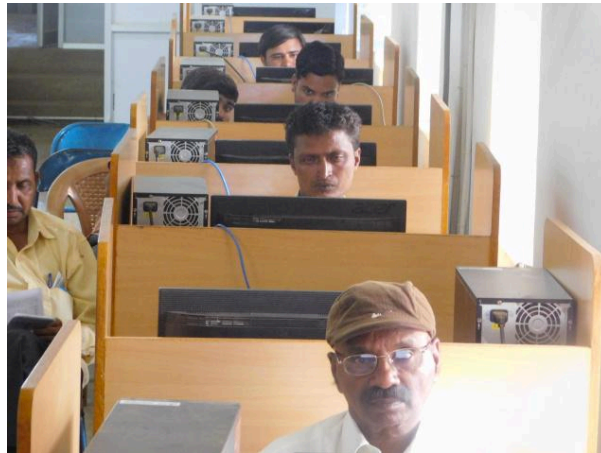


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THE HINDU

Karnataka's farmers reaping benefits of online commodity trading



The platform has helped producer-seller to secure the best price at APMCs

As Prime Minister Narendra Modi is all set to launch a unified market platform (UMP) on April 14 across the country, Karnataka's online trading in agricultural commodities has proved to be a successful model and farmers are reaping its benefits.

Till date, more than 14 lakh farmers have registered on the UMP and have been benefited from a sharp rise in prices of commodities owing to the introduction of online trading in 107 agricultural produce marketing committees (APMCs) across the State.

The UMP through the Rashtriya e-Market Services (ReMS), a joint venture of the State and NCDEX Spot Exchange Ltd., has addressed the concerns of small and marginal farmers, who hitherto struggled for a better price.

Prices

The UMP had contributed to the significant rise in prices of copra, groundnut, toor, turmeric, Bengal gram, arecanut, dry chilli, and green gram. Prices of some commodities increased by more than 50 per cent in 2015 compared with the previous year.

For instance, the average price of copra increased from Rs. 5,401 a quintal in 2013 to Rs. 12,936 a quintal in 2015 in the Tiptur market (rise of 139 per cent), while it moved from Rs. 5,178 a quintal in 2013 to Rs. 11,169 (116 per cent) in 2015 in the Arsikere market of Hassan district.

Manoj Rajan, managing director and CEO, ReMS, said till date, 130 million quintals of commodities worth \$ 2.5 billion had been traded online.

Advantages

The government implemented online trading to develop a barrier-free market for farmers. Now, wholesale dealers, including METRO Cash & Carry, and major traders in different parts of the State are participating in online trading and quoting competitive prices.

Online trading helps producer-seller secure the best price for commodities at the APMCs. The new system has eliminated the role of middlemen and unfair trade practices, he said.

The UMP contributed better price realisation to farmers compared with the prices prevailing in earlier years. It increased arrivals in the markets and greater competition was noticed by outside traders' participation, with more bids per lot in the online bidding.

Unified trader licence issued to traders from across the country enabled them to trade across APMC markets in Karnataka. Under the system, the market would correct itself to curb excess speculation of "rogue" traders/agents to the extent of market liquidity and magnitude of participation.

Awareness drive

The official said that the UMP had created quality and price awareness among farmers. To bring in more farmers under the system, a drive has been launched in 11,000 villages across the State, involving at least 200 farmers from each village.

Karnataka's model was showcased at the 'National conference on sustainable agriculture and farmers welfare', chaired by Mr. Modi, in Gangtok in January.

Delegates from Jammu and Kashmir, Tamil Nadu, Andhra Pradesh, Jharkhand, Odisha, Gujarat, Uttarakhand, Rajasthan and Chhattisgarh visited Karnataka last year to study the market reforms process.

Centre to draw up strategy for kharif season

Aim is to ensure that plan to double farmers' income gains momentum

Realising the gravity of the agrarian situation after two back-to-back droughts, the Union government is all set to formulate a crop production strategy for the coming summer (kharif) season to ensure that the plan to double farmers' income in the next six years gains momentum.

A national conference on kharif campaign is being held in New Delhi on April 11 and 12 in which senior officials of agriculture and allied sectors from the Centre and States would review the performance of the preceding crop season and formulate a crop production strategy for kharif.

The Department of Agriculture, Cooperation and Farmers' Welfare, which is organising the conference, said in a statement that kharif campaign-2016 assumes great importance in view of the recent crop damage on account of moisture stress due to deficit, and uneven and untimely rains, hailstorm and other natural calamities across various States.

Notably, the south-west monsoon during the previous kharif season was weak leading to a rain deficit of 14 per cent. Also, the rabi 2015-16 season had experienced less post-monsoon and winter rains.

Cotton auctioned

Cotton was auctioned for Rs. 80 lakh at the Konganapuram branch of the Tiruchengode Agricultural Cooperative Marketing Society near here on Saturday.

While BT variety fetched between Rs. 4,600 and Rs. 4,900 per bag, the DCH variety was sold at Rs. 5,800 and Rs. 6,500 per bag. About 3,000 cotton bags were auctioned for Rs. 60 lakhs, according to society sources.

Farmers from Mettur, Edappadi, and Sankagiri areas had brought cotton loads to the society, the sources added.

Organic farm fair to hold workshops

The eleventh Organic Agricultural Fest and exhibition and sale of mangoes, organised jointly by the Organic Kerala Charitable Trust, Sacred Heart College, Thevara and Rajagiri Outreach, Kalamassery, will get under way at 9.30 a.m. on Monday at the Ernakulam Town Hall.

Sessions

The three-day organic agricultural exhibition will have sessions on organic farming, discussions, workshops, meeting of farmers and sharing of knowledge.

Organic farmers will be honoured on the occasion.

Shows on pesticide and synthetic fertilizer-free paddy farming, local varieties of tuber crops, fruits and vegetables will be organised.

To conclude

The festival will conclude on April 13.

Former judge of the High Court of Kerala M. R. Hariharan Nair, who is the patron of the programme, will preside over the inaugural function. Abraham Mathew, judge of the High Court of Kerala, will inaugurate the exhibition and other programmes.

Topics to be covered

The topics of discussions at the meeting include protection of indigenous seeds, local crop varieties, organic inputs for natural and organic farming, safe food and training of people to take up organic agriculture to meet their own needs for safe-to-eat fruits and vegetables.

M.K. Prasad, noted environmentalist, will lead a panel discussion on Kerala's green policy and future development of the State.

Summit of farmers

The discussions are scheduled to start at 11.30 a. m. at the Town Hall. Safe food, organic farming in Kerala and protection of bio-diversity are other topics to be discussed.

The meeting will end with a summit of organic farmers in the State.

Shows on pesticide and synthetic fertilizer-free farming will be organised.

Skill development programme to help drought-hit farmers

The Khadi and Village Industries Commission (KVIC) has pitched in to help drought-hit farmers by providing them an alternative source of income through a skill development programme.

The programme, which would enable the farmers to start micro units locally based on local resources, would start from the drought-hit areas of Maharashtra. The programme will be conducted by experienced and qualified technical faculty of the KVIC.

In a statement, KVIC said the main objective of the initiative, taken up by its chairman VK Saxena, was “to equip farmers to take recourse to alternative sources of income and reduce their dependency on agriculture activities, considering natural calamities, imbalances and drought situation”.

Training will be carried out at the KVIC’s departmental training centres in Nasik and Dahanu from April 15 and will be linked up for special training package to farmers and their family members, the commission said, adding the farmers would have the liberty to select from a menu of training programmes.

“Experienced faculty of the KVIC will conduct the programme. There will be lodging and boarding facilities for farmers,” Mr Saxena said, adding a nominal fee of Rs 10 would be charged from them but would be refunded on successful completion of the training programme. The programmes will run for 15-30 days, during which psychiatrists and counsellors will hold motivation and counselling sessions to help depressed farmers recover.

“Bankers will participate on the last day of the training programme and with assistance of the state directors concerned, financial support from MUDRA Bank and PMEGP Scheme of KVIC will be worked out for each farmer,” the release said. Training will be provided on food and vegetable processing, incense sticks making, candle making, edible oil extraction, paper conversion courses, welding, carpentry and black smithy training, palm leaf

cup/plate making, fibre article making and lac production and value-added products. — PTI

Farmers lose hope as price of arecanut falls again



Steep Fall:The price of arecanut had climbed to Rs. 900 a kg in August 2014 and dropped to Rs. 300 a kg by August 2015

The price of arecanut has declined by around 10 per cent, in a span of three months, dashing farmers' hopes. The price of the rashi variety of arecanut, which was traded at around Rs. 290 per kg in December 2015, has slumped to Rs. 260 now. The price of bette, saraku, gorabalu varieties have also witnessed a similar decline. It may be mentioned here that the price of arecanut that had reached around Rs. 900 per kilo in August 2014, dropped to around Rs. 300 per kg by August 2015.

The harvesting of arecanut crop of 2015-16 began in October. Most farmers did not dispose their produce hoping for the price to recover in summer. A further decline now has dashed their hopes.

D.M. Shankarappa, an arecanut merchant with Shivamogga Agricultural Produce Market Committee (APMC), said that the arecanut plantations in the year 2013-14 were infected with fruit rot disease, also known as kole roga, due to which there was a decline in the yield. This triggered a mismatch between demand and supply owing to which the price then rose to Rs. 900 per kg. There is no such mismatch now and the chances of price escalation in the near future is less. By the time the farmers get the existing stock at their disposal cleared, the fresh produce will foray to the market, he said.

The reluctance among the farmers to dispose the produce has created a shortage of storage space. In the warehouse of Tirthahalli APMC, 1,800 tonnes of arecanut is being stored by merchants and cooperative societies. At present, the average monthly sale of arecanut from Tirthahalli stands at 250 tonnes. The cooperative societies and merchants have told farmers not to bring the produce in to store anymore and to get stocks cleared. B.A. Ramesh Hegde, President of Shivamogga Adike Belegarara Sangha, an association of arecanut growers cites the import of cheap quality arecanut as the reason for the decline in the price. He said that low import duty is being charged as per the trade agreement related to South Asia Free Trade Area (SAFTA), and imports from the South Asian Association for Regional Cooperation (SAARC) countries enjoy total exemption from duty. Large quantities of arecanut are being imported from these countries, under international trade agreements. In the year 2014-15, more than one lakh quintal of arecanut was imported. The lucrative price for locally grown arecanut can be expected by imposing a total ban on the import of the produce, he said.

Shocking numbers

- ***Price fell from Rs. 290 in December 2015 to Rs. 260***
- ***More than 1,800 tonne arecanuts stocked in a warehouse in Tirthahalli***
- ***More than one lakh quintal arecanuts imported in the year 2014-15***

‘Any simulated method to ripen fruits is unsafe’

Artificial ripening of fruits, including mango, banana and others, is harmful to health. Natural ripening is the safe option as ripening of fruits like banana using ethylene gas was also found to be unsafe.

Disclosing this to *The Hindu*, C.V. Nagaraj, retired Senior Chemist, Regional Agmark Laboratory, Union Ministry of Agriculture, Bengaluru said, “Nowadays, it is scary to eat fruits and foods for various reasons. There is a lack of awareness among people who fall prey to such unsafe practices in the fruit market.”

He said apples are coated with wax to enhance their shelf life. Paraffin wax, bee wax and carnauba wax are coated on the imported apples. Chemical dyes and saccharin are injected into fruits like watermelon to enhance the colour and sweetness.

Such fruits taste sweeter in the beginning but bitter towards the end, he added.

Usually, mangoes are ripened using calcium carbide and such fruits taste sour since the pulp will remain unripe. It is harmful to eat such fruits, since chances of chemicals seeping into the fruits although washed with water, are more, he explained.

The best way to identify whether a mango is artificially ripened is to smell and taste them, said Mr. Nagaraj, who has worked in 13 states at the Agmark labs.

Mr. Nagaraj, who is associated with the Mysore Grahakara Parishat, has been conducting awareness programmes on the harmful effects of various types of food adulteration and on the laws that exist in India against food adulteration.

Mr. Nagaraj, 81, said he would soon be holding a programme as part of his awareness drive carried out in the city and neighbouring districts on the harmful effects of consuming artificially ripened mangoes.

Hopcoms in Mysuru get bananas seasoned in the ripening chamber using ethylene gas.

Organic farming only way out, says official

Organic farming is the only alternative left to save farming and achieve food security in the future, said Special Principal Secretary to Government (Agriculture) T Vijay Kumar emphasising the need for organic farming in the state.

He was addressing the meeting of farmers-cum-directors of Kisan Banks run by Bharatiya Kisan Sangh (BKS) in eight districts of A.P. He suggested that BKS study Kerala's Green Army, a bank of agriculture experts, farmers, and

skilled labourers, to bring up reforms in farming and also practice organic and natural farming effectively.



Special Principal Secretary to Government (Agriculture) T Vijay Kumar (extreme right) at the Kisan Banks directors' meeting in Vijayawada on Sunday.— Photo: Ch.Vijaya Bhaskar

He said the Food and Agriculture Organisation had way back in 2010 stated that the world can overcome the crisis in food and agriculture only when organic farming is increasingly adopted.

By 2050 the world population is predicted to cross 9 billion which requires a much larger food basket. But the steady shrinkage of farm lands and increasing natural calamities may affect farming, he said.

In fact, the governments encouraged farmers to use urea and other chemical fertilizers for higher yields since past four decades. But it is time to change and only farmers can achieve it through one-to-one communication on need for organic farming,” he added.

Banks' support

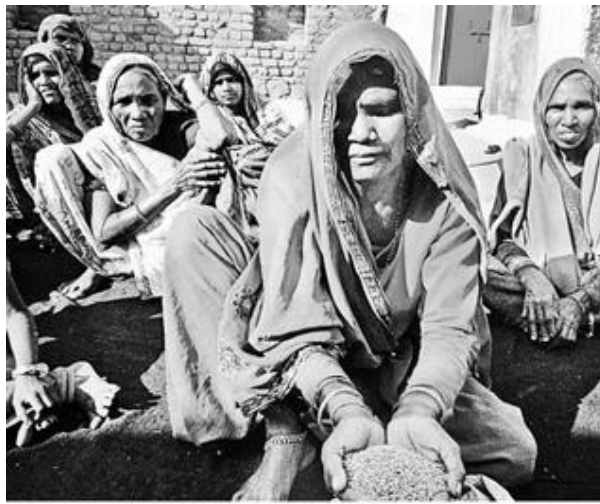
Speaking about Minimum Support Price (MSP) for various products Vijay Kumar said some farmers tend to hoard the commodities with the expectation of high returns on their investments. In such cases private banks will pay 70 percent of the current MSP and stock goods in warehouses before issuing a receipt. It is the risk farmers take to wait for higher prices and resort to distress sale under adverse conditions,” he said.

Earlier BKS secretary D. Ramu appreciated the Kisan Banks' programme and said soon other states would start such banks to uplift farmers.

BKS National General Body member K. Kumara Swami said the Kisan Banks are now going to be strengthened and would be registered as societies soon. The BKS sought government support for establishing such banks in all districts of the State.

BKS State president G. Sriram Babu, state secretary G. Krishna Kumar and others participated. Over 50 farmers, including directors from various districts, took part in the deliberations.

Rs. 1,304 cr. drought relief for U.P.



tough times:At Bhadauna village in Bundelkhand region of U.P., women show the fodder they consume to survive the drought.

A high-level committee headed by Union Home Minister Rajnath Singh has recommended Rs. 1,304 crore as a drought relief to Uttar Pradesh under the National Disaster Relief Fund (NDRF), after a meeting of the committee set up to review drought situation was held here on late Saturday.

Sources in the PMO said the State would disburse the relief amount directly into the bank accounts of farmers within a week.

It was decided that the U.P. government will forward a memorandum for Rabi 2016 soon and the Ministry will examine the possibility, if an exemption can be given under SDRF on 25 per cent limit and continuation of distribution of food component beyond 90 days.

The U.P. government, during the meeting, informed that a comprehensive contingency plan to address the drinking water situation in Bundelkhand region especially Mahoba, Chitrakoot and Banda districts of Chitrakoot division are ready and would be soon implemented, said sources.

Centre approved a provision of extending man-days from 100 to 150 under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the Bundelkhand for financial year 2016-17. It was decided that to provide alternate source of income, National Rural Livelihood Mission would be strengthened and intensified and coverage would be extended to all the blocks.

The meeting held to review the drought situation in Bundelkhand, is the first meeting after Prime Minister Narendra Modi had directed a high level review of drought situation in Bundelkhand, Vidharbha and Marathwada.

Wells, ponds to be dug

The government decided that water tanks, building of dug wells, farm ponds would be taken up on priority under various projects and schemes for Bundelkhand.

CEO, NITI Aayog, in consultation with State government will explore the possibility of taking up fresh projects for drought proofing from the resources available under the package for Bundelkhand region.

The State will disburse the amount into the bank accounts of farmers in a week

Green's prices soar with temperature

Soaring temperatures, shortfall in water and irregular power supply hampering the use of water from tube wells, have set the prices of green leafy vegetables soaring.

A bunch of coriander leaves is just shying away from Rs. 100, selling at Rs. 94, a phenomenal jump from the average price of a measure at Rs. 30 to Rs. 35. Not just coriander leaves, all the green leafy vegetables are selling at high costs.

While a bunch of fenugreek leaves costs Rs. 89, a bunch of sabbakki leaves is being sold at Rs. 52.

| RISING COSTS | |
|------------------|----------------|
| Item | Price (In Rs.) |
| Coriander | 94 |
| Curry Leaves | 56 |
| Mint leaves | 32 |
| Dhantu greens | 36 |
| Spinach | 35 |
| Basale greens | 32 |
| Fenugreek leaves | 89 |
| Sabbakki | 52 |
| Chakkota | 27 |



Senior Hopcoms officials attributed the soaring prices chiefly to fall in supply thanks to water shortage.

“Green leafy vegetables are water-intensive crops. The crops will dry out if they are not watered for even one day, in this hot summer. With severe shortage of water in the growing areas of Kolar, Doddaballapur and Devanahalli, farmers have even reduced the acreage of the crop causing severe shortfall,” a senior HOPCOMS official said adding that though prices of green leafy vegetables soaring in summer was expected, the prices today were highest in recent years.

Lemons and cucumbers, that parch thirsty throats in the summer, also cost dear. Though they are in huge demand this season, with Ramanavami festival coming up, the supply is short, sources said.

Their prices may further shoot up during the festival in the coming week, officials predict.

Water to be released to Thumbe dam again from tomorrow

Water from the AMR hydro power project dam across the Netravati at Shambhoor is expected to be released for the second time from Tuesday night as water-level in the downstream Thumbe vented dam, the main source of drinking water to the city, has depleted again by more than five feet.

According to sources in the Mangaluru City Corporation (MCC), water level at Thumbe dam stood at 7.5 feet on Sunday against the maximum 13 feet.

Earlier, water was released from the Shambhoor dam on March 28 after water-level in Thumbe dam depleted to 8.3 feet on March 26. Following the release, water had been stored up to a height of 12 feet.

No inflow

Sources said that there is no inflow in the Netravati now. Water stored in both the dams is sufficient to quench the thirst of the city only till May 10. The situation might aggravate if it doesn't rain by then in the foothills of the Western Ghats as farmers were also drawing water from the Netravati and Kumaradhara.

The water-level in Shamboor dam stood at 16.25 metres on Sunday against the maximum 18.9 metres. Water, which would be released from Tuesday, would be stored in Thumbe up to a height of 12 feet.

It would take at least 24 hours for the water from Shambhoor to reach Thumbe after traversing for about eight km. Sources said though 160 MLD of water was being pumped from Thumbe to the city, the actual availability of water for distribution would be between 90 MLD and 110 MLD. The remaining was lost to theft and seepage.

Arecanut farmers told to maintain optimum moisture in gardens

As arecanut growing belts in Karnataka and Kerala are experiencing significant rise in temperature since March which can result in reduced fruit set and shedding of premature nuts, the Central Plantation Crops Research Institute (CPCRI), headquartered in Kasaragod in Kerala, has asked farmers to maintain optimum moisture in the arecanut gardens through irrigation.

It has also advised for mulching the garden to reduce evaporation losses.

P. Chowdappa, Director, CPCRI, has, in a release, said that arecanut growing tracts experienced "significantly above normal temperatures (maximum, minimum and mean) during February and March when compared to the corresponding period of 2015.

Crop plants are highly sensitive to increased fluctuation in temperature during reproductive phase. Increase in maximum temperature decreases the

photosynthesis and reduces pollen germination. This results in reduced fruit set and shedding.

Apart from this, there was severe incidence of inflorescence dieback (8 per cent to 16 per cent) in five districts of Karnataka, said Mr. Chowdappa. This disease is caused by the fungus *Colletotrichum gloeosporioides*. It induces shedding of buttons.

CPCRI has suggested spraying Napthalene acetic acid (NAA) 20 ppm (0.2 g in 10 l water) to the inflorescence to prevent shedding of buttons. In addition to the recommended dose of potassium, an additional dose of 150 g of muriate of potash per palm may be applied with irrigation to the gardens with severe button shedding.

Spray mancozeb+carbendenzim (2 g / L of water) twice in 30 days, the release said.



Wake up, smell the leakage

Substantial number of interest subvention scheme loans are diverted to non-agricultural uses. Government must switch to an income-support subsidy regime



The RBI Committee on Medium-Term Path on Financial Inclusion (2015) has already recommended phasing out the interest subvention scheme and moving towards universal crop insurance.

The Union budget for 2016-17 has provisioned Rs 15,000 crore on account of interest subvention for short-term agricultural credit, up by Rs 2,000 crore over the revised estimate for FY16. The mere shifting of this line item from the department of financial services to the department of agriculture (DoA) gave an illusion of the funding for the DoA drastically increasing by 127 per cent. In reality, it was only nominally better.

But here we are more concerned about the swelling of unpaid bills of the interest subvention scheme. The last few budgets have consistently under-provisioned for the interest subvention subsidy and, as a result, the cumulative unpaid bills on this account to the banking system had already touched Rs 35,000 crore in FY15. If not nipped now, they may cross Rs 50,000 crore by FY17, without much benefit to the majority of farmers. Why do we say so?

The interest subvention scheme was introduced in 2006-07 to help farmers with cheaper credit for crop loans. It provided interest subvention at 2 per cent to banks for making crop loans available to farmers at 7 per cent. Further, an additional subvention of 1 per cent was introduced for farmers who repaid their loans on or before the due date; this was increased to 3 per cent in 2011-12.

Thus, farmers who pay their dues on time receive a subvention of 5 per cent and are charged an effective interest rate of 4 per cent. Some states, like Madhya Pradesh, have even given loans at zero interest to farmers. The banks are required to first credit the subvention amount to the farmer's account and then seek reimbursement from Nabard/ the RBI.

Therefore, any delay in settlement of claims of the banks and/ or insufficient budgetary allocations towards this scheme could have severe implications for the financial health of the banking sector.

With short-term agri credit growing at an average rate of 18 per cent per annum for the last five years, the financial liability under this scheme has been increasing sharply. However, in recent budgets, allocations have been far below the actual requirements, resulting in a mounting backlog of

unsettled claims. This cumulative backlog stood at almost Rs 35,000 crore by FY15. The budgeted amount of Rs 15,000 crore in FY17, therefore, is obviously way too little to meet the current year's needs and settle the previous backlog.

All this perhaps could have been justified if surging agri credit was leading to high growth in agriculture and rising profitability. But the reality is exactly the opposite. In the last two years, average agri GDP growth has collapsed to less than 0.5 per cent and profitability in farming has crashed, leading to acute farm distress.

The puzzle of rising farm credit at cheaper rates and falling farm incomes can be understood if one digs a little deeper to see how this scheme is being implemented. It smacks of substantial diversion of funds away from agriculture.

A farmer who receives loans at a concessional rate of 4 per cent has the incentive to borrow as much as possible and then divert at least part of it to fixed deposits earning around 7-8 per cent interest or even become a money lender and extend loans at 15-20 per cent interest to those who don't have access to formal institutional sources of finance.

It is curious that the short-term credit from institutional sources exceeded even the total value of inputs used in agriculture in 2014 by about 10 per cent, while the data from the All India Debt and Investment Survey revealed that 44 per cent of loans taken by farmers were from non-institutional sources in 2013.

This clearly indicates that a substantial part (at least 30 to 40 per cent) of crop loans under the interest subvention scheme is getting diverted to non-agricultural uses. Further supporting evidence of this comes from the sudden spike in agri loans — often crossing 60 per cent of the annual disbursement — that one witnesses in the last quarter of the fiscal year, though there is not much agri activity during the January-March quarter.

It is time to wake up, plug these “leakages” and rationalise the interest subvention subsidy. The RBI Committee on Medium-Term Path on Financial Inclusion (2015) has already recommended phasing out the interest subvention scheme and moving towards universal crop insurance.

It is better to use an income policy and directly transfer money to farmers' accounts linked to Aadhaar for all input subsidies like fertilisers, seeds, farm machinery and agri credit, and give them freedom to choose the right mix of inputs at market prices. We need to change the policy instrument — from price policy (subsidising inputs) to income policy (direct transfer to farmers' accounts). This will help reduce efficiency losses in the system.

China has already moved in this direction. It is now time for India to make this switch. The farm sector is crying out for bold reforms. Start by directly transferring input subsidies to farmers' accounts and let the markets for inputs be freed. This will plug various leakages, which hover anywhere from 30 to 40 per cent, promote efficiency, and will be more equitable as a subsidy income package can be designed on a per-hectare basis, with smaller landholders getting a higher per-hectare rate.

This will be a win-win situation. Politically, too, it will pay off handsomely as money will come directly to the accounts of farmers and the PM's seminal work in the Jan Dhan Yojana will bear fruit. Put money into farmers' accounts and let the markets do the rest.

Farm error

Forcing healthy PSUs to revive fertiliser plants won't help industry or agriculture. Government must deregulate pricing.



Indian farmers use twice the amount of nitrogen in the form of urea.

There are three broad problems with the NDA government's decision to get "healthy" PSUs to invest and revive three fertiliser units also in the public

sector. One, without the deregulation of fertiliser prices, the latest step cannot address the longstanding crisis in the fertiliser industry. Two, it does nothing to resolve the problem of grossly imbalanced use of fertilisers in Indian agriculture, which, in turn, is responsible for worsening soil health and stagnant yields.

Three, the decision undermines Prime Minister Narendra Modi's inspirational call for "minimum government, maximum governance". In essence, the government's decision points to an attempt to paper over its apparent inability to push for structural reforms in the fertiliser sector.

The problem with India's fertiliser sector is made up of the imbalanced use of fertilisers by farmers and the unviability of fertiliser production. The two problems are interrelated. As against an ideal ratio — 4:2:1 — for the use of nitrogen (N), phosphorus (P) and potassium (K) fertilisers, Indian farmers use twice the amount of nitrogen in the form of urea.

The only reason for doing so is that, traditionally, governments have subsidised urea prices by about 70 per cent as against 30-35 per cent for other nutrients like phosphorus, potassium and sulphur. No government has been able to change a subsidy regime wherein government fixes both the market and producer prices and pays the difference as the subsidy to the producers.

From the producer's perspective, as a result, there is no incentive to improve efficiency or increase production. Each year, anywhere between Rs 30,000-45,000 crore is stuck in subsidy payments and they are forced to take loans even for working capital. That is also why there hasn't been a single fresh investment in the sector since 1999, notwithstanding two new investment policies in 2008 and 2013. That is the reason, too, why no private firm has showed interest in reviving these plants.

The government should free fertiliser pricing and let private players produce a variety of customised products with differentiated prices and serve the vast market that exists in India. This will also allow farmers to choose the right fertiliser, improve soil health and productivity.

But what about the increased input cost for the farmer? Farmers can simply pass on the extra charge to consumers while government incorporates this increase in its calculation of minimum support prices. And what about the

increased price for consumers and the general public? Forcing publicly held entities into bad investments and assuredly worsening the soil further is likely to be far more costly. For now, faced with the choice between appearing pro-farmer and being pro-farming, yet another government has chosen poorly.

Maharashtra Govt plans policy reforms to make agriculture sustainable

The government has been facing criticism from various quarters, such as political opponents, courts and water experts, with regard to management of drought in Maharashtra.

THE MAHARASHTRA government has decided to make 40 per cent more allocations to rural infrastructure to make agriculture sustainable and farmers self-reliant.

Chief Minister Devendra Fadnavis said the government's priority was to provide water to farmers in remote villages. "By 2016 end, we will ensure replication of Israel's 'per-drop-more-crop' water management model to treat water as essential and economic commodity. Drip irrigation in high water-intensive crops will have to be enforced by one and all, including sugar cane cultivators," he said.

Stating that drought could not be dismissed as a rural phenomena, Fadnavis said the state would integrate policies to co-relate water management through linking of rivers, adopting crop patterns adaptable to climate changes and creating urban-rural markets through agro-industries.

The government has been facing criticism from various quarters, such as political opponents, courts and water experts, with regard to management of drought in Maharashtra.

On the controversy related to holding IPL matches in Maharashtra when the state is reeling under severe water shortage, Fadnavis said, "There is no question of providing drinking water to nurture the pitch. If they shift the game outside Maharashtra, I have no problems."

The CM said the state was fighting "hydrological drought" in some parts and "agricultural drought" in other. "If 15,600 villages are reeling under severe water scarcity in Marashtwada , there are 12,000 villages in Vidarbha that

are reeling under crop loss despite moderate rains. Almost 25,000 to 27,000 villages, out of the 40,000, are reeling under farm crisis,” he said.

Reckoning that April and May would be critical as water levels in dams, wells and ponds would go down further, he said, “We have made adequate provisions to ensure no body goes hungry or thirsty.

Union Railway Minister Suresh Prabhu has approved my proposal to deploy regular trains to supply water to drought-hit districts. Moreover, we have adequate food stocks in every drought-hit district. The 14 districts worst hit are being provided with free food grains and 68 lakh people are availing the scheme.”

Fadnavis said the government had been working on major policy reforms to plug the financially bleeding district cooperative banks on one hand and enhance the irrigation potential, “which has remained stagnant at 18 per cent for 15 years”, on the other.

On the steps undertaken to help the drought-hit, the CM said the government had made Rs 18,000-crore investments the last 15 months, spending on relief and crop loss compensation, crop insurance, ensuring free education to children in schools and professional colleges, and arranging health care.



30,000 farmers yet to apply for health insurance scheme

With an eye on the assembly elections, the much-hyped Bhagat Puran Singh Sehat Bima Yojana launched by the state government for farmers offering them Rs 5 lakh insurance cover along with and free health cover up to Rs 50,000 to the farmer and his family has received a lukewarm response in the district.

Of the over 50,000 farmers in Kapurthala district, the agriculture department had managed to register only around 20,000 farmers for the free insurance scheme despite active awareness campaign by the government.

Chief agriculture officer, Kapurthala, Jugraj Singh said there were 53,532 farmers in the district and only 19,896 had opted for the scheme since December 2015.



Of the over 50,000 farmers in Kapurthala district, the agriculture department had managed to register only around 20,000 farmers for the free insurance scheme despite active awareness campaign by the government. (Livemint photo)

Agriculture department records reveal that 4,223 farmers in Kapurthala, 6,141 in Sultanpur Lodhi, 3,864 in Bholath, 2,162 in Dhilwan and 3,506 in Phagwara have applied for the scheme.

A district-level function will be organised by the district administration at Virsa Vihar on Monday to distribute cards to the beneficiaries. Cabinet minister Ajit Singh Kohar would preside over the function in which 8,000 Bhagat Puran Singh Sehat Bima Yojana cards will be given to farmers in the first phase.

However, most of the farmers who are worried about their wheat crop have termed the scheme eyewash. They say schemes are launched by governments just before elections to get votes.

A farmer from Bholath, Sukhwinder Singh, said the government was making a fool of the farming community for the past several years. "Politicians make promises and forget them conveniently. If the government was serious about the farmers' welfare, the scheme should have been launched two-three years back," he added.

Another farmer of Phagwara, Raminderjit Singh Aulakh, said: “The government had even failed to give adequate compensation to the farmers whose crops were damaged due to rain and hailstorm last year. Some farmers got cheques for Rs 250 to Rs 500. The government has launched the scheme just to get farmers’ votes.”

District Mandi officer Pal Singh said they had been making the farmers aware about the scheme. “Farmers can also apply for the scheme after showing a ‘J form’, document that has the record of the sale of the crops with district mandi and Aadhaar card,” he added.

Meanwhile, on Friday, Kapurthala deputy commissioner Jaskiran Singh held a meeting with officials of the health and agriculture departments and district administration regarding the scheme and to review preparations of district-level function.

THE HINDU BusinessLine

Will sugar retain its sweetness in 2016-17?



Strong domestic demand will limit the extent of price correction



Sugar prices surged in March and touched a 17-month high at 4.6 cents/lb at the ICE, US, after the International Sugar Organization (ISO) revised the figures for global production deficit upward. With domestic demand being relatively stable in India, sugar prices in the country are largely a function of net domestic availability (domestic production – export + import if any) and change in global supply situations or any perception about that.

Given a 14 per cent monsoon deficit and near-drought conditions (that adversely affected cane crops in Maharashtra and Karnataka), India was estimated to produce 28 million tonnes (MT) in the 2015-16 sugar season starting from October to September. However, till March end, Indian sugar mills have produced 23.7 million tonnes, down 1.1 million tonnes from last year. As on March 31, out of 366 sugar mills only 215 mills were operating, with adverse implications for overall sugar production.

With only 58 out of 135 mills operating, Maharashtra (largest producing State) has produced 8.2 MT against last year's 9.36 MT. Another key producing State, Karnataka has produced only 4.01 MT against 4.24 MT last year.

According to revised government estimates and ISMA, sugar production for the current year will be 25.6 MT and 26 MT, respectively, compared to 28.3 MT produced in 2014-15 — i.e. a shortfall of 2.7 to 2.3 MT.

ISMA estimates that sugar stocks at the end of sugar season 2015-16 will be 7.5 MT compared to 9.1 MT a year back. Sugar analysts opine that lower-than-average rainfall will adversely affect sugarcane production in 2016-17 in major parts of Maharashtra and Karnataka. But this shortage is likely to be well compensated by higher production from UP and Tamil Nadu. UP has

increased acreage under CO 0238 variety, which gives a much higher yield and sugar recovery.

Export prospects

Besides production deficit, things started looking brighter for sugar export as international sugar prices soared by over \$50/tonne. The Maharashtra government has waived the 3 per cent tax on cane purchase for mills that are able to export 12 per cent of their sugar output in the October 2015-September 2016 period.

However, the relative strengthening of the rupee vis-à-vis currencies of Brazilian real (against \$) has been playing spoilsport. Moreover, since September, domestic sugar prices surged by as high as 35-40 per cent, thereby reducing the attractiveness of export markets. Since October 1, India has shipped just 1.3 million tonnes of sugar against the target of 3.2 million tonnes. Thus, the prospect of sugar exports in the near future is bleak. Government sources say that at the end of 2015-16 sugar season (October 2015-September 2016), it won't be surprising if India's sugar export doesn't cross the two MT mark.

International situation

Because of unfavourable weather condition, analysts have slashed their production estimates for most sugar producing regions, including India, Thailand, EU and north-east Brazil.

A dry El Nino has reduced agricultural yield and sugar recoveries in Thailand, which is estimated to produce 10.3 million tonnes in 2015-16, in the best case scenario — a shortage of over 6,00,000 tonnes. This trend is likely to continue in 2016-17.

Again, analysts have slashed their previous estimates for Chinese sugar production by over 3,00,000 MT, from 9.5 MT to 9.2 MT. A substantial portion of India's sugar exported to Myanmar finds its way into China informally. Hardening domestic prices mean that there will be less export of Indian sugar to China via Myanmar. On the other hand, ISO has raised its global (sugar) deficit forecast to 5 MT for 2015-16 on expectations of lower production from India, Thailand, north-east Brazil and the European Union. This is more than its November forecast of 3.5 MT. However, Brazil's

centre-south region (which accounts for over 90 per cent of the country's production) is expected to have bumper cane production in 2016-17. Moreover, a depreciated real will make export attractive and lead to more cane diverted for sugar production than for ethanol.

El Nino-induced dry weather is expected to recede by May. A climate management company, Weather Risk Management Services has predicted above-normal and well-distributed monsoon for India after two successive droughts that will improve prospects for cane planting in 2016-17.

Outlook

Thus, prices are likely to see some correction on expectations of improved supply from Brazil, and forecast of above-normal monsoon for India in the 2016-17 sugar season. However, strong domestic demand will limit the extent of price correction. The IMD's forecast, expected on April 20, will provide a clearer picture on the June-September rainfall and help in arriving at a more accurate estimate for next season's sugar production.

The writer is VP and Head, Agriculture, Food and Retail, at Biznomics Consulting

Falling milk procurement prices put dairy farmers in a churn



Sour prospects A file photo of workers packing milk packets at the Aavin dairy plant in Chennai

High level of milk powder inventory in Maharashtra behind the fall in prices

Falling milk procurement prices combined with rising fodder costs have left dairy farmers in dire straits. Large branded milk labels, however, have seen their margins widen as they have refrained from reducing retail prices of milk and value-added products.

Milk procurement prices in Maharashtra have fallen to ₹18-19 a litre from ₹24-25 in the last few months as processors have cut down on procurement to reduce the high inventory of milk powder.

Higher inventory

Milk being a highly perishable commodity, farmers are forced to offload their produce to nearby dairy farms and have little bargaining power.

Dry milk powder inventory has gone up to 1-1.50 lakh tonnes from the usual level of 78,000 tonnes due to weak demand in export markets.

The inventory level of dry milk powder has remained firm despite prices of skimmed milk powder in the domestic markets falling 32 per cent to ₹140-150 a kg. Shiva Mudgil, Senior Dairy Analyst (Food and Agribusiness Research), Rabobank, said milk exports have come to a standstill due to the sharp fall in international prices and processors find it more remunerative to sell in the domestic market.

“Milk procurement prices in the international market have fallen to \$1,700 a tonne from \$4,000 in the last 18 months due to lower demand in China and New Zealand,” he said.

While large milk processors have either reduced prices or are offering discounts on value-added products such as cheese, curd and butter milk, they have refrained from cutting down on packed milk prices.

Rs. Sodhi, Chairman, Gujarat Dairy Development Corporation, said “the possibility for us to reduce retail prices is limited as we pay a higher price to farmers in Gujarat compared to private sector players in other States”.

Farmers in Gujarat get ₹28-31 a litre for cow milk and ₹38-41 for buffalo milk while in Maharashtra farmers are paid ₹18-20 a litre for cow milk and ₹30-36 for buffalo milk, he said.

The possibility of retail milk prices coming down is limited unless fodder prices fall substantially thus reducing the overall cost for farmers, Sodhi added.

Feed prices

Adding to dairy farmers' woes, animal feed prices have gone up by 20-30 per cent over the last year due to bad crop seasons in the last two years.

On the back of weak monsoon rains in consequent years, the Centre has been encouraging farmers to diversify into allied activities to ensure a steady non-farm income.

In fact, few State governments have pushed farmers to focus on animal husbandry for a steady income from selling milk and milk products, as well as meat, fish and eggs.

Golden Leaf tea award winners

The winners of the 12th edition of The Golden Leaf India Award: Southern Tea Competition (TGLIA:STC) have been announced. The competition is a joint initiative of Tea Board and the United Planters' Association of Southern India (UPASI), Coonoor.

Harrisons Malayalam Limited-RP Sanjiv Goenka Group won eight awards, Joonktollee Tea & Industries Limited and United Nilgiri Tea Estates Company Limited won five each, Hittakkal Group won four, Parry Agro Industries Limited and Woodbriar Group won three each, Darmona Tea Industry, Kanan Devan Hills Plantations Company Private Limited, Kodanad Estate and Tata Coffee Limited won two awards each, Balanoor Plantations & Industries Limited and Harrisons Malayalam Limited won one award each.

“The international jury who evaluated the competing tea grades comprised Abdurahman Kunnath of Sun Group, Dubai, Andrey Kraynev of James Finlay, Dubai, Nick Revett of R Twining & Co Ltd, UK, Richard Smyth of Tea Trading International, Dubai and M Yahya Beyad of Britannia Tea Co Ltd, UK,” TGLIA:STC convener V Unnikrishnan said.

Centre to start work on Kharif 2016 strategy next week

The Centre will work out a strategy for crop production for the coming kharif cropping season keeping in mind the recent crop damage due to unseasonal rain and moisture stress and deficit monsoon last year.

The strategy will be thrashed out at a national conference on kharif 2016 next week.

The kharif cropping season is from July to October during the South-West monsoon.

“The South-West monsoon of the previous kharif season was very weak leading to a deficit of 14 per cent rainfall in the country. The rabi 2015-16 season also had less post-monsoon and winter rains and the availability of moisture in the soil is low. A strategy needs to be evolved for the coming kharif season in view of the above,” according to an official release of the Department of Agriculture.

The Kharif Campaign 2016, assumes great importance in view of the recent crop damages on account of moisture stress due to deficit, and uneven and untimely rains, hailstorm and other natural calamities, the release added. Farmers in States including Punjab, Haryana, Delhi, Rajasthan, Gujarat and Maharashtra suffered damages to their crops.

Senior officials from the Departments of Agriculture, Horticulture, Animal Husbandry and Dairy and Credit, Cooperation & Marketing from all the States and Union Territories would participate in the conference to discuss and finalise the strategy for kharif 2016.

The recommendations of each of the four domains will be finalised on the second day of the conference starting on Monday and presented to the Agriculture Minister.

Senior officers of various Central Ministries and Departments such as fertiliser, water resources, land resources and all the three departments of agriculture will also participate.

“The strategy formulated in the Kharif Campaign, 2016, in the backdrop of the announcement by the government of doubling the income of the farmers in the next six years, is crucial,” the release said.

Manipal University, Nabard join hands in farm-to-table project



MONKEYBUSINESSIMAGES/SHUTTERSTOCK

People in Manipal will soon be able to check the availability of farm fresh produce from Benegal, Kukkehalli and Mattu villages on their mobile handsets. Manipal University and Nabard (National Bank for Agriculture and Rural Development) have joined hands to connect farmers directly with consumers, eliminating the need for intermediaries such as middlemen.

Farmers from these villages near Manipal will list their produce with farmer producer organisations (FPOs) in their respective villages. The Centre for Social Entrepreneurship of Manipal University, with help from Nabard and other agencies, will market them in the Manipal University campus.

Prasad Rao, Assistant General Manager of Nabard, Mangaluru, said that each FPO has been sanctioned ₹9.06 lakh to implement the project.

Creating markets

HG Joshi, co-ordinator of the university’s Centre for Social Entrepreneurship, who is also professor at the Department of Commerce of Manipal University, told *BusinessLine* that the the initiative will not only

help farmers reduce their dependence on middlemen in marketing but also help create new markets for their produce.

He said the university campus houses around 30,000 students, and there is a lot of demand for vegetables, especially fresh and leafy ones.

Farmers will list what is available with them in the FPOs, and the centre will assess the requirement in Manipal. The Udupi Agricultural Growers' Society provides the logistical support between the producer and the market.

The amount due to farmers from the sale of produce will be credited directly to their bank accounts.

To avoid any supply glut, steps will be initiated to develop a consensus among farmers so that different vegetables are grown in a village.

On the average production from these three clusters, Joshi said farmers are hopeful of meeting 60 per cent of the requirement of Manipal.

The initiative aims to map the entire farm produce, wild fruits, and other value-added traditional farm products available in the three villages.

App coming

Thanking the Vice-Chancellor of Manipal University, H Vinod Bhat, for encouraging the centre to implement this concept, Joshi said a vegetable outlet will be opened on the Manipal Institute of Technology campus on April 11.

Stating that an app is being developed to connect farmers with consumers in Manipal, he said it would have a database of suppliers, seasonality of supply, pricing and information on availability of vegetables and other farm products on a daily basis.

Volume dips to 8-week low at Coonoor sales

The falling trend witnessed in the offer for the auctions of Coonoor Tea Trade Association continues sharply with the volume being offered for Sale No: 14 which will conclude on Friday crashing to eight-week low.

A volume of 9.56 lakh kg has been catalogued. This is some 59,000 kg less than last week's offer.

Of this, 6.55 lakh kg belongs to leaf grades and 3.01 lakh kg, dust grade. As much as 8.72 lakh kg belongs to CTC variety and only 84,000 kg, orthodox variety. The proportion of orthodox teas continues to be low in both leaf and dust grades. In the leaf counter, only 39,000 kg belongs to orthodox while 6.16 lakh kg, CTC. Among the dusts, only 45,000 kg belongs to orthodox while 2.56 lakh kg, CTC.

Homedale Estate's Broken Pekoe, auctioned by Global Tea Brokers, topped the Leaf auction and the entire CTC market last week when Ketti Valley Tea India Pvt Ltd bought it for ₹201 per kg. Vigneshwar Speciality's Broken Orange Pekoe Fanning came close at ₹200/kg. These were the only two CTC grades which crossed ₹200/kg as buyers showed resistance to pay high prices. Darmona Estate's Super Red Dust topped the Dust auction fetching ₹193.

Good liquoring tea prices down at Kochi sale

Prices of good liquoring high-priced teas eased at Kochi auction this week amid low arrivals.

However, medium teas in CTC dust having bright infusion and liquors dust was firm to dearer. There was good enquiry for this particular variety from leading blenders, auctioneers Forbes, Ewart & Figgis said.

Though the quantity on offer in sale no 14 was low at 7,89,500 kg, plainer grainier varieties were firm to dearer and powdery grades witnessed a declining trend. There was subdued demand from exporters amid active participation.

In orthodox grades, the quantity on offer was 13,000 kg. Market for primary grades was lower and witnessed lot of withdrawals. Secondaries were firm to dearer.

In Cochin CTC dust quotation, good varieties fetched ₹104-152, mediums realised ₹95-130 and plain grades stood at ₹90-105.

In leaf category, many varieties of orthodox grades were dearer following quality. Market for Nilgiri brokens, whole leaf and fannings witnessed strong feature and appreciated by longer margins of ₹5 to ₹10. The quantity on offer was 73,500 kg with 85 per cent of the offerings getting sold.

In CTC leaf, bolder brokens and fannings was firm to dearer and the quantity on offer was 71,000 kg.

In dust category, Monica SFD quoted the best prices of ₹153 followed by Mayura SFD at ₹152. In leaf, Chamraj FOP-Sup (green tea) came to the top quoting ₹352 followed by Kodanaad TGFOP at ₹292.

Business Standard

States key to success of common agri markets

By April 14, the central government hopes to integrate 360 mandis or wholesale markets spread across 16 states under a common electronic platform to be called the National Agriculture Market (NAM). In the first phase, a pilot will be launched in 20 mandis across eight states.

Experts believe this will usher in a new era in agriculture marketing and could be a permanent solution to the dreaded Agriculture Produce Marketing Committee (APMC) Act, the legislation through which state governments exercise control over wholesale markets.

The APMCs were established to provide an organised market place to farmers and to ensure that they are not exploited at the hands of unscrupulous buyers. Ironically, in the last 15-20 years, they have played a role, which is opposite to their stated objective. The 2,400-odd recognised APMCs have become a den of political interference, nepotism, exploitation and corruption.

As the levies collected by APMCs do not go to the state exchequer, and also any spending does not require legislature approval, their operations often do not come under scrutiny.

The 2014-15 Economic Survey points out that the commission charged by licensed agents (those authorised to act as middlemen between buyers and sellers) is exorbitant because unlike direct taxes, which are levied on net income, the commission is usually charged on the entire value of the produce sold.

To overcome these ills, the Centre in 2003 framed a model APMC Act. But since agriculture is a state subject, its role was limited to framing the Act.

The Act is based on seven pillars - (a) allowing direct sale of farm produce to contract farming; (b) setting up of special markets; (c) allowing private persons, farmers and consumers to establish new markets outside the established APMCs; (d) single levy of market fee on sale of any produce within the notified area; (e) to replace licence with registrations; (f) facilitate direct sale of farm produce; and (g) creation of market infrastructure from revenue earned by the APMC.

However, no state adopted the Act in totality. The contentious and politically volatile issues like single levy or market fee were left untouched by most states. The initiative, therefore, remained a half-hearted effort.

The NAM hopes to break this nexus and move towards a uniform integrated market for farm produce. Under this, only those states that have undertaken three major reforms in agriculture marketing - namely have a single licence for wholesale, allow direct purchase from farmers, and have modernised the warehouse receipt system - would be eligible for the central grant of Rs 30 lakh to set up the online infrastructure.

As of March 2016, the Centre said, proposals had been received from Gujarat, Maharashtra, Telangana, Jharkhand, Chhattisgarh, Madhya Pradesh, Rajasthan, UT of Chandigarh, Haryana, Himachal Pradesh, Uttar Pradesh and Andhra Pradesh for integration of 365 mandis with NAM and initial funds have also been disbursed in some cases. The Budget for FY 2016-17 has provided Rs 200 crore to set up this platform.

"The concept is fine, but unless there is a prior requisite of standardisation, gradation and assessment of the farm produce, it would be difficult to find buyers. In agriculture, it is very difficult to ascertain the quality," says Gokul Patnaik, chairman of Global AgriSystem Private Limited. Before launching

the platform, the Centre should have established a proper system of standardisation and gradation, he adds.

Experts say the model APMC Act too needs to be amended to make it more relevant to the changing pattern of marketplaces where online and e-commerce is becoming more important.

Arghya Sengupta, founder and research director, Vidhi Center for Legal Policy, says the ideal manner to implement a technology-based national market is with full cooperation of state governments. "The Centre must respect the fact that agriculture is a state subject in the Constitution and for NAM to be successful, amendments to APMC Acts in states might be required," he says.

However, there are provisions in the Constitution - through Concurrent List Entry 33 and Entry 42 of Union List - to create a national common market for agriculture commodities. Experts say that this could involve walking on a thin line fraught with legal difficulty. "It is preferable that NAM becomes a live example of cooperative federalism in action with the Centre and states collaborating to make it a reality," says Sengupta.

Arpita Mukherjee, a professor at ICRIER, points out that unless direct sourcing is allowed and all types of mandi taxes are done away with for the goods sold through the platform, it would be very difficult to attract corporate and big buyers. "The corporate sector does not like to work with multiple farmers," Mukherjee added. The success of the project would depend on states adopting this system wholeheartedly, and making appropriate amendments to the APMC Act.



THE TIMES OF INDIA

Govt centres shut, farmers take crops to market

The district administration officials on Saturday inspected 31 government centres entrusted with the task of buying wheat from Noida and Greater Noida farmers at the minimum support price. Some of these centres were found closed and the officials have served them notices.

The officials visited areas like Rabupura, Jahangirpur, Nimka, Jaunchana, Charauli, Jewar, Rabupura, et al. Rajesh Kumar Yadav, ADM finance and revenue, Gautam Budh Nagar - who is the nodal officer for the job - said all centres must be functional at the time of harvesting to help farmers sell their crops at a reasonable price.

Yadav said wheat is bought directly from farmers under various government schemes. "We directly buy crops from farmers to cut the role of middlemen, who often cheat farmers. The minimum support price for wheat is Rs 1, 525 per quintal. The total production of wheat in the district is around 29, 000 metric tonnes," he said.

Thakur Dharendra Singh, a farmer leader, said because of the hot weather, the wheat crops have matured a little early this season. "Some farmers have started selling their crops in the market. The administration should ensure that all the government centres are open so that we don't have to sell elsewhere," he said.

Yadav said that all the centres will be functional from Monday. "We will also supervise and monitor their functioning. We will ensure that no farmer sells their crops at a price lower than the minimum support price," he said.

The collected grains are sent to the buffer stock of state and central government. These are further distributed among the poor and needy under National Food Security System.

Manipal varsity will help farmers sell produce directly

Manipal University in association with NABARD will provide agriculturists a platform to motivate and initiate farmer producer organisations in three clusters of Kukkehalli, Benegal and Mattu villages in Udupi to sell their produce without depending too much on middlemen and also provide assistance in creation of new markets. The purpose is to get farmers direct access to customers through farmer producer organizations.

To facilitate the sale of the produce, the Centre for Social Entrepreneurship, department of commerce, Manipal University initiated an agri zone named 'Nimma Thota' on the campus, which will be inaugurated on Monday near block 21 MIT campus, according to Dr H G Joshi, coordinator, Centre for

Social Entrepreneurship. A G Kodgi, former president, third finance commission, Karnataka will be the chief guest.

As for the functioning of Nimma Thota, the produce will be collected at three clusters by respective societies and supplied to the agri zone in Manipal.

The rates, to be much lower than in the markets, will be fixed by the Udupi Agricultural Growers' Society. The role of Centre for Social Entrepreneurship will be information dissemination, provide space for selling and development of an app for the use of growers and customers.

THE ECONOMIC TIMES

Government wants local GM cotton seed by next year to check Monsanto



The Competition Commission (CCI) is investigating whether an Indian arm of the US-based technology major resorted to anti-competitive practices in the GM cotton seed market.

NEW DELHI: With US-based seed giant Monsanto facing regulatory heat in India over monopoly concerns, the government has expedited work to bring

out a local genetically-modified version of cotton seed by next year.

"The Central Institute for Cotton Research (CICR) has been doing research in GM cotton for quite some time now. In a recent meeting, the issue was discussed and CICR has been asked to expedite research work and come out with GM cotton as soon as by next year," Agriculture Secretary Shobhana K Pattanayak told PTI.

The direction to CICR has come at a time when pests like pink bollworm has developed resistance to Monsanto's second generation Bt cotton variety, Bollgard II, in some parts of India and caused crop damage.

Also, Monsanto's Bt cotton is the only GM crop allowed for commercial cultivation in the country. A substantial level of the country's cotton contains Monsanto's hybrid technology, which has been sub-licensed to 49 Indian seed companies.

The Competition Commission (CCI) is investigating whether an Indian arm of the US-based technology major resorted to anti-competitive practices in the GM cotton seed market.

The probe follows two separate complaints filed against Monsanto's Indian arm -- Mahyco Monsanto Biotech India Limited (MMBL) -- one by three domestic seed companies and another by BJP Kisan Morcha that was forwarded by the Agriculture Ministry to CCI.

Another official in the Agriculture Ministry said that the institute (CICR) has been asked to develop non-hybrid Bt cotton variety as they are also a solution for the growing pink bollworm menace.

CICR could have come out with GM cotton many years back had the biotechnology regulator GEAC not prevented it from going ahead with research in the absence of clarity on patent rights on Monsanto's Bt cotton technology, sources said.

But last year, the NDA government clarified that Monsanto has patent rights on second generation Bollgard II technology and not on earlier version Bollgard I.

After the government's clarification, sources said many seed companies have

approached CICR while others are doing research on their own to bring their non-hybrid Bt cotton seeds in the market in the next few years.

Meanwhile, the government has decided to promote cultivation of indigenous cotton varieties this year.

In 2015-16 crop year (July-June), there was a significant damage to cotton crop because of whitefly and pink bollworm pest attack in states like Haryana, Punjab, Rajasthan, Gujarat and Andhra Pradesh.

Farmers are digging borewells up to 2,000 feet in Kolar in Karnataka



While the drought-hit Kolar and Chikballapur regions might have got some relief during the north-east monsoon late last year, the northern interior districts of Karnataka continue to suffer from the worst drought the area has seen in years.

Rows of plastic pots in bright colours and in different states of disrepair converge at a tap at Thotli village in Kolar district in Karnataka, though no owner is in sight. The water for the day has already been collected after a two-hour wait in the morning; these pots mark their place in the queue for the next day, explains Bhagyamma, who stays across the road from the public tap.

She gets two pots of water from the tap and spends Rs 8001,000 a week on buying water from a tanker. "We need at least 15 pots just for household

needs. With cattle, it will be double," she says. In the next village Thernahalli, Ramachandra Gowda, who grows tomatoes on two acres, says he had to dig 1,800 ft before he got to water in his borewell.

"It's getting worse. Last year, we had to dig 1,500 ft and this year it is 1,800-2,000 ft," says Gowda, who also buys four tankers of water every four days at Rs 1,000 for his crops. Gowda was among the 10,000 farmers from Kolar and Chikballapur in southern interior Karnataka, who had descended on Bengaluru last month to protest against drinking water crisis, after their 165-day of agitation in Kolar came to naught.

They arrived in tractors and on bullock carts to drive home the point that they were suffering while the capital remained ignorant of their water woes. "We came to Bengaluru to ask for water, but got lathicharged in return," says Gowda. Last September, all five taluks in Kolar district were declared drought-hit. According to a December 2015 report by a parliamentary standing committee on water resources, 23 per cent of the groundwater assessment units in Karnataka were found to be over-exploited, making it one of the nine states in the country where the groundwater levels had reached a critical stage.

Water, Anyone?

While the drought-hit Kolar and Chikballapur regions might have got some relief during the north-east monsoon late last year, the northern interior districts of Karnataka continue to suffer from the worst drought the area has seen in years. "There was a 32 per cent rainfall deficiency during the south-west monsoon and a 54 per cent shortfall during the north-east monsoon in 12 districts of northern Karnataka.

Together, it becomes the most severe deficiency the region has witnessed in the last 45 years," says G Srinivasa Raju, director of the Karnataka State Natural Disaster Monitoring Centre. Out of the 69 taluks in northern interior Karnataka, 62 have been declared drought-hit during the rabi season.

This year, 32 lakh hectares in the state were affected by the dry spell during the south-west monsoon, while 22 lakh hectares were affected during the rabi season. The 12 districts in northern Karnataka bore the brunt of the failure of the rabi crop, with the loss estimated at over Rs 7,200 crore.

A 45 per cent shortfall in reservoir levels and the drought in Maharashtra reducing the flow of the Krishna river into the Kabini catchment area were compounding woes, says Raju. "In the short-term, drinking water has to be provided, fodder banks opened and employment generation has to be stepped up through MGNREGA, while water-shed development works should be taken up as a long-term strategy," he adds.

Karnataka's agriculture minister, Krishna Byre Gowda, identifies the same challenges in drought-relief measures. "Agriculturally, this is the off-season, so our focus is on providing drinking water to people, fodder for livestock and employment," he says.

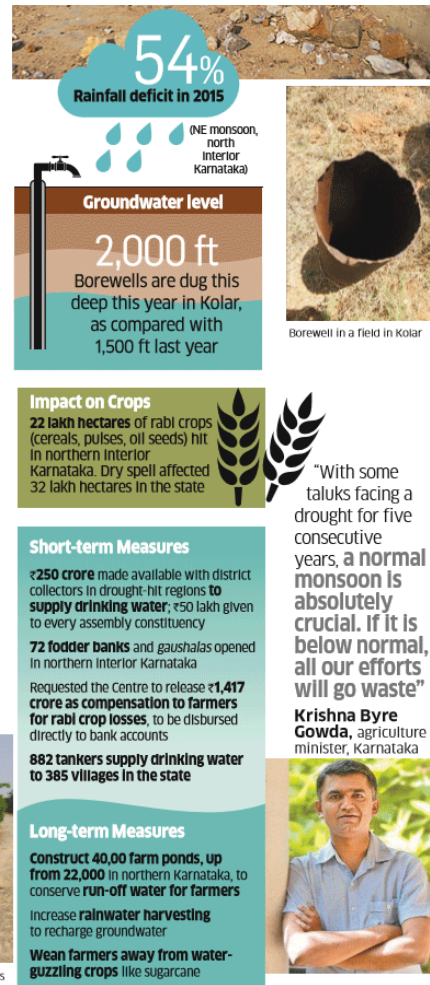
For this, Rs 250 crore has been made released as emergency funds with district collectors, out of which Rs 130 crore is still available. While Rs 50 lakh has been released to each assembly constituency, another Rs 50 lakh each will be released this month, says minister Gowda on the phone from Bidar, as part of his tour of the northern districts.

"Anticipating the crisis to worsen next month, we have told the district collectors to procure fodder from wherever it is available and set up fodder banks.

Chief minister Siddaramaiah has said that they should open these without waiting for the people to approach them."

So far, 72 fodder banks and some gaushalas have been opened in the drought-affected areas. Others, like the Infosys Foundation, have also stepped in to augment government efforts in providing drinking water. "The drought is very serious this year.

Every day, we are making around 40 tanker trips but we want to take it to 100, if we find a good source of water," says Sudha Murty, chair person of the foundation. They are currently giving fodder for animals and supplying water to areas in north Karnataka where gram panchayats have approached their volunteers.



"We intend to continue till the rains come," adds Murty. In Kolar, the administration is supplying water in tankers to 36 villages. It has also set up 195 units, with reverse osmosis facilities, which are supplying drinking water at Rs 2 for 20 litres, says additional deputy commissioner RS Pedapayya. "We also have the second highest number of farm ponds in the state. It supplements irrigation, even though it might not recharge the groundwater," he says.

Dam on Paper

While temporary measures might provide relief, farmer associations want permanent solutions, such as the implementation of the Yargol project which, although commissioned by the then chief minister HD Kumaraswamy in 2006, is yet to see any progress beyond the laying of the foundation stone. The project involves building a composite dam across the

Markandeya river near Yargol village, with a storage capacity of 787 TMC (thousand million cubic feet).

completed, Kolar's perpetual water crisis will be resolved," says K Narayana Gowda, state vice-president of the farmers' organisation Karnataka Rajya Raitha Sangha. The association plans to renew their agitation for permanent potable water supply soon.

"We will launch our next agitation in Kolar on April 15, with 15,000 people," he says. In northern interior Karnataka, persuading farmers to look beyond water-guzzling crops like sugarcane remains a challenge while formulating long-term solutions to drought, acknowledges minister Byre Gowda.

"In my conversations with farmers, when I ask them what crop will they grow next, they immediately say sugarcane, because it is the easiest to grow. We are encouraging them to use measures like micro irrigation, but I'm not sure there will be a structural shift in crops in the medium term," he says.

The prediction for the monsoon is expected in the third week of April and signs so far point to a normal monsoon, he says. "That is absolutely crucial for Karnataka, where some taluks have been facing drought for five consecutive years. If the monsoon is below normal, all our efforts would be in vain."

Drought-hit Maharashtra plans cloud-seeding

MUMBAI: Unwilling to take any chances with rainfall this year, the Maharashtra government plans to undertake cloud-seeding in parts of the state at the start of monsoon, especially over water supply schemes that provide water to the parched MarathwadaBSE -5.00 % region.

The experiment was conducted last year between August and November, but officials say the project wasn't very effective as there weren't enough moisture-laden clouds and it was only the receding monsoon that they could tap at that time. The government has learnt its lesson and decided to start the cloud-seeding programme this year right at the beginning of the season in June and continue till August.

Cloud-seeding is a process to augment rainfall by spreading either dry ice (or more commonly silver iodide aerosols) into the upper part of clouds to try to stimulate the precipitation process and form rain.



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Officials added that the artificial rain exercise was conducted over Marathwada last year, but since the normal average rainfall the region receives is 60-80mm, this year they will focus on western Maharashtra where the average rainfall is 1200mm.

Drought-hit farmers abandon cows to hunger and death

The nomenclature of "cow belt" appears appropriate when travelling past Jhansi into the villages of Bundelkhand in Uttar Pradesh. Herds of cattle can be seen at regular intervals when passing through the highway that connects the town with the rural parts of Bundelkhand.

The cows stoically bear the heat and walk single file on either side of the highway. They sniff at the vegetables sold by the local vendors seated on the ground at makeshift marketplaces. They gaze at the cooks at roadside eateries, hoping they would offer something.

The cooks carry on with their work and pay no attention even as the cows almost thrust their heads into the space where the grim men — profusely sweating in the heat — make rotis. The cows eat plastic and other kinds of refuse from garbage dumps across the district. Most of the animals appear

weak. These emaciated cows are a symbol of the relentless misery suffered by the farmers of the region, which is hit by drought for successive years.



Instances of farmers committing suicide continue to be reported from several parts of Bundelkhand. But if the never-ending spate of selfdestruction was not tragic enough, many among those who have decided to live and fight it out now have to beg for food and water.

The cow is revered here just as it is in most of north India. Yet the farmers have little choice but to let them loose on the streets as they cannot afford them any longer. Most of them say that while they have become habituated to drought, having faced it repeatedly over the last decade, this year can be counted as the toughest. The reason is that, while in earlier times, the drought meant indebtedness, this year they are struggling for food and water.

Parched Picture

Instances of farmers committing suicide continue to be reported from several parts of Bundelkhand. But if the never-ending spate of selfdestruction was not tragic enough, many among those who have decided to live and fight it out now have to beg for food and water. A recent survey—led by the Yogendra Yadavheaded Swaraj Abhiyan—of households in seven districts of Bundelkhand confirmed that the situation has indeed hit rock-bottom.

To begin with, a majority of respondents said "yes" to separate questions on whether they quarrelled over water, whether they had to spend more than an hour collecting water, and whether the quality of water had deteriorated.

Almost 20% of the poorest respondents said they had gone hungry at least once in the last 30 days, while 14% of those classified as general respondents said they had gone hungry at least once during the said period.

At least 17 per cent of respondents said they had consumed rotis made of grass called fikara . The survey also confirmed multiple instances of death of cattle due to consumption of poisonous fodder or starvation.

Since that survey, conducted in late 2015, the situation has only worsened. Activists in the region explain that one indicator of further degeneration is that workers who had migrated to cities preferred not to come home for this year's Holi as they didn't want to burden their already weighed-down families.

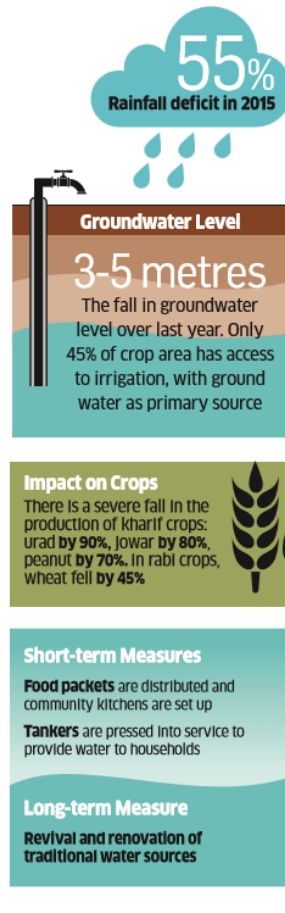
Lakshmi Seharya, a mother of two, says that the decision to let loose a cow and its calf was painful. But the choices are limited. "Should we look after the cows or the children?" she asks. Her husband Mahesh has taken another cow, the last one in their herd, to the next village to quench its thirst.

All the wells in the Khadesra Khurd village in Lalitpur district where they live have dried up and most of the hand pumps are of no use as the water table has sunk low. Dwarka Seharya, a relative of Lakshmi, expresses his anguish at having to let loose the cow: "We touched its feet and then took it to a place where it could quench its thirst. That cow had given us milk for so many years. We do feel sad."

That these are desperate times are evident when he adds that in better times he could hope for about 800 kg of wheat per acre; this year he got less than 100 kg. Parmarth, an NGO that has been working towards water conservation in the region, is also setting up of community kitchens in several villages. One such kitchen has been started next to the Seharyas' home by the side of the wheatfields.

The community kitchen offers food twice a day to the elderly, the differently-abled and children of farmers who had migrated, mostly to Delhi, in search of work. "The village has almost been cleaned up of its able-bodied men and women. All of them have been forced to try their luck in the city.

So the children and the elderly are now particularly vulnerable. This is why we decided to set up the kitchen," says Chandra Prakash Niranjana, an activist with Parmarth.



Bovine Differences

According to government officials who spoke on condition of anonymity, many of the cows abandoned by the farmers die a slow painful death. "They starve and thirst for water for days and when they are weak, the stray dogs attack them. Their carcasses are found at regular intervals by the highway to Jhansi," said an official. But the buffaloes have it much better due to a pragmatic emotion: economic viability.

Manish Kumar, an activist with Parmarth who was associated with the Swaraj Abhiyan survey, said there were instances of buffaloes being released as well. But the ratio of the release of buffaloes to cows would be 1:10. Another senior official explained that while the cows were hardly

giving two litres of milk a day, the buffaloes provided up to 10 litres. As this writer journeyed through Lalitpur and Jhansi, he found that the buffaloes continued to be cared for and appeared stocky and well-fed, tethered to posts outside homes in the villages. As activists do their bit to make life liveable for the people of Bundelkhand, they call for some big-picture thinking to turn around the situation.

For instance, they point to the fact that climate change has caused hailstorms repeatedly in the region, wiping out entire harvests, apart from the drought that has almost become a constant. "There is a need to address larger issues such as how we can tackle distress migration, climate change and how water-conservation measures need to be implemented. We need a larger perspective even as we deal with micro issues on a regular basis," says Parmarth head Sanjay Singh.

As various parts of India witness one of the worst droughts, an above par monsoon is an imperative



The Supreme Court came down heavily on Gujarat for its delay in declaring drought till April 1. Weather Risk Management Services, has said rainfall will be above normal.

When a law usually reserved for times of religious, caste or political violence is used at a time of water scarcity, you know how bad the problem is. In the past few weeks, Section 144 of the Code of Criminal Procedure has been imposed in Latur and Parbhani, both in the drought-stricken

Marathwada region of Maharashtra, to prevent the gathering of more than five people around water supply spots, thereby averting conflicts.

These developments come at a time when the initial forecasts for this year's monsoon may provide some hope to millions starved of water. In 2014-15, India had a 12% deficit in rainfall, followed by a 14% shortfall in 2015-16, thanks to the El Nino weather phenomenon, which has parts of the Pacific Ocean warming up, leading to lower-than-average rainfall in countries like India and Australia.

This led 10 states to declare drought. The Supreme Court earlier this week came down heavily on Gujarat for its delay in declaring drought till April 1. Weather Risk Management Services, a private firm, has said that rainfall in June-September will be above normal in most parts of the country, barring the Northeast.

According to the forecast, rains are expected to be more than 104% in most regions, all four months of the monsoon season are likely to get above normal rains countrywide, and June could have the highest positive departure from normal.

This forecast was backed by another by Pune-based Indian Institute of Tropical Meteorology. The Indian Meteorological Department will issue its forecast later this month.

With the El Nino having peaked and expected to return to neutral conditions by the middle of 2016, economists and weather forecasters are cautiously hopeful. El Nino's decline leads to an increase in the probability of the La Nina effect, or a cooling of the waters, which typically leads to improved rainfall.

These optimistic forecasts aside, the current scenario in parts of the country are comparable to the drought of 2002, says Bharat Sharma, coordinator of the India programme at the International Water Management Institute. He adds that it is about time India improved the efficiency of water use.

"We should decouple our economic growth from our water use." The ratio of water use to gross domestic product, measured in terms of cubic metres of water per dollar of GDP, between 1975 and 2000 was less than 0.1 in developed countries, while in India it was well over 1. Equally responsible

for the recurring drought-like conditions is the government's inefficient agricultural policy, as former Planning Commission secretary Naresh Chandra Saxena argues (See Blame it on a Flawed Agri Policy, Too)

As water, or the lack thereof, makes headlines day in and day out, ET Magazine visits Beed in Marathwada, Bundelkhand in Uttar Pradesh and Kolar in Karnataka to understand how the people and local administration are battling the drought.

Monsoon failure and climate change may not be the only triggers for acute distress in rural India



Subsidies do not improve income distribution or the demand for labour. The boost in output from subsidy-stimulated use of fertiliser, pesticides and water has the potential to damage aquifers and soils—an environmentally unsustainable approach that explains the rising costs and slowing growth and productivity in agriculture.

Re-curring drought conditions in many parts of India are leading to starvation and distress migration. Rural poor are the worst victims of crop failure, compounded by a slump in construction activities and non-availability of work in the MGNREGA rural employment scheme.

However, drought cannot be blamed entirely on monsoon failure or on climate change; a flawed agricultural policy is a bigger causative factor in the collapse of farm and dairy production in semi-arid regions.

The policy approach to agriculture since the '90s has been to secure increased production by subsidising inputs such as power, water and fertiliser; and by increasing the minimum support price, rather than by building new capital assets in surface irrigation, rainwater harvesting, improving credit for smallholders and evolving new drought-resistant technologies.

This has shifted the production base from low-cost regions to high-cost ones, causing an increase in the cost of production, regional imbalance and an increase in the burden of storage and transport of produce.

Patchy Policies

The equity, efficiency and sustainability of the current approach are questionable. Subsidies do not improve income distribution or the demand for labour. The boost in output from subsidy-stimulated use of fertiliser, pesticides and water has the potential to damage aquifers and soils—an environmentally unsustainable approach that explains the rising costs and slowing growth and productivity in agriculture.

Policies have resulted in excessive use of capital on farms, such as too many tubewells in water-scarce regions. Groundwater, as opposed to surface and sub-soil water, has become the main source of irrigation, leading to more than 30% of the blocks in the country getting classified as semi-critical, critical or overexploited.

As there is no effective control over the digging of tubewells in water-scarce regions, farmers are borrowing money from informal sources at high interest rates to dig tubewells, but many such borings fail, leading to indebtedness and even suicides. Thus agriculture has become riskier and more capital-intensive in the last three decades. There is a political reluctance to control water-hungry crops in low-rainfall regions, such as sugarcane in Maharashtra and paddy in Punjab.

We need to reduce unrestricted mining of groundwater and ensure stricter implementation of environmentally sound cropping patterns. Drip irrigation and a water sprinkler approach, mulching and bed plantation, and construction of tanks and check dams should be promoted for water harvesting and conservation. The existing problems of rainfed regions, if not

addressed in time, will get more acute in the coming years due to global warming and climate change.

There would be a downward trend in the number of wet days in a year; in a country which gets rain only for less than 100 hours in a year (a year has 8,760 hours), this would be disastrous. We need to build efficient irrigation systems and waterconservation strategies in rainfed regions, through conjunctive use of surface and groundwater. Agriculture in semi-arid regions has to move from traditional, crop-centric farming to agri-pastoral-farm-forestry systems (fruit trees, shrubs perennial grasses and small ruminants).

Involve the People

The government of India has announced several programmes in soil and water conservation but, when undertaken by the agriculture department, these remain departmental in approach with no involvement of people. Maintenance of the created assets suffers, as beneficiaries are not motivated to assume responsibility for maintenance.

Watershed development programmes cannot succeed without full participation of project beneficiaries and careful attention to issues of social organisation. Despite the fact that MGNREGA mandates that 80% of work must be related to local water conservation and drought-proofing, the sustainability and productivity of assets created is never monitored. Result?

The programme is reduced to creating short-term, unproductive employment with no focus on asset creation or soil and water conservation. Its impact on agriculture may even be negative, as alleged by the ministry of agriculture. MGNREGA is characterised by irregular flow of funds and high percentage of incomplete works.

As work is left incomplete, bunds are washed away during the monsoon, which gradually accumulates as silt in the riverbed downhill, which in turn affects the nearby check dams. Moreover, better governed states corner most of the funds irrespective of low incidence of poverty in those states. Having better banking systems may be one of the reasons why richer states spend more MGNREGA funds.

Government has increased, on paper, the number of days from 100 to 150 for droughtaffected districts, but in Banda (in Bundelkhand, one of the

poorest districts of Uttar Pradesh), the average number of days the rural poor got work during 2015-16 was less than 20. Most importantly, collective capability is required for the management of commons and for new structures created with MGNREGA funds.

Unfortunately, most projects have failed to generate sustainability because of the failure of government agencies to involve the people and build their social capital. If rain is captured with people's participation, drought can be banished from India in 10 years. Unfortunately, the slogan of "more crop per drop" has so far remained an empty rhetoric, an ideology without a methodology.

(The author is a former secretary of the Planning Commission)