

## **Forest Department helps tribal people**

The Forest Department has reached out to residents in tribal settlements with assistance in cash and kind to not just reduce their dependency on forest for survival, but to make them partners in forest protection as well through formation of Joint Forest Management Committees. Thanks to the Tamil Nadu Biodiversity Conservation and Greening Project, the Department has helped them with individual and group loans, alternative employment generation opportunities, and community development activities. Revolving loans for individuals for income generation activities, group loans for self help group activities, and creation of community assets have reflected in increased forest cover, higher socio-economic status of the tribal population, and improvement in educational status, according to C. Padma, DFO and Deputy Director of Sathyamangalam Tiger Reserve. On Monday, the department provided 102 liquid petroleum gas connections to residents of four tribal settlements in Hasanur division: Verarapalayam, Kaadatti-Mandedoddi, Vaidiyanathapuram and Pasakuttai, where Eco Development Committees were formed earlier. The LPG connections were provided in coordination with Bharat Gas, Sathyamangalam. The residents of these settlements were already beneficiaries of individual revolving loans to the tune of Rs. 10.40 lakh, which they utilised for agriculture, business and education, Ms. Padma said. Towards community assets creation, a flour mill was started and accessories for community hall functions have been provided to them. Construction of toilets with water facilities, threshing floor, and drinking water connections have been planned, she said. Two months back, individual revolving loans worth Rs. 20.8 lakh was provided to eight other villages in Sathyamangalam Tiger Reserve. Sixty five LPG connections were provided in Mavanatham-Ramaranai tribal settlements.

## **Erode farmers asked to avoid uncertified seed sellers**

In the backdrop of agricultural activities picking up in the ayacut areas of Lower Bhavani Project, Kalingarayan and Thadapalli- Arakkankottai canals, the Department of Seed Certification has cautioned farmers against procuring seeds from uncertified sellers. Farmers have to insist on getting the receipts for the seeds they purchase from private sellers. Those found selling seeds without official certification will be prosecuted under Seed Control Order. Seed varieties that meet minimum standards for germination, physical purity and genetic purity are permitted for sale, Assistant Director of Seed Certification, Erode, Annadurai, said. Sale of sub-standard seed will be banned, he said. Notified seed inspectors are required to inspect the selling points to verify the quality of seeds, and scrutinise sales records. They should take seed

samples and send them to Seed Testing Laboratories for analysis. Legal actions will be initiated against defaulters based on analytical results. Farmers, however, say the monitoring mechanism needs to be strengthened to check malpractices by sellers. For instance, private sellers, by and large, do not comply with the requirement of affixing the labels with particulars on the seed containers. There is no way for farmers to know about the quality of new variety of seeds, Thalapathy, representative of Thadapalli-Arakankottai farmers association, said. The caution by the Seed Certification Department notwithstanding, there have been instances of sub-standard seeds reflecting in crops getting damaged due to excessive pest-attack and large weed growth, Mr. Thalapathy said.

### **Egg rate improves**

The wholesale price of egg in Namakkal Zone improved by five paise, and stood at Rs. 3.20 on Tuesday. National Egg Coordination Committee officials said that the loading rate at Chennai is Rs. 3.55, Bangalore is Rs. 3.45 in Bangalore, Mumbai Rs. 3.55, New Delhi Rs. 3.30, and in Hospet it is Rs. 3.15. The price of broiler chicken according to Broiler Coordination Committee is Rs. 77 a kg. Farmers were asked not to sell cull birds less than Rs. 58 a kg.

### **Farmers join hands, float a firm for sharing knowledge**

A group of 100 farmers across the State have come together to float a company here to share new techniques and export their produce. Christened WEFSA Farmers Producer Company Limited, the firm would be a collective enterprise of a select band of farmers of 14 districts with its headquarters in Perambalur. Farmers of Perambalur, Tiruchi, Ariyalur, Karur, Pudukottai, Thanjavur, Tiruvarur, Nagapattinam, Cuddalore, Villupuram, Salem, Namakkal, Tiruppur and Madurai have combined to start this venture to help one another. WEFSA (Water Earth Fire Sky and Air) would help get the required agricultural inputs in bulk and supply them to its members at their respective places directly with minimum profit. The firm proposes to have tie-ups with companies to buy in bulk farm inputs, including micro nutrients, vermin-compost, and fertilisers at a lesser cost as per the requirements of its members. The money would be directly credited to the WEFSA bank account by the members buying the inputs. The WEFSA would provide a platform to its members to share their agricultural practices during periodic interactions at different places and sensitise them to the latest farm technologies to boost their yield, its Chief Executive Officer Mahendra M. Manivaasan told *The Hindu*. The firm planned to tap its liaison with certain Non-Resident Indians abroad to export the produces of its members, including rice, minor millets, and pulses. Besides exploring export avenues, the WEFSA has ambitious plans to set up its own sales outlets at five places across the State to sell a host of produce to its members at subsidised rates and to public by fixing a certain amount. Mr.

Manivasagam said the sales outlets were proposed to be opened at Perambalur, Vriddhachalam, tollgate at Tiruchi, Kulithalai, and Kangeyam. Seed production centres for pulses and paddy initially besides organic inputs production centres are on WEFSA's plans. It has identified Siruganur in Tiruchi and Malayalapatti in Perambalur for its proposed organic inputs manufacturing centre to enrich the soil and improve productivity thereby. The idea of starting the venture was to enable members share their farm practices and help them get the required inputs and improve their productivity, says Mr. Manivasan. Perambalur Collector Darez Ahmed would inaugurate the WEFSA in Perambalur on Wednesday.

### **Check dams to steer course of Vaigai water to fill tanks**



Beneficial: Bed dams under construction across the Vaigai river at Kamuthakudi in Ramanathapuram district.— Photo: L. BALACHANDAR

At least once in three years, about 2,000 million cubic ft of rainwater and flood water flowed in the Vaigai river and got emptied waste into the Palk Strait, much to the deprivation of the farmers in the arid district. The huge quantity of water would no longer flow waste into the sea, but could be stored in as many as 125 irrigation tanks benefiting scores of farmers, thanks to the construction of four bed and check dams across the Vaigai river in the district and modernisation of Paralai link canal at a total cost of about Rs. 100 crore. After Chief Minister Jayalalithaa cleared the projects at the Collectors' conference in December 2012, the Water Resources Organisation (WRO) of the Public Works Department (PWD) took up the works in February this year and almost completed the works in record eight-months' time. "Works at three bed dams, a check dam and Paralai link canal are nearing completion and they would be ready to divert and store water in the tanks before the onset of north east monsoon in middle of October," M. Pavalakannan, Assistant Executive Engineer told visiting journalists during a press tour on Tuesday. He said the Vaigai river, which witnessed water flow for 25 days in 2010 and ten days, the next year, remained dry for the last two years following failure of monsoons. This year, with the water level in Vaigai dam reaching 51 ft and good amount of discharge of water was expected from the Mullaperiyar, the Vaigai river would witness water flow and efforts have been taken not to waste the water, he said. Funded by the National Bank for Agriculture and Rural Development

(NABARD), the works were directly supervised by Executive Engineer A T Narasimhan with the support of Assistant Engineers T. Kurudhivel Maran, P. Rajendran, Chinnamuthu Ramar and Muthamizh Arasu, he said. Mr. Pavalakannan said the Valasai bed dam, constructed at a cost of Rs. 19.86 crore would feed 16 tanks and benefit an ayacut of 3,386 hectares, while the Kamuthakudi bed dam, constructed at a cost of Rs. 19.70 crore would feed 36 tanks in Paramakudi and Mudukulatur blocks with an ayacut of 2,158 hectares and 21 tanks in Ilayankudi block in Sivaganga district with an ayacut of 5,984 hectares. The Thelichathanallur bed dam was constructed with an outlay of Rs. 19 crore to feed 14 tanks and benefit an ayacut of 1,347 hectares and Kunnappanandal check dam at a cost of Rs. 19.50 crore to feed 38 tanks and benefit 5,509 hectares. In addition, the 3.8-km-long link canal from Parthibanur regulator to the Paralai river was being modernised at a cost of Rs. 22 crore under the Tamil Nadu Irrigated Agriculture Modernisation and Water Bodies Restoration and Management Project (TN-IAMWARM). Flood water could be diverted into the canal to feed 21 tanks and benefit an ayacut of 5,984 hectares, he said.

### **Proposals seeking release of water sent**

Chances of this arid district getting its credit of water from Vaigai dam looked bright this year, even as the Ramanathapuram and Sivaganga district administrations have sent proposals to the government for release of 900 million cubic feet for drinking water and groundwater recharge. As the water level in the Vaigai dam reached 51 feet against the full water level of 71 feet and good amount of discharge of water from Mullaperiyar dam was expected, the district is all set to receive its full share of 1,633 million cubic feet of water this year, official sources said.

### **Good storage**

As there was good storage in the dam, the two district administrations have sent proposals to the government, seeking 400 million cubic feet of Vaigai water and another 900 million cubic feet of Periyar water on loan basis to meet the drinking water needs and augment the groundwater recharge, the sources said.

### **Ratio**

The Vaigai water was shared by Madurai, Sivaganga and Ramanathapuram districts on 2:3:7 basis respectively, but the district seldom got its full credit of 1,633 million cubic feet of water every year due to failure of monsoon or poor storage in Vaigai dam. The district drew nil water in the last two years but received its full share in the year 2010 and 2011 when there was copious inflow into the Vaigai dam and good monsoon rains in the catchment areas. When the district faced acute drinking water problem last year, the authorities had released 659 million cubic feet of water on the

request of the district administration but the water could not even cross Manamaduarai due to severe drought condition, the sources said.

### **‘Adopt mechanisation in farming practices’**



Cutting edge:Collector N. Subbaiyan inspecting a farm waste crusher at Eechankottai near Thanjavur.Agriculturists should make the most of the farm mechanisation equipment being provided under various schemes including the National Agriculture Development Programme. The seed drill equipment used for direct sowing of paddy seeds, eliminates the process of transplanting nurseries, said N. Subbaiyan, District Collector.The Collector who inspected various fields in Eechankottai and Sozhapuram villages near Orathanadu where subsidy-based farm machinery had been set up, said that the seed drill would also economise use of water.He ascertained the uses of mechanical shredder which easily crushes coconut branches and other hard bio-waste materials into smaller particles of bio manure.Arokiasamy, a coconut farmer, a beneficiary, said that he got the equipment at a cost Rs. 90,000 including a subsidy of Rs.45,000 and used it for cutting the plantains and tree branches which were otherwise wasted.Later, the Collector inspected the functioning of the solar energy operated pump at Sozhapuram village set up at a cost of Rs. 3.99 lakh, including subsidy.A. Arockiasamy, Executive Engineer, Agricultural Engineering Department said that the pump could be used for irrigating four acres of paddy fields.

***‘Seed drill would help in optimal utilisation of water for irrigatio***

### **‘Union govt. is trying to promote GM crops’**

Bharatiya Kisan Sangha, one of the biggest non-political farmers’ union in the country, has criticised the Narendra Modi government for not making any policy to procure agriculture products at 50 per cent higher to the production cost, which was promised during the Lok Sabha election by the BJP.Addressing presspersons here on

Tuesday, Sangha's national general secretary Mohini Mohan Mishra said that the party had vowed that it would purchase agriculture products directly from the farmers by paying 50 per cent extra to the cost of production to farmers. "This government has already completed nearly four months in power, yet, no decision has been announced to meet the promise. The Prime Minister is busy touring foreign countries such as Nepal and Japan and has no time to look at the problems of the farmers," Mr. Mishra said.

### **GM crops**

Taking a tough stand against the permission to field trial for any Genetically Modified (GM) crops, he accused the Union government of trying to promote GM crop, by going against the interest of farmers. Mr. Mishra claimed that last month itself, the Genetic Engineering Approval Committee (GEAC) has given approval for field trials to several crops including rice and mustard, and added that the government has not stopped the approval. "Not just the farmers, even the political parties have been vociferously opposing GM crops in the country, yet the Union government has allowed the field trials," he said and alleged that field trials were being allowed only to help GM seed selling companies such as Monsanto and Mahyco. With regard to controversial issue of allowing Foreign Direct Investment (FDI) in multi-brand retail sector, Mr. Mishra made it clear that Sangha was strongly opposed to the idea. He said that FDI in retail sector would directly harm the small shop keepers who he felt would lose livelihood if international multi-brand shops such as Walmart enter India retail market with the help of FDI. Referring to the land acquisition policy of the union government, Mr. Mishra, it was aimed at helping the industries and private firm to get huge tracks of agricultural land. He said that instead of acquiring fertile land from the farmers for industries, the government should create land bank by buying barren land which could be offered to the industries.

***'Govt. has not made a policy to procure agriculture products by paying 50 per cent more than production cost'***

## Gadag crop loss estimated at Rs. 3 crore



Chief minister Siddaramaiah, Ministers H.K. Patil and Krishna Byregowda inspecting crop in Basapur village in Gadag district on Tuesday

Initial estimates of the loss due to rain in the second half of August and the first week of September in Gadag district has been put at Rs. 3 crore, Chief Minister Siddaramaiah has said. He was speaking to press persons at Hulakoti in Gadag district after visiting rain-affected Laxmeshwar, Basapur and Mulagund in the district along with Rural Development and Panchayat Raj Minister and district in-charge H.K. Patil, Agriculture Minister Krishna Byregowda and others on Tuesday. During his visit the Chief Minister visited rain-damaged fields and handed over compensation cheques to families affected by house collapse. Mr. Siddaramaiah said that while Gadag district received an average rainfall of 75 mm between August 19 and 31, this time it had gone up to 184 mm this year severely affecting crop in around 25,000 hectares in the district and resulting in the death of six persons so far. He said that while 4,800 houses had been damaged either partially or fully, compensation had been paid for the damages to the 4,000 houses so far and the remaining would be paid shortly. He said around 370 km of roads in the district had been damaged. The Chief Minister said that the Mr. Patil had already visited the rain-affected areas and reviewed the relief measures and had put forward a demand for special package for the district and it would be looked into. To a query, the Chief Minister said that the State finances were in good position. He said the revenue collection had grown by 14 per cent so far and the administration was sure of reaching the revenue collection target.

## **Fish breeding in floating cages introduced at Krishnaraja Sagar**



The Fisheries Department has undertaken the fish cage culture in the backwaters of Krishnaraja Sagar for the first time. The Fisheries Department, in a bid to promote inland fisheries in a scientific method, has successfully undertaken the fish cage culture in the backwaters of the Krishnaraja Sagar (KRS). Along with financial assistance from the Rashtriya Krishi Vikas Yojana (RKVY), the department has developed an easy-to-follow method in open water aquaculture near Meenakshipur in the backwaters of the Krishnaraja Sagar. For the first time in the State, the department had stocked fish seeds in cages that were attached to the rafts floating in the waters of a reservoir, P. Nagaraj, Assistant Director of Fisheries, told *The Hindu* here on Tuesday. The cage-based fish culture, rearing of fish in floating cages, in reservoirs/water bodies is done in various States and countries. However, this is the first time in Karnataka that the method was taken up, he said. “The method is cost-effective and increases inland fish production substantially,” Mr. Nagaraj said. The department has stocked “Pangessius”, a new breed, fish seeds in cages floating in KRS. In all, 24 compartments were anchored and kept in the backwaters, he said. “The pilot project was inaugurated in March and the department has started getting yields. We are expecting 100 metric tonnes of yield by the end of September,” the officer said. The department has invested Rs. 80 lakh as initial capital and Rs. 50 lakh as operational investment.

### **Other reservoirs**

Anyone can rear fishes in floating cages. But, it needs a minimum investment of Rs. 5 lakh. “The department is seriously contemplating extending the project to other reservoirs in the State,” the officer said. On Tuesday, the department had organised a field visit and demonstration for scientists and entrepreneurs at Meenakshipur. Around 100 people from different parts of the State attended it.



### **Rice meant for Anna Bhagya seized**

The Malavalli rural police have seized 100 bags of rice which was meant for distribution under the Anna Bhagya through the public distribution system when it was allegedly being illegally transported in a goods carrier. Based on a tip off, the police intercepted the vehicle near 10th milestone on Maddur-Malavalli main road on Monday night and seized the rice bags. The driver of the vehicle fled from the spot, the police said. A case has been registered

### **Rubber growers demand hike in import duty on natural rubber**

Karnataka Rubber Planters' Association, Mangalore, which was formed two days ago, will meet the Union Commerce Minister Nirmala Sitharaman shortly to urge the government to increase the import duty on natural rubber to maintain stability in the domestic market. The founder-president of the association N. Sharath Bhandary told *The Hindu* that the association urged the government to increase the import duty from 20 per cent a kg to 75 per cent a kg. In addition, the government should also fix a minimum import price for rubber like in the case of arecanut. The association is a 34-member body with seven office bearers and 27 governing council members. They are expected to meet on September 26 to discuss the future course of action and the issues to be raised with the minister. Mr. Bhandary said that according to the Rubber Board the country's annual demand for rubber stood at 15 lakh tonnes. It included 5 lakh tonnes of synthetic rubber (byproduct of crude oil) and 10 lakh tonnes of natural rubber. Of the annual demand for natural rubber, 8.4 lakh tonnes was supplied by domestic growers leaving a gap of 1.6 lakh tonnes. But according to the Board, the country imported 3.25 lakh tonnes of natural rubber during 2013-14, more than the requirement. In the first quarter of this financial year alone the country imported 1.61 lakh tonnes of natural rubber. The association believed that prices in domestic market had crashed due to the excess imports. General secretary of the association P. Gopalakrishna Bhat said that prices in the domestic market have crashed to Rs. 126 per kg from Rs. 260 per kg during 2011-12. He said that the quantity of natural rubber being imported was on the rise since 2008-09 when 81,545 tonnes were imported. Domestic prices also crashed after 2011-12.

### **Agriculture training centre to be set up in Naganahalli**

The Agriculture Department will soon set up an agriculture training centre in a newly-constructed building near Agriculture Research Station in Naganahalli at a cost of Rs. 4.5 crore. The training centre will train farmers and extension officers on different aspects of agriculture, horticulture and animal husbandry. M. Mahanteshappa, Joint Director of Agriculture, told *The Hindu* here today that the centre would provide information on cultivating different crops through agriculture scientists and experts.

Training would be given for five days to eight days. Farmers would also be educated on steps to be taken in case of drought or excessive rainfall. Mr. Mahanteshappa said that as part of a field visit, farmers would be taken to fields belonging to progressive farmers and given demonstrations of modern agricultural techniques. Women farmers would be trained in agriculture and dairy farming techniques and management of self-help groups. Farmers would be given boarding and lodging during the training period at the centre, the Joint Director said. Chief Minister Siddaramaiah is expected to inaugurate the building on September 14. Meanwhile, the Agriculture Department will release a new logo a few days before the Raitha Dasara programme.

### **Crop insured highest in Nanjangud: joint director**

Over 10,475 farmers have insured their crops in Mysore district this season, and Nanjangud taluk tops among the seven taluks in the district in the number of farmers insuring their crops, followed by Hunsur. Not many farmers in Mysore taluk and K.R. Nagar taluk have insured their crops, as most agricultural land in these taluks are irrigated. Around 50 farmers have insured crops in K.R. Nagar while only 10 farmers have insured their crops in Mysore taluk. M. Mahanteshappa, Joint Director of Agriculture Department, told *The Hindu* here on Tuesday that 7,900 farmers insured their crops in Nanjangud followed by 1,609 in Hunsur, 410 in T. Narsipur, 210 in Periyapatna and 205 in H.D. Kote. He noted that it was mandatory for farmers who had availed crop loans to insure their crops while it was optional for others. Similarly, the insurance premium amount would be more to farmers who availed loans while it was considerably less for farmers who had not taken crop loans. Farmers have been motivated to insure their crops by the department, Mr. Mahanteshappa said, adding that the date of insuring crops had been extended by a month this season to enable more farmers to insure their crops. Mr. Mahanteshappa said during 2012-13, there was drought in all seven taluks and over 9,973 farmers had insured crops in over 9,091.9 hectares in the district. Of these, 8,795 farmers, who claimed insurance for damaged crops, were given an insurance of over Rs. 4.34 crore. Mr. Mahanteshappa said many farmers had claimed reimbursement for the crops damaged owing to untimely rains and other reasons. The insurance company is yet to settle the amount. He said there would be no delay in paying insurance to farmers and the amount would be paid into their account directly by the insurance companies within a year of the claim being made. The department is planning to take up a drive to create awareness among farmers about the importance of insuring crops, he added.

***7,900 farmers insured their crops in Nanjangud followed by 1,609 in Hunsur, 410 in T. Narsipur, 210 in Periyapatna and 205 in H.D. Kote***

## **Action urged against colleges retaining original certificates**

The district unit of All College Students' Association has urged Mangalore University to direct all its affiliated colleges not to retain the school/institution leaving certificates, marks sheets, caste certificates and other original documents of admitted students. Addressing presspersons here on Tuesday, Dheeraj K. Shetty, executive president of the State unit of the association, said many colleges were keeping the original certificates of the students. This limited the option of the students of joining other colleges. Many students were forced to stop their education midway due to poverty, ill-health or other genuine reasons. But some colleges were forcing students to pay the fees of the entire course when they wanted to drop out midway and refuse to return their original certificates. This was "nothing but harassment of students", he said. This also affected the future of students who wanted to join other institutions or courses, he pointed out. Even the University Grants Commission (UGC) had in April 2007, directed the universities and deemed universities against retaining original documents of students as it limited their choice. Even the State High Court had in its order on February 20, 2013, said that educational institutions could not insist on the fees of the entire course in return for original documents. The association had submitted a memorandum to Mangalore University and eight other universities in the State on this issue. Mangalore University issued a circular on Tuesday (September 9) to its affiliated colleges that they should return the original certificates and documents taken from the students during admission immediately after verification. But the university should take measures to see that the affiliated colleges followed the circular diligently, the association said. The association threatened to launch an agitation if this did not happen. The remaining eight universities in the State too should take a similar action soon. The State government should file criminal cases against universities and colleges which did not follow this directive, Mr. Shetty said.

***Mangalore University issued a circular that original documents should be returned after verification***

## **Brussels sprout makes his farm different**



S. Palanithurai at his Brussels sprout farm in Kanthallur.

Brussels sprout or miniature cabbage is not a familiar vegetable in Kerala. However, its anticarcinogenic properties made it a popular culinary item in Europe where its cultivation spread long years back from its native place Brussels, Belgium. The edible buds contain vitamins C and K and folic acid too. "It has high potential as a vegetable crop and the soil and climatic conditions in the Marayur-Kanthallur belt are best suited for its natural growth," says S. Palanithurai, a traditional cabbage farmer here, in whose 1.5-acre farm Brussels sprouts are now ripe for harvesting. Mr. Palanithurai, who settled down in Kanthallur nearly 20 years back from Vattvada, has cultivated maize and beans, but at a very low level at his farm in Vettakarankovil. It is Brussels sprout, also known as kalaicose or tree cabbage, that makes his farm different. Mr. Palanithurai says that it is the seed selection that needed extra care. "I use only bio-manure and there will be very limited pesticide use," he says. His farm is close to forests and wild elephant attack is common there. He spends the nights in a shed at the farm scaring away elephants by bursting crackers. He bought Brussels sprout seeds from Bangalore where his daughter studies. The edible buds in the form of a small cabbage grow along the side of the long thick leaf branches. There is no demand for the produce in Kerala. However, Mr. Palanithurai says, even if it is sold at a very low price, it is profitable as it ensures harvesting throughout the year. "The problem is that unlike other vegetable crops, Brussels sprout needs over six months for its first harvest. But, after that there will be three to ten buds in every harvest," he says. An official of the Vegetable and Fruits Promotion Council Kerala says that the crop is not put for auction as there is no demand from vegetable traders here. However, visitors in search of the crop make a beeline for Mr. Palanithurai's farm.

### **Crop loan waiver: State speeds up the process**

The State government, it is reliably learnt, has speeded up the process of enabling banks to extend the crop loan waiver in a week or two by firming up series of resource mobilisation steps that include securitisation of surplus cash flows of A.P. Beverages Corporation Limited (ABCL). The other significant measures to be initiated soon are transfer of farmer's loans under non-performing assets segment to Asset Reconstruction Companies (ARC), issuance of subsidy certificates by the State government to farmers having the ability to pay off their loans and monetisation firstly, against future exports of red sanders and secondly, the current/future receivables from port royalties. Sources said the government's objective is aimed at offloading Rs.10,000 crore as early as possible and ensure that the farmers get the waiver benefit beginning with the poorest of them. It calculated that 40 per cent of such account holders had Rs. 85,000 as outstanding loan or below, 25 per cent between Rs. 85,000 and Rs. 1.25 lakh and another 25 per cent between Rs.1.25 lakh and Rs.1.50 lakh. At a crucial meeting of the committee constituted for studying resource mobilisation avenues with the Chief Minister N. Chandrababu Naidu recently, these steps were believed to have come in for a thorough discussion. One of the options looked at the process of securitisation of surplus cash flows of APBCL was floating a special purpose vehicle (SPV), the idea being the government could draw funds from this entity and assign or escrow its future receivables. Under ARC each bank with the identified and approved farmer accounts and amounts will approach an ARC for selling the loans. The ARC in turn would issue Security Receipts (SRs) for the balance amount to the respective banker along with 15 per cent upfront payment to the banks.

### **'23,789 hectares brought under drip irrigation system in Krishna'**

Andhra Pradesh Micro Irrigation Project (APMIP) Krishna district Project Director D. Manjula on Tuesday said that applications were invited from farmers for sanction of drip irrigation equipment on subsidy. At least 23,789 hectares of land has been covered by drip irrigation as a part of the project in Krishna district in the past decade. The district officials claimed that as many as 19,650 farmers engaged in cultivation of diversified crops have been covered by the project and necessary equipment was provided to them. Interested farmers in the district were advised to apply before September 10 for sanction of new drip irrigation systems. The applicants are required to own borewells with power facility," said Ms. Manjula. The documents proofs to be produced include land documents and Aadhaar cards. The beneficiaries would be given the option to choose the company that manufactures drip irrigation kits. The Horticulture Department has made necessary arrangements to scrutinise the applications before finalising the list of beneficiaries. "The shift from traditional mode

of irrigation systems to drip irrigation system will enable farmers to achieve better yields,” said Ms. Manjula.

***Andhra Pradesh Micro Irrigation Project (APMIP) Krishna district Project Director D. Manjula says applications sought from farmers for sanction of drip irrigation equipment on subsidy***

### **‘Kin can help farmers in distress’**

Rythu Swarajya Vedika (RSV), an NGO called upon the children of the farmers to discuss every aspect of farming with their parents to know their mental status. Most of the farmers, who had committed suicide, did not share their problems even with closest family members, an activist, B. Kondal Reddy said.

### **METTUR DAM LEVEL**

Inflow of water to Stanley Reservoir has receded from 23,343 cusecs on Monday to 12,799 cusecs on Tuesday. The water level stood at 103.16 feet against full capacity of 120 feet with storage at 68.998 tmcft against its capacity of 93.470 tmcft. The outflow of water was 20,900 cusecs.

### **Water level at Mettur**

The water level at the Mettur Dam stood at 102.91 feet on Tuesday against its full level of 120 feet. The inflow was 10,885 cusecs and the discharge 20,004 cusecs.

Chennai

Chennai - INDIA

### Today's Weather



**Wednesday, Sep 10**

Partly Cloudy

Max Min

33° | 26°

Rain: 0

Sunrise: 05:57

Humidity: 84

Sunset: 06:16

Wind: normal

Barometer: 1005

### Tomorrow's Forecast



**Thursday, Sep 11**

Partly Cloudy

Max Min

34° | 25°

### Extended Forecast for a week

Friday  
Sep 12

Saturday  
Sep 13

Sunday  
Sep 14

Monday  
Sep 15

Tuesday  
Sep 16



35° | 26°

34° | 26°

35° | 26°

36° | 26°

36° | 26°

Cloudy

Sunny

Cloudy

Cloudy

Partly Cloudy

### Airport Weather

Chennai

Chennai

Rain: 0

Sunrise: 05:57

Humidity: 84

Sunset: 06:16

Wind: normal

Barometer: 1005



### **Fertilizer Crisis Casts Shadow on Kharif Prospects**

Acute fertilizer shortage is threatening the timely sowing of paddy and other kharif crops in the district. Thousands of farmers in the region are facing problems in procuring requisite quantity of Di-Ammonium Phosphate (DAP) and urea. “Around 85,000 farmers suffered a setback as the flood water damaged their paddy saplings recently. They managed to clean the sand-cast land and planted paddy saplings. But they are now worried about the crop as fertilizers are not available in sufficient quantity,” said Ramesh Jena, a farmer of Karilopatana village. Due to short supply, many farmers are forced to buy DAP and urea at exorbitant rates from the black market. “The State Government should supply sufficient stock of fertilizer. Otherwise, the paddy plants will wither away and we will suffer huge loss,” said Bhikari Mohanty, a farmer of Badabaranga village. He alleged that the dealers in connivance with agents are creating artificial shortage of fertilizer. Another farmer of Pattamundai Ratan Sahoo, who has five acres of farm land, said, “I had gone to purchase fertilizer from the market on Sunday but in vain. While our livelihood is at stake, the authorities remain indifferent to our demand for fertilizer.” While the Government fixed price of DAP is Rs 2300 per bag, it is sold at Rs 3000 in the black market, putting the poor and marginal farmers in trouble. Similarly, against the normal price of urea at Rs 580, the fertilizer is available at Rs 700 to 800. When contacted, Deputy Director of Agriculture department Prafulla Chandra Mishra said, “Farmers of the district had planned to raise paddy on 1,52,000 hectares for which they need 24000 tonnes of fertilizer this kharif season. Till date, we have received about 9000 tonnes of fertilizer. We will provide the rest quantity soon.” Secretary of district Krusak Sabha Gayadhar Dhal said if steps are not taken to solve the fertilizer crisis, the Government’s plans to push agriculture as a significant contributor to development will fall flat.

#### **Demand-Supply Shortfall**

- Due to short supply, farmers are forced to buy fertilizer at exorbitant rates
- There is a need of 24000 tonnes of fertilizer for this kharif season and till date, the district has received about 9000 tonnes
- While the Government fixed price of DAP is Rs 2300 per bag, it is sold at Rs 3000 in the black market
- Similarly, against the normal price of urea at Rs 580, the fertilizer is available at Rs 700 to 800



### **Prices look up at Coonoor tea auctions**

Average prices rose to Rs. 67.32 a kg from previous week's Rs.63.71 at Sale No: 36 of the auctions of Coonoor Tea Trade Association last week. Teas worth Rs.2.20 crore remained unsold, as there were no takers for 22 per cent of the offer. Crosshill Estate topped the CTC market at Rs. 191 a kg. Vigneshwar Estate and Homedale Estate got Rs. 189 each, Deepika Supreme and Shanthi Supreme got Rs. 187 each and Navil Kal Estate Rs.182. In all, 74 marks got Rs. 125 and more per kg. Among orthodox teas, Chamraj got Rs. 276, Kairbetta got Rs. 232, Kodanad Rs.231 and Havukal Rs.216. In all, 38 marks got Rs. 125 and more per kg.

### **Legal view sought in Pusa varsity case**

Agriculture Minister Radha Mohan Singh on Tuesday directed official of the Indian Council of Agriculture Research to seek legal opinion on setting up a central agricultural university at Pusa, Bihar. Singh said this after discussing the issue with Bihar Agriculture Minister Narendra Singh today, a release said. The Planning Commission had given an in-principle approval in 2009 for this university.

### **Edible oils rule flat; futures weak**

The edible oils market ruled flat on Tuesday, tracking weak futures amid need-based physical demand. On the Bombay Commodity Exchange, barring sunflower expeller refined oil which increased by Rs. 3, all other edible oils ruled unchanged. About 200-250 tonnes of palmolein were bought at Rs. 485-487. There was no demand or activities for other oils. At the end of the day, Liberty was quoting palmolein at Rs. 492, super palmolein at Rs.512, soyabean refined oil at Rs. 587. Ruchi was quoting palmolein at Rs. 487, soyabean refined oil at Rs. 582 and sunflower refined oil at Rs. 590 for October. Allana was quoting palmolein at Rs. 510, super palmolein at Rs.535, soyabean refined oil at Rs. 600 and sunflower oil at Rs. 600. In Saurashtra, Rajkot Groundnut Telia tin was higher by Rs. 10 to Rs.1,130 and loose (10 kg) increased to Rs. 720 ( Rs. 710). On The Bombay Commodity Exchange spot rates ( Rs. /10 kg) were: groundnut oil 760 (760), soya refined oil 582 (582), rapeseed ref oil 708 (708), rapeseed expeller ref 678 (678) and palmolein 488 (488).

## **USDA Says 120,000 Tons Of Soybeans Sold to Unknown in 2014-15**

Private exporters reported to the US Department of Agriculture export sales of 1,20,000 tonnes of soyabeans for delivery to unknown destinations during the 2014/2015 marketing year. The marketing year for soyabeans began on September 1. US exporters are required to report to the USDA any export sales activity of 1,00,000 tonnes or more of one commodity, made in one day or quantities totaling 2,00,000 tonnes or more in any reporting period to one destination. DowJones

## **Growth in coffee exports outstripping production**

Export of value-added and speciality coffees from the country has seen a rapid growth compared to growth in production in the last decade or so, according to a top official of the Coffee Board. In his presentation on the coffee sector at the United Planters' Association of Southern India annual general meeting, Coffee Board Chairman Jawaid Akhtar said this trend has been more visible since 2009-10. There has been consistent increase in the export of value-added and speciality coffees over the last 10 years. The trend has been especially remarkable in the last five years. Exports peaked in 2012-13 to 3.18 lakh tonnes compared with a production of 2.99 lakh tonnes. "We are exporting almost one lakh tonnes of instant coffee, of which nearly 65,000 tonnes are imported for re-export, primarily from Indonesia and Vietnam." Emphasising the need for creating worldwide demand for the Monsoon coffee, Akhtar said, "Though we have the GI for Monsooned Malabar AA, our exports have only been around 3,500-4,500 tonnes. This is an area where there is huge opportunity for growth. The demand for Robusta Kaapi Royale is also picking up." The Board is expecting coffee exports to get a boost in 2014-15, when the harvesting season begins in October.

### **Growth potential**

While there is huge potential for growth in coffee exports, the sector faces key challenges such as tackling the white stem borer menace and increasing productivity.

Referring to other initiatives, Akhtar said the Board will be starting a barista training programme in two months' time.

It has collaborated with Trieste Coffee Cluster, Italy, for specialised training in tasting expresso coffee.

## **Plantations told to take lead in guarding environment**

The plantation industry should play a leading role in the protection of environment that will also help the sector as well, said Rajani Ranjan Rashmi, Additional Secretary, Ministry of Commerce and Industry here on Tuesday. Urging the industry to come up with environmental projects, he said the plantation industry will need to come up with rehabilitation projects. “We have a fund of Rs. 20,000 crore which can be utilised.” Rashmi was addressing the 121<sup>st</sup> annual conference of the United Planters’ Association of Southern India. Asked to elaborate, he told reporters that he was referring to the compensatory afforestation projects given to State Governments. “Each State is given a share. The fund is under the Supreme Court. The State Government and the plantation industry should come together in protecting the environment,” he said. Stating that there were projects involving forests, he said that including the plantation industry would be an innovative thing to do.

### **Long-term solutions**

Responding to some of the issues raised by UPASI President Peter Mathias, Rashmi said that the long-term solution for the sector is sustainability, cooperation and collective efforts. “The industry has not done enough to emerge as a major exporting sector. The domestic market is large, but quality is the prime concern in the global market,” he said and urged the industry stakeholders to rise to this challenge. In his Presidential address, Mathias highlighted some of the concerns of the plantation industry, such as the proposed National Land Reforms Policy, which contained a recommendation to do away with exemption granted to plantation lands from land ceiling provisions, draft notification on the eco-sensitive areas on Western Ghats, the need for a drastic overhaul in the Plantation Labour Act, Land Reforms Act and the Minimum Wages Act as it applies to the plantations among others.

### **Tea issues**

Briefly touching upon commodity-wise issues, he said the amendments to the Tea Act proposed by the Tea Board are highly regulatory in nature and sought the Ministry’s help to consider the submissions made by UPASI in this regard. To tackle the challenges in the coffee sector such as over production in major coffee producing countries, escalating input cost including labour, Mathias suggested the need for proactive research and development. “When compared with other coffee growing countries such as Vietnam and Brazil, the research and development facilities in the Indian coffee sector is inadequate,” he said.

## **Malaysia ups the ante in the race to garner palm oil market**

A turf war has once again broken out between Indonesia and Malaysia, two of the world's top palm oil producers, to retain market share in the lucrative export business. The latest in the series of trade wrangles is the recent Malaysian announcement that it will do away with export duty on crude palm oil (CPO) for September and October. The rate of export duty is 4.5 per cent. For Malaysia, the move has become necessary to help it cope up with rising inventory and falling market prices of palm oil. It may extend the tariff concession till December, if the situation warrants.

### **Futures stay low**

Currently, on the Bursa Malaysia Derivatives Exchange crude palm oil futures have fallen below 2,100 Malaysian ringgit a tonne (MYR/t) and are testing a multi-year low of 2,000 MYR/t. In dollar terms, prices are slightly lower than \$700/t. A 20 per cent decline in prices over the last 3-4 months has been triggered by a combination of supply-side developments. This includes an anticipated glut of oilseeds (soyabean and rapeseed ready for harvest) in the northern hemisphere as well as rising palm oil supplies during the ongoing peak production season, that began in April and extends till October. To be sure, Indonesian crude palm oil is available \$40-50 a tonne cheaper than Malaysian produce. Malaysia has been strenuously attempting to export refined palm oil and other value-added products; but large refining capacities built in major import markets such as India have favoured import of crude palm oil over refined oil. Also, India imposes a customs duty of 7.5 per cent on import of refined oils. India favours less-expensive Indonesian origin crude palm oil. Finding its market share under pressure from its trade rival, Malaysia has succumbed to market forces and has eliminated export duty. But this may not be the end of the story. Indonesia is sure to retaliate with competitive reduction in its export tax to retain own market share. Such competition is good for major importing countries such as India and China.

### **Large stockpiles**

An additional factor for price pressure is the rising inventory. The inverse correlation between Malaysian stocks and palm oil prices is well established. Although an official figure is yet to emerge, there is widespread belief in trade circles that the inventory would be closer to 2 million tonnes by August-end compared with 1.7 million tonnes by July-end. Stocks may rise even further in September and October. Going forward, palm oil prices are expected to remain weak. For the year 2014-15, the world vegetable oil market is set to be in a state of surplus with demand growth trailing supply growth. Many analysts who wagered on the possibility of El Nino impacting palm oil production have once again been proved wrong. According to USDA, production of major vegetable oils in 2014-15 will be 175 million tonnes, 6 million tonnes more than in the previous year. Demand growth may trail at around 4 million tonnes.

## **Despite festivals, sugar remains depressed**

Sugar prices on the spot market dropped by Rs. 15-20 on Tuesday as producers offloaded stocks at lower rates on the back of need-based demand and higher output. Naka prices were down by Rs. 10. Even improved retail demand has been unable to support prices. After price movements were range-bound with thin volatility last month, the market has started seeing the larger producers selling now, ahead of the new crushing season. At the Vashi wholesale market, after a two-day holiday, arrivals and local lifting remained higher but prices were under pressure. Arrivals at Vashi market 62-63 truckloads and local dispatches improve to 63-64 truckloads. On Saturday, about 19-20 mills offered tenders and sold 66,000-68,000 bags at Rs. 2,880-2,960 ( Rs. 2,900-2,980) for S-grade and Rs. 3,020-3,090 ( Rs. 3,040-3,120) for M-grade. On the National Commodities and Derivatives Exchange, September-14 futures were lower by Rs. 43 to hit Rs. 2,935 ( Rs. 2,978) and October was down by Rs. 27 to reach Rs. 2,977 ( Rs. 3,004) in noon trade. At the Bombay Sugar Merchants Association, spot rates were: S-grade Rs. 3,062-3,152 ( Rs. 3,072-3,162); M-grade declined to Rs. 3,172-3,330 ( Rs. 3,200-3,330). Naka delivery rates: S-grade Rs. 2,980-3,070 ( Rs. 2,990-3,050) and M-grade Rs. 3,090-3,200 ( Rs. 3,110-3,200).

# Business Standard

## **High agri imports under govt lens**

Faced with a burgeoning trade deficit due to rising import, the ministry of commerce has identified nine agricultural commodities of which annual import constitutes more than \$100 million each for action in this regard. The commerce ministry initiative is following a directive from the Prime Minister's Office (PMO). It has written to the respective sector councils and associations, seeking ways to reduce such imports. The nine commodities are vegetable oils, pulses, fresh fruits, cashew, sugar, alcoholic beverages, processed items, cocoa products and sesame seeds. One such letter, addressed to the chairman of the Agricultural & Processed Food Products Export Development Authority (Apeda) and industry bodies such as the Solvent Extractors' Association of India (SEA) and Indian Oilseeds Produce and Export Promotion Council, reads: "There is a directive from the Prime Minister's Office on institutionalising import appraisal and reducing import dependence. Department of commerce is required to prepare a policy paper containing strategy, goal, road map and outcome for reducing (such) unwarranted dependence. It has been decided that import items of a value more than \$100 mn may be analysed in the first instance." Edible oil leads the agri commodities' import basket with a 60 per cent

share. Pulses (15 per cent), fresh fruits (10 per cent), cashew (six per cent) and sugar (three per cent) also contribute. India's annual consumption of edible oil is estimated at 19.5 mn tonnes, of which around 60 per cent is met through import, largely from Indonesia and Malaysia. The dependence on imported pulses is 18 per cent of the total 20 mt of annual consumption. The import bill for edible oil was \$7,250 mn in 2013-14 (\$9,851 mn in 2012-13). Pulses worth \$1,828 mn was imported in 2013-14, compared with \$2,450 mn the previous year. "To check import of vegetable oils, we should increase domestic production of oilseeds. At 1,000-1,100 kg per hectare (ha), oilseeds production is half of the global average. Since India's strength lies in soybean and cotton seed, their production should be increased at least by 50 per cent in the next five years," said Vijay Data, president of SEA. It also recommends introduction of genetically modified oilseeds for cultivation. India is also a major importer of fresh fruits and juices to the tune of \$1,273 mn (in 2013-14, versus \$1,138 mn the previous year). "The only way to contain import is to increase domestic production. Apart from focus on increasing productivity, we need to concentrate on reducing post-harvest loss and to increase cold storage capacity. Attempts made in the last two Plan periods have resulted in an increase in pulses production by three mt to 17 mt (yearly) now. That efforts need to be continued to make India self reliant in pulses in the next five-six years," said Santosh Sarangi, chairman of Apeda. For this, we need to invest immensely on research and development. According to Bimal Kothari, vice-president of India Pulses and Grains Association, our average yield of pulses is one of the lowest in the world. Abinash Verma, director-general of India Sugar Mills Association, wants import duties raised to stop a supply glut.

### **Onion prices fall on low demand**

Onion prices fell in the benchmark Lasalgaon mandi in Maharashtra, owing to low export and local demand ahead of the festive season. Also, the government's decision to bring onions under the Essential Commodities Act forced stockists to release additional quantities into the market in a staggered manner, resulting in oversupply at major mandis. So far this month, onion prices have fallen 11 per cent; now, the commodity is being traded at Rs 14 a kg in the Lasalgaon spot market, Asia's largest mandi for onions. In June, prices stood at Rs 14 a kg, before rising to Rs 21 a kg in August. The rise in arrivals at the Bangalore mandi led to pressure on traders to sell at prices quoted by purchasers. Consequently, prices at that mandi fell about 36 per cent in the first nine days of September to below Rs 14 a kg. At other trade centres, prices fell five-seven per cent, depending upon the proximity to producing centres. "Though planting of the kharif crop, which accounts for about 20 per cent of India's annual onion production, started about a month late this season due to delay in the monsoon, production is estimated at normal levels. Additionally, there has been less demand from local markets, as all consumer states built some inventory amid expectations of

an abnormal price rise like last year (in 2013, the retail price shot up to Rs 100 a kg),” said R P Gupta, director, National Horticultural Research and Development Foundation. To keep prices in check, the government had allowed import of onions. To discourage exports, it had levied a minimum export price of \$300 a tonne in June. In July, this was raised to \$500 a tonne; the rise was rolled back after a month “There is no export demand due to frequent changes in the government’s policy. We have lost the foreign market completely. Developing an export market in case of surplus supplies will be a Herculean task for us,” said Ajit Shah, president, Horticulture Exporters’ Association. Gupta says despite delay in the monsoon, both kharif and late-kharif sowing have been normal this year. With adequate soil moisture due to late rains, rabi sowing is also expected to remain normal. Onion production in the country, it is expected, will stand at last year’s of 19 million tonnes.

### **Castor sowing set to top 1 mn hectares**

Sowing of castor seed in India has crossed last year's mark in the current kharif season. It is likely to cross one million hectares by the end of this month. According to the Union agriculture ministry’s data, castor seed has been sown on 927,000 hectares across the country as on September 4. Last year, total sowing was on 916,000 hectares. In the corresponding period in 2013, castor seed had been sown on 755,000 hectares. Compared to last year's total area where castor seed was sown, sowing has till now increased by 11,000 hectares. Industry experts say sowing is still going on and the acreage is set to increase. Gujarat government’s data, too, suggests an increase in the sowing area for castor seed in the state. One of the reasons for this uptick is that farmers who used to grow groundnut has shifted to castor seed this season. “High castor seed sowing is expected this year owing to the strong progress of monsoon, in addition to the fact that many groundnut-sowing farmers have shifted to castor seed sowing. Currently, sowing is in its last stage and a further 50,000 or 100,000 hectares area might be added in Gujarat,” said B V Mehta, executive director, Solvent Extractors Association (SEA) of India. According to the state’s agriculture department, the area under castor seed has risen from 520,500 hectares to 637,500 hectares till September 1. The total sowing of castor seed in Gujarat in 2013 was recorded on 573,000 hectares. Sowing of castor in Rajasthan has been on 149,000 hectares, against last year's 148,000 hectares. However, in Andhra Pradesh, including the newly-created Telangana, castor sowing has declined to 101,000 hectares from 153,000 hectares a year ago. Traders say the price factor has also been responsible for good sowing of castor seed. Between July and August 2014, castor price had not gone below Rs 775 for 20 kg and it was traded in the range of Rs 800-830 for 20 kg. The current price in the state is between Rs 785 and Rs 800 for 20 kg. Export of castor oil from India has also declined because of poor international demand. According to SEA data, India exported 168,428 tonnes of castor oil during the April-July 2014 period, down 26,976 tonnes from 195,404 tonnes exported during the corresponding period in 2013.



### **Mangoes may help lower blood sugar: study**

Daily consumption of 10 grammes of mangoes can help manage high blood sugar, particularly in obese people, a new study has found. Researchers found that regular consumption of mango by obese adults may lower blood sugar levels and does not negatively impact body weight. "We are excited about these promising findings for mangoes, which contain many bioactive compounds, including mangiferin, an antioxidant that may contribute to the beneficial effects of mango on blood glucose. In addition, mangoes contain fibre, which can help lower glucose absorption into the blood stream," said Edralin Lucas, associate professor of nutritional sciences at Oklahoma State University, College of Human Sciences and lead study author.

"Our results indicate that daily consumption of 10 grammes of freeze-dried mango, which is equivalent to about one-half of a fresh mango (about 100 grams), may help lower blood sugar in obese individuals," said Lucas. Participants completing the 12-week study included 20 adults (11 males and 9 females) aged 20 to 50 years. Each day during the study period, participants consumed 10 grammes of freeze-dried mango, and dietary intake was monitored via 3-day food records assessed at baseline and after 6- and 12- weeks of mango supplementation. The researchers found that after 12 weeks, participants had reduced blood glucose, and this glucose lowering effect was seen in both males and females. No changes were observed in overall body weight, hip or waist circumference, waist to hip ratio, percent fat mass, and lean mass, researchers said. However, hip circumference was significantly lower in males but not females. BMI tended to be higher in females but not males after mango supplementation, although these results were not statistically significant, they said. Overall and by gender, there were no significant changes in triglycerides, HDL-cholesterol, or blood pressure. "We believe this research suggests that mangoes may give obese individuals a dietary option in helping them maintain or lower their blood sugar," said Lucas. The study was published in the journal Nutrition and Metabolic Insights.



## **India's cotton exports likely to fall 35% this year: USDA**

*India, the world's second-biggest producer of cotton, is likely to export...*

India, the world's second-biggest producer of cotton, is likely to export 7.69 million bales of the fibre this year, down by 35% from last year, due to sluggish demand from China, says the latest USDA report. With a slump in purchases by top cotton consumer China, Bangladesh and Vietnam are emerging as the leading export destinations for India, it added. In its latest report, the US department of agriculture (USDA) pegged India's overall cotton exports at 7.69 million bales for the 2014-15 marketing year (August-July), as against 11.75 million bales last year. One bale is equal to 170 kg. "Export shipments since June have been relatively slow as trade sources report demand from China has been sluggish... cumulative exports in June and July are estimated around 4,85,000 bales," it said. In August, exports have declined to 68,000 bales, as against 2,60,571 bales in the same month last year, it said, adding that, however, India is expected to remain a strong regional supplier to Pakistan and Bangladesh as well as southeast Asia. "In general, however, as global demand remains sluggish and Indian ex-gin prices are above the Cotlook A Index, there may be tempered demand for processed cotton out of India and the USDA anticipates flat year-over-year demand given current circumstances," it added. "China is not showing interest because the country is under pressure to bring down its inventories. It is planning to offload its stocks and provide subsidies directly to farmers," a senior official from the Confederation of Indian Textiles Industry (CITI) said. Global cotton prices are expected to decline if China plans to offload its stocks, the official said. According to the USDA, cotton production in India is expected to be 37.8 million bales this year, slightly lower than 39.1 million bales in 2013-14 marketing year. Meanwhile, the country's overall consumption has been pegged at 30.1 million bales for this year. China is the top cotton export market for India, followed by Bangladesh and Pakistan.

## **Foodgrain stock with FCI declines by 4.5 million tonne during last month**

Foodgrain stock held with Food Corporation of India (FCI) has dropped to 52.8 million tonne (mt) at the start of the month from 57.3 million tonne reported a month ago. The lower stock is going to ease storage crunch faced by the corporation to a large extent. According to data released by the FCI, it has 17.3 mt of rice and 35.4 mt of wheat at the start of the month. Besides, about 4.4 mt of rice is yet to be received from millers. The grain stock is still more than the strategic reserve and buffer stocks norms, as per which FCI should have wheat and rice stock of 21.2 mt on October 1. A food ministry official told FE the FCI is aiming at reducing its excess wheat stock further by March 2015 through the Open Market Sale Scheme. Besides, lower wheat procurement in the last two marketing seasons (2012-14) has helped the corporation in reducing grain stock. Even rice procurement in the current marketing season (2013-14) is reported at 32 mt, lower than the target by 2 mt. At the start of June, FCI had grain stock of 62.2 mt and 11.3 mt of rice was yet to be received from millers. Grain stock with FCI was at the highest in the month. A food ministry official said the government needs to sell a chunk of excess stock in the open market to put a curb on the rising inflation graph. Because of the open-ended procurement policy for rice and wheat adopted by the government, agencies have been buying a large chunk of grain from farmers in key mandis, which led to average foodgrain stock hovering around 50-60 mt in the last few years. Government-owned agencies buy grain from farmers for distribution under the targeted public distribution system (TPDS) and for maintaining buffer stock and strategic reserve norms. Around 3-4 mt of rice and wheat are distributed monthly to states under TPDS. FCI also keeps grain for distribution to the armed forces.

## **Falling rubber prices boost demand for tyre stocks**

Although a plunge in rubber prices towards a 44-month low has sparked a buying frenzy in the stocks of tyre makers, not all listed players appear to offer value at the current prices, given that most of them have more than doubled this year.

### **Click here for graph**

Natural rubber prices, as represented by RSS-4 Kottayam, have declined nearly 24% to Rs 124 per kg, sparking a price rally among tyre makers as lower raw material costs are seen boosting their profit margins. Not surprisingly, stocks like JK Tyre and Industries and Ceat have rallied more than 100% this year while TVS Srichakra

(TVSS) has more than doubled. Given that price advantage is going to help most tyre makers, the product mix of these companies is likely to be the key differentiating factor determining the earnings momentum. For example, Angel Broking, which has a 'buy' rating on both MRF and TVSS, believes that the former's diversified portfolio and the latter's focus on two- and three-wheeler segments are likely to benefit these companies as the outlook for the domestic auto industry improves. The brokerage recently increased its 12-month target price for TVSS to Rs 1,040 as it sees the stock getting re-rated. As per the brokerage, MRF has a leading position in a majority of segments and accounts for 22-29% of the tyre market for medium and heavy vehicles (MHCV), passenger cars, motor cycle and tractor segments. It expects MRF's net profit to grow at a CAGR of 13.7% in the two years to September 2015 to Rs 1,036 crore. MRF follows a September year-end and, currently, boasts of the highest profit margins among peers, both at the operating and net earnings levels. As the domestic commercial vehicle market is touted to be the first beneficiary of an imminent revival in economic activity, JK Tyre and Ceat, which have a higher composition of TBR (truck, bus, radial) segment in their product mix, are likely to benefit from this revival. While Bloomberg consensus estimates peg the net earnings of these companies to grow by 11-14% and 22-16% over FY15-FY16, the current stock prices seem to discount a part of this recovery. Both these stocks are trading very close to their three-year price-to-earnings multiples. In mid-August, ICICI Securities communicated its optimism over the earnings growth possibilities for JK Tyres, arguing that a revival in India's domestic capex cycle augers well.

# THE ECONOMIC TIMES

## **El Niño formation a possibility in winter**

The Australian Met department, in its latest outlook of El Nino, has said that there's a 50 per cent chance of the weather pattern developing in the next few months. "The majority of international climate models surveyed by the bureau indicate Central Tropical Pacific surface temperatures will remain warmer than average, and may exceed El Nino thresholds by the end of the year... indicating at least 50 per cent chance (double the normal likelihood) of an El Nino forming in 2014," said the Australian Met department on Tuesday. Indian meteorologists feel that the odds of a strong El Nino was less this year, and was unlikely to make a huge impact on the Indian weather. El Nino in winters is often associated with heavy rainfall in the north-east, north and north-west India, and warmer months, particularly in the north, from December to March. "We don't expect any adverse impact during the Indian weather. The probability of El Nino this year has been varying and we will have a better idea in November," said DS Pai, head of longrange forecasting division at the India Meteorological Department (IMD). Earlier, the chances of an El Nino weather phenomenon developing this year added to the worries about an inadequate monsoon. But the American National Weather Service's Climate Prediction Centre has reduced the chances of an El Nino this winter from 80 per cent to 65 per cent, while the Australia's Bureau of Meteorology has also lowered its prospects from 70 per cent to just 50 per cent. Most El Nino weather patterns peak between November and March in India, said GP Sharma, vice president of meteorology at Skymet. "They can appear in summer and impact monsoon. In 2009, El Nino conditions peaked in the winter months and north-east monsoon rains were better in south India, particularly Tamil Nadu," he said. Sharma said that the co-relation was, however, unclear for winter rains in the north and north-west India. "This year, we will have a slight impact. Temperatures can be 1-2 degrees higher in the north and north-west India. Rains may pick up in the south. However, the probability of above normal rains in the north and north-west India isn't clear," he added. The north-east monsoon season, which begins in October and goes on till December, is the lifeline for southern states like Andhra Pradesh, Tamil Nadu, Kerala and Karnataka. The south peninsula receives about 30 per cent of its annual rainfall during the north-east monsoon season while for Tamil Nadu, this is the main rainy season accounting for about 48 per cent of annual rainfall.

## **Maharashtra farmers to protest against government's attempt to keep onion prices low**

With elections to the Maharashtra assembly expected to be announced at any time, the profarmer Swabhimani Shetkari Sanghatana, an ally of the BJP at the Centre and in the state, organised protests in Nashik district against policies of the Union government that have helped to tame onion prices. The Sanghatana, which became part of the ruling alliance for the first time at the Centre, expects to contest 4 per cent of the seats in the state as a partner of the BJP and the Shiv Sena. Its prospects hinge on support from farmers and traders, who believe the Modi government's steps to curb rising onion prices has hurt them. Farmers and traders had expected onion prices to increase in October, giving them good returns like in the previous year. However, the Central government liberalised imports of the commodity in a bid to curb prices from rising. Prices of pomegranates, another cash crop in north Maharashtra, have crashed, adding to the woes of farmers. Although the Sanghatana is part of the government that took decisions to keep onion prices under check, the party insists that the interests of farmers are primary. "I will always be with farmers. Whether I am inside the government or outside does not matter to me," said Raju Shetti, founder leader of the Swabhimani Shetkari Sanghatana and a member of parliament. However, Shetti said it wasn't as yet time to take a final call on whether to be part of the alliance due to the anti-farmer decisions of the ruling BJP at the Centre. Onions, pomegranates and grapes are the cash crops in north Maharashtra. There is resentment among farmers as prices of onions and pomegranates have dropped to less than half of what they were last year. After rising 80 per cent in June, onion prices have eased since the commodity was brought under the purview of stock holding limits of the Essential Commodities Act and the government set a minimum price for exports of the commodity. Prices have remained stable for the past two months. "Our demand is that the import of onion should be stopped and export should be opened up. Instead of making onions cheaper for consumers, the government should tell them to eat less onions," said Sadabhau Khot, a leader of the Sanghatana who protested at the Nashik district collectorate. With crop losses caused by hailstorms in April and May and 30 per cent damage in storage, farmers stand to make losses if prices do not increase in September-October, according to Nanasaheb Patil, chairman of the Lasalgaon Agriculture Produce Market Committee and director of the National Agricultural Cooperative Marketing Federation. He said the availability of onions in the market had increased. "As compared to 55,000 quintals arrival in the month of September last year, the arrival of onions in the first eight days of September this year is 75,000 quintals. This shows that the decisions of the central government to reduce exports and liberalise imports were based on wrong data," Patil said.

# DECCAN Chronicle

## **Organic food a big hit this Onam**

As people are becoming more aware of the bad effects of chemical fertilizers and the use of pesticides, the demand for organically cultivated vegetables, fruits, pulses and cereals is on the rise. During Onam shopping, organic shops and stalls at trade expos selling naturally grown products did good business which indicates that organic food is slowly catching on in the city and suburbs. Vegetables and fruits topped the shoppers' list. All branded organic outlets in the city and outskirts registered good turnout during the festive season. During Onam, shoppers thronged the special stalls of organically grown vegetables from neighbouring states, at Tripunithura and other busy shopping areas. Even in big shopping malls and supermarkets, organic vegetables had more takers. "During Onam, when the price of vegetables skyrockets, people are not reluctant to shell out extra to buy organic products. Though the price of organic vegetables is higher by at least 20-35 per cent than what is available in the market, the rate was almost similar during Onam days due to the price rise. Besides, customers are more concerned about the quality of products and not the price," said an outlet owner. Locally produced items like pickles, jaggery and masala powders were also in demand. K.N Shaji, writer and critic, who owns an organic shop in the city, said traders at expos and special stalls exploited people's taste for organic produce. "Since there is no mechanism to check the quality of organic products being sold through trade fairs, people are often being exploited. Organic products should be affordable to all people and it should not be just a business for making money," he said.