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# THE HINDU

## **KUFOS to set up centre for entrepreneurs**

The Kerala University of Fisheries and Ocean Studies (KUFOS) will set up a Centre for Advanced Training in Entrepreneurship Development in collaboration with the Kitco Ltd. The centre will be launched in the last week of April. It will give special emphasis on fisheries, ocean resources, agri-business and rural industries. The varsity will provide technologies and infrastructure facilities to Kitco Ltd.

The centre will support students to involve actively in the process of enhancing aquaculture production and to become entrepreneurs. Vice Chancellor Prof. B. Madhusoodana Kurup said the objective of the centre was to develop the entrepreneurship skills of the students and other stakeholders in fisheries and allied sectors by providing direct and virtual incubation, protection and management of intellectual assets.

## **TS rice millers want FCI not to stock Andhra rice**

In a decision that could spark off a political row with Andhra Pradesh, the Telangana Government on Tuesday agreed to the rice millers demand for asking the Food Corporation of India (FCI) against stocking the rice milled in Andhra Pradesh in its warehouses located in the Telangana.

The contention of the Rice Millers Association of Telangana is that the stocks of milled rice in the State were more than sufficient and were facing shortage of storage facility.

The FCI's act of bringing the rice milled in AP and storing here was not in the interests of farmers ahead of rabi procurement of paddy. "Over one-lakh tonnes of rice milled in AP has already been brought into Telangana godowns by FCI when the State has over 14 lakh tonnes of stocks here," general secretary of the association V. Mohan Reddy stated.

Responding to their request, Telangana Minister for Finance and Civil Supplies E. Rajender has assured the rice millers that the State Government would take up the matter with the FCI authorities, if it was against farmers' interests.

The Minister too admitted that there were sufficient stocks of rice in the State both for public distribution system (PDS) and for the open market. The quantity of surplus rice, which is facing paucity of storage space, in Nizamabad district alone was 1.5 lakh tonnes and the stocks in Karimnagar, Warangal, Mahabubnagar and Khammam were also in surplus, the association functionaries explained. It is understood that the government decision to allow purchase of paddy transported from States such as AP, Maharashtra and even far-off States of Uttar Pradesh and Bihar had made the State surplus though the production of paddy both in kharif and rabi were not very high.”

“Our own production of paddy would have left us with milled rice deficit of about 4 lakh tonnes, but the paddy from other States has changed the situation into surplus stock of over 4 lakh tonnes. They were able to get better price here as minimum support price is ensured here” the millers said..

### **Aavin to increase ice cream production**

Shortages of Aavin’s milk-based products might become a thing of the past with the government organisation stepping up capacity-building in a major way.

Work to expand Aavin’s ice cream manufacturing facility at a total cost of Rs. 23.39 crore is progressing well at Ambattur. The work is likely to be completed in a few months.

Along with ice cream, the panneer plant is also being modernised and production capacity augmented from 150 kg/day to 1,000 kg/day.

After the expansion, the Tamil Nadu Cooperative Milk Producers Federation will be able to supply ice cream to other district headquarters in the State. The present production of 3,000 litres a day, which is mostly consumed within the city, will increase to 15,000 litres, explained a source in Aavin.

The funding for machinery worth Rs. 17.25 crore is being obtained from the National Dairy Development Board.

To ensure proper distribution of products, large refrigerated vans and two small vans are also being procured at a cost of Rs. 1.25 crores. Already, tenders have been called for more deep freezers to stock ice cream in more retail outlets, sources added. The dairy’s khoa, curd, buttermilk and

yoghurt-making facility is also being modernised at a cost of Rs. 9.10 crore, which includes machinery worth Rs. 4.28 crore. This will more than double production.

### **3,476 quintals of cotton auctioned**

About 3,476 quintals of cotton have been auctioned at the Elambalur regulated market since January this year, according to Collector Darez Ahamed.

Speaking to reporters at the regulated market on Tuesday, Mr. Ahamed said 798 farmers have benefitted through the auction at the market so far this year and Rs.1.32-crore worth cotton has been traded. Pointing out that Perambalur stood first in cotton cultivation and production in the State, Mr. Ahamed said that on an average, about 27,230 hectares of cotton was being raised each year in the district. The average production was around 28,900 tonnes.

The introduction of the auction at the regulated market has immensely benefitted the cotton growers who otherwise had to transport their produce to other neighbouring districts for sale.

The Cotton Corporation of India was also participating in the auction, fixing the minimum price based on the moisture content, length, and strength of the yarn.

### **Bird species new to mangrove forest found**

A bird species – slaty breasted rail – new to Pichavaram was recorded at the mangrove forests near Chidambaram by researchers of the AVC College at Mannampandal recently.

A team comprising of J. Pandiyan, Principal Investigator and Assistant Professor of Zoology and Wildlife Biology of the college, and R. Jagadheesan, a Research Fellow, noticed the waterhen-like bird, belonging to the Rallidae family, wading in the mangrove forest area in the morning hours.

The record of this species is of significance considering its patchy distribution within the country.

The bird with red colour beak and reddish brown colour head has slaty-grey breast feathers with its legs olive-grey.

This is a new bird species recorded at the mangrove forests of Pichavaram, claims Dr. Pandian.

Besides India, the bird has been found in Bangladesh, Brunei, China, Indonesia, Myanmar, Philippines, Singapore, Sri Lanka, Thailand and Vietnam, he said.

The bird falls under the Least Concern category in the International Union for Conservation of Nature, Dr. Pandian said.

### **TNFDC stall serves to offset rising prices of seafood in Tuticorin**



A new fish stall of Tamil Nadu Fisheries Development Corporation (TNFDC) in Tuticorin serves to offset the rising price of seafood. The introduction is timely as the 45-day annual ban on fishing by mechanised boats along the east coast is in force in Tamil Nadu, consumers visiting the fish stall near Chidambara Nagar bus stop on Palayamkottai Road felt.

The objective of opening the fish stall is to control the prices of seafood in the market.

It is the second TNFDC fish stall, after the one near the new bus stand, which is functioning since November 2014. The new 'mobile fish stall' is a boon for fish consumers, who have been buying fish at high prices, during the ban period.

The stall offered a variety of seafood such as ‘oola,’ ‘vila,’ ‘para,’ ‘seela,’ ‘vaval’ and ‘nethili’ fishes and prawns, sources in the TNFDC told *The Hindu* here on Tuesday. The seafood here is priced less than the rates prevailing in the market and quoted by roadside vendors.

“Now, a kg of ‘oola’, the most sought after edible fish, is sold at Rs. 330, whereas its costs Rs. 400 a kg in the open market. When the ban is lifted, price will come down to Rs. 260 a kg. Next to this, ‘vila’ is priced at Rs. 300 a kg and it is sold at Rs. 350 to Rs. 400 in the open market,” sources informed.

One more mobile fish stall would come up at Teachers’ Colony in two months, sources added.

### **Milma to set up green fodder farms in Malabar districts**

The Kerala Cooperative Milk Marketing Federation (Milma) is gearing up to launch green fodder farms in each district in the Malabar region to ensure the availability of fodder during summer season.

Speaking to mediapersons after inaugurating harvest on a pilot commercial green fodder farm at Appadu, near Meenangadi, on Tuesday, Milma chairman P.T. Gopalakurupu said that the organisation would launch a project to set up at least one such farm in each district in the Malabar region to ensure the availability of green fodder during summer season to increase milk production.

The Malabar Regional Milk Producers Union (MRCMPU) of the Milma had earmarked Rs.40 lakh in its budget during the current fiscal to promote green fodder farms to tackle the issue, he said.

### **Farmers’ hopes drown in summer rain**

The summer rain continues to mar the harvest of paddy in upper Kuttanad. The afternoon showers on Tuesday left paddy fields in Kodankeri and Chathankery waterlogged.

The paddy, fallen in the wind and rain, had started sprouting in many parts of the Kodankery fields in the village of Peringara. The situation left many farmers, who had taken loans from private moneylenders, in a tight spot, sources said. Sam Eapen, president of the Peringara panchayat and the

Upper Kuttanad Nelkarshaka Samiti told *The Hindu* that it was high time the government stepped in.

Mr. Eapen said waterlogging of the fields had made mechanised harvesting difficult. He said the crisis had been aggravated due to the ‘lackadaisical or rather irresponsible attitude of the authorities’ in arranging combine harvesters ahead of the summer showers.



### **Sugar industry opposes export quota liberalisation**



The Commerce ministry’s decision to open up sugar exports to the European Union and the US under preferential quotas to non-State Trading Enterprises (STE) has attracted opposition from the sugar industry, which claims the move will only benefit “a few petty traders”.

India has an annual preferential quota for export of 10,000 tonnes of white sugar to the EU and 8,424 tonnes of raw sugar (equivalent to 8,100 tonnes of whites) to the US. These shipments are not subject to any import duties, which otherwise amount to 419 euro per tonne in the EU and \$ 357 per tonne in the US. Being duty-free makes such preferential quota exports a profitable proposition.

Till recently, the Indian Sugar Exim Corporation (ISEC) — a joint body of the Indian Sugar Mills Association (ISMA) and the National Federation of Cooperative Sugar Factories — was the sole agency nominated as the STE for exporting the preferential quota to the EU and US. But on April 20, the Commerce Ministry issued a notification bringing these exports under the “free” as opposed to the “STE” regime.

“The change in the policy of the preferential sugar quota will enable all sugar industries in the country to export sugar subject to a minimal requirement of registration from APEDA (Agricultural Products Export Development Authority or DGFT (Directorate General of Foreign Trade)”, the commerce ministry said.

ISEC has cried foul over “unilateral decision”, saying that neither the industry nor Food Ministry was consulted. “The profits from these exports are meant to be ploughed back for welfare of sugar sector and not diverted for personal benefit of petty traders. Hence, preferential quota exports are being channelised STE, which in this case is a body owned by the industry”, DG of ISMA, Abinash Verma told The Indian Express.

### **‘To benefit only a few petty traders’**

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## **India ready to welcome Afghan trucks at Attari: Modi to Ghani**

Keen to expand trade, develop ties with Afghanistan



Renewing ties Prime Minister Narendra Modi with the Afghan President Mohammad Ashraf Ghani at a media briefing after a meeting at Hyderabad House, New Delhi, on Tuesday Ramesh Sharma

India is ready to welcome Afghan trucks at the Integrated Check Post at Attari and is also prepared to join the successor agreement to the Afghan Pakistan Trade and Transit Agreement (APTTA), Prime Minister Narendra Modi said on Tuesday.

The APTTA came into force between the Governments of Afghanistan and Pakistan in 2011. It allows Afghan trucks to carry Afghan products to India and China as well as the rest of the world through the ports of Karachi, Qasim and Gwadar. It replaced the 1965 pact, called the Afghanistan Transit Trade Agreement (ATTA).

Speaking to the media after talks with visiting Afghan President Ashraf Ghani, Modi said that ICP Attari will help re-establish one of the oldest trading routes in South Asia.

“I also reaffirmed my commitment to take the Chahbahar Port project in Iran forward. We will also quickly conclude a bilateral motor vehicles agreement,” Modi said.

India believes that Afghanistan’s direct surface link to India and the rest of South Asia, and increased connectivity at sea could turn that country into a hub that connects Asia’s diverse regions and beyond, he added.



Modi said that India will also expand its development partnership, which includes infrastructure, agriculture, connectivity, human resource development, community projects and humanitarian assistance. “We will explore new trade and investment opportunities,” he said.

The Prime Minister also announced the delivery of three Cheetah helicopters to Afghanistan. This is being viewed as a sign of India being prepared to continue its support to the capacity building of Afghan security forces.

“Fourteen years ago, we started a new chapter in our relationship, in a new era for Afghanistan, under the leadership of President Karzai. The partnership has blossomed. We will continue this journey,” said Modi.

### **India Inc should wake up to climate change**

With stakeholder awareness on the rise, businesses should take proactive steps, rather than just do the bare minimum

As the world is moving ahead to find sustainable solutions to combat climate change, the time has come to take a hard look at India’s role.

Large businesses in the country today recognise that while manufacturing goods or delivering services, they need processes that are sustainable and climate-friendly. They are looking at carbon footprint and adopting technology solutions to offer low-carbon products and services.

But are we doing enough? Are our current plans and actions sufficient to cater to the growing needs of an increasingly aware stakeholder — customer, community, investor and even regulator — who is evaluating us not just by what we do with our profits (CSR), but also by how we make our profits in the first place — our commitment to sustainability?

### **Role of business**

India is the world’s third largest emitter of greenhouse gases (GHG), accounting for 6 per cent of total carbon emissions. This is largely on account of thermal-based power generation. There are no straight solutions for power generation companies or for the government. Coal-fired plants take 4-5 years to build and have a life of over 40 years.

Solar photovoltaic plants require 5-7 times the land per megawatt of capacity compared to coal at current technology levels, and so both policies and

technologies need to change quite dramatically to enable a shift to renewables.

Funding remains a constraint since these are long gestation investments. This is symptomatic of the larger low-carbon growth strategy — the key enablers are technology, finance and policy.

Should it be business as usual till the governments sort out these matters in Paris in December 2015? Or should business leaders do what they are good at — show leadership?

### **All are affected**

The fact is two of the three ingredients for low-carbon growth — technology and finance — are driven by the private sector.

The financial world currently lives by the quarter, but for them to play a significant and responsible role, they need to think long term. And given the size and significance of private sector, it can influence public policy.

So, business leaders have the means to show the way.

Businesses need to act collectively and in partnership with governments and all other stakeholders. Climate change is not just the government's business; it's everybody's business. We need to have ambitious goals. Our national and global positions must be in sync. While we can rightly insist on Common but Differentiated Responsibility (CBDRs) across nations, we must also recognise the CBDRs within India simply because the hungry and energy-starved poor should no longer continue to subsidise the large carbon footprints of India's middle and elite classes and keep our per capita emissions low. We need to find low-carbon alternatives and behavioural change for inclusive growth.

Come forward

There are several new-age entrepreneurs who are conscious of their responsibilities to society and the environment. It will do a world of good for the people, for business and for the society at large for such leaders to come together and take bold, collective actions.

Companies that believe responsible behaviour is driven by regulation alone will soon realise that it is stakeholders that provide the licence to operate.

Twenty years ago, US students boycotted leading sporting goods brands for supporting sweat-shop labour and these companies had to change overnight.

It may not be long before the Indian consumer tells companies that while she likes affordable products, she will not compromise on quality and responsible behaviour?

Communities are increasingly telling companies that they will no longer give up their lands without permission and unless compensated in full measure, nor will allow them to operate if they use up or pollute their lands, air or water.

If however, we behave irresponsibly, will we have a future? Our food production is overly dependent on the monsoon, and with extreme weather conditions — all consequences of climate change — on the rise, our vulnerability increases.

Distress migration to our cities — exacerbated by the agricultural crisis — would mean a very disorderly and badly managed process of urbanisation and its consequent social costs.

Sea level rises and the consequent salinity ingress have begun to adversely impact our coastal communities apart from threatening industrial assets located on our coastlines.

The response to climate change has largely been reactive and it is about time to transition to a forward-looking regime.

## **Cotton output estimated at 391 lakh bales in 2014-15: CAI**



The Cotton Association of India (CAI) today said the March estimate of the crop stood at 391 lakh bales for the 2014—15 season (beginning from October 1, 2014), lower than last year, due to untimely rain in the central region.

The total cotton crop stood at 407.25 lakh bales (of 170 kg each) during 2013—14, according to CAI data.

The main reason for reduction in the crop estimate by five lakh bales compared with the estimates released last month is untimely rain in the Central Zone, CAI said.

Total crop in the central region in March is estimated at 214.25 lakh bales compared to 235.75 lakh bales last year.

The central zone includes Gujarat, Maharashtra and Madhya Pradesh.

The projected balance sheet drawn by the CAI for 2014—15 estimates total cotton supply at 460.90 lakh bales while domestic consumption is estimated at 310.00 lakh bales, thus leaving an available surplus of 150.90 lakh bales.

## Commerce Ministry eases rules for preferential quota sugar sales

Industry fears the move will see the profits being pocketed by petty traders



The Commerce Ministry on Tuesday liberalised the sales of preferential quota sugar to the European Union (CXL quota) and the US (TRQ quota), effectively allowing all exporters and not just State Trading Enterprises (STEs) to avail of the benefits of the quota.

Sales will be subject to a quantitative ceiling that will be reviewed by the Directorate-General of Foreign Trade (DGFT) periodically, said an official statement.

The quotas essentially allow a quantum of exports to these markets at low tariffs. Additional imports of the sweetener beyond the quota are subject to additional tariffs. The Indian Sugar Exim Corporation (ISEC) had been exporting sugar under this system since 1991.

“The change in the policy of the preferential sugar quota will enable all sugar industries in the country to export sugar subject to a minimal requirement of registration from APEDA or DGFT,” the Ministry said in a statement.

Traders will have to furnish details of exports to the Additional DGFT, Mumbai, as well as Agricultural & Processed Food Products Export Development Authority (Apeda). A certificate of origin, if required, will be issued by the former.

The quota for the EU at present is 10,000 tonnes while that for the US is 8,000 tonnes.

### **Few to benefit**

Ostensibly to aid the struggling millers who owe as much as Rs. 20,000 crore as dues to sugarcane farmers as of last month, the Ministry's decision has not gone down well with the industry.

“The decision to remove preferential sugar quota exports to the EU and the US from the sugar industry body, the ISEC, will benefit a few petty traders at the cost of the sugar industry,” said Abinash Verma, Director-General, Indian Sugar Mills Association (ISMA).

Verma said that ISEC's funds have been used for the welfare of the domestic sugar sector and the move will see the profits being pocketed by a few.

“It is all the more surprising to note that this unilateral decision has been taken bypassing recommendations of the Food Ministry...we have already represented before the Prime Minister to investigate the matter and check the move behind the decision and whether it will benefit the country,” he said.

### **No big cheer on raw sugar export front despite Centre's incentives**

Domestic manufacturers have not benefited from the Centre's raw sugar export incentive scheme, according to data provided by the Indian Sugar Mills Association (ISMA). The apex body estimates show that only 91,000 tonnes of a total 1.2 lakh tonnes (lt) having been shipped out since the subsidy scheme was notified last month.

The government had approved exports of 14 lt at a subsidy of Rs. 4,000/tonne till September, when the sugar season ends. In the 2013-14 sugar season, around 7.5 lt of raw sugar were exported under the scheme out of a total 12.7 lt. Industry sources said the late announcement by the Centre and the depreciation of the Brazilian Real, had rendered overseas sales unviable. Unlike refined sugar, most raw sugar produced domestically is exported.

“We missed the boat, it's just that. Exports are insignificant as a result and the reason for that was the dramatic depreciation of the real which saw

international prices tumbling. At current prices, exports of raws are unviable,” said an industry official.

The decision to extend the export incentive scheme came at least two months too late and had been settled after estimating global prices at roughly 16 cents/pound which have since fallen to 12.59 cents/pound as of late last week. For a comparison, said another industry source, Brazilian raw sugar is cheaper by almost Rs. 3,000/tonne.

“As a result, the incentive needs to be at least Rs. 7,000/tonne. The decision by the Centre came two months too late since around January, when the price was hovering around 16 cents, orders could have been booked,” he said, adding that Indian exporters were also challenged by incentives announced by Thailand and Pakistan.

In addition, crushing operations around the country are set to end soon in Maharashtra, Karnataka and Tamil Nadu, where raw sugar production is undertaken due to the mills’ proximity to ports. “There is no point for a miller in Uttar Pradesh, Punjab or Haryana to produce raws since the cost of transporting to a port is substantial,” said the official.

While an export incentive on refined sugar is unlikely since it would violate World Trade Organisation norms, the Centre is believed to be working on increasing the import duty of sugar to 40 per cent from 25 per cent and creating a buffer stock to reduce the domestic glut with production set to outstrip domestic demand for the fifth consecutive year.

Ex-mill prices in north India are around Rs. 25/kg, lower than the cost of production at Rs. 30, according to the industry. As a result of mounting losses, mills owed sugarcane farmers almost Rs. 20,000 crore as of last month. Domestic output this season is likely to touch 270 lt as per a revised ISMA forecast, while internal consumption is pegged at 248 lt.big

### **Turmeric gains colour on demand for root variety**

Spot turmeric prices increased in Erode markets by Rs. 100-300 a quintal due to higher demand for the root variety.

“Many traders quoted higher price for and purchased 4,000 bags of the 7,000 bags that arrived. Traders preferred the root variety turmeric as they have upcountry orders. Almost all exporters have received fresh upcountry



orders,” said RKV Ravishankar, President, Erode Turmeric Merchants Association.

More than 400 bags of Salem Turmeric arrived for sale and all the quantity were sold for Rs. 9,300 a quintal.

At the Erode Turmeric Merchants Association Sales yard, the finger turmeric was sold at Rs. 5,796-8,456 a quintal; the root variety Rs. 5,684-7,579.

Salem Turmeric: The finger variety fetched Rs. 7,129-9,319; the root variety Rs. 6,565-7,700. Of the arrival of 1,746 bags, 698 were sold.

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The writer is Chief – Tata Sustainability Group, Tata Sons. The views are personal

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## Business Standard

Wheat procurement lags behind due to rains, may fall short by 10%

**The procurement agencies have lifted 12.6 million tonne of wheat till 27 April for rabi 2015 as compared to 13.95 million tonne during the corresponding period last year**



The delayed harvesting of wheat owing to unseasonal rain and hail in northern India is impacting procurement. As of Monday, procurement agencies have lifted 12.6 million tonnes of wheat, compared to 13.95 million tonnes during the corresponding period a year ago.

While wheat procurement for the current season was pegged at 30.5 million tonnes, the damage caused to the grain owing to a prolonged wet spell and hail might curtail it by 13 per cent.

According to sources in the Union food ministry, the procurement estimates have not been scaled down. However, projections based on the basis of filed reports peg procurement at 26.5 million tonnes.

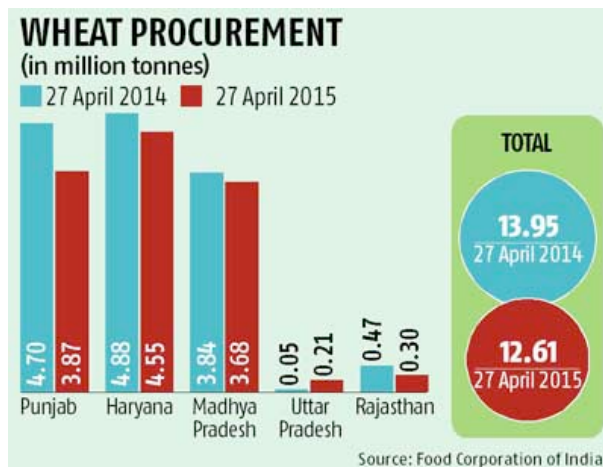
This time, the duration of wheat procurement is also likely to drop from the normal 35-40 days to 25-30 days. Procurement normally commences on April 1 and lasts up to May 15; in some states, it lasts till May 30.

This year, harvesting is at least two weeks behind schedule as rain raised the grain's moisture levels. Exposure to sunlight is the only technique available to farmers to dry the grain.

Farmers are trying to finish harvesting as soon as possible in order to avoid further damage to their crop in view of rain and thunderstorms forecast by the meteorological department in the coming days.

Despite speedy lifting of grain across various markets in Punjab and Haryana, it might take about a week to clear the stock. Any rain during this period would affect the grain lying for procurement.

In order to bridge the gap in procurement, the government is planning to outsource this task to private traders in select states. In states such as Uttar Pradesh, Bihar, West Bengal and Assam, the procurement mechanism is not quite efficient; so, private traders can provide the service at the doorsteps of the small farmers to lift the grain. This will help eliminate middlemen, who purchase wheat from the farmers at rock-bottom prices and book fat profits.



This model was used from 2005-06 to 2007-08 and had mixed results. “We plan to fine-tune the terms and conditions to have better outcome this year with the consent of states,” said an official.

The Food Corporation of India (FCI) has pulled out of procurement in Haryana this year, as the state government accepted, the Shanta

Kumar Committee's report on restructuring the role of FCI in targeted public distribution system.

Last year, FCI procured 10 per cent of the total wheat lifted by the government agencies in Haryana.

Punjab has sought some time and the FCI is projected to lift 20 per cent of the total estimated wheat procurement in the state.

The procurement drive closes on May 15 in Haryana and Rajasthan; May 26 in Madhya Pradesh; and May 30 in Punjab. The Union food ministry might extend the dates this year on the recommendation of the state government, said an official.

### Oil steadies as weak dollar offsets US stock build-up



Brent crude futures reversed early losses to hold steady on Tuesday as a weaker dollar offset expectations that weekly US crude inventory data will show another record build.

Brent June crude futures rose 10 cents to \$64.93 a barrel by 1300 GMT after touching a low of \$63.90 earlier in the session. US June crude rose 10 cents to \$57.09 a barrel, recovering from an intra-day low of \$56.91.

The dollar was down 0.31 per cent against a basket of currencies, helping to curb Brent's losses. A weaker greenback makes dollar-priced commodities more attractive for holders of other currencies.

US commercial crude stockpiles were expected to have risen last week for the 16th straight week, up from a record 489 million barrels, even though drilling activity fell, a preliminary survey by Reuters showed on Monday.

Brent crude hit a 4-1/2 month high of \$65.80 a barrel last week, while West Texas Intermediate (WTI) has risen for six consecutive weeks, underpinned

by net long positions on both contracts as speculators bet on a decline in U.S. shale output.

Government cancels registration of 9,000 NGOs

**The MHA order says the cancelled NGOs did not submit to the ministry details of amount of foreign contribution they received**



The ministry of home affairs (MHA) has cancelled the registration of around 9,000 non-governmental organisations (NGOs) under the Foreign Contribution Registration Act (FCRA), 2010. After the cancellation, none of these NGOs will be able to seek foreign donations or access their bank accounts to utilise the unutilised foreign contributions.

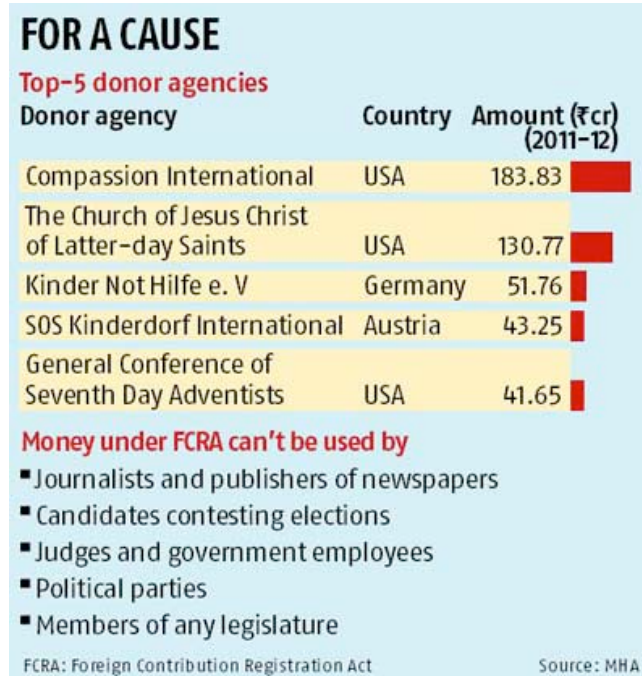
The MHA order ([detailed order](#)) says the cancelled NGOs did not submit to the ministry details of amount of foreign contribution they received, the source from which the money came, and for what purposes the money was utilised for the financial years 2009-10, 2010-11 and 2011-12.

Under the FCRA, NGOs are required to submit these details. The order says in October 2014, notices were issued to 10,343 organisations asking them to submit these details. But, the MHA order says 8,975 of these organisations did not reply to the ministry's notice, upon which the government decided to cancel their registration. The names of these NGOs have not been made public by the government.

NGOs have defended themselves citing inconsistencies in the FCRA. They argue that certain provisions of the FCRA are not well defined, which



provides wide powers to the government. Also, NGOs argue that often their annual returns are not acknowledged by the government, which keeps them guessing until the government issues orders cancelling their registration.



The MHA acknowledges that India lacks any definite data on the number of NGOs in the country. But unofficial figures indicate that the country has around two million NGOs.

Of these, two per cent (around 43,000) are registered under FCRA. According to the latest annual FCRA report, out of the 43,000 registered organisations, 22,700 receive foreign contribution. The rest either do not get any contribution or have not submitted their annual returns

with the MHA. During 2011-12, these 22,700 organisations got Rs 11,546 crore as foreign contribution.

“While it is not proper to make sweeping generalisations, it is necessary to note that the NGO sector in India is vulnerable to the risks of money laundering and terrorist financing,” said the MHA report.

Among the countries, the highest contribution to India in 2011-12 came from the United States of America (Rs 3,838 crore), followed by the United Kingdom (Rs 1,219 crore) and Germany (Rs 1,096 crore).

Among the agencies, during the same period, the US-based, Compassion International, was the largest contributor (Rs 183 crore), followed by another US-based donor agency Church of Jesus Christ of Latter Day Saints (Rs 130.77 crore) and Germany’s Kinder Not Hilfe e. V (KNH) (Rs 51.76 crore).

Compassion International’s website says it works in the area of child development, which is “rooted in Christian child development and child

advocacy”. The Church of Jesus Christ of Latter Day Saints is a Christian restorationist church. While KNH says it is one of the largest Christian organisations in Europe for children’s aid.

### **How the money is spent**

The highest amount of foreign contribution money during 2011-12 was utilised for rural development (Rs 945 crore), welfare of children (Rs 929 crore), construction and maintenance of school and college (Rs 824 crore) and research (Rs 539 crore).

Of the states and Union Territories, Delhi got the highest receipt of foreign contribution of Rs 2,285 crore. It was followed by Tamil Nadu (Rs 1,704 crore) and Andhra Pradesh (Rs 1,258 crore). Among the districts, Chennai received the highest contribution of Rs 889 crore, following it were Mumbai (Rs 825 crore) and Bengaluru (Rs 812 crore).

Among the associations, which reported receipt of foreign contribution, the highest amount of foreign contribution was received by the World Vision of India, Chennai, (Rs 233.38 crore), followed by the Believers Church India Pathanamthitta, Kerala (Rs 190.05 crore) and Rural Development Trust, Ananthapur, A P (Rs 144.39 crore).

World Vision’s website says it is a Christian humanitarian organisation working for the welfare of children. Whereas, Rural Development Trust says they carry out need-based welfare programmes for the rural poor and marginalised sections such as Scheduled Castes, Scheduled Tribes and persons with disability.