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# THE HINDU

## The farmer's 'mann ki baat'



Everybody has an opinion on farmers these days. Be it politicians, policymakers, editors or economists. In fact, ever since the Parliament reconvened for the Budget session on April 20, the deteriorating condition of farmers has clearly dominated discussions. But even as the issue of agrarian crisis, farmer suicides (especially after [Gajendra Singh's suicide](#) in a New Delhi rally) and the controversial land Bill rocked Parliament, one question nobody asked was: what did the farmer have to say?

As the [Budget session was on](#), during a visit to Haryana this correspondent noticed how farmers had a strong sense of pride; the shame and guilt attached to the act of taking one's own life meant they would rather die in the privacy of their fields. One such case was that of Bijender Mor, a Jat farmer, all of 27 years, from Baroda village in Sonapat district. Unlike Gajendra Singh, he consumed pesticide in his field and left no suicide note behind. Mounds of wheat piled up in the corner by the wall greeted my eyes when I entered his house. "It is of no use to anyone. This year's harvest is of such low quality, that we cannot even use the grains to feed ourselves, forget selling it in the *mandi*," his mother said. On March 9, Bijender went to check whether his 20-acre wheat field had not been destroyed by the rains, which arrived unexpectedly. He went late in the afternoon and never returned. And

this is not the only instance of farmers dying across the country, either by committing suicide or from heart attacks following the shock of *rabi* crop loss.

### **Modi's 'Mann Ki Baat'**

Yet in his radio address 'Mann Ki Baat', aimed at farmers and aired on March 22, Prime Minister Narendra Modi [dedicated a majority of the 30-minute broadcast](#) to convincing the nation's farmers on the merits of the proposed land Bill. There was no talk of steps taken to address farmer's livelihood concerns or relief measures to address crop damage. Mr. Modi said that he had asked his ministers to take a situational review of the agrarian crisis around the country and State governments would take steps to address this. But two months since his radio talk, very little progress has been made so far as relief and compensation goes. This is in contrast to the [alacrity shown by the government](#) in its response to the earthquake in Nepal.

Even as reports about farmer deaths started appearing in the press, Haryana's agriculture minister O.P. Dhankar, the BJP's former Kisan Morcha leader, [accused farmers](#) who attempted suicide of being cowardly criminals undeserving of government aid. In 2012, when the State of Gujarat saw a rise in the phenomenon of farmer's suicides, R.C. Faldu, BJP's Gujarat president, had also made a similar remark blaming farmers for their fate when their crops failed.

### **What farmers say**

In his radio address Mann ki Baat, Prime Minister Narendra Modi told farmers that the amendments to the 2013 land law favoured the farming community as it guaranteed compensation upto four times the nominal rate to rural farmers.

At one of the "*hookah pe charcha*" gathering of farmers in Haryana, Saab Singh from Sevli village, retorted: "Suppose I do not want to give my land at all and want to continue farming. What then? Why should I accept any amount of money, however high, if I fundamentally disagree with the logic of acquiring farm land?"

With regards to consent, Mr. Modi was fairly clear in his radio address that consent-seeking and conduct of social impact assessments led to considerable delays in the acquisition process and was therefore not desirable. Mr. Modi also promised jobs to those who lose their lands to development projects. In the Bill passed by Lok Sabha on March 10, the amendment to section 31, sec (2) clause (h) says that after the words “affected families”, the words “compulsory employment to at least one member of such affected family of a farm labourer” must be inserted.

*“ Two months since Mr. Modi’s radio talk, very little progress has been made so far as relief and compensation goes ”*

Rajpal Sevli, leader of the Bhoomi Adigrahan Virodhi Sangharsh Samiti in Haryana says that such a provision would undoubtedly lead to clashes between land-owning farmers and labourers. “If a farm owner loses his land, he loses his source of income. What is he supposed to do after that? The way the bill has been framed, it will only lead to conflict between various sections of farmers who will either lose land or livelihood or both following acquisition.

Raj Kumar from Juan village, Haryana, says, “In my house 12 people, from three families of relatives, work on a four-acre field in which two acres belong to us, and the rest is taken on rent. Now if this land is acquired and only one person of a family gets a job, what are the rest of us supposed to do?” “Zameen ke badle zameen do,” (give us cultivable land in return for land acquired) he says, but no such provision exists in the new land Bill.

What happens when a farmer goes to court when land is acquired without consent? Rajpal says that most of the times, when the government acquires land citing “public purpose” the court’s ruling is in favour of the government. In Haryana, where pressures of urbanisation have resulted in large-scale acquisition of farm land, such instances are too many. In 2005, farmers from eight villages - Asawarpur, Sevli, Pattla, Jakholi, Badhkhalsa, Badhmalik, Khevra and Bahalgad – lost their land to the Haryana Urban Development Authority under the 1894 Act. Despite appealing to the Punjab and Haryana High Court, the farmers who lost land have neither received full compensation nor have they received any alternative employment. “Many of these lands are simply lying unused,” Rajpal says.

Rohtas, one such farmer who lost land in Asawarpur, Sonapat, had travelled all the way to Jantar Mantar in 2012 to demand that the United Progressive Alliance government allow land lying unused for more than five years to be returned to farmers. “After great struggle we managed to get that one line included in the 2013 Act, but even before we could enjoy its benefits, the provisions are sought to be changed,” he said.

### **Cheap labour for industry**

In the NDA government’s scheme of things, farmers and farm labourers must eventually be absorbed into industry as cheap labour, a vision recently articulated by NITI Aayog vice-chairman Arvind Panagariya. Forty eight per cent of India’s total workforce is employed in agriculture and allied services. The million-dollar question is whether the government can engineer such an economic transition without hurting the interests of the farming community which is likely to bear its brunt the most.

The NDA government presently enjoys the might of majority in Lok Sabha. But as it doesn’t have a majority in the Rajya Sabha, the Bill has now been referred to a joint panel of the Parliament headed by senior BJP leader S.S. Ahluwalia. The decision followed resistance to its passage by the Opposition in both Houses of Parliament. For all we know, the government might even succeed in passing the proposed amendments to the 2013 land Bill in a future parliamentary session, if held jointly. But should that happen, the NDA should not forget the summer of 2004, when the country was riding on a high economic growth to the tune of 8 per cent. Farmers reeling under the impact of drought got no support from the Centre. Food grains lay rotting undistributed in Food Corporation of India godowns. That year, despite hard selling its dream of ‘development’ through the ‘India Shining’ campaign, the BJP-led NDA suffered a humiliating defeat in the polls. That is what happens when angry farmers wield the only weapon they can — their vote.

## **E-sale of cocoons in Ramanagaram from today**



The Government Cocoon Market in Ramanagaram, the second-largest cocoon market in Asia, is launching the facility of online trading system for sale of cocoons on its premises from Wednesday.

### **Better rates**

“In order to help cocoon suppliers get better rates and also to eliminate the menace of middlemen, the market is introducing an e-tendering system,” K.T. Venkatesh, in-charge Deputy Director, Cocoon Market, told *The Hindu* .

### **Trading counter**

The market on the Bengaluru-Mysuru highway has established a full-fledged online trading counter and installed televisions screens and computers for the purpose. Prabhakar, Joint Director for the Department of Sericulture, would be present during the launch of the online trading system.

### **20,000 farmers**

The taluk has at least 20,000 sericulture farmers who supply at least 30 tonnes of cocoons to the Ramanagaram market every day.

“We have been providing preliminary training to market personnel and educating the farmers about the benefits of the online trading system,” Mr. Venkatesh said.

According to the officer, the price of cross breed (CB) variety silk cocoon was between Rs. 190 and 301 per kg on Tuesday. The price of Bivoltine breed was Rs. 200-340 per kg.

## Fall in arecanut prices triggers apprehension among growers



Prices of arecanut have fallen in Shivamogga market in the past 10 days, triggering apprehension among growers. The price of 'rashi' variety of arecanut, which was Rs. 360 a kilo in the last week of April, has come down to Rs. 300 a kilo now.

Similarly, the price of 'saraku' variety that was ruling at Rs. 680 a kilo during the last week of April has come down to Rs. 620. According to sources at the Shivamogga Agricultural Marketing Produce Committee (APMC), the prices of other varieties of arecanut have also recorded a slump of around 20 percent in a span of 15 days.

Kankodi Padmanabha, president of Central Arecanut and Cocoa Marketing and Processing Cooperative (CAMPCO) has blamed the increase in the import of arecanut as the reason for the fall in prices. In year 2014, 18,228 quintals of arecanut were imported to India in March and April. The import of arecanut in March and April this year has increased to 1,00,846 quintal (more than a five-fold increase). The demand for locally-grown arecanut has come down as a result.

In addition to this, cheap quality arecanut is entering the Indian market from Bangladesh and Sri Lanka causing a fluctuation in prices, he said.

A delegation of representatives of arecanut cooperative societies, including CAMPCO and Malnad Arecanut Marketing Cooperative Society will meet Prime Minister Narendra Modi soon and request him to impose a total ban on the import of arecanut to protect the interests of farmers. In addition to this, the Ministry of Commerce would be requested to establish a separate

vigilance wing at Directorate of Revenue Intelligence to stop the illegal import of arecanut, he said.

Apart from the illegal import, the indulgence of both the local traders and growers in speculation is another reason for the sudden slump. The price of rashi variety of arecanut, which cost Rs. 380 in the first week of April 2014, had reached Rs. 700 by the end of that month. There was a decline in arecanut yield last year owing to fruit rot disease, also known as *koleroga*. Growers who were expecting a similar rise in prices this year had withheld their produce. However, there was no sudden enhancement in price this year, as arecanut yield and flow of produce to the market was normal. As their speculations went wrong, farmers began to sell their produce in panic, resulting in an increase in flow of produce to the market and subsequent slump in the price.

According to sources in Shivamogga APMC, the present price is likely to remain till the arrival of fresh produce to the market by the first week of October.

### **Inclement weather to continue**

The inclement weather, quite unusual during the ‘Agni Nakshatram’ period, is because of upper air circulation in the Bay of Bengal, say experts at the Agro Climatic Research Centre at the Tamil Nadu Agricultural University. And it is likely to last for a few more days.

S. Pannerselvam, Professor and Head of the Centre, said that the rain was the result of the upper air circulation in the sea pushing the water bearing clouds to the high-temperature, low-pressure area. This was different from the summer showers and not seasonal.

This kind of rain will be for a short period and was not widespread.

This weather will continue for the next three or four days after which there were chances of Coimbatore returning to the ‘Agni Nakshatram’ period with day temperature touching 38 degree C and the night temperature remaining at 24 degree C. At present the day temperature is around 28 degree C and the night temperature 23 degree C.

The upper air circulation-induced shower has resulted in Coimbatore recording 136mm rain thus far during the summer season (March, April and

May) as against the average 130mm. With another two weeks left for the end of May, there will be the summer showers that may take this year's summer rain well past the average.

Tamil Nadu Agriculture University Vice-Chancellor K. Ramasamy says that farmers could make use of the opportunity to sow minor millets or grams as the market this year is likely to go be good. He also wants farmers to be cautious against pests as the sudden rain may also induce pest growth.

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## Varsity on a mission to increase sheep population



The Karnataka Veterinary, Animal, Fishery Sciences University, Bidar, has taken up preservation of semen of NARI-Suvarna breed.— Photo: Rajendra Singh Hajeri

With an objective of increasing the sheep population in the State, the Karnataka Veterinary, Animal, Fishery Sciences University – Bidar (KVAFSU-B) has taken up research activity on preservation of semen of the NARI-Suvarna breed which has the capacity to deliver twin lambs in a year.

The University, in association with Karnataka State Sheep and Wool Development Corporation, has taken this initiative to increase the population of sheep and its meat.

For this purpose, a ram whose semen has the potential to produce twin lambs, developed by Nimbkar Agriculture Research Institute (NARI) of Maharashtra, is being crossed with local breeds such as Kenguri.

Since the native breed of Karnataka produces only one lamb a year, if crossed with NARI, the chances of delivering twin lambs in a year would increase by 70 per cent, said M.K. Tandle, Professor and Head, Department of Veterinary Gynaecology & Obstetrics of the University.

Speaking to *The Hindu*, he said that the University has already purchased six rams from Phaltan, Maharashtra, for crossing with the native breed.

Dr. Tandle said that the diluted form of semen of NARI could be used to inseminate at least 40 ewes. “We have now undertaken research on the

semen by using various dilutions for the best result. The outcome of the research would help us to preserve the semen for longer period for artificial insemination,” he said.

He said that the University would also propose the Corporation to arrange for funds for introducing mobile vans carrying semen for conducting artificial insemination by visiting the farms itself, instead of asking the farmers to visit the University.

When contacted, Panditrao Chidri, chairman, Karnataka State Sheep and Wool Development Corporation, said that the Corporation has already began distributing the NARI-Suverna rams on pilot bases in districts such as Bidar, Tumkur, Chitradurga, Chickballapur and Vijayapura. On the mobile van facility, he assured to grant funds from the Corporation, if proposal is given to him.

About the demand for establishing a semen bank in Bidar instead of Bengaluru, he said that he would speak to the Minister concerned for getting it set up in Bidar itself as it has a University.

Panditrao Chidri, chairman, Karnataka State Sheep and Wool Development Corporation, has said that the corporation has decided to set up a well-equipped abattoir at the Karnataka Veterinary, Animal, Fishery Sciences University, Bidar, for slaughtering sheep.

He said that the abattoir would serve two purposes. “Firstly, it would help the students to do practicals on the anatomy of sheep, and secondly, it would provide hygienic meat for the people,” he said.

### **Corporation to protect indigenous trees**

In a bid to improve indigenous tree cover in the city, the Chennai Corporation, with the support of NGOs and residents, will launch a campaign to protect indigenous trees that are getting rarer. At least 40 indigenous species of trees that have become rare in the city have been identified.

Following a recent meeting with NGOs, the civic body has decided to promote the community park model for protecting indigenous trees and launch a ‘Free the Tree’ campaign. Residents in each neighbourhood will be asked to report rare indigenous, heritage trees to civic authorities.

“There are suggestions to make changes in land use to promote indigenous trees in the city,” said an official.

Chennai Corporation will also study heritage trees and landmark trees with support from NGOs and residents in each neighbourhood.

Mentioning the names of rare species such as the Scholar tree, Shobha Menon of Nizhal said: “We will tell the people why they need to be protected. Scholar tree was used for making slate. It has medicinal properties. It is getting rarer in the city.”

“We are talking about environmental impact for issuance of planning permission for a building. Our studies have focussed on insensitive greening and environmental impact,” said Ms. Menon.

Planning agencies are exploring ways to change urban land use and attempt sensitive greening.

Chennai Corporation has already started studying the indigenous species in each street in zones such as Anna Nagar, Kodambakkam, Ambattur, Teynampet and Valasaravakkam. Officials will generate a fresh list of vacant spaces for indigenous tree planting, including open space reserve, burial grounds, avenues, parks and government institutions.

“After selection of the tree species that promote native ecosystem, we will involve communities and corporates for protecting trees. Residents and NGOs will stand up against tree abuse,” said an official.

### **Anamalai Tiger Reserve to take up survey of animals**

The Anamalai Tiger Reserve will undertake a pre-monsoon census survey to enumerate the population of all the animals. The week-long survey will begin on May 13.

The main objective of the survey, for which more than 150 ATR personnel, college students, wildlife enthusiasts and volunteers from non-governmental organisations will be deployed, is to ascertain the prey base of tigers, V.T. Kandasamy, Field Director of the Reserve, told *The Hindu* here on Monday. The survey will conclude on May 20.

During a census taken up earlier this year, the tiger population in the reserve was found to have almost doubled, going up to 23 from the last census figures of 13 in 2010.

Activists have called for more attention to be paid to the prey base to sustain the increased tiger population. The ATR spans 1,479 sq. km. and has six ranges in the three districts of Dindigul, Tirupur and Coimbatore.

The biannual survey is taken up to ascertain the animal population during summer and winter. Data would be collected on prey base, quality of habitat, fodder availability, growth of plants and other related parameters. The ATR staff and NGOs break into teams for survey. The staff will be trained by a biologist, he said.

The last census conducted in December of 2014 pegged the population of Spotted Deer at 1,450, elephants at 817, Indian Gaur at 1,858 and the Sambhar Deer at 6,100.

“We will analyse the data and compare it with the figures of the previous surveys. If the population of any animal shows abnormal decline, remedial steps will be initiated,” he said.

Those interested in taking part in the survey should contact the District Forest Officer (Pollachi) and Assistant Director, Anamalai Tiger Reserve, Pollachi, Pollachi Division, e-mail ID: atrbiologist@gmail.com, Telephone number: (04259) 235 3855, Fax No: (04259) 234 385.

They must be prepared to stay in the reserve for eight days. They must submit two photographs and the original ID cards such as aadhar/ passport/ voter card at the time of registration on May 13.

### **Work on GIS sub station from tomorrow**

Work on the much awaited gas insulated switchgear (GIS) sub station of the KSEB in Kollam will be inaugurated on Thursday by Minister for Power Aryadan Mohammed.

The construction work will be at the KSEB's Kollam circle office complex in the city. The 40 mega volt ampere (MVA) capacity sub station is coming up at a cost of Rs.43.69 crore.

The sub station is expected to be commissioned in two years. Deputy Chief Engineer of the KSEB Shaji Peter Kallada told media persons here on Tuesday that the sub station would have the capacity to provide quality power without interruptions and transmission loss to meet the growing power needs of the city and peripheral areas for the next 12 years.

The sub station work is being carried out on the basis of the calculation that the power demand in Kollam city was growing at the rate of 7 per cent annually. The GIS sub station will stand on 47 cents of land and will be fed by 110 kV underground cables from the 110 kV Ayathil sub station that is 3.5 kms away.

The advantage of the sub station is that it requires only one-tenth of the land area required to accommodate traditional sub stations of the same capacity. These sub station use gas sulfur hexafluoride for insulation, which considerably reduces maintenance costs.

The current power requirements of Kollam city is met from the Ayathil and Kavanad sub stations through seven 11 kV feeders with a capacity of 30 MVA.

With the commissioning of the GIS sub station, Kollam city's power position will be added by nine 11 kV feeders with a capacity of 40 MVA.

The original plan for the Kollam GIS sub station was made in March 2008.



## THE TIMES OF INDIA

[Farmers to be given Rs 7.52 crore loans: Mohali DC](#)

Farmers belonging to the district would be provided with loans worth Rs 7.52 crore for agricultural purposes during the current financial year, said deputy commissioner T P S Sidhu on Tuesday.

Speaking during the release of Rs 5,419.54 crore worth annual credit plan of the district by Punjab National Bank, Mohali, for 2015-16 at the district administrative complex, he said farmers would be encouraged to adopt crop diversification so that they could come out of the traditional crop cycle. The

DC said the annual credit plan was worth Rs 4,506.37 crore and during this year it was 20.26 times more. He said under priority sectors, loans to the tune of Rs 1,224 crore would be provided to encourage small and micro industries, creating more employment avenues for the unemployed. The DC said instructions have been issued to bank officials to ensure smooth disbursement of loans to students. He also said easy loans would be made available to encourage horticulture and dairy development and other allied occupations.

Centre working on new agriculture policy



*Prime Minister Narendra Modi is planning to come up with a new National Agriculture Policy.*

Prime Minister Narendra Modi is planning to come up with a new National Agriculture Policy. For this, he had a two-hour long discussion with top ministers and government officials, Madhya Pradesh chief minister Shivraj Singh Chauhan and Gujarat government's senior-most minister Nitin Patel. Patel has been appointed as the member in the national committee for consultation on the proposed policy.

Patel said, "The PM has formed a high-level committee for the new proposed policy. The PM gave two hours for the discussion of the policy, which shows how seriously he takes the issue. Union home minister Rajnath Singhji, Madhya Pradesh CM Shivraj Singhji, Radhamohan Singhji and top

officials were present at the meeting. From crop insurance to introducing new technology, a number of issues were discussed. The PM has instructed the officials to focus on increasing productivity in farming on a large scale. The policy is expected to come up soon as the PM has asked to expedite the work."

He said that several successful practices like soil health cards and micro irrigation are likely to be adopted from Gujarat in the new policy.

In the proposed policy, the Government of India is likely to cover wide areas. Gujarat's Annual Krishi Mahotsav model is also likely to be replicated nationally for generating awareness among farmers and also distribute the benefits of government schemes to the farmers directly during the drive.

## BusinessLine THE HINDU

### **Are zero-tariff regimes redefining the well-being of commodity ecosystem?**

A clear trade-off arises with such arrangements



Some two decades ago, when edible oils were placed under the Open General Licence, signals were pretty clear: Indian agriculture has to gear up to face emerging challenges of the liberalised agricultural trade. Trade liberalisation in other sectors began even before that. Over a period of time, zero-tariff regimes for many commodities have become fashionable

e. By zero-tariff regime, however, we do not mean that tariffs are literally zero: what we mean is a substantial reduction in the import duties, in order to create enabling environment for trade.

One instrument to achieve such a zero-tariff regime is Free Trade Agreements. The agreements are important from the perspective of trade liberalisation, more so for complying with the WTO norms. India has signed FTAs with 20 countries, while it is negotiating more such agreements with Australia, New Zealand, Canada and the European Union.

### **Economic pacts**

So far, the approach taken to analyse zero-tariff regimes is through the prism of balance of trade. Viewed through this, India has not benefitted from the FTAs or in commodities trade where tariff regimes have been too liberal.

India has six FTAs in all in the East and South-East Asian region. Some are in the form of comprehensive economic partnership agreements (CEPAs), examples of which are the India-Japan CEPA and the India-Korea CEPA; others are in the form of FTAs, examples of which are the FTAs between India and Thailand and the one between India and ASEAN; yet others are in the form of comprehensive economic cooperation agreements (CECAs) such as the India-Malaysia CECA and the India-Singapore CECA. The balance of trade in all the cases is negative for India.

A closer analysis reveals that in the case of the India-Thailand Free Trade Agreement, in 2003-04, in the pre FTA period, India's negative trade balance stood at \$122.69 billion. This stood at \$1.64 billion in 2013-14, representing a deterioration of 1234.2 per cent. The FTA has been operational since 2004.

The prime commodity exported from Malaysia is palm oil, while India's prime commodity exported to Malaysia is food items.

In the India-Singapore CEPA, India's negative trade balance has swung from \$1.34 billion in 2003-04 prior to signing of the CECA to \$5.75 billion in 2013-14. This represents a deterioration of 326.03 per cent.

In the case of the India-ASEAN FTA, which has been operational since 2010, India's negative balance of trade with ASEAN of \$7.68 billion in



2009-10, worsened to \$8.14 billion in 2013-14, representing a deterioration of 5.99 per cent.

Even in the Malaysia-India CECA, operational since 2010, the balance of trade worsened for India from a negative balance of \$2.34 billion in 2009-10 to \$5.03 billion in 2013-14. Commodity groups driving this worsening balance of trade were crude oil, their derivatives, electronic goods, and edible oils such as palm oil. The situation is no different either for other FTAs with Japan and Korea.

### **Telecom industry**

In the context of telecom industry, it has been allegedly stated that the zero-tariff regime applicable through the WTO 1997 ITA agreement is a lost opportunity for R&D, indigenous manufacturing and human resource development. While some local telecom manufacturing firms closed down, foreign companies including those from Korea and China accessed the vast Indian market and prospered. A similar claim has been made for domestic edible oils industry, where processing margins have diminished substantially ever since palm-soya oil complexes were subjected to the zero-tariff regimes.

### **Zero-sum game**

On the other hand, there are some compelling claims that trade liberalisation has helped industrial productivity due to cheaper imports of intermediate goods that act as inputs. This has mostly happened for the manufacturing sector, as reported by one of research studies of UNCTAD in 2012. Further, some research studies corroborate that while domestic industries have been affected due to lack of protection, this has helped consumers by increasing the consumer surplus.

The concern that arises is complicated. There is clear trade-off that arises with zero-trade regimes: across commodity value-chains, there are winners and losers. Clearly, zero-trade regimes including FTAs are zero-sum games! Though many have assessed the impacts of zero-trade regimes or FTAs through the lens of balance-of-trade (BoT), a negative BoT is definitely not the right benchmark to assess the failures of zero-trade regimes. The adverse balance of trade figures in the context of FTAs result from the higher elasticity of the import demand in India, which actually helped in increasing

the consumer surplus. From another perspective, this has negative implication for “Make in India” philosophy.

So, how does one really infer on the impact of a zero-tariff regime? The need is to assess their aggregate impacts considering the entire value-chain, beginning from the consumer, entrepreneur, primary producer, processor, intermediaries, distributors, retailers and the government (as a zero-tariff regime impacts government’s revenue). By considering an econometric or a general equilibrium framework, one needs to look at the change in the welfare functions of each of these stakeholders due to change in tariff regimes, and aggregate the welfare changes across scenarios of tariff regimes. This implies that a holistic picture needs to be viewed for the impact assessment of tariff regime changes, as we move from positive tariffs to a zero- tariff regime. This framework will only allow for a better assessment and more informed decision-making on tariff regime changes. Zero-tariff regimes indeed redefine the well-being of the commodity ecosystem.

Nilanjan Ghosh is Senior Fellow (Professor) and Sriparna Pathak is Associate Fellow (Assistant Professor) at Observer Research Foundation, Kolkata Chapter. Views are personal.

### **Only 45% turmeric sold in Erode**

Only 45 per cent of turmeric on offer in Erode markets was sold on Tuesday.

“Only a few upcountry orders were received by traders and they quoted a lower price for the commodity and procured 1,980 bags against the arrival of 4,300 bags. Despite poor arrival, the price did not improve. Traders are keen on buying quality turmeric for North India,” said RKV Ravishankar, President, Erode Turmeric Merchants Association.

The price of the finger and root varieties decreased by ₹100-200 a quintal. No Salem variety turmeric arrived for sale.

At the Erode Turmeric Merchants Association sales yard, the finger turmeric was sold at ₹5,459-8,209 a quintal; the root variety ₹5,199-7,541. Of the 933 bags that arrived, 225 were sold.

At the Regulated Market Committee, the finger turmeric traded at ₹7,117-8,191 and the root variety ₹6,689-7,619. Of the 1,111 bags on offer, 1,003 were traded.

At the Erode Cooperative Marketing Society, the finger turmeric fetched ₹6,841-7,889; the root variety ₹6,663-7,589. All the 828 bags found takers.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger turmeric was sold at ₹6,569-7,759; the root variety ₹6,169-7,559. All the 278 bags were sold.

### **Giving pepper a concrete leg up**



B Gopalakrishna Bhat, a progressive farmer from Enmakaje village in Kasaragod district of Kerala, on his pepper plantation. Pepper is being cultivated as a mono-crop with cement poles as support structure for pepper vines AJ Vinayak

Traditionally pepper is grown as an intercrop in plantations. However, a farmer from Enmakaje village, bordering Karnataka and Kerala, has begun growing pepper on a trial basis as a mono-crop with cement poles as support.

Some three years ago when there was a rumour on the likely ban on arecanut, B Gopalakrishna Bhat from Enmakaje village in Kerala's Kasaragod district thought of diversifying his crop. He felt that pepper plantation was the ideal choice then.

He, along with his neighbour K Mahesh Bhat, approached IISR (Indian Institute of Spices Research) in Kozhikode and got Thevam, Shakti, Srikara and Panchami varieties for planting two years ago.

### **Cement poles**

Gopalakrishna Bhat finalised to grow it as a mono crop and decided to install cement poles as a support for the vines. (Traditionally farmers use arecanut or other trees as a support for pepper vines).

Bhat told *BusinessLine* that he planted around 100 pepper saplings on a trial basis in his plot.

To a query if using cement poles would be a costly proposition, he said he invested around Rs. 1,000 for a single sapling, including the cost of the cement pole with 4-inch diameter. The hollow cement pipes have been filled with concrete to make it strong, he said. The height of the poles in his trial plot ranges from 8 ft to 15 ft.

P Chowdappa, Director of the Kasaragod-based Central Plantation Crops Research Institute, told *BusinessLine* that cement poles can be used for support in pepper plantations. However, people normally do not venture for that as it involves additional investment.

### **Investment details**

Farmers will get more income from multiple crops in same unit area if pepper is cultivated as inter-crop, he said.

Agreeing with him, Gopalakrishna Bhat said the investment will be one-twentieth of his trial plot in the case of pepper as an inter-crop. Highlighting the advantage of pepper as a mono-crop, he said harvesting takes a longer time when it is grown as an inter-crop. He is hopeful of getting around 4 kg of pepper a year from a single plant in this model. He has maintained a spacing of 8x8 ft in his plot.

### **Yield & disease**

On the average yield as an intercrop, he said he got around 5 kg a plant as in intercrop in arecanut plantation, because the plant can go up to a height of 20

ft with arecanut plant as a support. That is not the case in this trial plot, he said.

Stating that this is the 13th month of pepper cultivation as a mono-crop, Bhat said some plants of Thevam variety have begun to bear the berries. The result is not replicated in other varieties, he said.

Narrating his experience, he said around 1,000 saplings can be planted on an acre of land in this model.

On diseases in the plantation, Bhat said he did not face any issue of disease in the last 13 months. He follows the package of practices being suggested by the IISR.

Mahesh Bhat – who planted IISR saplings as intercrop in his farm – said that one of the reasons for disease-free growth in Gopalakrishna Bhat’s plot could be the plain land where the mono-crop cultivation is being taken up. There is no scope for water logging in such a land unlike the arecanut plantations, he said.

### **Still too many left without cover**

Jan Suraksha needs to be thought through so that it works as a means of inclusion rather than exclusion



Insurance for everyone Without that, where's the Suraksha? B Jothi Ramalingam

The Prime Minister's Jan Dhan Yojana (PMJDY) with its massive outreach of 15.3 crore households, each blessed with a bank account in the record time of eight months, has evoked euphoria. With the announcement of Jan Suraksha, there's been a beeline to banking counters to get the formalities checked out for possible inclusion into insurance and pension schemes, normally considered costly and complex. Leveraging the strength of banking connectivity, the government is determined to offer social security cover using the large network of public sector insurance firms and pension aggregators.

### **Avoid the trap**

The dormancy of bank accounts is a persistent worry, with noticeably poor footfalls and lack of velocity in transactions through RuPay debit cards. Insurance and pension services are not one-off activities; they are long-term business ideas.

In the past, many good social security initiatives such as Rashtriya Swasthya Bima Yojana and Janshri BimaYojana met with limited success despite being popular; as a result the products could not be scaled up. The government merely ended up spending huge sums as subsidy..

Many banks, being part of the joint venture with insurance companies or having entered bancassurance relationships with companies, have been distributing products of their choice to their captive clients, a process which often leads to poor awareness on details. There is the danger of Jan Suraksha also falling into this trap. With still over 55.75 per cent Jan Dhan accounts left with zero balance, the practicality of this initiative needs to be studied, since Jan Suraksha is a paid service. It will be a hard sell for the 9.17 crore accounts opened in rural areas, given the poor awareness on social security benefits, including insurance.

Even as insurance is exclusionary in nature, a scheme of this sort with social security in focus needs to be inclusive, especially when it comes to the question of the poor and the disadvantaged. An age limit of 70 years in one scheme and 50 years in another will put banks in the spot, as they try to explain the rationale for this difference. It will lead to questions about the motive, with insurance as an industry staying outside the reach of the vast millions, particularly the less privileged who are deprived of schooling and external exposure, with more than half of them being women.

## **Deeper penetration**

One larger question that crops up in such mass social security programmes is whether such a proposition is tenable from actuarial and business considerations. When the claims ratio increases, there are bound to be price pressures, leading to exclusion. Jan Suraksha does not offer a level playing field for clients of banks, with public sector banks being in the vanguard.

Leaving out private insurers in this larger game plan of offering social security to all is not such a good idea. It doesn't give the required space to private companies and puts pressure on public insurers. With two products applying different age restrictions, we may see a considerable section of the population getting excluded. Unlike the previous attempts on social security initiatives such as RSBY and JBY which fell short on actuarial considerations, the current efforts seem viable and scalable. Life insurance policy could turn out to be slightly pricey for the poor and economically disadvantaged, given the price tag of Rs. 330 as annual premium.

## **Make it voluntary**

The JDY has tagged in life and accident policies; therefore, it would be superfluous to have add-on insurance cover for the same clients. This is something banks and insurers should be sensitive to, and as a way out, they could make clients voluntarily opt for insurance rather than force it down their throats.

Unclaimed money with life companies alone touched a staggering Rs. 4,866 crore at the end of 2012-13; this is a source of worry for the government. The main reasons for this are dependents being unaware of the existence of insurance policy, change in address, and delayed settlement, all of which point to the age-old problem of less interaction between the insured and the insurer. With banks reporting Rs.3652.64 crore unclaimed deposits (more than 10 years old) as of December 2012, it is feared this might further add to the woes; nevertheless banks have to work hard to make accounts operative by financially engaging with the community.

There is too much supply push with less stress on the demand side; this may need a vigorous consumer awareness campaign coupled with a persistent insurance literacy drive. All said and done, Jan Suraksha has the potential to leave behind a robust system of long-term partnership between financial

service providers for mutual benefit and more importantly an arrangement for exploring to cross-sell products.

Application forms being made available in local languages, attractive incentives for banks to cross-sell insurance products, and clarity on the regulatory implications of selling additional insurance products over and above pre-existing business tie-ups with insurance companies will take the initiative to the next level. With insurance penetration limping at a paltry 3.9 per cent of GDP, there is hope that Jan Suraksha will boost the penetration of insurance services and open up pension to the unorganised sector.

However, there is every likelihood of the creamy layer taking the early bird advantage, leaving the deserving outside the social safety net for some more time.

### **Coconut oil rules steady on tight supplies**

The drive against adulterated coconut oil in Kerala is showing positive results with bulk arrival of adulterated oils from neighbouring States declining.

There is now a general awareness among consumers on adulterated coconut oil with a majority of them looking for genuine brands. This is expected to benefit the market, said Thalath Mahmood, Director, Coconut Oil Merchants Association (COMA).

Meanwhile, the coconut oil market is ruling steady, with prices declining to Rs. 13,600/quintal in Kerala and Rs. 13,000 in Tamil Nadu, a drop of almost Rs. 200 compared with last week. Copra prices are ruling at Rs. 9,600/quintal in Kerala and Rs. 9,400 in Tamil Nadu.

According to COMA, the demand for edible copra and edible coconuts from Pakistan and Bangladesh is expected to pick up with the impending Ramzan season next month.

However, the market is experiencing tight supply of copra due to increased demand for coconut by-products such as virgin coconut oil, coconut powder, etc.