganjam district secretary of OKS, Harikrushna Reddy, this is the time when fields are ploughed for kharif season but a large number of small farmers of Ganjam district have started to migrate as labourers. "This migration has started to appear in all areas of Ganjam district," he added.

A farmer, Natha Pradhan said one of major reasons behind this migration is lack of funds in the hands of farmers to continue agriculture. It may be noted that continuous natural calamities has affected yield of farmers drastically since past three years in Ganjam district.

Most of the share croppers who have large debt burden on them due to this crop loss do not have courage to incur more loans from private sources.

It may be noted that share croppers in Odisha are yet to be legally recognised, so they are not eligible for loans from banks and other recognised financial institutions.

## **Assurance to farmers on insurance premium**

Transport Minister Botcha Satyanarayana has assured farmers that a decision on the issue of deducting insurance premium amount from crop loans by bankers will be discussed at the cabinet meeting. The assurance came in the wake of complaints from farmers on payment insurance premium at the Rythu Sadassu conducted at Rajiv Sports Complex here on Monday.

Addressing farmers, Mr. Satyanarayana said that the quantum of crop loans to farmers was increased from Rs. 900crore last year to Rs. 1000crore this year and asked them to utilise the facility. He said farmers could avail interest-free loan facility up to Rs. 1lakh if they repaid the loan amount promptly. On an appeal from them, the minister said Collector M. Veerabrahmaiah would write to bankers to extend the deadline for remitting premium from June to August. He promised to increase 1001 variety paddy seed from 30kg per acre to 35kg. He laid stone for a road and drain in the 7th ward.

## **Agro-eco tourism centre planned**

The Central Marine Fisheries Research Institute (CMFRI) at Mandapam near here would soon become an agro-eco tourism centre, S.Ayyappan, Secretary, Department of Agriculture Research and Education (DARE) and Director General of Indian Council of Agriculture Research (ICAR), has said.

Interacting with reporters after inaugurating various facilities at the Mandapam Regional Centre of the CMFRI on Sunday, Mr.Ayyappan said the CMFRI would be made an agro-eco tourism centre and would be provided with additional facilities under the 12th Five Year Plan for upgrading. G.Gopakumar, scientist in-charge, MRC of the CMFRI, said now students and the public were allowed inside the Museum and Research Aquarium, which had more than 60 ornamental and other fish species.

The centre could be developed into agro-eco tourism centre, he said.

Mr.Ayyappan, who inaugurated the National Marine Finfish Broodstock Bank, suggested that the CMFRI should get the Bank certified with a diagnostic facility.

He said 15-million-tonne fish production in 2020 would not be a tall order if the cage farming, marine culture and brood bank facilities reached out to the fish farming community.

Speaking on the occasion, B.Meenakumari, Deputy Director General (Fisheries), Indian Council for Agriculture Research (ICAR), said Indian marine sector was making a steady growth. "Thanks to extensive research, we are breeding 15 species and we are soon going to breed tuna as well," she said.

During the 12th Five Year Plan, the department would promote a mega seed plan and put in place a network programme in disease management, she added.

Collector K.Nanthakumar said any research facility would be of no use if it did not benefit the fishermen.

The research activities carried out in the CMFRI should help the fishing farmers to increase their income, he said.

H.H.More, Commanding Officer of Mandapam Station, Indian Coast Guard, expressed hope that the CMFRI would wean away the fishermen from the existing fishing practice, thereby retaining them within the International Maritime Boundary Line.

### **A boon for farmers**

In order to increase the number of pure breed cattle, above 4.3 lakh cattle, including 90 per cent of them being buffaloes, were covered under artificial insemination programme in Krishna district in the financial year 2012-13.

Where there was lack of population of bulls farmers have realised the great help from the method of artificial insemination which is performed under the supervision of

veterinarians. “The birth rate of calf among the cattle, which was subjected to artificial insemination is between 35-40 per cent while pregnancy rate is above 50 per cent in Krishna district,” said Animal Husbandry Deputy Director K.V.L. Narasimha Rao. Around 220 Gopala Mitras, active dairy farmers, were already trained on how to inject frozen semen and they have been playing an important role in attending farmers’ queries about dairying and medical services for the cattle.



### Temperature fluctuation not good for crop: Experts

The cloud cover and easterlies winds led to further dip in temperature which stood at 37.6 degrees Celsius on Monday. The agricultural experts advised farmers to maintain moisture in standing zaid crop, especially [mango](#), to save the yield.

Agro-meteorologist of [Chandra Shekhar Azad University](#) of Agriculture and Technology (CSA) Anirudh Dubey said that fluctuation in mercury and wind direction is leading to lowering of humidity in the atmosphere. Such conditions are not good for crops as fruits and flowers drop.

During the less availability of moisture content in air, need of external irrigation increase in crops. This helps in strengthening of roots. It also helps in maintaining moisture in fruits and flowers due to which they do not compress and drop, the experts said.

The farmers should irrigate the fields twice a day. The irrigation should be done before and after sunset. Avoid water during peak afternoon hours as this damage the standing crop.

Extra irrigation is also needed in standing zaid crops like urad, moong, cucurbits. Fruiting plants like litchi and banana also need some extra care.

Meanwhile, the easterlies and north-westerlies, accompanied by cloudy weather gave further dip to maximum temperature on Monday which stood at 37.6 degrees Celsius. This was nearly two degree below normal. The minimum temperature also dropped to 22.8 degrees Celsius. The humidity was recorded between 60% and 36%.

The met department predicted cloudy conditions to prevail in the region for next couple of days but the respite of pleasant weather may end on Tuesday.

"The winds have turned north-westerlies from easterlies in the evening. This can increased the mercury on Tuesday. No signs of relief is there in the days to come," meteorologist CB Singh said

### **Gujarat ranked 8th in agricultural growth: Centre**

Stage is set for chief minister [Narendra Modi](#) to inaugurate another annual [Krishi Mahotsav](#) drive on Tuesday amid cries of water scarcity.

Despite claims of Gujarat being number one in agricultural growth, a report entitled "State of Indian Agriculture 2012-13" brought out by Union agriculture ministry recently has ranked Gujarat as eighth.

It says that during the 11th Plan (2007-08 to 2011-12) the growth in Madhya Pradesh and Chhattisgarh was 7.6 per cent, Rajasthan 7.4 per cent, Jharkhand 6.0 per cent, Karnataka 5.6 per cent, Andhra Pradesh 4.9 per cent, Assam 4.9 per cent and Gujarat 4.8 per cent.

Gujarat is not expected to be number one even in the next five years. Planning Commission has projected that during the 12th plan, Gujarat's growth will be 4 per cent

(equal to national average ) but quite lower than Madhya Pradesh, Mizoram, Bihar, Jharkhand, Arunachal Pradesh, Andhra Pradesh, Chhattisgarh, Assam, Rajasthan and Karnataka.

Recently the Comptroller and Auditor General (CAG) of India also raised several questions regarding the [agricultural growth](#) and government's contribution to fuel it. The [CAG](#) noted, "The farmers' awareness campaign, Krishi Mahotsav, launched by Gujarat government has achieved only partial success, as the event touches only 35 per cent to 45 per cent farmers."

During 2007-12, over Rs 12 crore of Rs 82 crore released for the Krishi Mahotsav has remained unspent. The CAG also found that the Gujarat government is not utilizing the grant-in-aid of almost Rs 140 lakh released by the centre for SC/ST farmers. Management of soil health card was also found to be 'deficient'.

An official said, "Gujarat's performance has improved but not in double digits. The growth is due to farmer initiatives and use of risky crops like BT cotton. Our production in basic agri-products like wheat has gone down. State government's input cost per farmer per annum is between Rs 5 and Rs 7 only." He added that farming has improved substantially in areas where Narmada water has reached for irrigation.

### **Kuruvai looks uncertain this year too**

It's not good news for delta farmers. For the second consecutive year, the Mettur reservoir will not be opened for irrigation as per schedule on June 12.

The change of guard in Bangalore on Monday is unlikely to help Tamil Nadu farmers as the present combined water storage in Karnataka's four reservoirs is a mere 12% of their total capacity. As a result, this year too farmers may not be able to cultivate the short-term kuruvai crop.

"Unless we receive some miraculous showers, the sluice gates of Mettur reservoir will remain shut until September," said a senior government official. The four reservoirs of Karnataka — Harangi, Hemavathi, Krishnarajasagar and Kabini — which store Cauvery water have a combined storage of only 14.83 tmcft (thousand million cubic feet of water) as against their total capacity of 114.45tmcft. Cauvery water from across the border reaches Mettur reservoir via Billigundulu and helps irrigate 12 lakh acres of agricultural land in Tiruvarur, Nagapattinam and Thanjavur districts, besides pockets of Cuddalore, Trichy, Karur, Ariyalur and Pudukottai districts.

Recalling the rigid stand of S M Krishna-led Congress government in 2002 in not releasing water to Tamil Nadu, and his unconditional apology to the Supreme Court for defying the order, sources in the Tamil Nadu government said nothing different could be expected from the Siddharamaiah government. "We only hope the newly set up supervisory panel, led by the secretary of the Union water resources ministry, meets before this month-end to finalise the water release," a senior official said.

Under the final award of the Cauvery Water Disputes Tribunal, Tamil Nadu is guaranteed 192 tmcft between June and May the following year. For instance, 10tmcft has to be released in June. "We want the Cauvery Management Board to be set up immediately and the final tribunal award implemented," said S Ranganathan of Cauvery Delta Farmers' Welfare Association. Agriculture season in TN begins in June with the short-term kuruvai crop, which depends on water release from Mettur.

### **Make drip irrigation must in Marathwada: Agriculture department**

The [agriculture department](#) recently sent a recommendation to the state government asking it to make drip irrigation compulsory for sugarcane cultivation across the Marathwada region. The department has also sent recommendations to construct check dams and taking up desilting of dried-up water bodies at war footing in the region.

The Marathwada region comprises eight districts - Aurangabad, Jalna, Beed, Osmanabad, Parbhani, Hingoli, Nanded and Latur - of which the first four are the worst hit by drought in the state.

As per the agriculture department records, the districts of Aurangabad, Jalna and Beed have 1,05,600 hectares of land covered by sugarcane, while the districts of Latur, Osmanabad, Nanded, Parbhani and Hingoli jointly have 1.45 lakh hectares of land covered by the crop.

According to the thumb rule, each hectare of land under sugarcane cultivation requires 2.5 crore litres of water per year. However, the crop has alone consumed 6.37 trillion litres of water so far this year in the region.

On the other hand, water experts said that sugarcane cultivated on one hectare of land requires at least 2,000 mm of water (ground and surface water) each year. So going by these statistics, the water required in a year for cultivation of sugarcane is 180 thousand million cubic (TMC), which is more than double the storage capacity of Jayakwadi dam. Interestingly, the city of Aurangabad requires only 2.5 TMC water per year.

Highly-placed sources in the agriculture department told TOI that alarmed by the amount of water being consumed by the crop, it has set a target of bringing at least 25% of the total area under sugarcane cultivation in the region, under drip irrigation in the current fiscal. For completing the target, the work will begin at the onset of monsoon, a time when sowing of sugarcane usually starts, sources said.

Irfan Shah, deputy director, ground water surveys and development agency, Aurangabad, said, "People have started lifting ground water tremendously. This has led

to a sharp drop in the ground water level across the region. The rampant lifting of ground water for irrigating crops that consume large amount of water has created a huge problem. The ground water should be recharged and the available stock should be used judiciously to maintain the balance."

"Each hectare of land under sugarcane cultivation will require Rs 80,000 for bringing it under drip irrigation. Going by the current status of the crop across the region, the agriculture department will require at least Rs 350 crore to bring a portion of it under drip irrigation, which brings down the water consumption of the crop by at least half," an official of the agriculture department said.

### **Only 80k hectares in region under drip irrigation system**

The [agriculture department](#) was in for a surprise, when the records showed that only 0.02% of its total farming land in Marathwada region has been covered by drip irrigation. The eight districts of the region with a gross crop area of 25 lakh hectares, has only around 50,000 hectares covered under drip irrigation.

The department has now set a target of bringing a further 39,000 hectares of agriculture land under drip irrigation in 2013-14, for which it will require Rs 113 crores. In 2011-12 the agriculture department brought 18,513 hectares of land under drip irrigation and in the 2012-13 fiscal, it brought 14,730 hectares under drip irrigation.

Agriculture department officials said that the 50% subsidy given by the state is proving insufficient to motivate the farmers in the region to shift to drip irrigation method instead of using the traditional method of watering through mud canals or bunds ploughed in the fields.

When contacted divisional statistician (Agriculture), V S Thakke, said, "The division has around 16 lakh hectares of crop area under kharif, 8 lakh hectares under rabi and

around 1 lakh hectares of crop area covered by horticulture and vegetables. The gross crop area under cultivation is 25 lakh hectares, of which around 50,000 hectares of crop area is covered by drip irrigation."

Experts blame the state for framing poor policies promoting judicious usage of water, as compared to neighbouring states. The state of [Andhra Pradesh](#), which is known as a delta belt, is totally dependent on the water from other states but still has successfully managed to bring a majority of its crop under drip irrigation by providing a minimum of 70% of subsidy.

Bandu Shinde, a farmer and agriculture expert, said, "The major problem is red tapism in claiming the subsidy. Due to corrupt practices, a major chunk of the promised subsidy goes into someone else's pocket."

### **Farming is not just for the rural folk**

Are you a city resident constantly worrying that the food you eat is contaminated with chemical substances? Are you still nostalgic about the good old days when you ate fresh vegetables and fruits grown in the backyard of the house or on a patch owned by the family?

Urbanisation not just ate up green patches but also turned us into just consumers. With it many of us have lost the skills of cultivating vegetables or even growing plants. A day long training programme held for [women](#) by the department of agriculture at the Corporation Girl's School at Puliakulam sought to convey that message that if there is will, and, of course, space, any one of us can produce vegetables and even medicinal plants. These house gardens can even be set up on terrace tops or around homes. Participants were taught the finer lessons on how to farm in minimum area, including on house terraces.

"As part of the state government's plan to [spread](#) agriculture, we have been holding 'farmers meets' for a month. While coming to the city, the natural idea plan is to encourage farming within the houses," said M Shaffe Ahmad, assistant director of agriculture, Periyanaickenpalayam Block. Experts on various topics spoke on how to make use of the best farming practices, with the minimum investment and effort.

PV Premkumar, assistant director, horticulture, spoke on various farming practices and said even in a space of just about a 100 square terrace, some of the common vegetables can be grown. Tomatoes, greens, brinjal and even tulsi can be grown on the terrace. These healthy and organic produce would be enough to meet a family's needs, he said. It will also help trim the home budget.

"A major problem for people who seek to grow plants on their terrace and such little spaces is that the soil is heavy. Decomposed coir pits can be bought from the market and used to grow saplings with relative ease," Premkumar said. This will hold water and manure better than soil for more than a year. Organic manure is enough to maintain plants in these. Around 100kg to 150kg of vegetables can be harvested in a single season. These are easier to maintain and fertilisers can be used relatively in less amounts, he said.

Shaffe says that there are several people including regular professionals who practice house farming in the city. "This is gradually catching up among many professionals in the city. Perhaps, an interest to have healthy and organic food is the major reason behind the trend," he said.

### **Jackfruit not commercially exploited crop in coast**

Though the coastal Karnataka is known for its fine breed of jackfruits, farmers here are watching them rot in their backyard as the demand for the fruit is far less than the production. [Jackfruit](#) has failed to get its rightful place in the market as well as on the dining table as the [horticulture department](#) has not shown much interest in promoting

the crop.

In neighbouring states like Kerala and Pondicherry, jackfruits farmers get the support of the state governments by the way of subsidized fertilizers and pesticides. There the fruit is neatly packed and sold for better price. While in Kerala, the price for one kilogram of jackfruit varies from Rs 20 to 60, in the state it never crossed Rs 8 per kg mark. The farmers in Kerala also exploit the demand for jackfruit by-products in overseas.

Noted agriculturist and journalist Shree Padre, who has studied the scope of jackfruits in various markets for five years, opines that if the sweet fruit is sold in a ready to eat manner, it can see better commercial feasibility in the coastal region.

He told TOI that absence of supply chains is another factor that worries farmers in the region. "The government has to create supply chains to help farmers. In Sri Lanka 40 % of the tender jackfruits are used as a substitute for vegetables and there are two dozens of companies involved in processing the fruit in that country. The state horticulture mission and national horticulture mission seem to be ignorant that about 70% of jackfruits are being wasted in this country. North India is a potential market for tender jackfruits where it is rather known as a vegetable," he added.

In Karnataka, according to the statistics of the horticulture department, there are jackfruits trees in 5,000 hectares. B P Sathish, deputy director of the horticulture department, Udupi, told TOI, "Not many farmers are showing interest in cultivating jackfruit trees in the district. Most of the jackfruits trees are found in forest areas. If farmers want to make it commercial viable, the department will support them by providing good breed of plants."

# Chennai - INDIA

## Today's Weather



Cloudy

**Tuesday, May 14**

Max Min

37° | 28°

Rain: 0

Sunrise: 05:43

Humidity: 59

Sunset: 06:26

Wind: normal

Barometer: 1003

## Tomorrow's Forecast



Partly Cloudy

**Wednesday, May 15**

Max Min

38° | 29°

## Extended Forecast for a week

Thursday

Friday

Saturday

Sunday

Monday

**May 16**

**May 17**

**May 18**

**May 19**

**May 20**



39° | 29°

40° | 30°

40° | 30°

39° | 29°

38° | 29°

Partly Cloudy

Overcast

Overcast

Partly Cloudy

Partly Cloudy

## Airport Weather

Rain: 0

Sunrise: 05:43

Humidity: 59

Sunset: 06:26

Chennai

Wind: normal Barometer: 1003



## Potato prices decline Rs 50/quintal in Bengal



Potato prices in West Bengal dipped by nearly Rs 50 a quintal last week on the back of improved supplies from cold storages coming into the market.

Wholesale price of the tuber (Jyoti variety) was ruling around Rs 850, down from Rs 900 in the first week of May.

Prices are likely to hover around current levels backed by a steady demand for Bengal potatoes in other states, said Sukumar Samanta, General Secretary, Singur Ratanpur Aloo Byabasi Samiti.

### **Improved Supplies**

According to Patit Paban De, member of West Bengal Cold Storage Association, more than half of the 400-odd cold storages in the State have started unloading their potatoes.

With the State government approving a rental hike of Rs 19 a quintal, cold storages started opening their outfits for unloading potatoes in the first week of May.

The present hike, which comes after almost three years, is still inadequate to make good for the 50 per cent rise in input costs, De said.

The 400-odd storage units in the State can hold up to 60 lakh tonnes of potatoes.

“Prices had shot up in the last week of April and early May on the back of a steady demand leading to depletion of stocks held with farmers,” De told *Business Line*.

Usually around this time of the year, farmers have a reasonable quantity of potatoes with them. However, this year, there was hardly any stock left.

This is despite a 12 per cent rise in potato production to 98 lakh tonnes this year.

West Bengal consumes around 50-55 lakh tonnes of potatoes produced; while nearly 40 per cent of the potatoes produced in Bengal find its way into other States.

Had the cold storages not started unloading, then prices could have risen further as the demand continues to be good, De pointed out.

“Starting next week, the other cold storages will also commence their unloading operations. This might exert some pressure on prices, however, we expect price to remain firm at these levels due to steady demand,” he said.

However, if for any reason, potato supply from Bengal to other States comes down, then prices might crash due to an excess production this year, he added.

### **Spot rubber improves**

Spot rubber improved despite a weak closing in domestic futures on Monday.

According to sources, the prices improved mainly on covering purchases expecting the re-entry of major consuming industries as buyers on the commodity.

Supply concerns continued to haunt the overall sentiments once again, as the market is moving in to another low production season.

Sheet rubber increased to Rs 171.00 (Rs 169.50) a kg according to traders.

The grade closed firm at Rs 170.50 (Rs 169.00) a kg at Kottayam and Kochi as quoted by the Rubber Board. In futures, the May contracts slid to Rs 169.50 (Rs 170.17), June to Rs 169.07 (Rs 169.99), July to Rs 168.00 (Rs 168.90), August to Rs 166.39 (Rs 167.29) and September to Rs 164.77 (Rs 165.90) a kg while the October futures remained inactive on the National Multi Commodity Exchange (NMCE).

RSS 3 firmed up at its May futures to ¥278.5 (Rs 150.14) on the Tokyo Commodity Exchange.

**Spot rubber rates/kg were:** RSS-4: 171.00 (169.50); RSS-5: 167.00 (165.50); Ungraded: 162.00 (161.00); ISNR 20: 161.00 (158.00) and Latex 60%: 109.00 (108.00).

### **Monsoon set to break over Andamans under 'Mahasen' effect**

Conditions are now favourable for advance of South-West monsoon over Andaman Sea and adjoining seas during the next two to three days. Andaman and Nicobar Islands is the country's farthest outpost in extreme South-East Bay of Bengal and receives the annual monsoon between May 15 and 20.

### **MAHASSEN EFFECT**

Going by this, the onset of the rains is expected to be normal this year, with raging cyclone Mahasen having played a big role facilitating it. It has churned up the seas and is trailed by strong band of southwesterly flows from South of the Equator and heading straight into the Bay of Bengal.

The Thailand Met Department, which is the nearest to Andaman Sea, estimated that southwesterly winds were clocking between 20 and 35 km/hr on Monday. The skies

continued to be very cloudy out there with scattered thunder showers, it said. But wind speeds could slow down by the weekend as cyclone Mahasen spun away and died out.

## **WEATHER WARNING**

India Met Department has forecast heavy to very heavy rainfall over Andaman and Nicobar Islands during the next two days.

It also issued a thunder squall warning for East and North-East India as Mahasen clambered in and changed course just to the South towards Bangladesh.

A passing western disturbance under whose influence Mahasen is being forced to make a detour mid-sea towards Bangladesh, would further busy up the weather in the region.

There is also a persisting corridor (trough) of lower pressure extending from North Chhattisgarh to interior Andhra Pradesh.

This would serve as a respectacle for moisture swept in by northeasterly flows from Mahasen, adding to the volatility of conditions.

## **CYCLONE TRACK**

Thundersquall could break out over Jharkhand, Chhattisgarh, Odisha, West Bengal, Sikkim, Assam, Meghalaya, Nagaland, Manipur, Mizoram and Tripura during next two days. Thundersquall has also been forecast over Coastal Andhra Pradesh and Tamil Nadu on Tuesday just as Mahasen executes the about-turn. The Met department located Mahasen centred about 800 km northwest of Car Nicobar and 640 km southeast of Chennai on Monday afternoon.

The cyclone would move initially northwards until Tuesday morning and thereafter recurve towards the Bangladesh/Myanmar coast. [vinson.kurian@thehindu.co.in](mailto:vinson.kurian@thehindu.co.in)

## **Cotton to rule steady**



Traders expect cotton prices to remain steady this week on the back of limited buying by local mills and restricted supply.

Gujarat Sankar-6 cotton was traded at Rs 37,500-37,700 a candy of 356 kg. Kapas or raw cotton was Rs 920-975 at Rajkot.

About 12,000-14,000 bales of 170 kg each of cotton arrived in Gujarat and 30,000-35,000 bales arrived in India.

Cotton ready delivery was quoted at Rs 3,970-4,045 a quintal in Punjab, Rs 3,915-3,930 in Haryana and Rs 3,920-3,930 in Rajasthan.

Lower arrivals were supportive for the prices but spinners were reluctant to buy in large quantity.

Delay in getting yarn payments and slow demand in export weighed on cotton demand.

On the ICE US, the fibre slid marginally by 0.9 per cent to 85 cents / lb .

## **Sugar futures weak**



Sugar prices, which are on a bearish trend, are likely to trade unaltered and are not expected to decline further.

Sources said, "Sugar prices are not expected to go down from the current level as it is already ruling near Rs 3,000 far below the cost of production and with the rise in temperature prices may show some improvement. Sugar is under pressure of ample supply since Diwali. In last three working days, with rise in mercury, producers offloaded about 1.50- 1.75 lakh bags in the State level markets barring Mumbai".

Sugar futures ruled weak on Monday on profit booking while in physical market remained steady.

Mill tender rates extended gain further by Rs 5-10 a quintal on higher demand due to rising temperature.

Vashi sugar market currently carries sufficient more than 100 truck loads inventory stocks so there is no question of shortage.

There are no new arrivals or local dispatches of sugar since May 1 in Vashi.

On Saturday evening, 16-17 mills offered tenders and sold 58,000-60,000 bags at Rs 2,960-3,040 (Rs 2,950-3,030) for S-grade and Rs 3,040-3,100 (Rs 3,020-3,080) for M-grade.

On the NCDEX, sugar June futures dropped by Rs 18 to Rs 3,032 , July was down by Rs 26 to Rs 3,065 and August by Rs 34 to Rs 3,122.

### **Edible oils to turn hot on improved demand hopes**



Hopes of higher demand and thinning stockpiles of Malaysian palm oils are likely to heat up edible oils trade.

Edible oil prices improved further on Monday driven by weak Indian currency and expectation of higher demand in the coming days.

Imported palmolein rose by Rs 2 while soyabean refined oil ruled flat.

Groundnut and rapeseed oil increased by Rs 5 each while cotton refined oil up by Rs 3 for 10 kg on lower arrivals of seeds as most mandis were closed due to Akshaya Tritiya .

An observer said that in local market activities for ready trade was thin.

One importer sold about 350-400 tonnes of palmolein at Rs 504. Ruchi sold 150-200 tonnes of soyabean refined oil at Rs 662 and 150-200 tonnes sunflower refined oil at Rs 760.

Resellers were quoting palmolein at Rs 507-508 but there were no buyers.

Towards the day's close, Liberty was quoting palmolein at Rs 512-516, super palmolein Rs 548 and sunflower refined oil Rs 780.

Ruchi was quoting palmolein at Rs 514 ex-Patalganga and Rs 508 ex JNPT, soyabean refined oil Rs 662 and sunflower refined oil Rs 760.

Allana's rates for palmolein were Rs 548.

In Saurashtra – Rajkot, groundnut oil shot up by Rs 50 to Rs 1,780 for *telia* tin and by Rs 35 to Rs 1,160 for loose (10 kg) on improved demand.

Malaysian BMD crude palm oil's June contracts settled at MYR 2,296 (MYR 2,305), July at MYR 2,310 (MYR 2,319) and August at MYR 2,311 (MYR 2,316) a tonne.

**The Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil 1,140 (1,135), soya refined oil 663 (663), sunflower exp. ref. 675 (675), sunflower ref. 765 (765), rapeseed ref. oil 685 (680), rapeseed expeller ref. 655 (650) cottonseed ref. oil 645 (642) and palmolein 510 (508).

**Vikram Global Commodities, Chennai** has quoted Malaysian super palmolein at Rs 561 ex-Chennai.

### **Pepper declines on selling pressure**



Pepper prices declined on selling pressure and consequently the active contract ended below the previous day's close.

Buyers were quoting lower rates. Those who wanted to get out of the market were liquidating.

On the spot, 38 tonnes of fresh pepper arrived and the offtake stood at 40 tonnes at an average price of Rs 341 a kg. The May contract on the NCDEX decreased by Rs 200 to close at Rs 36,190 a quintal.

Total turnover dropped by 137 tonnes to 24 tonnes. Total open interest declined by seven tonnes to 201 tonnes.

Spot prices dropped by Rs 100 to Rs 34,100 (ungarbled) and Rs 35,600 (MG 1) a quintal.

Indian parity in the international market was at \$6,725 a tonne (c&f) for prompt .

### **Rice market to stay in a tight range**



Sharbati rice may lose its current levels while all the other aromatic and non-basmati rice varieties may continue to rule around current levels this week, said trade experts.

Rice market witnessed a mixed trend on Monday; prices of PR14 and aromatic rice varieties witnessed an uptrend while Sharbati dropped further on slack demand. PR and Permal varieties managed to maintain their previous levels.

Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line* that situation of the market was anticipated and market may continue to rule in a tight range with marginal fluctuations even in the coming days. Traders expect that availability of stocks may also improve in coming weeks, he added.

After witnessing a fall last weekend, aromatic rice varieties went up by Rs 50-100 a quintal.

In the physical market, Pusa-1121 (steam) went up by Rs 100 and sold at Rs 8,100 a quintal while Pusa-1121 (sela) quoted at Rs 7,100 , Rs 50 up from previous levels.

Pure basmati (raw) moved up by Rs 100 and quoted at Rs 9,000. Duplicate basmati (steam) traded Rs 50 up and sold at at Rs 7,100.

On the other hand, moderate buying kept brokens unaltered. For the brokens of Pusa-1121, Dubar quoted at Rs 4,100, Tibar sold at Rs 4,950 while Mongra was at Rs 3,100.

In the non-basmati section, PR14 (steam) improved while, Sharbati went further down on slack demand. Sharbati (steam) moved down by Rs 150 and quoted at Rs 5,200-5,250, while Sharbati (sela) was at Rs 4,900, Rs 100 down.

PR14 (steam) went up by Rs 100 and sold at Rs 3,400-3,450.

On the other hand, Permal and other PR varieties continued to rule flat. PR-11 (sela) sold at Rs 3,400-3,450 while PR-11 (Raw) quoted at Rs 3,100-3,150. Permal (raw) sold at Rs 2,600 while Permal (sela) went for Rs 2,470 a quintal.

**Weak global cues drag soyabean, oil**



With rise in buying support in soya oil futures, soya oil prices in Indore mandis on Monday ruled marginally higher.

Soya refined was at Rs 687-90 for 10 kg (Rs 680-90), while soya solvent also rose marginally to Rs 655-60 (Rs 655-57).

Soya oil futures closed higher notwithstanding weak global cues with its May and June contracts on the NCDEX closing at Rs 721.55 (up Rs 3.20) and Rs 698 (up Rs 2.75).

Soyabean ruled firm at Rs 3,850-3,950 a quintal amid negligible arrivals as mandis in Madhya Pradesh remained closed on Monday on account of 'Parashuram Jayanti'. Amid decline in arrival, plant deliveries in soyabean perked up by Rs 25 to Rs 4,025-75 a quintal.

Contrary to soyabean prices in the physical market, soyabean prices in the futures have been witnessing an uptrend with speculators pushing up its prices. On Monday, soyabeans' May and June contracts on the NCDEX closed at Rs 4,086.50 (up Rs 69) and Rs 3,921.50 a quintal (up Rs 30.50).

Soyameal was steady at Rs 35,000 a quintal on comparatively weak domestic demand, while export demand continues to be poor.

**Turmeric not to rise till month-end**



Going by the current trend and the rising temperature levels, there will not be any upcountry orders for turmeric till the month end.

R.K.V. Ravishankar, President, Erode Turmeric Merchants Association, said that there is no possibility of increase in turmeric price till the end of this month. After the summer he hoped that some North Indian orders may be received by them.

Spot turmeric declined further in Erode on Monday.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 5,011-7,511; the root variety Rs 5,019-6,406 a quintal.

**Salem Hybrid Crop:** The finger variety fetched Rs 7,211-8,269; the root variety Rs 6,711-7,109. Of the 560 bags arrived, only 30 per cent stocks were sold.

At the Regulated Market Committee, the finger variety ruled at Rs 6,540-7,662; the root variety Rs 5,647-6,569. Of the arrival of 314 bags, 279 found takers.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 5,829-7,538; the root variety Rs 5,440-6,399. Of the 771 bags arrived, 666 were traded.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 5,509-7,447; the root variety Rs 5,100-6,222. Of the arrival of 131 bags, 123 were sold.

## The shift away from agriculture

After a long period of virtual stasis, the movement of labour away from agriculture - a process coterminous with economic development - has gathered momentum in recent decades, according to the 2011 census. Although this much-delayed shift to non-agricultural activities began since 1991, the share of workers living off the land still remains substantial at 54.6 per cent. India, thus, remains very much an agrarian economy although its share in the gross domestic product (GDP) has declined to 14 per cent. The fact that the share of cultivators and agricultural labour in the workforce has declined less than the sector's share in GDP entails a decline in income per head over time and persisting poverty.

The decennial census is a massive exercise involving a headcount of 1.2 billion people. The sheer scale and complexity of this undertaking does not lend itself to detailed probing questions that are possible, say, in the National Sample Survey Organisation (NSSO's) five-yearly surveys. Even so, the numbers are robust enough to highlight major structural transformations in the economy. The result that has attracted the most attention is that the farmer population has shrunk by nine million between 2001 and 2011 (see Rukmini Shrinivasan's article in *The Times of India*). Although the share of cultivators in the workforce has been steadily falling, this is the first time the number has fallen in absolute terms, if one ignores the earlier fall in 1971 as arising from a more restrictive definition of the workforce in the 1971 census.

While the farmer population is thinning out of late, there has been a steady rise in the number of agricultural labourers who outnumber cultivators in 2011. The proximate causes for these trends require deeper research. During the last decade, they plausibly reflect the fact that agricultural growth has been sluggish although overall GDP growth has been robust at 7.5 per cent per annum. The growth of employment in agriculture has been slow and declining and contrasts with better prospects in non-agriculture.\*

Owing to the pressure of population, the average size of land holdings is getting more fragmented over time. Farming at the margin, thus, is getting more unviable, forcing small cultivators to join the growing ranks of agricultural labourers or seek non-agricultural employment.

Cultivators and agricultural labour account for over half of the 481.7 million workers in the country. According to the fourfold classification of the primary census abstract, other workers or those engaged in non-agricultural activities account for 42 per cent, with the remainder in household industry. The workforce number includes main workers who worked for more than six months in a year, and marginal workers who worked for less than six months. The 2011 census further differentiates those who worked less than three months and those who worked for three to six months. The decline of nine million among farmers is largely from those who tilled their fields for more than six months; those whose main work is cultivation. Some of them have taken to agricultural labour. But most have become other workers.

The 2011 census also highlights (what the NSSO's surveys have been indicating) the growing marginalisation of the workforce. The share of marginal workers in the workforce has grown from 22.2 per cent in 2001 to 24.8 per cent in 2011. In other words, one in four workers in the Indian economy has worked for less than six months in a year. In the earlier 1991 census, this share was much less at nine per cent. Around one-fifth of cultivators are marginal workers in 2011 as against 11 per cent in 1991. Among agriculture labour, their relative importance is as high as 40 per cent, up from 13 per cent in 1991. The proportion of marginal workers has also grown among other workers to 16 per cent in 2011.

One in five farmers working for less than six months reflect the crisis conditions in the agrarian sector, forcing them to seek work elsewhere. The same applies to agricultural labour where the proportion of marginal workers is much higher. According to T S Papola, visiting professor at the Institute for Studies in Industrial Development,

"Agriculture is increasingly unable to productively employ the growing rural labour force. At the same time, there has been some growth of non-agricultural activities in rural areas in construction, trade, and services which have generally offered better earnings. Most of these employment opportunities have been of a temporary and casual nature."\*\*

Participating in the Mahatma Gandhi National Rural Employment Guarantee Scheme is also of a marginal nature. The growing marginalisation of other workers possibly reflects the fact that regular jobs have hardly increased or have declined owing to redundancies caused by technological and competitive compulsions, especially in larger enterprises. So a part of the regular workforce has been rendered marginal and most new jobs are of a marginal category, he adds. These propositions can be looked into more closely when detailed tabulations become available. But the big story so far is that the shift of workers from agricultural to non-agricultural activities as expected in the process of development has begun.

### **Market pulse for agro commodities : Mangal Keshav**

#### **Average price of small cardamom declined to Rs 526.3 per kg**

Chilli market at Guntur was closed for summer vacation & is expected to re-open only in June.

Arrivals of jeera crop were steady ~15,000 bags & the same were traded at auctions held at Unjha market. Spot rates were up & quoted around Rs 124-Rs 125 per kg while exchange crop was offered at Rs 132-Rs 133 per kg, as per local traders.

Spot rates of pepper garbled declined to Rs 356 per kg and that of un-garbled was down at Rs 341 per kg while arrivals declined to 38 tons & trades too were down at 40 tons at auctions held at Kochi market, as per IPSTA.

Arrivals of turmeric crop increased to 6,500- 7,000 bags at Nizamabad market, up more than 5,000 bags at mandis of Erode, but declined to 3,000 bags at sangli market. Spot rates too were largely unchanged, across major trading centers.

Average price of small cardamom declined to Rs 526.3 per kg while maximum price offered was down at Rs 742 per kg, as per spice board. Total inflow of small cardamom crop declined to 22.2 tons from which ~19.1 tons were sold at CPA auction held at Santhanpara.

Most of the mandis at MP market were closed on Monday, due to Parshuram Jyanti; however Indore market was open, where 800-1,000 bags were reported by local traders.

Also supply across mandis of Maharashtra & Rajasthan has increased to 18,000-20,000 bags each, as per trade reports.

Spot rates of soya bean crop offered by planters were up at Rs 40.5-Rs 41 per kg while rates across major mandis of Indore were up at Rs 39-Rs 39.5 per kg, as per local traders.

Guar seed arrivals increased to 6,555 quintals, while the average of the closing spot rates were down at Rs 8,487.3 per quintal.

Inflow of mustard seed crop increased to 69,051 quintals, while average of closing spot rates were up at Rs 3,012.3 per quintal, as per agriculture marketing board of Rajasthan. Total arrivals of mustard seed crop stood ~3lakh bags across major trading center while spot rates were quoted at Rs 33-Rs 35.5 per kg based on quality & location, as per market reports.

Chana futures recovered on buying support at lower levels; however trend still remains

down due to increase in supply to ~50-55 truck while off-take remains steady local mandis. Spot rates were steady around Rs 33.5 per kg.

Spot rates of mentha oil were up by Rs 18-Rs 20 per kg while futures too gained more than 2% & closed above last week's high. Prices were supported by increased buying interest at lower levels, after a steep sell-off since past 11-weeks.