

Weak monsoon may result in 10% lower kharif output

Improved crop varieties have not been developed in rain-fed areas, admit scientists

If monsoon remains weak in key States in the next week, then kharif production is likely to be lower by an estimated 10 per cent, a top official of the Indian Agriculture Research Institute (IARI) has said here. While rice output may not be affected due to better rain in Northeast and irrigation facilities in Punjab and Haryana, soybean, cotton and groundnut harvest may be hit in crucial growing States such as Gujarat, Maharashtra and Madhya Pradesh. Till July 14, monsoon was said to be lower by 41 per cent with 53 per cent departure from normal in northwest India and 55 per cent lower in central India. "If it rains in the next one week as the Met office has predicted, then normal sowing can still commence," said IARI Director H.S. Gupta on Wednesday. "Cotton and soybean can be sown up to July 25 provided it rains in Gujarat and Maharashtra which together account for about 60 per cent of the country's cotton output," he added.

New rice variety

Farmers in Punjab and Haryana have sown a newly developed short-duration rice variety called Pusa Basmati 1509 in almost 50 per cent area which will give a higher yield than the traditional Pusa Basmati 1121. Scientists admitted that for over a decade there has not been much emphasis on development of improved crop varieties in rain-fed areas which is why a monsoon deficiency situation lands dry-land farmers in trouble. "Our focus areas have been irrigated areas and the Gangetic belt. Poverty-stricken non-irrigated areas with low productivity have unfortunately so far been neglected," a top official said. Till last Friday, kharif sowing was lower than last year by almost 50 per cent owing to deficient and weak monsoon.

UPASI expresses concern over drop in tea price

The United Planters Association of Southern India (UPASI) has expressed concern over the declining prices of tea. Pointing out that tea prices in South India have since the beginning of 2014 dropped by Rs. 14 as compared to the corresponding period last year, the president, UPASI, Peter Mathias, has in a statement issued at Coonoor on Thursday said that this was in spite of a shortfall of 22 m-kg. in the all India production due to extreme weather conditions. Further, exports during the current calendar year was up by 6.7 m-kg and world production was also showing a similar trend as major producing countries have reported substantial drop in production. He said that though there has been considerable reduction in the price at the auctions, prices of packet teas sold to the consumer has not changed. The industry in collaboration with Tea Board has put in place a monitoring mechanism to ensure that teas produced in the country meet the stringent

quality parameters laid down under various legislations in India and abroad. He also added that the UPASI was of the view that the Tea Distribution and Export Control Order should be further strengthened to ensure that even in the case of imports for re-exports, only teas of high quality which meet all the stipulations of the Food Safety and Standards Authority of India (FSSAI) are allowed.

Farmers set up federation

Farmers' organisations have joined hands to form a new federation at the Belgaum district-level. The first meeting of the Belgavi Jilla Raith Sanghagala Okkuta, the new outfit, will be held on Monday at the Suvarna garden, adjacent to the Suvarna Vidhana Soudha in Belgaum. On Thursday, a leader of a farmers' group Mallikarjun Wali said the need for a federation arose because the government did not take the demands of the individual organisations seriously. The government felt that farmers' demands were just publicity stunts, he said.

Rs.30 crore to step up procurement of rubber

Finance Minister K.M. Mani has announced an outlay of Rs.30 crore to step up the procurement of rubber from farmers struggling to cope with the falling price of natural rubber. Funds would be released soon, he said in reply to a debate on the Kerala Appropriation (No.15) Bill, 2014 in the Assembly on Thursday. The government had incurred a tax loss of Rs.200 crore due to the price fall, Mr. Mani said. All issues faced by rubber farmers would be addressed. The Minister said the State had sought the help of the judiciary to dispose of pending tax cases within three years.

Ambiguity on loan waiver puts farmers in a fix



Worried lot: With no clarity on loan waiver, farmers of Adilabad district are anxious about the future of their agricultural activity. -PHOTO: S. HARPAL SINGH

The Telangana Rashtra Samiti (TRS) cadres may be celebrating the Cabinet's decision on waiver of crop loans, but clarity on the issue continues to elude the poor farmers and bankers too. They were expecting guidelines to be issued for writing off their loans and not reiteration of the government's commitment in that regard. "We are almost two

months into kharif season and we stand where we were at the beginning of the season,” a sarcastic Gouri Naresh, farmer from Sawapur in Jainad mandal observed. The situation is growing grimmer by the day,” he lamented pointing out the continuing delay by the government in coming up with something concrete. According to sources, the Reserve Bank of India (RBI) is not willing to accept any request to reschedule loans across the board. The kind of data on farmers it has asked for from the State Government is only an indicator of the shape of things to come at best. “We have hope that the TRS will fulfil its promise made to beleaguered farmers made during elections. It would have been better had the government formulated guidelines and set a time frame for issue of fresh loans,” farmer Katipally Srinivas Reddy of Talamadugu mandal head quarter village wished. There is a fear among farmers that only a section of farmers would benefit from waiver of loans going by the detailed report sought by the RBI. “That the RBI has sought information with regard to number of farmers who lost crop on account of excessive rainfall or drought in the preceding couple of years has given rise to a doubt that loans of only those farmers who lost crop earlier will be waived,” says TRS farmer leader B. Goverdhan Reddy. An estimated 2.5 lakh to 3 lakh small and marginal farmers in Adilabad district would be affected badly if the issue continues to be put off. “All that matters now is issue of fresh loans, we have nothing to do with the RBI,” says an angry farmer on conditions of anonymity. Meanwhile, the TRS cadres burst crackers at Telangana chowk on Thursday welcoming the Cabinet decision on crop loan waiver. Sangareddy Staff Reporter adds: The bankers in the district feel that confusion surrounds the issue. Though officials are not ready to furnish exact figures on how many may benefit with the announced waiver of Rs. 1 lakh loan without time period, it was estimated by some bankers that about four lakh farmers in Medak district would get benefitted if the loan waiver is applicable from 2009. If it was rescheduling of loan, it would be applicable only for the year 2013-14 financial year limiting to about a lakh plus farmers. “We are not sure whether the government is going for loan waiver or rescheduling. If the proposal is for loan waiver, the government can directly inform the Reserve Bank of India (RBI) that it would pay the loan arrears of farmers in a specified period. If it was reschedule, then the system will be difficult. Let the State Government give clarity,” said a bank official on anonymity adding that they need to get instructions from RBI. All most all the banks are issuing fresh loans or loans to those who had cleared their dues. But not to those who have not repaid loans. They are being forced to go to private lenders,” said the officer. The farmers are already feeling the pinch and approaching private money lenders for loans. There will be rains in Pushyamikarthi in the next two weeks and the banks may not be in a position to issue loans before this period as still there was confusion. “We have already entered late kharif and it will be too late if the government fails to respond immediately,” Narasimharama Sharma, a farmer from Ismailkhanpet said.

Water level

Mettur

The water level in the Mettur dam stood at 47.45 feet on Thursday against its full level of 120 feet. The inflow was 934 cusecs and the discharge 800 cusecs.



Chennai

Chennai - INDIA

Today's Weather



Sunny

Friday, Jul 18

Max Min
36° | 28°

Rain: 0

Humidity: 59

Wind: normal

Sunrise: 05:50

Sunset: 06:39

Barometer: 1005

Tomorrow's Forecast



Cloudy

Saturday, Jul 19

Max Min
35° | 28°

Extended Forecast for a week

Sunday
Jul 20



35° | 28°
Partly
Cloudy

Monday
Jul 21



35° | 28°
Partly
Cloudy

Tuesday
Jul 22



36° | 28°
Partly
Cloudy

Wednesday
Jul 23



36° | 28°
Partly
Cloudy

Thursday
Jul 24



36° | 28°
Partly
Cloudy

Airport Weather

Chennai

Chennai

Rain: 0

Sunrise: 05:50

Humidity: 59

Sunset: 06:39

Wind: normal

Barometer: 1005



THE  NEW
INDIAN EXPRESS

Jagan Sets One Month 'Deadline' to Waive off Loans to Farmers

YSR Congress president Jagan Mohan Reddy today set a one-month "deadline" for the TDP government to fulfil its poll promise of loan waiver schemes.

He said that his party would take up the cause of farmers and hold protest meetings across Andhra Pradesh if the TDP failed to keep its promise. Chandrababu Naidu has resolutely and categorically told the Election Commission that all logistics were worked out and the loan waiver scheme is feasible. He promised in the subsequent public meetings that with all the experience he had as chief minister for nine years, the scheme is viable and will be implemented immediately after coming to power," Jagan told reporters here.

"People believed this stark lie and voted TDP to power, while Chandababu Naidu is shirking responsibility and is looking for ways to wriggle out of the situation. He is exploring escape route to avoid waiving off loans, but we are with the farmers and will agitate if the loans are not waived off within one month," Jagan said.

According to Jagan, in Naidu's letter to the Election Commission on April 11 and during campaigning thereafter, the TDP president consistently assured people that waiver of all agriculture and DWACRA (Development of Women and Children in Rural Areas) loans would be implemented immediately after assuming office, since it is feasible.

"The Chief Minister is trying to get loans rescheduled. Such an exercise has been the practice for the past ten years.

It has now been announced that rescheduling is only for Rs 10,000 crore of loans while the remaining Rs 90,000 crore of loans have been left out," he said.

As per the 184th State Level Banking Conference's (SLBC) report, the quantum of agriculture loans is pegged at Rs 87,000 crores and the TDP government is aware of it, he said.

"The situation of DWACRA groups is pathetic since bankers are adjusting the money towards loans and interest, as nothing came from the government though it promised waiver of all DWACRA group loans," Jagan said.

He said that sugarcane farmers are bearing the brunt once again since sugar factory managements directly deposit money into banks which in turn adjust it against loans and interest, due to which farmers are unable to draw any money.

People believed Chandrababu Naidu's election promise and voted him to power and the TDP government is trying to delay the loan waiver process, Jagan said.

The TDP government has appointed the Kotaiah Committee (on farm loan waiver) only to prolong the issue and the report was not released due to "obvious reasons", he said.

"This is nothing, but cheating the people. Cheats must be booked under Section 420 of the Indian Penal Code. People and farmers in particular have lost faith. If the election promise of waiving all agriculture and DWACRA group loans is not fulfilled within one month, we will resort to agitation," he said.

Business Standard

Agri equipment firm Limken to expand

Limken India Agro Equipment Pvt Ltd, Indian subsidiary of German agro-equipment manufacturer, Lemken GmbH & Co KG, is looking at doubling its capacity in the next three years with an investment of around Rs 50 crore. The company has invested Rs 70 crore in its manufacturing facility at Nagpur, which began operations in January, 2013. This is the first manufacturing facility outside Europe for the company. "In the Phase-II expansion, the company plans to add 8,000 sqm of plant area in the next two to three years," said Arvind Kumar, MD&CEO, Lemken India Agro Equipment Pvt Ltd. The company expects its capacity utilisation to reach an optimum 3,000 units of ploughs in the next two years post the expansion. Total dealers would be increased from current 20 to 40 in the current fiscal year. In terms of sales, it sold around 450 ploughs last year, and aims to sell 1,000 ploughs this fiscal year.

Cotton sowing gains at cost of paddy, groundnut

Cotton growers in Gujarat and Maharashtra, two major growing states in India, are gearing up to bring more area under it with the monsoon reaching the state. The delay in the arrival of monsoon has affected the sowing of paddy and groundnut in Gujarat; farmers are diverting that area to cotton. In some other states, the area earmarked for pulses is also being diverted to cotton, a short-cycle crop. Although Maharashtra is lagging behind Gujarat in cotton sowing, the sowing can be done till the end of this month. To meet their targets, farmers are counting on revival of the monsoon as predicted by the Met department. Among the reasons that has driven farmers to increase cotton acreage is the fact that they had received good returns from the crop last year. While cotton sowing is in full swing in Madhya Pradesh, the planting is over in Rajasthan, Haryana and Punjab, where cotton acreage is up 10 per cent. The farmers in these states also diverted from guar and paddy to cotton, which needs less irrigation. According to Bhagwan Bansal, president of Punjab Ginning Mills Association, the north-

western states are likely to produce about 60 million bales, compared to 41 million bales last year. If the monsoon remains consistent, then there could be a 8-10 per cent increase in cotton acreage across India and this might lead to a proportional increase in arrivals, said Anand Popat, secretary, Saurashtra Ginning Mills Association. India has received 38 million bales of cotton from the kharif 2013-14 crop. Another seven to eight million might be added in the remaining period (the cotton season runs from October to September). We can expect an increase in the coming season.

AREA SOWN (in million hectares)

State	Kharif '13-14	Till July 10
Gujarat	2.5	1.2
Maharashtra	4.0	1.2
Andhra Pradesh	2.3	0.6
Madhya Pradesh	0.7	0.3
PHR	1.4	1.6
Karnataka	0.5	0.4
Tamil nadu	0.2	NA

PHR = Punjab, Haryana & Rajasthan
Source: State agriculture departments

Prerana Desai, head of research at Kotak Commodities, says: "The historical trend of El Niño (a weather phenomenon that reduces monsoon rains) reflects that most of the crops were impacted due to poor monsoons in the years 2003-04, 2004-05 and 2008-09, but cotton was not affected." She added that area under cotton was registering an increase in all cotton-growing states and even if rains picked pace in the next two weeks, cotton crop would be safe.

The arrivals for the kharif 2014-15 might be delayed as cotton-sowing has been deferred. "We expect the arrivals to gain momentum in the

month of November," said Arun Dalal, an Ahmedabad-based cotton exporter.

According to him, the international price of cotton is likely to be subdued due to an increase in production this year. The domestic price will be determined only if the supplies are firm. Going by current trends, cotton production is likely to be higher this year; however, there needs to be minimum amount of rainfall for this to happen.

Cotton prices could fall amidst poor demand from spinning mills



Demand for cotton from domestic spinning mills might decline, with China continuing to reduce yarn imports. According to spinning mills, their low purchasing power has also led to a fall in demand. "China's cotton yarn offtake has been poor. Our exports to Europe

have also come down. There is no liquidity among spinning mills, which has led to a fall in demand. This should pull down cotton prices," said K Selvaraju, secretary-general, South Indian Mills Association. Since April, demand has fallen by 15-20 per cent, say industry experts. "Cotton prices have already fallen by about Rs 500 per candy (356 kg) and are expected to fall by another Rs 1,000-2,000 per candy owing to poor demand from spinning mills," Selvaraju added. According to D K Nair, secretary-general of the Confederation of Indian Textile Industry, spinning mills' holding capacity as well as purchasing power has been impacted in recent times. Plus, cotton prices rose "unnecessarily" by Rs 1,000-1,500 per candy recently. Due to low purchasing power and holding capacity, spinning mills are buying imported cotton, especially the Western African cotton since domestic cotton is costlier. This has led to a decline in demand for domestic cotton, which industry players expect to bring down cotton prices by Rs 1,000-2,000 per candy. Currently, while imported cotton costs about Rs 41,000 per candy, domestic cotton is in the range of Rs 42,500-43,000. Till 2010-11, when cotton prices fluctuated a lot, spinning mills used to hold cotton inventory of four to six months. "But having burnt their fingers, they now purchase cotton hand-to-mouth and do not stock much. Hence, with reduced cotton yarn exports to China and Europe, coupled with liquidity issues, spinning mills have reduced purchase of cotton," Selvaraju noted. Despite this, yarn production has increased slightly owing to better power supply. According to data provided by the Textile Commissioner's office, cotton yarn production increased by five per cent during May 2014 at 332 million kg and by five per cent during April- May 2014 at 662 million kg. According to Paritosh Aggarwal, managing director of Suryalakshmi Cotton Mills, availability of quality domestic cotton and uncertainty of crop size in the new season also contributed to this.

Price stabilisation fund may operate via Nafed



The Price Stabilisation Fund (PSF) proposed by Finance Minister Arun Jaitley in the Union Budget is likely to be used exclusively for vegetables and cereals. Informed sources said the PSF will be under the ministry of agriculture and an initial allocation had been sanctioned. Until now, such a facility was available only for oilseeds and pulses.

They said the fund would be operated through the National Agricultural Cooperative Marketing Federation of India (Nafed). State governments are to buy vegetables and cereals from the open market and distribute these through Nafed outlets and state cooperatives. “We have not yet received any formal direction from the government. There are some discussions going on in this regard. We have successfully conducted a price support scheme for pulses, oilseeds and cotton. In case the government wants us to expand into vegetables and cereals, we are ready,” said S K Verma, general manager, Nafed. Concerned at the recent price rises in onion, potato, green vegetables and supplements, Jaitley allocated Rs 500 crore for establishing a PSF. The government had already set up a Market Intervention Scheme (MIS) in oilseeds and pulses, operated through states in case of extreme price volatility in these segments. It has done similar exercises for sugar and onions within the past two years. In the existing MIS scheme, the Centre bears the difference between the procurement and realisation prices. It might also engage the National Horticulture Board (NHB) for vegetables procurement and distribution. “We are awaiting the government’s direction in this regard. Currently, MIS is operated by the Centre in association with the state governments. Whenever any intervention is required to control price volatility, the state government comes out with a proposal. On accepting it, the Centre allocates funds for procurement. However, we are ready to commence procurement if the government directs us to do so,” said Rajendra Kumar Tiwari, managing director of NHB.

ON THE UPSWING

Wholesale prices

Model price ₹/qtl	Jul 17	% chg#
Tomato	3,500	250.0
Onion	2,500	78.6
Potato	1,800	20.00
Masoor dal	6,450	7.50
Soya oil*	8,000	6.8
Sunflower oil*	9,560	6.2

*Per 100 litre #% change since June 2014

Source: Department of Consumer Affairs

Compiled by BS Research Bureau

Onion, potato, green vegetables and supplements have seen up to a 60 per cent price rise since the start of June and the delay in monsoon rainfall. Madan Sabnavis, chief economist, CARE Ratings, said the government would need to establish a distribution channel due to the short shelf life of vegetables. The challenge would be to identify the timing of market intervention.

Tea prices decline 13.5% in South India

Tea prices in South India have declined by 13.5% to Rs 90 per kg between January and May 2014 as against Rs 104 per kg in the corresponding period last year despite lower production due to extreme weather conditions during this period. The tea production in South India has marginally dipped by 1% to 90.6 million kgs during this period, while on all India basis, the production has declined by 8.5% to 22 million kgs due to extreme weather conditions. In 2013, tea production stood at 1.2 billion kgs, of which South India contributed 241.8 million kgs. Further, exports during the current calendar year went up by 6.7 million kgs and world production has shown a similar trend as major producing countries have reported substantial drop in production. Peter Mathias, President, United Planters Association of South India (UPASI), in a press statement wondered why the general economic principle of supply and demand is not working out for tea. While there has been considerable reduction in the price at the auctions, prices of packet teas sold to the consumer has not changed. He was shocked at the press statement made by a tea dealer association that the Government should relax the import norms for tea to allow import of large quantities. "Tea industry is getting into a crisis mode once again due to lower price realisation and skyrocketing cost of production. If the same trend continues, it will be difficult for many of the estates even to pay the wages on time," Mathias said. Tea industry supports 2.5 million workers directly and almost double the number of people indirectly. He pondered why the demand for cheaper imports is made when there is sufficient quantity of all types of teas available in the domestic market. Indian teas over a period of time, has taken the challenge of meeting the world standards in all types of teas and they are equipped today to meet any demand, he said. The industry in collaboration with Tea Board has put in place monitoring mechanism to ensure that teas produced in the country meet the stringent quality parameters laid down under various legislations in India and abroad. If one looks at the statistics, production has been growing at an average rate of more than 4% over the last 5 years and there is absolutely no shortage of teas in the country. Tea industry over a long period has been requesting for the Government's intervention in reducing the gap between price to the consumer and price to the producers. While there may be genuine reasons for the gap, it is necessary that the producer gets a fair return, as it is an important agro industry supporting a large population in difficult and inaccessible terrains, Mathias said. UPASI is of the view that the Tea Distribution & Export Control Order should be further strengthened to ensure

that even in the case of imports for re-exports, only teas of high quality which meets all the stipulations of FSSAI as applicable to domestic producers are allowed. On many occasions in the past, tenders were floated by some West Asia and North African (WANA) countries at price below domestic levels. To meet price stipulations, some of the exporters have been blending cheap and sub standard imported teas thus suppressing both local price and tarnishing the quality image of India in the consuming countries. Some countries in the past had refrained importing Indian teas on quality issues because of such instances and that being the case, how can we even think of duty reduction of Indian teas, Mathias questioned.

Cardamom up 0.7% on rising demand



Cardamom prices rose further by Rs 6.90 to Rs 935 per kg in futures trade today as speculators created fresh positions, supported by rising demand in the spot markets. At the Multi Commodity Exchange, cardamom for delivery in August rose Rs 6.90, or 0.74%, to Rs 935 per kg in business turnover of 228 lots. Similarly, the spice for delivery in September traded higher by Rs 5.60, or 0.61%, to Rs 913 per kg in 39 lots. Market analysts said fresh positions created by speculators following pick up in demand in the spot markets against restricted arrivals from producing regions mainly led to the rise in cardamom prices at futures trade.

THE HINDU **BusinessLine**

AP wants RBI to reschedule rabi season crop loans too

The Andhra Pradesh Government has requested the Reserve Bank of India to extend crop loan rescheduling to the rabi season of 2013-14 too, that is, beyond the kharif season approved by it. In a reply to the RBI communication received by the State Government on crop loan rescheduling for kharif 2013-14, the State wanted the coverage to be extended to the rabi crop season and gold loans of the last financial year. State Finance Minister Yanamala Ramakrishnudu on Thursday said the RBI has sought additional information with regard to number of beneficiaries and their accounts, acres and related information.

While the RBI has agreed to reschedule the kharif season loan for three years, the State wanted the rescheduling to cover the rabi crop loan (of up to Rs. 1.5 lakh) and gold loans (up to Rs. 50,000) as well for a tenure of about seven years. The State is keen that the farmers do not get burdened by the loans and all possible measures are taken to ensure that they do not have to face hardship, he said. Of the 661 *mandals* in 13 districts of AP, 575 were declared drought-hit. The State is keen to cover the remaining 86 *mandals*, even though they have not been affected by drought or floods, he said.

Telangana okays

In a big relief to the farm community, the Telangana Cabinet approved the rescheduling of crop loans of 38 lakh farmers in the new State. Announcing the decision at a press briefing after the Cabinet meet on Wednesday night, State Chief Minister K Chandrasekhar Rao said that it was decided to implement crop loan and even gold loan waiver with immediate effect. This will mean a burden of Rs. 17,000-19,000 crore.

Higher inventory may hit sugar companies hard

Rising stocks		
In million tonnes		
In million tonnes	2012-13	2013-14 (p)
Opening stock	6.7	9.2
Production	25.1	23.8
Imports	0.7	0.4
Total Availability	32.5	33.4
Domestic Consumption	23	24.4
Exports	0.3	1.5
Total Offtake	23.3	25.9
Closing Stock	9.2	7.5

P: Provisional

The high level of inventory coupled with lack of export opportunity due to low global prices may exert pressure on sugar companies' profitability this fiscal, according to a report by Care Ratings. With the opening stock of 9.2 million tonnes (mt), the industry is expected to produce 24 mt of sugar this fiscal. The total availability would touch 33 mt against the total demand of 25.9 mt, including domestic consumption of 24.4 mt and export of 1.5 mt. The inventory at the end of this fiscal would touch 7.5 mt, against 9.2 mt in the same period last year, according to the report on the sugar industry. Despite the Government easing its control on the industry, the declining sugar price and increase in State Advised Prices impacted the profitability of sugar companies. The industry was partially decontrolled in April last year by lifting the obligation on sugar companies, to sell the sweetener at a lower price to Government for sale under the public distribution system. The Government also discontinued the process of fixing monthly sale quota for

sugar companies. Sugar prices softened in the last few months after cash-strapped sugar companies rushed to offload their inventory with the Government scrapping the monthly release mechanism. However, prices have started moving northward from February, primarily on account of lower than expected production estimates for the sugar season 2013-14 and the export subsidy. The Government has extended a lifeline for the industry by providing an export subsidy of Rs. 3.30 a kg in February. The subsidy will be given for export of four million tonnes of raw sugar for two years. Besides, the recent hike in the import duty on raw sugar to 40 per cent from 15 per cent is also likely to boost domestic prices. Further, ethanol blending requirements were doubled to 10 per cent. Though these measures may provide some respite to the ailing sugar industry in the short-term, the long-term revival would depend on a scientific way to fix state advised price for sugar cane and link sugarcane and sugar prices, it said.

Centre may ban onion exports to curb price rise



The Centre is considering a ban on onion exports as part of its efforts to rein in surging prices. “The Government is looking at such an option. We are not sure if the ban will come now or after the monsoon session of Parliament. The Government will usually want to do such things when Parliament is not in session,” said a source who did not want to be identified. The view gains credence on the heels of Food and Consumer Affairs Minister Ram Vilas Paswan writing to the Commerce Ministry to bar shipments from the country first before resorting to imports. Paswan made the suggestion when his Ministry’s views were sought for importing one lakh tonnes of onion. However, Commerce Ministry sources said the Government is not considering banning exports at this moment. On the other hand, if the Centre decides to import onion, the machinery is in place and can start its work any time.

On-and-off ban

The Government has been banning export of onion on-and-off since 2010 to control soaring prices. A ban imposed in December 2010 was lifted in March 2011. Again, exports were banned in 2011 only for a brief while before being lifted following protest from farmers. Last year, too, the Centre imposed ban on exports after retail prices surged

to Rs. 100 a kg in retail outlets. In addition, the Government has been resorting to fixing a minimum export price when onion rates begin to surge. After the Narendra Modi Government came to power, it initially fixed a minimum export price of \$300 a tonne on June 17 before raising it to \$500 on July 2.

Global favourite

Onion prices have been surging over the last few weeks despite a record crop of 19.2 million tonnes, up 14 per cent from 2012-13. Despite the Government fixing a floor price for exports, shipments are taking place. "There are many who prefer Indian onion for its pungency. West Asian, Singapore and Malaysian buyers prefer Indian onions. They had bought it even when the minimum export price was \$1,110 a tonne," said CB Holkar, a member of the National Agricultural Cooperative Marketing Federation and a grower. Currently, only Sri Lanka is not buying Indian onion since the local crop has arrived in the markets there. "When the local crop is harvested in Sri Lanka, the Government there does not allow imports," he said. "If a ban is imposed on exports, prices could drop by at least Rs. 100 a quintal," said Holkar.

Prices soar

Currently, the modal price or the rate at which most trades take place is Rs. 2,015 a quintal – up Rs. 15 over Wednesday – at Lasalgaon Agricultural Produce Marketing Committee (APMC) yard, Asia's largest for onion, in Maharashtra. Arrivals, on the other hand, are down to 850 tonnes from around 1,500 tonnes at the beginning of the month. Prices in Pimpalgaon APMC yard (Rs. 1,900) and Pune (Rs. 1,650) are lower than Lasalgaon but the quality of onion is reported to be inferior. "Prices are lower at Pimpalgaon and Pune because the quality of arrivals is not up to mark," said RP Gupta, Director of National Horticultural and Research Development Foundation in Nashik. "Prices are beginning to stabilise but we are not sure for how long they will hold," said Holkar. "Arrivals have begun to drop since farmers are holding back their produce, expecting higher price," said Gupta. "Farmers are hoping that prices will exceed Rs. 3,000 a quintal soon. So, they are holding back," said Holkar.

Rainfall pattern

With the monsoon beginning to spread across the country, Maharashtra has begun to receive rains. Onion is sown initially over a small area before the seedling is transplanted on to a larger area like paddy. The rain is also having a psychological impact on the prices, trade sources said.

Small growers want ration shops to supply tea

Small growers want tea to be supplied through Public Distribution System (PDS) in all States. "We have represented to the Union Minister of State for Commerce Nirmala Sitharaman on this. Tamil Nadu is selling tea through PDS at Rs. 135 a kg and Kerala at Rs. 200. On the contrary, in the open market, packet teas are sold for Rs. 300-500. Since tea is India's national drink, we have appealed to the Minister to arrange for regular supply of tea through PDS in all States. This will ensure stable price to small growers and reasonable price to consumers," H Thiagarajan, President, The Nilgiris Small Tea Growers' Association told *Business Line*.

Kochi tea sale loses steam on slack demand

The auctions at Kochi tea centre continues to witness heavy withdrawals due to low and lack of bids. However, good liquoring teas and teas which came under the selection of blenders ruled firm to dearer. Exporters confined to medium and plainer varieties. The quantity on offer in CTC dust grades was 14,11,000 kg. The demand for good liquoring teas was good, while others were less, the auctioneers Forbes, Ewart & Figgis said. The quantity on offer in orthodox grades was 13,000 kg. With demand being lower, the market witnessed heavy withdrawals. In the best CTC dusts, PD varieties quoted Rs. 94/116, RD grades fetched Rs. 99/131, SRD ruled Rs. 110/140 and SFD stood at 110/155. Some varieties of tea in the leaf sales also witnessed heavy withdrawals and the quantity on offer in orthodox grades was 2,31,000 kg. The quantity sold was only 64 per cent and the market for select Best Nilgiri Whole Leaf and Bolder Broken was firm to dearer. The quantity on offer in CTC leaf grades was 76,000 kg. The market was irregular and lower and witnessed heavy withdrawals. In the dust category, Injipara (Prm) SRD/RD quoted Rs. 159. In the leaf varieties, Pascoe's Woodlands Hyson Green Tea fetched Rs. 303.

Monsoon cover complete as Bay braces to host two more lows

The South-West monsoon has managed to cover the entire country after it ran up the outer areas of Saurashtra, Kutch, Gujarat and west Rajasthan on Thursday. It took only two extra days beyond the normal for it to complete the pan-India coverage despite having been delayed by days together, if not weeks, to report at crucial pit-stops along the way. Meanwhile, international models signal that the Bay of Bengal would witness more than one low-pressure area before the month of July is out. In what looks like the best piece of news for the monsoon, the 'low' expected off the Odisha coast on Sunday would be followed by another one a little to the south exactly a week later on July 27. On Thursday, India Met Department said that the rains filtered into Saurashtra, Kutch, entire Gujarat and west Rajasthan with a 'low' over north-west Madhya Pradesh working away behind the scenes.

Heavy to very heavy rain lashed central India and adjoining west coast with Bhira (21 cm) and Mahabaleshwar (17cm) recording the highest recorded overnight on Thursday morning.

More rain forecast

More rain is on the way in view of the formation the next 'low' over northwest Bay gifted by the northwest Pacific/South China Sea typhoon Rammasun. Latest outlook indicated that the typhoon might not reach category-3 strength in the South China Sea; it would weaken into category-1 after exiting from Hainan Island and hit Vietnam on Friday evening. By the time it would have sent in a remnant circulation into the Bay, which will convert into a 'low' there by Sunday. It will roll into central India along nearly the same track as the predecessor located over north Madhya Pradesh on Thursday. Another spell of rain is for the asking for east and central India and the west coast. International models indicated the Bay could host another 'low', third in the current series, by Sunday next.

Gift from pacific

This too could be a 'gift' from across the territorial waters as a fresh disturbance takes shape in the northwest Pacific, drifts into South China Sea, and intensifies as a tropical depression. But it would be able to set off a 'flutter' in the air to lob in a circulation into the Bay. This is expected to settle as a 'low' off the Andhra Pradesh coast.

Why a national agri market is needed



The agricultural marketing system in the country has come a long way since Independence. It has moved through various stages such as regulations and reforms. Now, the time has come to establish a barrier-free market operating beyond State boundaries. A National Agricultural Market with potential to curtail inflation and ensure competitive prices to producers has also been suggested by the Government (the Economic Survey 2013-14). The concept suggests an integrated common market

operating at the national level with harmonised regulations with respect to various provisions under APMR Act, quality standards, food safety, market information systems, encouraging investment under public-private partnerships, etc.

Integrated system

The enhanced degree of competitiveness achieved through better participation of traders in the National Agricultural Market will help producers realise better prices. The integrated system of distribution enabled by better infrastructure will help farmer fetch a premium through better quality and minimisation of post-harvest losses. Rationalising the influence of traders on the system will help farmers better and their participation may be enhanced through innovations such as group formulation. The vertical development of value chain will help in incorporating the distribution of inputs such as seeds, fertilisers and chemical, and technology and percolating the benefits to the beneficiaries under various schemes of the Union and State Governments. The integration of all participants will ensure efficient distribution of goods. Better control and discipline on the supply chain are required to respond to the changing needs of customers in national and international markets and will help in getting better price. The larger market obtained as a result of better inter-linkages and free movement of commodity between States will help in developing industry linkages, create greater industrial capacity to produce goods and encouraging private players to participate in creating modern infrastructure mainly storage, market, agri-business, processing and transport. If the national market is gradually shifted to an e-platform, it will operate on standardised grades and integrate banking, transportation and storage, resulting in various benefits to farmers through better price realisation, quick payment settlement, input and technology delivery, etc. The implementation of the concept of common market at the national level under present conditions will be a gradual process. Limitations such as disparity in the legal regulations governing trade of agricultural commodities in different States, limited availability of infrastructure, absence of grade-based trading, limited participation of farmers due to small holding size and issues related to sharing/foregoing fee collected on agricultural trade through regulated markets under APMC system needs to be overcome before we embark on National agricultural market.

A pragmatic solution

To begin with, the pragmatic solution could be by establishing Commodity Specific Single Common Market. The commodity-specific approach will reduce the requirement of investment and infrastructure. For example, in case of arhar, there are about 550 markets which reported arrival of the commodity in 2013. But over 90 per cent of the arrival was confined only to some 95 markets. These 95 markets are again located in nine States. Thus, creating sufficient infrastructure in key markets and ensuring enabling legal environment and adequate financial outlays in selected States is a better approach for creating a commodity-specific national common market.

The national agricultural market has the potential to not only to control inflation and ensure better prices to the producer but also to overcome many problems faced in traditional agricultural marketing system and making it responsive to changes taking place in national and international market. The writers are faculty members, National Institute of Agricultural Marketing, Jaipur.

THE TIMES OF INDIA

Set up IIM in Aurangabad, demands Chamber of Marathwada Industries and Agriculture

AURANGABAD: The Chamber of Marathwada Industries and Agriculture (CMIA) on Thursday urged state BJP president Devendra Fadnavis to seek appointment of Prime Minister Narendra Modi, who is scheduled to visit the city on August 6, for pushing its demand to start Indian Institute of Management (IIM) in Aurangabad. After union finance minister Arun Jaitley announced an AIIMS-like institute in Nagpur and national industrial corridor and agri-biotech cluster in Pune in the Budget recently, the industries have expressed their discontent saying that the Marathwada region got a raw deal again. "Since the day of the Budget, CMIA and other industrial associations such as Confederation of Indian Industries (CII) and Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA) have actively and aggressively started pursuing the demand to set up IIM in Aurangabad with the Central Government. It has become a norm that western Maharashtra and Vidarbha always get a good deal, while Marathwada remains neglected," said Munish Sharma, president of CMIA. "We have been making all possible efforts by approaching as many ministers and elected representatives to push our demand. We have also forwarded a memorandum to Union HRD minister Smriti Irani as well," said Ashish Garde, vice-president of CMIA. "We also met a delegation of BJP lead by Fadnavis, which was in the city on Thursday. The government should sanction an IIM to the city, which would act as an economic driver for the Marathwada region," Sharma said, adding, "With major projects such as Delhi-Mumbai Industrial Corridor (DMIC) lined up for the city, such an institute is the need of the hour. The idea of developing 100 smart cities will only bear fruit when the government focuses on development projects in tier-II cities." CMIA secretary Ritesh Mishra said, "The city boasts of 50-year-old Dr Babasaheb Marathwada Ambedkar University that covers more than 400 colleges and other institutions like Indo German Tool Room, Marathwada Auto-Cluster, Department of Electronics and Accreditation of Computer Courses and Central Institute of Plastics Engineering and Technology (CIPET). The academic environment is buzzing with vibrant campuses and research organisations. Hence, IIM would complement the high-

performing manufacturing hub of diverse industries." "Moreover, Aurangabad has global connectivity due to world heritage sites like Ajanta and Ellora and synergistic approach of people and leaderships. It is poised for global partnerships and investments through DMIC, thereby promising a holistic eco-system and great impetus for IIM," Sharma said. "We are also looking forward to seek Modi's appointment during his visit to the city next month," Garde said, adding that the local representatives should unite and work for the progress of city and the region.

THE ECONOMIC TIMES

Monsoon revival narrows rainfall deficit to 35%, sowing of crops accelerates



The revival in monsoon rains this week has accelerated planting of crops, which was at half of last year's level a week ago, averting a crisis that was looming when the seasonal rainfall deficit was 43% a few days ago. The monsoon has now covered the entire country and narrowed the deficit to 35%, as monsoon maintained its momentum for the fourth consecutive day in most regions except Punjab and Haryana. While the situation has improved significantly, rainfall needs to be consistently good to make up for the extended dry spell. Farmers fear that late sowing may mean lower returns, particularly if rainfall is uneven in the weeks ahead. Agricultural experts say the prolonged dry spell could affect yields of crops and have an impact on the rabi season also. Rainfall is likely to continue for at least another 10 days, which would help farmers plant more rice, oilseeds, pulses, cotton and coarse grains after the long dry spell. Planting of crops is expected to increase rapidly like it did in July 2009, when the area under rice and pulses almost doubled, while cotton planting expanded even faster when heavy rainfall ended a similar dry spell in the drought year. Rainfall deficit in the past week was 15%, improving significantly from the shortfall of 41% in the previous seven days. This has

increased sowing of paddy, soyabean, bajra, guar and cotton. "Since the past 3-4 days transplanting of basmati from nursery to fields has increased. We expect acreage to increase by 15% this year," said MP Jindal, president, All India Rice Exporters Association. In 2013-14, area under basmati was 18 lakh hectares. Over normal paddy, basmati requires less water and matures earlier too. Similarly, area under oilseeds particularly soyabean has picked up in major sowing belt of Madhya Pradesh, Maharashtra and parts of Rajasthan. "Rains over central India has boosted the sowing. The average will see a marginal fall out of 3-5% this year but with the way rains are progressing we expect sowing to be complete by July 25," said Rajesh Agarwal, spokesperson, Soybean Processors Association. Over 90% of the 107 lakh hectare expected to be under soyabean is rainfed, said Agarwal. According to government officials, farmers were being advised to go for short duration varieties of 70-90 days to ensure good yield and enough time for sowing the winter crop. "Rains across most belt of the country are conducive for farmers to go for sowing. In Maharashtra, farmers still have 10 days to go for cotton sowing. Also, there could be a slight loss in production of soyabean but farmers can go for intercropping to get maximum returns," said Dr YG Prasad, principal scientist at Central Research Institute for Dryland Agriculture-Hyderabad. Prasad said soyabean could be inter cropped with pigeon pea (arhar/tur) to get good returns. In Gujarat, where rains have been taking place since the past few days, farmers were being advised to go for groundnut (bunch varieties which grow upright) and medium duration cotton varieties. "I transplanted basmati paddy on 4 out of 13 acres of land five days ago when rains arrived. Diesel run tube wells were also used to irrigate land and now with rains again hitting the region, I will complete the transplanting," said Chaudhary Om Prakash of Karab village in Mathura district. The farmer was, however, concerned about loss in yield due to poor rains. "I anticipate a loss of 20% in production as of now as some saplings have died due to heat stress. The rains are not normal this year and my production cost from diesel to weedicide will increase," he said. Timely and normal monsoon is also vital for winter crops as it raises the water table and moisture content in the soil. "If there is delay in kharif sowing it will hit planting of wheat, lentil and sunflower. Hence farmer should go for short duration crops," said Prasad. Monsoon is vital for India as 55% of the arable land depends entirely on rain for irrigation. While agriculture accounts for only about 15% of the economy, monsoon has a wider impact because it affects millions of people in villages, and weak rainfall can raise food prices.

Duty hike does not impact fall of Arecanut prices

Arecanut prices have dipped after peaking to an all-time high a few weeks ago, triggering speculation as to whether the increase in the excise duty of pan masala and gutkha has led to the decline. The red arecanut prices had zoomed to around Rs 850 per kg, almost three-fold increase vis-a-vis last year. The white variety too went past Rs 300 per kg for the first time. The spurt in prices has been attributed to supply crunch and lower imports. Increasing the import tariff from Rs 75 to Rs 110 per kg and the crop loss in the South East Asian countries squeezed the inflow of overseas arecanuts into the country. "With imports coming down, the local pan masala makers began using good quality red and white arecanuts from the domestic market. We have to wait and see whether the excise duty hike has affected the prices," said Suresh Bhandary, managing director at the Central Arecanut and Cocoa Marketing and Processing Co-operative (Campco).

Though gutkha has been banned in most states in the country, arecanut has found use in certain products similar to gutkha sans tobacco and other substances that are said to be harmful to the body. The government had hiked the excise duty on gutkha by 10 per cent to 70 per cent. However, the growers say that duty increase will have only a marginal effect on the arecanut prices. "The consumer base using arecanut is so large that duty increase will not affect the demand.

The farmers are getting good prices from cooperatives also," said Manchi Srinivasa Achar, the president of All India Areca Growers Association. UttarPradesh and Gujarat , where pan chewing is popular, are the top buyers of arecanut. According to him the prices are likely to remain at a high level as the carryover stock is almost exhausted.

Tea industry getting into crisis mode

Planters have voiced concern at the falling prices of tea in South India despite a shortfall in production and rise in exports. The South IndianBSE -1.07 % tea prices have dropped by Rs 14 in 2014 though the all India production has fallen by 22 million kg due to extreme weather conditions and the export has moved up by 6.7 million kg in the year, according to The United Planters' Association of Southern India (Upasi). While there has been considerable reduction in the price at the auctions, prices of packet teas sold to consumers have not changed, Upasi president Peter Mathias said in a statement, wondering why the general principle of supply and demand is not working for tea. He said tea industry is getting into a crisis mode due to lower price realisation and increasing cost of production and it would be difficult for many of the estates to even pay wages on time

The Telegraph

calcutta, india

Indians help breach wheat barrier



An international research consortium with scientists from three Indian laboratories has generated the first draft sequence of the genome of wheat, the world's third most-produced cereal after maize and rice. The draft sequence, described in papers to be published tomorrow in the US journal *Science*, could help crop scientists design smarter breeding strategies for wheat, considered critical because yields have plateaued out over the past decade. The International Wheat Genome Sequencing Consortium, which produced the draft sequence through a nine-year research effort, has described the work as a "landmark" towards obtaining a complete reference sequence of the wheat genome. The consortium said it expected the complete reference genome to be completed within three years. Plant molecular biologist Kuldeep Singh at the Punjab Agricultural University, Ludhiana, coordinated India's contribution to the research work — sequencing chromosome 2A of wheat's 21 chromosomes. Plant biologist Jitender Khurana at the University of Delhi, South Campus, and faculty and research scholars from the Indian Agricultural Research Institute, New Delhi, also participated in the effort. Although scientists have sequenced dozens of large genomes — including the human, dog and rice genomes among other plants and animals — wheat was viewed as a special challenge because of the size and complexity of its genome. "In many ways, the wheat genome is a nightmare for analysis," Frederic Choulet, a senior plant molecular biologist at a government research laboratory in France and a member of the consortium, told **The Telegraph**. "The size of the wheat genome is five times that of the human genome, and while a human gene appears as a single pair in each chromosome, each gene is present in wheat as three pairs," said Choulet, who led a team of scientists that analysed chromosome 3B. The large genome size also means more repetitive sequences which, Choulet said, makes assembling the sequence difficult. The consortium has pinpointed the locations of about 124,000 genes on the 21 chromosomes of wheat. Many

of these genes are linked to traits such as grain quality, pest resistance and tolerance to environmental stress. “One emerging concern in India is terminal heat stress — high temperatures during March and April, close to the maturity of wheat crops,” a plant biologist in India who was a member of the consortium told this newspaper. The wheat genome sequence will allow crop scientists to link genes with specific desirable traits — such as tolerance to heat or resistance to a fungal disease — in certain wheat varieties. Such varieties could then be crossed with high-yielding varieties to produce new generations of superior wheat, said the Indian scientist who requested not to be named. India’s department of biotechnology supported the Indian arm of the sequencing effort. Wheat is grown on more land than any other crop — 215 million hectares that are harvested annually worldwide to generate 700 million tonnes. The wheat genome consortium has said that wheat productivity will need to be increased by 60 per cent by 2050 to meet the growing food demands from a rising population and dietary changes. The consortium calls wheat “the third most-produced” cereal after maize and rice but the leading source of protein, delivering higher protein content than either maize or rice.



Online vegetable shopping gains popularity in Tricity

After an initial reluctance, online shopping for vegetables and fruits is gaining popularity in Tricity. Sabziwala.co.in, an online fresh and exotic fruits and vegetables store, has made it a reality in Tricity. A pioneer in the field which commenced operations in January 2013, the store now has more than 7,000 registered customers, and the numbers are growing. Its daily turn-over varies from Rs 40,000 to 50,000. With a small staff of 10, it operates from the Grain Market in Sector 26. The store makes deliveries in 2 to 3 hours of getting an order, with no extra delivery charges. The minimum order has to be Rs 300 for delivery in Chandigarh and Rs 500 in Panchkula and Mohali. Iqbal Singh, an IT professional, started the venture in the face of much resistance from his family which did not like the idea of him turning a sabziwala after acquiring technical skills. He had no background in the business, but learnt on job. Now, after one and a half years, he is satisfied with the response. The store caters to quality buyers. There are more retail orders as compared to the bulk orders. The bulk orders are usually from schools, hospitals and small restaurants. The retail orders are from the residents who are scarce of time or the ones who do not want to get into the hassle of negotiating with shopkeepers. Most orders come from northern sectors like 4, 5, 8 and 9 of Chandigarh, the apartments in southern-most sectors like 47, 48, 49, 50, 55, and Phase 7, 3B-1 and 3B-2 of Mohali, said Singh. On an average, there are 35 to 40 orders daily, but the number increases on Sundays and

Tuesdays. “We buy vegetables directly from the vegetable market. After the purchase, the products are sorted, graded, weighed, hygienically packed, and then delivered to consumers,” said Singh. There is also a demand for exotic fruits and vegetables like bell pepper, parsley, blue berries, dragon fruit, and raspberry which are bought from Delhi. Dr Manjri Bhargav, Director for the Silver Oaks Hospital in Mohali, started with making purchases for the hospital, but has been buying for home also for the last six months because, after working all day, it is difficult to go all the way to Sector 26 and struggle in the crowds. If there is anything wrong with a product, we get it changed, but it is very rare. Interestingly, the website also gets orders from abroad. For instance, Avi, who is in the US, orders vegetables every week for his parents in Sector 51. Similarly, there are calls for deliveries to the old age homes and the school for the blind.

‘Forest cover in state raised by 34 sq km in 2 yrs’



More than 34 square kms of forest cover in the state has increased in the two-year period between 2011-13, reveals the latest biannual report from Forest Survey of India (FSI), a body under the Ministry of Environment and Forests (MoEF), that makes assessment of the country’s forest and tree resources periodically using remote sensing technology.

This increase in forest cover in Gujarat has been due to an increase in “Open Forest” area, where the canopy density is between 10-40 per cent. The area occupied by Open Forests in Gujarat is currently over 9,057 sq kms, up from 9012 sq kms in 2011. The FSI data shows that the Very Dense Forest (with canopy density of 70 per cent and above) area witnessed no change at 376 sq km in the state, while the area of Moderately Dense Forest (canopy density between 40-70 per cent) dipped by 11 sq km and stood at 5220 sq km in 2013. “Most of the forest cover that we are have seen increasing is largely in the eastern tribal belt. We have also been attending to the open forest areas where several plantations have been made,” said Rajeeva, Principal Chief Conservator of Forests

(PCCF) in Gujarat. The official is yet to go through the FSI report released a few days ago. The forest cover in tribal area of Gujarat also increased by five square kms to 395 sq km as per the FSI report. The total forest cover in Gujarat is 14,653 sq km which is just seven per cent of the total geographical area of the state. "The change in forest cover is attributed to conservation efforts and afforestation within and outside the recorded forest areas," states the FSI report. There has been an increase in 5,871 sq km of forest cover at the national level between 2011-13. Two states, West Bengal and Orissa, have contributed to an increase of 3,810 sq km and 1,444 sq km, respectively. Other states where significant increase has been observed are Kerala (622 sq km), Jharkhand (496 sq km), Bihar (446 sq km), Tamil Nadu (219 sq km) and Gujarat (34 sq km). Meanwhile, states like Nagaland (274 sq km), Andhra Pradesh (273 sq km), Madhya Pradesh (178 sq km), Tripura (111 sq km), Manipur (100 sq km), Arunachal Pradesh (89 sq km), Mizoram (63 sq km), Karnataka (62 sq km), Chattisgarh (53 sq km) have shown considerable dip in forest cover. As far as mangroves are concerned, Gujarat saw its cover increase by 45 square kms between 2011-13, with Navsari (11 sq km) and Kutch (11 sq km) contributing most to the increase. The only district that recorded a decrease in mangrove cover is Bhavnagar that lost about eight square kms. Kutch with 789 sq kms has the maximum mangrove cover in Gujarat, followed by.