

01.04.2016

# THE HINDU

## **‘Adopt traditional practices’**

Speakers at the training programme on ancient and natural farming technologies advised the farmers to adopt the practices in vogue during the Vedic period.

The meet, organised by Institute of Scientific Research on Vedas (I-SERVE), Hyderabad, was attended by 50 progressive farmers. Noted soil scientist K. Srinivasa Reddy, who is also a consultant with I-SERVE, exhorted the farmers to modify the Vedic technologies of agriculture, without affecting the quality of products intended for soil fertility improvement and crop productivity. Federation of Farmers Associations president and environmental activist Mangati Gopal Reddy highlighted the need for eco-friendly farming practices and elimination of middlemen from the markets. I-SERVE Director (Research) K.V.R.S. Murthy appealed to farmers to believe in ancient practices as they would never drive farmers into debt traps.

## **Farmers to visit Israel, China**

The State government has implemented a scheme facilitating exposure visit for 100 progressive horticulturists and agriculturists from across the State to foreign countries.

It has arranged for their visit to Israel and China where they would learn and understand the modern techniques adopted in agriculture production. Ponnudurai, a progressive horticulturist in Kodaikanal and also Kodaikanal panchayat union vice-chairman, was one of the two farmers selected to go on the exposure visit to Israel. Three more persons were selected from Dindigul.

Agriculture Department officials in Dindigul, however, were tight-lipped about the tour. Only proposals had been sent to the government, said Joint Director of Agriculture Sampath.

But passports of the selected persons had been verified and other formalities completed. Interaction with them was also over, sources added.

Similarly, two progressive farmers from Theni had also been identified by Horticulture Department for this trip.

Sources said that 100 farmers across the State, at least two from each district, were being selected for this exposure visit. One of the teams was expected to leave for Israel in the second week of April and another to China after April 20. Though it was a routine affair, some of the beneficiaries in the State identified for the trip were either loyalists of Ministers or political party functionaries.

Already, Agriculture Department had strictly advised district-level officers to follow the instructions of local Ministers. Selection of beneficiaries was done by the Ministers in respective districts, sources added.

Seeking anonymity, an agriculture official said that some genuine cases were neglected in the district in order to obey the orders from higher-ups. Moreover, representatives of local bodies were not eligible for selection under the scheme.

Chief Minister Jayalalithaa had announced this scheme in the Assembly under Rule 110 in September 2015 in order to improve quality of agricultural produce and method of cultivation in the State, sources said.

### **Banks told to be liberal in extending crop loans**

Deputy Commissioner Vipul Bansal has expressed disappointment over the failure of the banks to achieve the target fixed in the Annual Credit Plan for the year 2015-16. He said that it was disheartening to see that the banks had achieved less than 50 per cent of the target fixed in the credit plan.

Mr. Bansal was speaking after releasing the credit plan for the district prepared by State Bank of India, Lead Bank, here.

He said that the banks should lay more importance on achieving the target. Mr. Bansal said that Kalaburagi district was facing a worst-ever drought. The banks should restructure the agriculture loans and liberally extend crop loans to farmers who were in distress.

He cautioned the banks against initiating forcible or coercive measures to recover loans given to farmers in the next three months and asked them not to issue any recovery notices.

Referring to the credit-deposit (CD) ratio of 89 per cent achieved by the banks in the district, Mr. Bansal said that in drought-prone districts like Kalaburagi, the banks should not bind themselves to the CD ratio and extend liberal financial assistance to farmers.

There were many complaints against banks that they were not extending education loans. The banks should liberally extend education loans to those eligible for it, Mr. Bansal said.

Chief Executive Officer of the zilla panchayat Anirudh Sravan said that the banks should not give room to the complaints that they were adjusting wages under the Mahatma Gandhi National Rural Employment Guarantee Act to the loans taken by them.

He said that the banks had so far not identified or utilised the full potential of the self-help groups in the district for improving the economic conditions of the people living in rural areas.

### **‘Steady rise in vegetable production’**

Sustaining production of safe-to-eat vegetables is vital to ensuring a healthy future generation, P.B. Pushpalatha, Director of Extension, Kerala Agricultural University (KAU), has said.

Inaugurating a workshop on sustainable vegetable farming here on Thursday, Dr. Pushpalatha said Kerala was witnessing a steady increase in vegetable production, and that agricultural produce in the State had been found devoid of hazardous pesticide residues.

“This is the result of persistent efforts to spread awareness about the dangers of indiscriminate use of pesticides.

We should sustain the trend and enhance agriculture production," she said.

The upcoming generation should also be made to realise that the vast variety of vegetables provide essential nutrients, vitamins and minerals, besides helping the body absorb water.

### **Artificial sources**

Dependence on artificial sources for minerals and nutrients will do more harm than good," she warned.

U. Jaikumar, head of Agricultural Research Station (ARS), Mannuthy, presided over the meeting.

Associate Director of Research V.S. Devadas, Prof. C. Narayanankutty, and Associate Professor Jalaja Menon addressed sessions on vegetable varieties, new trends in vegetable farming and organic farming protocols at the workshop.

### **Farmers attend meet**

As many as 60 farmers participated in the programme, which was organised by the Directorate of Extension at ARS, Mannuthy.

## **Banks should reschedule agricultural loans: Udupi Deputy Commissioner**

*'Rubber growers hit by fall in prices, small farmers face multiple problems'*

R. Vishal, Deputy Commissioner (DC), said that the banks in the district should reschedule agricultural loans as rubber growers in Kundapur region were facing distress, due to the fall in the price of rubber in the markets.

He was speaking at the quarterly meeting of the District-level Review Committee Meeting for Banking, here, recently.

Dr. Vishal said that in the last three months, three farmers had committed suicide, in the Kundapur region. The last suicide of a farmer – K.V. Immanuel, (61), took place at Jakkal near Kollur – on March 26.

Besides this, he said that Udupi district had received 22 per cent less rainfall compared to the previous year. The area under agricultural cultivation in the district had drastically reduced. Most of the farmers had small holdings and they were stressed. The farmers were also hit by chronic labour shortage. The banks should show consideration to farmers especially with regard to the farm loans. “All of us are collectively responsible if something happens to the farmers,” the DC said.

Dr. Vishal added that the banks should focus on linking bank accounts to Aadhaar numbers.

He said that it was also essential that they took precautions to see that there was no duplication of names with regard to bank accounts.

Linking bank accounts, especially those under the Jan Dhan Yojana, would make it easier to provide financial assistance under various social welfare schemes of the government. It was necessary to create more awareness of social welfare schemes, such as Atal Pension Scheme, Prime Minister Jeevan Jyoti Insurance Scheme and others.

He added that banks should provide more loans to start new restaurants, hotels and guest houses under the new tourism policy in the district.

## **Credit plan**

Dr. Vishal released the District Credit Plan 2016-17 at the meeting. The Plan envisages a total credit outlay of Rs. 7,014.70 crore for the next fiscal. The Plan has allocated Rs. 5,637.74 crore for Priority Sector and Rs. 1,376.96 crore for Non Priority Sector.

It has allocated credit target of Rs. 2,879.99 crore for the Agriculture sector and Rs. 503.74 crore for Micro, Small and Medium Enterprises (MSME) sector.

## **Rs.5,820-crore aid disbursed in State**

The National Bank for Agriculture and Rural Development (NABARD) has disbursed financial assistance to the tune of Rs.5,820 crore in Kerala during the year 2015-16, a statement by NABARD has said.

Of the assistance, Rs.5,090 crore was disbursed as re-finance to banks and Rs.600 crore to the State government under Rural Infrastructure Development Fund, Rs.115 crore as direct assistance to cooperative banks and Rs.15 crore as grant assistance from dedicated funds to various agencies for developmental and promotional activities.

## **Paddy procurement hit**

*Gunny bags in short supply; steps being taken by TNCSC officials to sort out the issue*



Non-availability of gunny bags is hampering the procurement of paddy at DPC at Ariyur near Anbil.— Photo: A. Muralitharan

Non-availability of gunny bags has been hampering the procurement of paddy in a few villages in the district and the officials of Tamil Nadu Civil Supplies Corporation (TNCSC) have been taking special efforts for the immediate supply of the same.

With the procurement process at its fag-end, farmers of a few villages have been anxious to market their produce at the Direct Purchase Centres (DPCs) of the Tamil Nadu Civil Supplies Corporation.

However, at Ariyur, an interior village near Lalgudi, the process is delayed due to non-availability of gunny bags. The farmers have brought their paddy and deposited it all around in front of the DPCs. P. Samuthiram (52), a farmer, said he has brought his paddy harvested on three acres to the DPC and had covered it using a piece of tarpaulin.

A threshing floor surrounded by a cluster of government buildings including the village panchayat office and a sub-health centre is being used as the DPC. The farmers say that they had been awaiting procurement for the past two weeks.

Officials of the TNCSC say that all efforts were being taken for prompt purchase of paddy. So far, 17,200 tonnes of paddy including 15,000 tonnes in 'samba' and 2,200 tonnes in 'kuruvai' had been procured through 45 DPCs. "Top priority is being given to the timely procurement of paddy without causing any hitch to the farmers," the official said and added that he would visit Ariyur and provide all assistance to the farmers.

A majority of DPCs – 28 was located in the Lalgudi block while the DPCs were functioning in select places in Srirangam, Thottiyam, Musiri, Mannachanallur and Tiruverambur. A majority of farmers has raised Co-43 variety.

## **‘Nungu’ sellers make brisk business**



FULFILLING:Ice apples (nungu) are being sold at very many places in Erode city. —PHOTO: M. GOVARTHAN

The Nungu (ice apple) season has arrived.

Sellers on the roadside could be found busy extracting the nungu from the palmyra palm fruit, surrounded by customers.

Three to four nungu fruits are sold for Rs. 10 depending on size by the farmer-traders who procure the fruits themselves from the trees that grow in dry locations in Anthiyur, Perundurai, Bhavani, Tiruchengodu, Pallipalayam and other rain-fed areas in the region. Though palmyra trees are drought-resistant, they are not as much remunerative as coconut crop and are hence not cultivated by farmers. But, the trees that grow on their own in the poromboke land are harvested by the farmers, usually with permission from the local bodies concerned, official sources said.

For several hundreds of farmers, nungu selling is seasonal business, for the next two to three months. They find enough health-conscious customers for the fruit considered a natural coolant for the body, containing essential vitamins and minerals.

According to medical professionals, the seasonal fruit must be consumed during summer since it has anti-inflammatory and anti-oxidant properties, and improves digestion.



The Agriculture Department has, however, not witnessed any conscious attempt by farmers to raise palmyra trees for the purpose of harvesting nungu. Nevertheless, the supplies have not diminished as there are enough number of palm trees in the dry parts of the region, official sources said.

### **Bhavani Sagar reservoir starts receiving water from hydel dams**

Thanks to the release of water from the hydel dams in The Nilgiris, the storage position in the Bhavani Sagar Reservoir could be salvaged.

The storage at 3.14 tmc was at a precarious level before the decision was taken by the Public Works Department to secure water from the hydel dams managed by the Electricity Department.

#### **Discharge**

As of 8.00 a.m. on Thursday, the inflow was only 185 cusecs and a discharge of 800 cusecs was made into the Bhavani river. The depth was 43.96 feet compared to 58.38 at the same time last year.

Water released from the hydel dams has started flowing into the Bhavani Sagar reservoir, official sources said.

#### **Turn-system**

Sustaining water release is vital for safeguarding crops in the ayacut areas of Lower Bhavani Project canal for which turn-system is currently in vogue, the officials sources added.

### **Traders warned against ripening fruit artificially**

With mangoes started to arrive in markets in the city, officials of the Tamil Nadu Food Safety and Drug Administration Department has asked traders not to use calcium carbide for artificially ripening mangoes.

District Designated Officer T. Anuradha, who conducted a meeting with traders and stockiest on Wednesday, said that mangoes should ripen

naturally and use of calcium carbide for ripening is against the law as it causes health hazards.

The chemical is banned under the Food Safety and Standards Regulations, 2011, as it would cause diarrhoea, skin ulcers, peptic ulcer and irritation in mouth for the consumers, she added.



Even as mango season sets in, fruit vendors have been put on notice by authorities against selling artificially ripened varieties. —File photo

Officials said that while natural ripening takes two to three days while artificial ripening takes less than 20 hours.

Officials said that naturally ripened mangoes would become yellow gradually and have good aroma while the ripened mangoes turn yellowish fully.

They asked the consumers to purchase mangoes and allow it to naturally ripen in their homes. During, the mango season, despite officials conducting raid in markets and godowns, ripening of mangoes artificially is carried out by traders for making quick money. Traders were warned against such practices.

## Terrace gardening catching up in Tiruchi



K.S. Shankar, a gardening enthusiast, watering plants on his terrace garden in Tiruchi. Photo: M. Srinath

*Anout 2,000 kits, each at a price of Rs. 500, were distributed in February.*

Do It Yourself (DIY) is a concept of the Horticulture Department to promote terrace or roof garden in residential buildings and apartments. Residents are encouraged to grow vegetables in these gardens to meet their day-to-day requirements.

The scheme, which was launched in Chennai and Coimbatore two years ago, has been extended to Tiruchi and Madurai as well.

Under the scheme, the government distributes kits at a cost of Rs. 500 each to interested persons.

Each kit comprises coco peat compressed bricks and vegetable seeds of brinjal, tomato, chilly, bush beans, cluster beans, and different types of greens.

The kit contains bio-fertilizers and bio-pesticides with pamphlets and a compact disc that contains information on terrace gardening.

The distribution of kits was started in February this year, the Horticulture Department has so far sold about 2,000 kits as against the target of 3,000 kits.

Although the declaration of elections to the Legislative Assembly is said to have slowed down the sale of kits to an extent because of enforcement of model code of conduct, the people continue to visit the Horticulture Department office at Mannarpuram to get kits.

“The response is good. We are happy to see urban dwellers visiting our office to get kits spontaneously,” said a senior official of Horticultural Department.

There are reports that those who have received the kits in February have set up gardens on their terraces in the city.

They are about to harvest the vegetables. Several residents have raised terrace gardens by getting the kits from Chennai. They have reaped the benefit by meeting their day to-day requirement of vegetables grown in their gardens.

“We have stopped buying vegetables in the market ever since we set up terrace garden a few months ago. The yield is sufficient to meet our vegetable requirement,” says K.S. Shankar, a property developer who has set up terrace garden in his house at S.B.I. Officers’ Colony in Cantonment.

Stating that he was not applying chemical fertilizer to grow vegetables, he said it had enabled his family to eat fully organic vegetables. It had turned out to be a good hobby. He spends about half an hour either in the morning or in the evening daily for watering and maintaining the garden.



### **NAFED to commence purchase at Lasalgaon from April 10**

The total quantum of the purchase he said would be around 15,000 metric tonnes. The state agriculture department has also taken steps to increase storage facility at the farm level also.



In order to stabilise the price of onion and create buffer stock of the bulb, the National Agriculture Cooperative Marketing Federation of India (NAFED) would commence its purchase from the Lasalgaon market from April 10.

Chairman of the Lasalgaon Market Committee Nanasaheb Patil said the government agencies, including NAFED, aim to buy 15,000 metric tonne onions this season.

Onion prices over the last few months have been going down due to excess production of late kharif crop. In June last year, prices of the bulb had breached the Rs 50 per kg price in wholesale with its repercussions being felt across the country.

The central government had increased the Minimum Export Price (MEP) of the product in order to control the prices. Over-production of late kharif onions had sent the prices down.

Although the government had reduced the MEP to zero, subsequently, price of the bulb had failed to increase. The modal price of onion at the Lasalgaon market over the last few days has been hovering around Rs 7 per kg.

Patil said despite the initial scare, area and productivity of rabi onions have been good. “Due to the drought, many people had uprooted their cane crops and gone for onion cultivation, especially in Ahmednagar,” he said.

Estimates state that the production of rabi onions would be 15-20 per cent more of the normal produce this season. Rabi onions it might be recalled are the only onions which can be stored and fed the market till the next kharif onions get ready.

In view of the constant slide of the prices, NAFED had decided to increase its target of buying from Lasalgaon. “Along with NAFED, other government agencies like Maharashtra State Agricultural Marketing Board (MSAMB), will also participate in the purchase which will see a buffer stock being created. This will have a stabilising effect on the market,” he said.

The total quantum of the purchase he said would be around 15,000 metric tonnes. The state agriculture department has also taken steps to increase storage facility at the farm level also.

NAFED in the past had floated tenders for construction of an air-conditioned storage facility for onion at Niphad. Although tenders were floated, Patil said the government is yet to give permission for the same. “Our MD is following up the matter,” he said.

### **Is agriculture a business?**

Yes, except that farmers suffer rules other businessmen never encounter



The first law is that agriculture is the only business where you have both production as well as price risks. (Source: express file photo)

Agriculture is said to be India's largest private-sector enterprise, engaging nearly 119 million farmers ("cultivators") and another 144 million landless labourers, as per the 2011 Census. It is even considered the most respectable business, going by the oft-quoted slogan "uttam kheti, madhyam vyapar, kanishtha naukri (supreme is farming, mediocre is trade and most lowly is service)".

But the exalted status apart, it must be asked: Is farming really a business? Even if it is, then to what extent? Is there something about agriculture that makes it fundamentally different as a business? One could point to at least four "laws" of business operating only in farming, of which the last two are probably unique to India.

The first law is that agriculture is the only business where you have both production as well as price risks. A steelmaker may encounter strikes by workers or transporters. His plant could get flooded by rains of the kind Chennai saw late last year. But these disruptions to production are clearly once-in-a-decade happenstances. For most industries, fluctuations in currency or prices of raw material and finished product are the more recurrent risks.

For the farmer, however, production risks are a practically daily phenomenon: There might be inadequate rains at sowing, germination and vegetative growth stages; pest attacks during pod or boll formation; and hailstorm just when the crop is attaining maturity. On top of these is the risk of price crash at the time of harvest.

The co-existence and high probability of both production and price risks are what also render farm insurance commercially unviable. This explains why even in the US, for example, the federal government subsidises, on an average, about 62 per cent of crop insurance premiums. In 2012 alone, a major countrywide drought led to total indemnities topping \$17.5 billion, of which farmer premiums covered just \$ 4.2 billion.

The second law is that agriculture is the only business where you buy everything retail and sell everything wholesale. This was first told to me by a farmer in Illinois whom I met some years ago. He operated 1,300 acres and had a huge on-farm storage silo that enabled him to make staggered sales. He further hedged against price declines by selling futures contracts at prices prevailing during the time of planting in the Chicago Board of Trade.

But what this typical rich Midwest US farmer said has universal applicability for agriculture. In most businesses, you buy wholesale and sell wholesale. If you are Walmart or Amazon, you actually buy wholesale and sell retail. Farmers are the only lot who pay retail prices for everything, from tractors to toothpaste, while being forced to sell their entire produce at wholesale rates.

One way to get around this is through cooperatives. Gujarat dairy farmers supplying to Amul, for instance, get roughly Rs 36 for their full-cream milk that retails in Delhi for Rs 48 per litre. Similarly, there could be farmer producer organisations that procure seeds, fertilisers, pesticides or animal-feed from manufacturers in bulk and make these available to their members at wholesale rates. But we know such genuine farmer-controlled cooperatives that cut through intermediary chains on both the input and output side are rare in India; most of them are extensions of the government manned by career bureaucrats.

Besides these two universal laws, one can identify two more that seemingly apply only in India.

The first such India-specific law is that agriculture is the only business where expansion is a crime. Today, any start-up entrepreneur whose business gets valued at over \$1 billion within five years of founding — or, for that matter, someone who grows his existing concern manifold through acquisitions — is feted and lauded as a visionary.

But a farmer who cultivates even 25 acres or simply augments his holding size by leasing additional land is instantly dubbed a “kulak” or a capitalist in



not the most glowing sense. We all love farmers when they are subsistence producers dependent on our kindheartedness, while being suspicious of those independent and big enough to demand that they be heard. For the latter, all crops are commercial — which is how it should be — and farming is about making money, just like any other business.

The tragedy with Indian agriculture is we don't really have a farm lobby of consequence. That's why onion and potato shipments are frequently subjected to minimum export price restrictions, whereas steel manufacturers have been bestowed with safeguard duty and even minimum import price protection.

A host of industrial products from polypropylene and purified terephthalic acid to float glass, likewise, enjoy anti-dumping duty benefits, even as rubber growers haven't had such luck despite domestic realisations more than halving and imports doubling in the last four years.

While India Inc is clamouring for protection against falling global commodity prices with some success, the commerce ministry's own trading enterprise, PEC Ltd, recently contracted duty-free imports of 2,50,000 tonnes of maize at around \$193 per tonne — below even the official minimum support price of Rs 1,325/ quintal payable to our farmers.

The last law exclusive to agriculture in India is that it is the only business where introduction of new technology is a matter of controversy. It happened with dwarf wheat varieties and cross-bred cows in the 1960s and 1970s, and we are currently witnessing it in genetically modified (GM) crops.

Any objective analysis would show that these technologies helped India become self-sufficient — even a net exporter — in foodgrains, milk and cotton, resulting in higher farm incomes as well.

Yet, far from recognising this, we believe the future lies in going back to paramparagat krishi and desi gaai. There's nothing wrong in promoting

organic agriculture and conservation of indigenous cattle breeds; who would object if some farmers feel they can make money by selling their products at higher prices? The problem, though, is when this is combined with a Luddite agenda of blocking any new farming technology or innovation on the basis of unsubstantiated side-effects.

In agriculture, the precautionary principle has been stretched to the extent of not even permitting open-field trials of GM crops.

Again, the contrast with other businesses is stark. We consider it our right to own the latest Apple iPhone 6S, have ACs in every room, and even envisage a not-very-distant future of driverless cars. Nobody considers the side-effects from them — accumulation of toxic electronic waste, increased carbon emissions, labour displacement, among other things — serious enough to ban, leave alone regulate, their usage.

Equally revealing is the fact that no NGO has held demonstrations against administering of the Hepatitis-B vaccine, despite it being produced from culturing of a strain of GM yeast cells.

There is also unlikely to be any strong opposition to the release of genetically engineered mosquitoes for combating Zika or Dengue. These standards apparently apply only to farmers planting transgenic mustard or herbicide-resistant corn.

A time will come, hopefully, when our farmers will start challenging the above four laws of business operating against them. The day they do this, it isn't going to be business as usual.

**In fact: There is a drought in many parts of India. Why hasn't it been noticed?**

Because this time, it's only rural producers, not urban consumers, who are feeling the heat

This time's drought has been a most unusual one.

Even with three consecutive bad crops (kharif 2014, rabi 2015, and kharif 2015) and a fourth not-so-great one (thankfully, there's been no big damage from the unseasonal rain and hail unlike in March 2015), annual consumer food price inflation is only 5.3 per cent.



Many in thirsty Marathwada walk 14 km or more from their homes to fetch water every day. (Source: Express Archive/November 2015)

In the past, droughts invariably fuelled speculation and hoarding by unscrupulous traders. But this time, Indians in the cities are hardly feeling the pinch. Barring sugar, where the price increase in recent weeks is more of a correction from unhealthy lows, consumers aren't paying all that more for what they are eating compared to a year ago.

No one's talking much today about onion prices. Even arhar dal is selling cheaper than when it consumed the BJP in Bihar's Assembly elections during October-November 2015; the same goes for urad, moong or masur.

Simply put, this is a drought essentially of farmers and rural producers.

And since it isn't really pinching urban consumers, politicians even in Maharashtra — where the drought is most acute — have found it more important to discuss whether or not chanting “Bharat Mata ki Jai” amounts to treason. Incidentally, AIMIM leader Asaduddin Owaisi's speech taking on RSS chief Mohan Bhagwat that set off the debate was delivered in Latur

— in the drought's epicentre of Marathwada. (The Indian Express published a series of five reports, 'Waterless in Marathwada' between March 16 and 26.)

But for farmers, the current crisis isn't just of production losses from drought. It is also one of low price realisations.

Farmers in Maharashtra are today selling cow milk at Rs 15-16 per litre, compared to Rs 25-26 a year ago. This, despite a severe fodder shortage that would also mean higher production costs.

In most crops — whether cotton, rubber, basmati, guar seed or even potatoes, apples, kinnow and pineapples — producer realisations are below what they were a couple of years ago.

The only reason nobody is talking about onion these days is because the bulb is being sold in Maharashtra's Lasalgaon market at below Rs 7/kg, as against Rs 12 last March, and Rs 45-plus in early September, when pyaaz was grabbing all the headlines.

The drought, in a sense, has only added to the miseries of rural producers who are simultaneously battling the effects of a global commodity crash, which has hit agricultural exports and farm prices.

That, in turn, also explains why urban consumers aren't particularly feeling the heat of drought: they have been shielded mainly by low global prices. Compare this to the situation in 2007 — when international prices were on the boil, and India had food riots everywhere, including in places like West Bengal.

Right now, the drought is not about agriculture: The current rabi crop — whatever has been planted — is close to being harvested, if it has not been harvested already. The more immediate concern, instead, is about drinking water. With two-and-a-half months to go for the monsoon to arrive in the most parched areas and the country's major reservoirs barely 25 per cent

full, meeting peak summer drinking water requirements is going to be a challenge. It will be even more so in Marathwada, where reservoir water levels are down to 5 per cent of full storage capacity.

The one consolation India has is that global climate models are pointing to a “weakening” of El Niño, which was the main cause of the 2015 drought. The 2015-16 El Niño was one of the longest, starting around February last. It is even now in a “strong” phase — and is expected to enter the “neutral” zone only towards May, according to the latest forecast of the US National Oceanic and Atmospheric Administration (NOAA).

Since there is usually a lag of two months or so between its effects translating into actual rainfall, one cannot rule out a delay in the monsoon, even if it turns out to be normal.

The NOAA is also giving a 50 per cent probability of a La Niña — El Niño’s opposite, which is beneficial for the Indian monsoon — developing from August. But that again would deliver good rain not earlier than in the second half of the monsoon. A delayed, but good, monsoon is what seems most likely now. And that would mean a minimum three-month wait before things finally look up.

### **Punjab team to visit Brazil to study indigenous cows**

A six-member Punjab government delegation, including two dairy farmers, will leave for Brazil for a ten-day tour to study how Indian indigenous cow breeds are being better managed there.



Brazil claims to have achieved higher milk yield from Indian cow breeds like the Gir (above).

It had imported the germplasm for these cows from India decades ago. Express photo A six-member Punjab government delegation, including two dairy farmers, will leave for Brazil on April 2 for a ten-day tour to study how Indian indigenous cow breeds are being better managed there.

The tour is being undertaken under the directions of Chief Minister Parkash Singh Badal who has been focusing on improvement and promotion of indigenous cow breeds in Punjab for some time now.

The focus of the tour will be Indian indigenous breeds, including Gir, Tharpakar and Kankrej, whose germplasm were imported by Brazil from India. Brazil now claims to have achieved higher milk yield and better animal health after working for decades on the germplasm taken from India.

Gir is from Gujarat and Tharparkar and Kankrej are indigenous breeds from Gujarat and Rajasthan desert pockets. The delegation will also study how Brazil manages unwanted animals and produces healthier cattle using selective breeding.

The quality and level of nutrition being fed to Indian indigenous breeds there, leading to higher milk production and better reproduction, will be studied. Their record keeping system will also be analysed. Speaking to The Indian Express, H S Sandha, director, animal husbandry, said, “Brazil took germplasm of our indigenous breeds, Gir, Tharparkar and Kankrej, decades ago.

Now, they claim of having healthier animals and higher milk yield. Their best Gir cows are reportedly producing at least double the milk than ours here. We want to study the difference in cattle management between the two countries.”

“Management of unwanted animals is a big issue here. Reportedly, they allow cow slaughtering which cannot be allowed here. So, an alternate process has to be studied.

They also practise selective breeding. Only healthy and high milk yielding animals are allowed to reproduce. Better nutrition and high quality diet has improved their breeds. All these points will be studied,” said Inderjeet Singh, director, dairy development, Punjab.

However, not a single breeding expert has been included in the delegation from Guru Angad Dev Veterinary and Animal Sciences University (GADVASU), the state’s only vet varsity, even though breeding is the key area of study.

The four officials who will be visiting Brazil include M S Sandhu, IAS, additional chief secretary animal husbandry, Inderjeet Singh, director, dairy development, Punjab, H S Sandha, director, animal husbandry, Punjab, and P K Uppal, advisor to CM on animal husbandry.

A S Nanda, vice-chancellor GADVASU, when contacted, said, “If a delegation is going to study specific breeds in Brazil, animal breeding would be the key focus area. Only breeding experts can provide technical knowledge and guidance on this, such as if a particular breed would be suitable for Indian conditions or not.

Inclusion of GADVASU experts would have proved beneficial as ultimately the scientists will be implementing the technology we bring from Brazil on the field. GADVASU experts were a part of the China tour to study fisheries and also signed MoU with them.”

## **Jeera gains aroma on short supply**



Jeera prices moved up on the back of short supply coupled with good demand from stockists and exporters.

Analysts said apart from a firm trend at spot market on pick-up in demand, restricted supplies from producing belts led to an upsurge in jeera prices at futures trade.

Before Holi festivals, jeera arrival was reported about 35,000 bags and now it has reduced to 10,000 bags. At the Unjha mandi of Gujarat, jeera gained ₹35 to ₹2,400-3,100 per 20 kg. At Rajkot, jeera was up ₹30 to ₹2,200-3,075.

## **India cottonseed spat sows bigger trouble**

There are few winners from India's crackdown on cottonseed pricing. The Government's move to cap the royalties an affiliate of US-based Monsanto can charge to license its technology for genetically modified (GM) seeds is short-sighted.

It rekindles old fears about India's cavalier attitude to intellectual property and could leave Prime Minister Narendra Modi facing some awkward questions as he meets President Barack Obama in Washington this week.



GM cotton has been commercially available in India since 2002 and has helped to transform the country from a net importer into the world's largest producer of the raw material used to make fabrics. Nine-tenths of India's total cotton acreage is planted with seeds made with Monsanto technology. Globally, the commodity accounts for 3.5 per cent of the U.S.-listed company's revenues.



Monsanto, through its local joint venture, licenses its technology to local producers that make seeds and sell them to farmers. It receives a royalty fee for each packet sold. A 450-gram packet of so-called “Bt cotton” seeds sells for up to Rs. 1,000 (\$15) and delivers a Rs. 163 royalty. Under the new rules, effective April, India will cap the price per packet at Rs. 800 and the royalty at Rs. 49.

The move will override bilateral contracts that Monsanto has negotiated with its local partners and is unlikely to encourage more competition in an industry where barriers to entry are high. The measures also appear to benefit local seed makers more than indebted and despondent cotton farmers.

India insists Monsanto, which also sells maize and corn seeds in the country through a separate locally listed subsidiary, is welcome to leave if it does not want to abide by the new rules. Yet it is hard to believe that India could produce home-grown technology that is equally effective. That has led to worries that authorities may simply cancel Monsanto's patent in the same way that India has often dealt with international pharmaceutical companies.

Politicians are under pressure to act after two consecutive droughts, but it is a dangerous game. Genetically modified seeds tend to lose their resistance to insects over a number of years. Companies have to keep investing to develop new variants. Monsanto's latest cotton technology has just been launched in Australia but is not yet available in India. Overly stringent measures could lead to a reversal of India's good cotton fortune.

*(The author is a Reuters Breakingviews columnist. The opinions expressed are her own.)*

### ***Quick facts***

*India announced on March 9 that it would fix the price of cotton seeds in the country.*

*The new regulated prices are applicable for the financial year that runs from April 2016 to March 2017.*

*“Bt cotton” seeds have been genetically modified to have insect-resistant traits.*

*Mahyco Monsanto Biotech India is a privately held 50-50 joint venture between Maharashtra Hybrid Seeds and Monsanto Holdings. It sub-licenses the cotton seed technology to around 50 Indian seed companies.*

*Shares in Monsanto India, a separate publicly listed local subsidiary which specialises in corn and vegetable seeds, have fallen 25% so far this year, against a 3% decline in the benchmark S&P BSE Sensex Index.*

### **M&M picks up 35% stake in Finland co Sampo**

Mahindra & Mahindra has acquired 35 per cent stake in Finland's Sampo Rosenlew for up to €18 million (about Rs. 135 crore), marking its foray into the combine harvester business.

The deal is expected to close by June 30, 2016.

“The acquisition of up to 35 per cent stake would be for a consideration of not exceeding €18 million,” Mahindra & Mahindra (M&M) said in a regulatory filing today.

Both will work in tandem to grow their combine harvester business globally, it added.

“We are now putting in place a strategy to build a full product line of farm equipment that goes beyond tractors and with this we will compete globally in both advanced and developing markets,” said Pawan Goenka, Executive Director of M&M.

At present, Mahindra is the world’s leading tractor company by volume, with an on ground presence in India, the US, China and Japan, besides many other export markets.

M&M Farm Equipment and Two-Wheeler President and Chief Executive Rajesh Jejurikar said: “Sampo Rosenlew will enable Mahindra to grow in the global combine harvester business. The two companies will work closely towards taking Sampo’s combine harvesters to new markets globally, including India.”

In 2014-15, Sampo Rosenlew had a standalone revenue of €93 million. The company is also joint venture partner in a combine harvester company in Algeria which had a revenue of €45 million in the same year.

Further, it has built a significant business in its core markets like Europe, Eurasian countries and North Africa.

Together with its existing strategy in the core markets, Sampo Rosenlew will also develop a new range of combine harvesters for developing markets and for specialty crops, M&M said.

“Mahindra and Sampo Rosenlew will jointly focus on the combine harvester business in Asia, Africa and Eurasian Economic Union countries,” it added.

M&M shares were trading 0.76 per cent down at Rs. 1,210.95 apiece during afternoon session on the BSE.

### **Uptrend in mustard oil**



Amid decline in arrival, uptrend in mustard oil continued with its prices in Indore mandis at ₹708 (up ₹8 from last week).

In Rajasthan, it ruled higher at ₹735 (up ₹15 from last week), while it ruled at ₹710 (up ₹10) in Gujarat.

Given apprehension of damage to the crop due to hailstorm and report of decline in crop output, bearish sentiment in mustard oil appears unlikely in the coming days.

Mustard seeds too were on the upside at ₹3,700-3,800 (up ₹200). Similarly, raida also traded higher at ₹3,800 (up ₹200). Plant deliveries of mustard seeds for Jaipur line stood at ₹4,215-20 (₹4,020-25).

## Mixed trend in rubber

Spot rubber showed a mixed mood on Thursday. RSS 4 closed unchanged at ₹115, according to traders and the Rubber Board.

The grade was quoted steady at ₹112 a kg by dealers. The overall volumes continued to remain dull while certain counters finished marginally higher on comparatively better demand and low supplies.

April futures improved to ₹118.40 (118.08), May to ₹119.90 (119.17) and June to ₹120.25 (119.70) on the National Multi Commodity Exchange. RSS 3 (spot) declined to ₹100.01 (100.85) at Bangkok.

April futures bounced back to ¥171.7 (₹101.22) a kg on the Tokyo Commodity Exchange. Spot rubber rates (₹/kg): RSS-4: 115 (115); RSS-5: 113 (112.50); Ungraded: 108 (108); ISNR 20: 110 (109) and Latex (60% drc): 84.50 (83.50).

## Urea output hits record 245 lakh tonne in 2015-16



India has achieved a record production of urea at 245 lakh tonnes (lt) – 20 lt more than last year.

“This has happened for the first time after Independence,” Fertiliser Minister Ananth Kumar said here on Thursday, adding that “there is no shortage of the fertiliser in the country.”

Complimenting fertiliser companies, both in the public and private sectors, for the higher output, Kumar said soon India would be able reduce import dependence for urea to 60-65 It against 80 It being imported at present.

“In fact, in the next two-three years, we should not only try to become 100 per cent self-reliant in urea, but also become a fertiliser-exporting nation,” he said, adding that more research was need to further increase output, such as coal gasification being used by China. The higher urea output follows a major policy intervention by the Centre last year to supply gas at uniform prices to all fertiliser plants through a pooling mechanism.

“The additional production has not only helped in saving foreign exchange but also import substitution,” a Ministry statement read, adding that the increased production of urea was “equivalent to production capacity of almost two new urea plants without any additional investment.”

### Urad becomes favourite bet for Gujarat farmers this summer



Higher prices drive acreage of the pulse crop; sesame sowing down 83%

Spot prices (₹/quintal)			
Date	Urad (Latur)	Tur (Akola)	Masur (Indore)
May 5, 2015	8,600	7,400	6,850
Oct 16, 2015	13,400	13,200	7,725
March 31, 2016	10,000	8,600	5,575

Source: Traders & NCDEX

Among the summer crops taken up in parts of Gujarat, urad (black gram) has become the most favourite among the farmers.

Thanks to consistently higher prices of the pulse crop, farmers have turned from sesame seed and other pulses due to lower realisations.

For the current summer sowing season (March to June), Gujarat has witnessed a sharp rise in urad area, doubled to 3,400 hectares as on March 28 against the three-year average area of 1,700 hectares.

While the area for sesame fell by 83 per cent to 11,700 hectares against 67,100 hectares of three-year average, State Agriculture Department data revealed. However, overall summer sowing has declined by 59 per cent to 4,53,800 hectares against the three year average of 11,07,000 hectares.

### **Better prices**

“The increase in the the urad area is a result of persistently high prices of the pulse. This has been even higher as compared to other pulses, therefore, farmers got attracted more towards urad,” said Ramesh Bhoraniya, a farmer in Rajkot district.

Considering the last year’s summer sowing, the area is still higher by about 1,300 hectares against last year’s 2,100 hectares. But the sesame area is lower by 45,700 hectares as compared to last year.

“Realisation from crop is the primary driver for farmers to select their crop. For last two years, pulses mainly, urad has been giving good returns. Returns from sesame seed have fallen by half from last year,” informed a senior State Agriculture Department official.

Last year, spot sesame seed prices had touched around ₹2,100-2,400 per 20 kg, whereas currently, the spot sesame seed prices are in the range of ₹1,150-1,400. However, urad has fetched better prices at ₹10,000 per quintal on Thursday.

Meanwhile, the area under groundnut has increased over last year at 50,300 hectares against 43,900 hectares during same period last year. However, it is still lower than the three-year average of 71,600 hectares.

### **Water crisis**

According to farm sources, even as the summer sowing is progressing, availability of water for irrigation continues to be a major challenge.

“Water shortage for irrigation is causing a major worry. This is one of the reason for overall slow progress on summer sowing,” added the official.

### **Coconut oil price decreases**



Coconut oil prices increased a few days back and again it started decreasing.

“Five days back, the price of the coconut oil was sold at ₹1,040-50 for 15-kg loose pack. Suddenly, the price started decreasing and is sold at ₹1,110 . Such price variations was due to the increase in copra price which is now on the downside and is available at ₹5,100-5,300 a quintal,” said RM Palanisamy, a trader.

The price of the palm oil also increased and the sale of coconut oil was very poor in all the centres.



## Volume continues to drop at Coonoor tea auctions



The falling trend witnessed in the offer for the auctions of Coonoor Tea Trade Association continues with the volume being offered for Sale No: 13 to be held on Friday falling by as much as 1.07 lakh kg over last week.

A volume of 10.15 lakh kg has been catalogued. Of this, 7.19 lakh kg belongs to leaf grades and 2.96 lakh kg, dust grade.

As much as 9.26 lakh kg belongs to CTC variety and only 89,000 kg, orthodox variety.

In the leaf counter, only 49,000 kg belongs to orthodox while 6.70 lakh kg, CTC. Among the dusts, only 40,000 kg belongs to orthodox while 2.56 lakh kg, CTC.

Homedale Estate's Broken Pekoe, auctioned by Global Tea Brokers, topped Leaf auction and the entire CTC market last week when TRP Tea and Commodities bought it for ₹202/kg.

Homedale Estate's Red Dust, auctioned by Global Tea Brokers, topped Dust auctions fetching ₹188.

Darmona Estate's Broken Orange Pekoe Small (₹190) and Super Fine Dust (₹186) were in the top-notch bracket.

# Business Standard

## Normal rain might mean 6% agri growth, says Aayog member

6% would be the highest for the farm and allied sector in the Gross Domestic Product series launched with the base year of 2011-12



The country's agriculture and allied sector's growth could jump five-fold in 2016-17, to six per cent, if there's a normal monsoon this year, said NITI Aayog member Ramesh Chand.

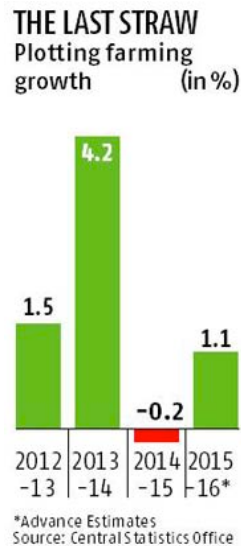
Six per cent would be the highest for the farm and allied sector in the gross domestic product series launched with the base year of 2011-12, against the earlier one of 2004-05.

The farm sector had contracted by 0.25 per cent in 2014-15 and is estimated to have grown 1.2 per cent in 2015-16. It was 4.2 per cent in 2013-14.

Annual expansion has been less than two per cent in the first four years of the 12th Five-Year Plan (2012-17) against a target of four per cent. This was largely due to droughts in 2014 and 2015, pulling down agricultural production and leading to overall distress in rural areas.

Recent weather predictions indicate the El Niño weather phenomenon,

which caused the droughts, is on the wane. With a normal monsoon, the area under crops will increase and so will the productivity.



Foodgrain production in crop year (July-June) 2014-15 fell to 252 million tonnes (mt) from 265 mt in 2013-14. The 2015-16 crop is estimated at 253 mt.

Chand said NITI Aayog would undertake a project in five villages in Bihar, with the Bill & Melinda Gates Foundation, on raising the productivity of pulses.

He said he supported the spread of genetically modified crop varieties, to boost farm production.

### **Highest ever urea output of 24.5 mt in FY16**

This could lead to reduction of import by two mt, the government said

India had its highest-ever urea production of 24.5 million tonnes in 2015-16. This could lead to reduction of import by two mt, the government said on Thursday.

Production was 22.5 mt in 2014-15. Ananth Kumar, the minister, said the next target should be produce 31 mt annually in the next two-three years, negating the need for any import. "In the past year, a silent urea revolution has taken place in the country...a remarkable achievement," he said.



Urea's now-compulsory neem coating was also acting as an insecticide and benefiting soil health, he said.

Annual domestic demand is estimated at 30 mt. Production had been stagnant in recent years at around 22 mt a year. The rest is met through import. The government is reviving units closed earlier to boost domestic production.

Urea is a controlled fertiliser and is sold at a fixed Rs 5,360 a tonne. The difference with cost of production is paid as a subsidy to manufacturers.

### **Agri growth may jump to 6% in FY17: NITI Aayog**

Due to poor monsoon the agriculture growth was negative in FY15 at 0.25% and it is expected to be at 1.2%

Agriculture growth could jump to 6 per cent in year 2016-17 from 1.2 per cent, at present, if monsoon turns out to be normal, NITI Aayog member Ramesh Chand said on Thursday.

Due to poor monsoon the agriculture growth was negative in 2014-15 at 0.25 per cent and in 2015-16 and it is expected to be at 1.2 per cent, Chand added.

"In 2016-17, if monsoon turns out to be normal, one can expect 6 per cent growth in agriculture. And such a jump is possible as there is very low base due to poor monsoon in last two years," Chand told reporters at the sidelines of an Assocham event.

India Meteorological Department is expected to release its monsoon forecast during last week of April.

The Niti Aayog member further said with the normal monsoon, the area under crop cultivation will increase and also the productivity.

"In past, there has been such stances where agriculture growth has jumped sharply. And this time the government has ensured procurement at minimum support prices to the farmers in the eastern India which will also help in higher growth," Chand added.

Monsoon was 12 per cent below normal in 2014 and in 2015 it was 14 per cent below normal, resulting in lower agriculture production.

As per the final estimate of Agriculture Ministry, food grains production during crop year (July-June) 2014-15 fell to 252 million tonnes from 265 million tonnes in 2013-14.

While in 2015-16 crop year, the production is estimated at 253 million tonnes.

Chand also said Niti Aayog will also undertake a pilot project in about five villages in Bihar along with Bill and Melinda Gates Foundation on increasing the productivity of pulses.

## **Ashok V Bhuleshkar: Focus on agriculture to push economic growth**

Finance Minister Arun Jaitley's decision of redirection of finances towards rural development in the Union Budget 2016-17 is a breath of fresh air



The Union Budget of 2016-17, presented in Parliament recently by Finance Minister Arun Jaitley, has under new foreign direct investment policy(FDI) declared that 100 per cent FDI will be allowed through the Foreign Investment Promotion Board(FIPB) route for manufacturing processed food products in India.

The processing sector, the main sub-sector of Indian agriculture has been given due importance in this Budget and will indeed offer impetus to the food processing industry and create larger employment opportunities for the unemployed rural youth. The coastal areas, including the hill and the main lands offers ample opportunities for processing sector e.g., fisheries development has remained unexploited many years .

This shift in the Government's strategy will help to create value added products in the agricultural and processing sector in large quantities and the surplus production thereafter can be exported to earn valuable foreign exchange for the country. The Government's efforts to inculcate "Start-UP" ventures in rural areas will also offer more opportunities to nationalised banks to advance loans in rural areas and make rural population more productive.

Finance Minister Arun Jaitley's decision of redirection of finances towards rural development in the Union Budget 2016-17 is a breath of fresh air. Funds to the tune of Rs. 87,765 crores will certainly bring about remarkable change in rural scenario moving it towards prosperity. It is gratifying to note that the Budget 2016-17 has allocated Rs. 35,000 crores for agriculture and farmer's welfare.

Strengthening the equity base of public sector banks with Rs. 25,000 crores will allow extension of credit facilities to the farmers and processing industries based on agriculture. These credit facilities together with introduction of the "Skill Development" program will enable the promotion of new level of entrepreneurs/service providers in the Agriculture and Rural sector and creation of new level of employment opportunities for the unemployed rural population thus generating income in rural areas.

The Reserve Bank of India is playing stellar role in building up a sound network of financial structure. India has been placed in "creditworthy nation" for investment and return by International Credit Rating Agency, in January 22, 2004. Since agriculture is our basic industry, Government's decision to capitalize on agricultural and processing sector in the current Union Budget of 2016-17 is extremely welcoming. The entrepreneurs need to seize this opportunity and harness the vast potentials in agriculture and non-farm allied industries e.g., food processing, livestock, transportation etc. to generate revenue and consequently increase the growth rate.

This will not only alleviate our dependency on global economy for obtaining higher economic growth rate but will also enable us to increase the economic growth rate from 7.6 per cent per annum and agricultural growth rate at 2.5 per cent per annum as presented in the present Budget to 8 to 9 per cent per annum (as recorded in the past) and possibly to 4 per cent per annum respectively.

Although substantial amounts of money have been allocated for agriculture, irrigation, rural sectors including health, child development, welfare of

scheduled caste and scheduled tribes, minorities, etc. in the Union Budget of 2016-17, the timely release and judicious utilization of these allocations is crucial to reap the benefits. Based on our past experience, the farmers have been deprived of this money.

To ensure allocated resources reach the schemes and targeted beneficiaries and instead of getting divulged unnecessarily, the Government should implement following suggestions: NABARD in collaboration with Panchayats should be the sole authority to implement the programs and schemes suggested in the present budget of 2016-17. All the Panchayat offices should adequately staffed (technical & non-technical) and equipped to implement these schemes and programs. Effective co-ordination, regular monitoring and supervision, re-evaluation for improvement and periodic training will be key to success thus preventing failure of these schemes and programs.

Finally, I strongly feel agriculture including the allied industries is one of the largest industries which if developed thoughtfully will be able to provide employment, remove poverty (we have about 230 million people below the poverty line to date although many poverty alleviation programs have been implemented by previous Governments) and achieve higher economic growth rate for our country.

*Dr. Ashok V. Bhuleshkar, former Economic Advisor, & Ex- Consultant, NABARD & UNICEF*

### **Fertiliser imbalance**

Policy changes are needed, not just advice to farmers

Prime Minister Narendra Modi's recent counsel to farmers against indiscriminate use of chemical fertilisers may go largely unheeded unless the policies that encourage improper and unbalanced use of plant nutrients are rectified. The Prime Minister has rightly pointed out in his monthly radio programme "Man Ki Baat" that excessive and inappropriate application of



fertilisers is ruining soil health. What he has perhaps overlooked is the fact that the indiscreet nutrient use is attributable more to the government's flawed fertiliser pricing policies than to the farmers' lack of awareness, though that, too, needs to be improved.

While the prices of urea, still under government control, have been kept low, barring an increase of just five per cent some years ago, the rates of other fertilisers have gone up steadily.

The huge price differential between urea, on the one hand, and phosphatic (di-ammonium phosphate or DAP) and potassic (Muriate of potash) fertilisers, on the other, encourages farmers to use more of cheaper urea than relatively costlier other fertilisers.

Soils in most agriculturally advanced regions have already slipped into sickness, requiring progressively higher doses of nutrients to maintain the same level of crop productivity.

The Economic Survey for 2015-16 referred specifically to this harmful effect and said the response ratio, or marginal productivity of fertilisers, has been on the slide since the 1970s due, clearly, to their inefficient use. The grain yield per kilogram of applied fertiliser nutrients has declined from 13.4 kg per hectare in 1970 to merely 3.7 kg in the mid-2000s.

The steady increase in fertiliser subsidy, which is now close to 10 per cent of the farm sector's gross domestic product (GDP), has further aggravated the imbalance in the nutrient use since a sizeable part of it goes to urea. What is required, truly, is the need-based use of fertilisers.

The notion that nitrogen (N), phosphate (P) and potash (K) should be used in the proportion of 4:2:1 to ensure a proper balance in their application has, of late, been found to be a misconception. The country's apex farm research body, the Indian Council of Agricultural Research (ICAR), has categorically stated in its Annual Report for 2014-15 that the norm of 4:2:1 cannot be generalised for the country as a whole.

It applies only to limited areas, notably the intensive wheat and rice growing belt in the north-west. Elsewhere, this standard is wide of the mark. Yet, most government publications continue to harp on the 4:2:1 formula as the yardstick for assessing imbalance in fertiliser application. This should change with more stress on the soil test-based fertiliser use.

The soil health cards being issued by the government can come in handy for this purpose.

Admittedly, the government has come out with a New Urea Policy 2015, which will remain in force for the next four financial years, and has also taken some other welcome reforms-oriented measures.

These include uniform gas pricing for all urea manufactures and mandatory Neem-coating of urea. However, many of these moves are aimed chiefly at promoting energy efficiency in urea production to reduce the government's subsidy burden.

These do not automatically ensure balanced and judicious use of plant nutrients. The only reform that could potentially ensure balanced nutrient application is the introduction of nutrient-based subsidy (NBS) system.

Unfortunately, however, its possible gains, too, have been frittered away by keeping urea out of its ambit. Unless urea is also decontrolled and deregulated, the judicious and balanced use of plant nutrients may remain a far cry.



### **Poor paddy procurement adds to farmers' woes**

Despite tall claims of the state government of providing minimum support price for paddy to farmers during the financial year 2015-16, Rohtas, which

is considered as the 'rice bowl' of the state, could achieve only 50% of its target on the last day of procurement, i.e. March 31, said sources.

As against 60,000 registered farmers, the State Food Corporation (SFC) and 217 Primary Agriculture Credit Societies (PACS) could oblige only 12,000 of them. Of the total paddy procured, contribution of three SFC centres was only 2,110 tone which comes to around 2%. This added to the farmers' woes who were forced to sell their produce at throwaway prices.

SFC district manager Dinesh Kumar also said that paddy procurement this season is poor. "We have fallen short of the target but exact details could be available once records of all procurement centres are compiled," he added.

Sources in the district administration said, the district, which hitherto recorded the highest procurement in state every session, has procured only 1 lakh tonne paddy which is 50% of the target. "While Suryapura has procured the lowest quantity, Karahagar block topped in the district with 10% contribution in total procurement," said sources.

Sources said altogether 6,0199 farmers had got themselves registered with the SFC for procurement of their paddy on minimum support price.

Records, however, revealed that only 12,799 farmers could reach the SFC procurement centres. Remaining 48,000 were forced to sell paddy in open market on low price. centres in three sub-divisions of the SFC were closed in the first week of March.

According to district agriculture office records about 12 lakh tonne paddy were harvested by the farmers and the state government had given a procurement target of 2 lakh tonne, which was about 17% of the total production.

## **Don't stop solar power project involving farmers, HC tells Punjab**

The Punjab and Haryana high court has directed the Punjab government on Wednesday not to unilaterally halt the solar energy project involving farmers of the state. The HC ordered that in case the government decided to scrap the project, a 72-hour notice shall be given to the progressive farmers' association.

The farmers had pleaded that the Punjab government had issued them allotment letters for setting up solar power plants but was now dithering.

They alleged that the Punjab Energy Development Authority (PEDA) deceived 280 farmers, who were short-listed for establishing solar power plants to generate 500 megawatt (MW) of electricity. The energy was to be purchased by the Punjab State Power Corporation Limited (PSPCL) at rates varying from Rs 6.25 to Rs 6.99 per unit.

In June 2015, the PEDA, through advertisement sought expression of interest from the farmers to set up solar power plants at their respective villages. It was offered that a single farmer would be allowed to generate minimum of 1 MW to maximum of 2.5 MW of electricity. Each megawatt of electricity from the solar system involved a cost of Rs 6 to Rs 7 crore.

# THE ECONOMIC TIMES

## **Above normal temperature this summer: IMD**

NEW DELHI: The country will witness "warmer than normal temperature" this summer with heat wave like conditions likely over Central and northwest parts of India.

According to the summer forecast issued by the India Meteorological Department, the first of its kind, for April to June, the seasonal temperature

would be above normal by more than one degree Celsius over Northwest India.

There is also a high probability of 76 per cent of maximum temperatures in the core Heat Wave (HW) zone during the 2016 hot weather season to be above normal.

Core HW zone covers states of Punjab, Himachal Pradesh, Uttarakhand, Delhi, Haryana, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand, West Bengal, Odisha and Telangana and met sub-divisions of Marathwada, Vidharbha, Madhya Maharashtra and coastal Andhra Pradesh.

"This in turn suggests high probability of moderate and severe heat wave conditions in core HW zone during the hot weather season," the IMD said.

IMD has also attributed the El-Nino to the above normal temperature. 2015 was the warmest year ever recorded since 1901. The country has also witnessed warm January and February, making it the warmest winter.

"The strong El Nino conditions over the Pacific Ocean that started in 2015 are still continuing. However, the latest forecasts indicate that El Nino conditions are likely to weaken further and reach weaker El Nino conditions during the 2016 hot weather season.

"It has been observed that during the hot weather seasons followed by El Nino years (for example: 1973, 1995, 1998, 2003, 2010, etc. followed by the El Nino years of 1972, 1994, 1997, 2002 and 2009), above normal temperatures including moderate to severe heat wave conditions were experienced in most parts of India," the IMD said.

The weathermen have also attributed the increasing trend of greenhouse gases due to "anthropogenic activity".

## **Sugar output dips 4% in October-March; export at 1.15 MT**



The country exported 1.15 MT during the October-March period and another 3,00,000 tonnes is expected to be shipped in next couple of months, sugar industry body ISMA said.

NEW DELHI: India's sugar production fell by 4 per cent to 23.7 million tonne (MT) in the first six months of the current marketing year ending September due to lower cane availability.

The country exported 1.15 MT during the October-March period and another 3,00,000 tonnes is expected to be shipped in next couple of months, sugar industry body ISMA said.

Based on the estimates of production, consumption and exports, ISMA has pegged the closing stock of sugar in September this year at around 7.5 MT.

"The All India sugar production up to 31st March 2016 is 23.7 MT. This is about 1.1 MT less than last year, which was expected, since the estimated sugar production in the current season is lower than last year," Indian Sugar Mills Association (ISMA) said in a statement.

Sugar production of India, the world's second largest producer after Brazil, is estimated to decline to about 26 MT in 2015-16 marketing year (October-September) as against 28.3 MT in the previous year.

"As compared to 366 sugar mills which were working on 31st March last year, 215 sugar mills continue to crush sugarcane in the current season on 31st March 2016," it added.

Stating that the country produced 3.5 MT of sugar in second half, ISMA said that production in the balance period in the current season would obviously be lower with lower number of sugar mills operating in the current season.

Maharashtra has produced 8.2 MT in October-March of 2015-16 as against 9.36 MT in the previous year. Another 0.5-0.6 MT is expected to get produced till September.

Sugar mills in UP have produced 6.57 MT in the first half of 2015-16 against 6.34 MT in the year-ago period. Mills in UP may produce around 0.5 MT in the rest of this season.

"The current year's sugar production is almost equal to the domestic consumption. The sugar mills opened the current season with a significantly high opening stock of 9.1 MT. 1.15 MT of sugar has been physically exported in the current season and as compared to contracts finalized till now, another 3,00,000 tonnes are expected to move in the next couple of months," ISMA said.

Unless and until further export contracts take place, ISMA said the opening stocks of sugar in next season will come down to around 7.5 MT from 9.1 MT in October last.

"...despite expected reduction in sugar production in the next sugar season, it is important to note that the opening stocks as on 1st October 2016,

will be very comfortable at about 7.5 MT and, therefore, there will be enough sugar to not only take care of the domestic requirement for the whole year, but will also leave a reasonable opening balance for 2017-18 marketing year," ISMA said

**India's sugar production till March 31 lower by 4.43% over previous year: ISMA**



According to Indian Sugar Mills Association (ISMA), the all India sugar production upto March 31, 2016 is 237 lakh tonnes, which is about 11 lakh tonnes less than last year.

PUNE: India's 2015-16 sugar production as on March 31 is 4.43% lower than the sugar production during corresponding period of previous year, according to industry body ISMA, which has also said that despite expected fall in key sugar producer Maharashtra, the opening stock on October 1, 2016 will be significantly higher to take care of domestic requirement.

During the balance period of the current sugar year, ISMA expects additional production of about 6 lakh tonne sugar in Maharashtra, 5 lakh tonne in UP, 2 lakh tonne in Karnataka and 6 lakh tonne in Tamil Nadu and a few lakh tonnes from other sugar producing states after April 1, indicating that the final sugar production will be a few lakh tonnes higher than 256 lakh tonnes.

According to Indian Sugar Mills Association (ISMA), the all India sugar production upto March 31, 2016 is 237 lakh tonnes, which is about 11 lakh tonnes less than last year.



Maharashtra has produced 82 lakh tonnes upto March 31, 2016, which was 93.6 lakh tonnes at the corresponding period in the last season. As compared to 135 sugar mills which were still working as on March 31, 2015, 58 sugar mills are crushing sugarcane in Maharashtra as of now.

Most of these sugar mills are operating in Kolhapur, Pune and Sangli Districts which are the main cane belt area and were not so badly affected due to less water availability, and therefore, it is generally expected that another 5 to 6 lac tons may get further produced from Maharashtra. Due to drought like conditions, the average recovery in Maharashtra is reported to be slightly lower than last year.

The sugar mills in U.P have produced 65.7 lakh tonnes upto March 31, 2016, which was 63.4 lakh tonnes at the same corresponding period last year. However, as compared to 76 sugar mills which were working last year at the end of March, currently 48 sugar mills are crushing sugarcane in U.P. "

"Due to good weather conditions in the state and substantial improvement in cane varieties and their acreage in the State, the average sugar recovery being reported from U.P. is significantly higher than last year by around 1%. It is generally expected that mills in U.P. may produce around 5 lac tons in the balance period in this season," stated the ISMA release.

The sugar mills in Karnataka have produced 40.16 lakh tonnes in the current season upto March 31, 2016, which is slightly lower than 42.47 lakh tonnes produced at the same corresponding period last year.

As compared to 51 sugar mills which were still under operation last year at the end of March, there are 15 sugar mills which are currently crushing sugarcane in the State. The mills in Karnataka produced another about 7 lac tons last year after April 1, 2015.

However, with lesser number of sugar mills working in the state and also considering that South Karnataka mills have a special season in July -

September, the sugar mills in Karnataka may produce around 2 lac tons more in the balance period of this season.

The fourth largest sugar producing State, namely, Tamil Nadu has produced 8 lakh tonnes upto March 31, 2016, which is slightly higher than 7.53 lakh tonnes of sugar production at the same period in the last season.

Almost same number of sugar mills are still crushing sugarcane in Tamil Nadu at the end of March. Against 38 sugar mills last year, there are 39 sugar mills under operation currently. The State of Tamil Nadu has a special season in July - September, and considering that, it is expected that the mills in Tamil Nadu would produce another 6 lac tons in the balance period of the current season.

The current year's sugar production is almost equal to the domestic consumption. The sugar mills opened the current season with a significantly high opening stock of 91 lakh tonnes. 11.5 lakh tonnes of sugar has been physically exported in the current season and as compared to contracts finalized till now, another 3 lakh tonnes are expected to move in the next couple of months.

Unless and until further export contracts take place, 91 lac tons of opening stocks will get drawn down to around 75 lac tons which is still a significantly high opening balance for October 1, 2016.

Trying to allay the fears about an expected fall in sugar production of Maharashtra and Karnataka in 2016-17 season, which has led to a steep rise in sugar prices, ISMA thinks that expected increase in sugar production in Uttar Pradesh and Tamil Nadu can considerably compensate the fall in sugar production of the drought affected areas.

"The acreage under early variety of sugarcane i.e. CO 0238 in U.P, will go upto around 40% as compared to around 20% in this season. This early variety is reportedly giving higher yields as well as higher sugar recovery to the sugar mills in U.P.

Therefore, with area under sugarcane for next season reportedly expected to be similar to the current season, the sugar production from U.P next year will be higher," stated the ISMA release adding, "Similarly, after 2 years of drought like conditions in Tamil Nadu, the State has received very good rainfall in 2015 and, therefore, it is expected that the acreage in Tamil Nadu will increase in next season. This will give higher sugarcane availability and sugar production from Tamil Nadu too."

Therefore, the lower expected sugar production from Maharashtra and Karnataka is expected to be significantly compensated by higher production from U.P and Tamil Nadu, reducing the net fall for the country from the current season significantly, it said.

It also pointed towards the possibility of a normal monsoon due to signs of a weakening El Nino and a higher opening balance, which will help in having adequate sugar supply.

### **Israel to more than double its Centres of Excellences in India**



Israel plans to more than double its Centres of Excellences in India to boost the bilateral cooperation in the field of agriculture.

JERUSALEM: Israel, known world over for its water management techniques, plans to more than double its Centres of Excellences in India to boost the bilateral cooperation in the field of agriculture.

"India and Israel share a very strong bonding and our cooperation cuts across many areas. Agriculture is an important component in our relationship and we have established 13 Centres of Excellences in India so far which will go up to 28 in the coming years", said Uri Ariel, Israel's Minister of Agriculture and Rural Development.

"We have the necessary expertise required for cleaning the Ganges and we will extend all possible cooperation in this project during my visit to India next week", Ariel told PTI.

He said Israel also wanted to expand its existing cooperation with India in agriculture sector.

Ariel will inaugurate another Centre of Excellence in Haryana during his visit to India next week to participate in the "Water Week" starting on April 4, which will be the third in the state.

He will be leading a delegation of 10 Israeli companies active in the field of water management, with some of them already active in India.

In agriculture, Israel's drip irrigation method is already popular in many parts of India.

Ariel is expected to meet Union Minister for Water Resources, River Development and Ganga Rejuvenation Uma Bharati and Minister of Agriculture Radha Mohan Singh, besides Rajasthan Chief Minister Vasundhara Raje among others during his visit.

A well established leader in water management, desalination and recycling techniques, Israel has also set a template for reusing wastewater for irrigation.

It treats 80 per cent of its domestic wastewater, which is recycled for agricultural use and constitutes nearly 50 per cent of the total water used for agriculture.

Israel's globally recognised drip irrigation expertise will also be prominently displayed at the Water Week event with a seminar, "More Crop per Drop - Adoption of Precise Irrigation Technologies" scheduled for Tuesday.

Some of the Israeli companies have already been active in Israel and have contributed in the 'Make in India' campaign.

**India's agriculture sector can grow 6% in case of normal monsoon this year: NITI Aayog**



India's agriculture sector can grow 6% in 2016-17 if the country receives normal monsoon rainfall this year, according to NITI Aayog.

NEW DELHI: Agricultural growth can touch 6 per cent in 2016-17 if the country receives normal monsoon rains this year, a member of the government's premier think-tank, Niti Aayog, has said.

"After two back-to-back drought years, we should not be surprised if we achieve 6 per cent agriculture growth in 2016-17," Niti Aayog's Ramesh Chand said, adding that higher growth was recorded after the drought years 2003-04 and 2010-11.

Monsoon rains (June to September) remained deficit in 2014-15 and 2015-16 at 12 per cent and 14 per cent, respectively. The India Meteorological Department's forecast for 2016-17 is expected in the last week of April.

"The closest inference we can take is from 2010-11, when agriculture growth was 8.6 per cent. This was after 2008-09 recorded 0.09 per cent agriculture growth rate, and 2009-10 when agriculture growth was 0.81 per cent," he said.

The drought in India in 2009 was the worst the country had faced in 37 years. Chand said the worst growth rate seen in the past few years was in 2002-03 when agriculture growth was a negative 6.6 per cent. "We bounced back the next year in 2003-04 with 9 per cent agriculture growth," he said.

Although nearly half of India's population has its livelihood in the agricultural sector, Agriculture contributes about 14 per cent to India's economic output, despite nearly half of the country's population being involved in farm-related activities.

A poor monsoon has a ripple effect on the rural economy and demand for consumer goods. Healthy growth in the agriculture is also good news for the fast moving consumer goods segment, which gets about a third of its sales from rural areas.

"If monsoon is on time and has a normal spread, then the area under cultivation will be more and production will increase, leading to growth." said Chand.

### **Tea availability likely to improve this year**

If the quantity of tea at auction centres is any indication, then more of the beverage will be available in the domestic market in 2016.

KOLKATA: If the quantity of tea at auction centres is any indication, then more of the beverage will be available in the domestic market in 2016.

The quantity of tea that has arrived at the auction centre in Kolkata has

increased by 67% from a year ago to 70,000 packets. Auctioning will be done in the first and second week of April.



"Rains during March have improved tea production in Assam and Dooars. There was a dry spell in February which had raised concern among planters, but rains brought relief to them," said a senior tea industry executive.

Kolkata auction centre had to drop three sales in March as there was no tea on offer. In fact, in January, tea production was down 16.26% from a year ago to 17.87 million kg.

Overall, India's tea production declined marginally to 1127.7 million kg in the April-January period of FY16. Tea output during the first 10 months of FY15 stood at 1,137.2 million kg, according to data from the Tea Board. The lower output has been mainly due to unfavourable weather conditions.