11.08.2016

THE HINDU

Banana company gets two more solar dryers

The Thottiam Banana Producer Group, a private company producing value-added products in banana, has been sanctioned two more solar dryers in appreciation of its achievement in producing and marketing value-added products in banana.

The company, started about three years ago with a solar dryer donated by KFW DEG and Bayer, produced banana chocolate which attracted the customers with its longer shelf-life.

Impressed by the success of this company, the Agricultural Engineering Department had donated two more dryers for producing value-added products in banana.

R. Dheenadayalan, a partner of the company, said that the two dryers would be inaugurated within a month.

Manikutti Subramanian, manager of the company, said that the State Agricultural Engineering Department had set up the dryer units, each at a cost of Rs. 3.97 lakh.

The Chief Minister, Jayalalithaa, had ordered a special subsidy of Rs. 1.84 lakh for each unit, said Manikutti Subramanian.

The company has been guiding a large number of farmers from across the country in making value-added products in banana, according to S. Ajithan, founder of the company.

‘Commission to recommend welfare programmes for farmers’

Taking stock:T.N. Prakash Kammaradi, chairman, Karnataka State Agriculture Price Commission, at a meeting of district level officers in Chitradurga on Wednesday.

The Karnataka State Agriculture Price Commission (KSAPC) chairman T.N. Prakash Kammaradi has said that the commission plans to recommend the implementation of more welfare and income generating programmes for farmers, to the State government.

At a meeting of district-level officers at the deputy commissioner’s office here on Wednesday, Mr. Kammaradi said the government had already framed many programmes, including fixing support price for agricultural crops and online marketing facilities at the Agriculture Produce Marketing Committee in the State. However, these would succeed only when the farmers received benefits.

The commission would shortly release a report predicting the price variation of the agricultural produce in the next three months. It would advise the government on taking necessary steps to provide more profit to farmers by creating awareness. “Chitradurga has been selected as model district for the implementation of welfare programmes of farmers by involving the Agriculture, Horticulture and other concerned departments,” he added. He said that GPS-based soil testing was being conducted in every taluk and by the end of March 2017, the farmers would get a report on the condition of the soil in their farmland.

Mr. Prakash said that officials should conduct health check-up camps for farmers who are above the age group of 60 years and provide them with health cards.

Kerala's farm sector awards announced

The Malappuram Kolathu Padam Kole Committee has won the Mitra Niketan Padmasri K. Viswanathan Memorial Nelkathir award for group farming and K. Krishnanunni the Karshakothama award for 2015.

Minister for Agriculture V.S. Sunil Kumar, who announced the awards here on Wednesday, said the kole committee was selected for its notable experiments in collective farming on 250 hectares.

Mr. Krishnanunni was selected for his comprehensive farming practices. The young farmer award for women is being shared Lekshmi Rajan of Wayanad and Manju Mathew of Valiya Thovala in Idukki. The young farmer award for men goes to V.Mahesh of Pinarayi in Kannur.

The other award winners are Kera Kesari -A. Nagaraj (Palakkad); Haritha Mithra - M.M.Prijith Kumar (Palakkad); Udyana Shreshta - Mini Joy (Palakkad); Karshaka Jyothi - Ponnan Thekkuvatta (Palakkad); Karshaka Thilakam - Shyla Basheer (Thiruvananthapuram); Shrama Sakthi - S.S. Latha and K. Anil (Palakkad); Krishi Vigyan - K.P. Sudhir, Associate Professor and project coordinator, Centre of Excellence in Post Harvest Technology, Tavanur; Kshoni Samrakshana (soil conservation) - P.M. Mathew (Palakkad); Kshoni Paripalak - V.K.Chandy (Idukki); Kshoni Mithra - E.K. Nayanar (Kannur); Haritha Keerthi - Coconut Nursery (Thiruvananthapuram), first prize; State Seed Farm, Panancherry, second prize; and Orange and Vegetable Farm, Nelliampathy, third prize.

High-tech farmer award - Unni Anil (Palakkad); award for best commercial nursery - K. Jose Cheerakuzhy of Agro Developers Private Limited (Palakkad); Karshaka Tilakam award for girl student - M.S.Harsha (Wayanad), male student - P.Akshay (Palakkad) and Anto Philip (Kadakarapally); and Haritha Keerthi award for best farm officer - V.S. Suvarna of Coconut Nursery, Thiruvananthapuram

State Cabinet approves climate-resilient agri project

A farmer in drought-hit Latur district.—File Photo

In a bid to tackle drought and water scarcity as a result of climate change, the Maharashtra cabinet on Wednesday allotted Rs. 1.5 crore from the Emergency Fund to create 23 special posts to implement a project on climate-resilient agriculture.

The project, which will be supported by the World Bank, aims at studying crop patterns and types as per climate change, which will help the State government tackle challenges faced by the farm sector.

According to the government, the growth rate of agriculture is on the decline as a result of severe drought, heavy rains and water scarcity, thereby decreasing agricultural production and profit. The government has observed that such a situation is ultimately responsible for the rising number of farmers' suicides.

The project aims at suggesting changes in crop patterns and promoting extensions to agri businesses. "This will help farmers to not lose patience in adverse times and to ensure that they reclaim their original condition," said a government official.

The official added that the project would get financial aid from the World Bank and has received approval from the central government. The project management cell will be set up in Mumbai and will be responsible for creating a detailed project report, implementation plan and its functioning.

Tata Chem to sell urea plant to Norway's Yara

Agrees to dispose Babrala facility in U.P. for Rs.2,670 crore

Nutrients exit:The plant has an annual capacity of 0.7 million tonnes of ammonia and 1.2 million tonnes of urea.— FILE PHOTO

Tata Chemicals has entered into an agreement with Norwegian company Yara International ASA to sell its Babrala urea plant and distribution business in Uttar Pradesh for $400 million (Rs.2,670 crore).

The company was trying to exit this business for nearly two years due to delayed payment of subsidies. The proceeds will be invested in other growing businesses of the company its Managing Director R. Mukundan said.

This is the first time that Yara is investing money in an asset in India though it has been operating in India through its Indian subsidiary since 2011. It sold specialised fertiliser worth Rs.180 crore in Maharashtra and South Indian markets last year.

Growth strategy

"This acquisition represents another significant step in our growth strategy, creating an integrated position in the world's second-largest fertiliser market," said Svein Tore Holsether, President and Chief Executive Officer, Yara International.

"India has strong population growth and increasing living standards, and significant potential to improve agricultural productivity."

The plant has an annual production of 0.7 million tonnes ammonia and 1.2 million tonnes urea and generated revenues and EBITDA of $350 million and $35 million respectively in the financial year ended 31 March 2016.

The plant was commissioned in 1994 and is one of the most energy efficient plants in India, with energy efficiency on a par with Yara's best plants.

"We are impressed with the world-class operations we have seen in Babrala. The workforce is committed to high HESQ standards and has a solid safety track record. This well-operated plant and its highly skilled employees will make an excellent addition to Yara's global production system," Mr. Holsether said.

Larger footprint

"Our growth in India can be further accelerated with this acquisition, creating a larger market footprint for Yara and enabling increased premium product sales in particular," said Terje Knutsen, SVP and Head of Yara Crop Nutrition. "We will place great emphasis on successful integration of the operations, and will put in place an integration team consisting of highly experienced TCL and Yara employees, the latter from both our existing India operations and our regional management."

The agreement is subject to regulatory approvals and sanctioning by the relevant courts in India, a process which is expected to take 9 to12 months after which closing of the transaction can take place.

As per the agreement, Yara would get receivables of more than Rs.1, 500 crore towards pending subsidy payment by the government. It will acquire all the plant and machinery at Babrala and retain the entire workforce of 425 people. Tata Chemicals' Haldia plant and brands are not part of this deal.

Yara will get receivables of more than Rs.1,500 cr towards pending subsidy payment

Steps to popularise shade net farming

The Horticulture Department has taken special steps to popularise shade net farming technique among the farmers which has proved to be quite remunerative, said V. Sampath, Assistant Director of Horticulture.

Talking on the sidelines of 'Green Terrace Garden – pulses food festival' organised by SOC-SEAD, a service organisation here on Wednesday, Mr. Sampath said that a farmer of Kattakampatti near Vaiyampatti, Subramanian, had already taken a lead in this regard by raising nurseries in vegetables under shade net technique.

He appealed to the farmers to take to shade net cultivation for ensuring higher returns. He said that the department had also taken up efforts for promoting poly house cultivation among the farmers.

He emphasised the need for increased in-take of minor millets in the wake of the present-day lifestyle. "Ragi, cumbu, thinai and other millets can be used for making a variety for delicious dishes," he said appealing to people to give up the misconception that the minor millets could be used only making gruel.

Earlier, Josephine Chinnarani, Director of the service organisation, spoke on the importance of minor millets. Dish made of millets was distributed to the visitors and members of public.

Bihar to implement crop insurance scheme: Minister

After a slugfest over naming of the Centre's crop insurance policy, the Bihar government on Wednesday agreed to implement the Pradhan Mantri Fasal Bima Yojana on an experimental basis in the kharif season.

"The State government has decided to implement the Pradhan Mantri Fasal Bima Yojana (PMFBY) keeping in mind the sentiments of cooperative federalism.

"The crop insurance scheme will be implemented in its present form for the kharif season on an experimental basis," Bihar's Cooperative Minister Alok Kumar Mehta told reporters here.

Mr. Mehta, however, made it clear that the scheme is being implemented on a trial basis with a view to assess whether it actually helps farmers or ends up benefitting the insurance companies. It would also be seen what amount of compensation the farmers get in the event of crop loss, he said.-PTI

Fruits too get dearer

Fruits, too, are priced 20 per cent higher this week in local markets. “The demand for fruits is 100 per cent higher in the month of *Shravana* , so prices have shot up,” said Kamalamma, a fruit vendor at Sarakki Market. Local markets are selling musambi at Rs. 60 a kg; New Zealand Gala apple Rs. 230; China apple Rs. 180; elakki banana Rs. 90; pachbale Rs. 40 and pomegranate Rs. 140. HOPCOMS, however, claims to have curtailed the price rise to an extent. “We have been able to contain prices compared to local markets. Over the last one month we have not increased prices … on the other hand we are offering a five per cent discount for Varamahalakshmi,” said B. Krishna, Managing Director, HOPCOMS. “The rebate is available at all 275 HOPCOMS outlets. We are able to do this as we have 19,000 farmers under our umbrella,” he added.

‘Test feed ingredients’

With egg production unlikely to be affected by the prevailing weather conditions, poultry farmers were asked to test feed ingredients before use.

A press release from Agromet Field Unit of Veterinary College and Research Institute and Regional Meteorological Centre, Chennai said that the maximum and minimum temperature will be 35 degree Celsius, and 25 degree Celsius respectively in the next two days. Also, wind speed will be around 8 km per hour, mostly from west direction.

The release said that Southwest monsoon continues to be less active over the State and the temperature is set to increase. Though there will be chance of mild heat stress in poultry, egg production will not be altered by the weather and feed intake will be normal or slightly less. However, care should be taken on the quality of feed ingredients to control any further reduction in feed intake.

Training programme

A free training programme on 'Integrated nutrient management in cultivation of small onion, coconut and cotton' will be held at the Krishi Vigyan Kendra in Veterinary College and Research Institute on August 17.

A press release from N. Akila, Senior Scientist and Head, KVK, said that the training will be given on taking soil samples and testing, technologies used in cultivation of these crops, integrated nutrient management and applying fertilizer. Also, demonstration on testing soil will be done during the training programme.

Those interested persons should register their names for participating in the training before August 16. For registration visit the KVK in person or register through phone: 04286-266345 and 266650, the release added.

Prices of flowers shoot up with arrival of festive season

The price rise is fuelled not just by the beginning of the festive season, but also the commencement of the wedding season.— PHOTO: Sudhakara Jain

With the onset of the festive season, the prices of flowers have more than doubled since Monday. The month of *Shravana* flags off the wedding season and marks the beginning of the festive season with Varamahalakshmi this Friday. This has resulted in a huge demand for flowers and fresh fruits. The prices of quality Dutch roses have risen from Rs. 3-4 to Rs. 8 per piece in a span of a few days.

"This is the beginning of the wedding season … we send them (Dutch roses) across the country for decorative purposes. This demand is what pushes the prices northwards," said Jayaprakash Rao, general secretary, The South India Floriculture Association.

Meanwhile, the price of Kanakambara has shot up from Rs. 1,000 a fortnight ago to Rs. 2,000 per kg . An arm-length of strung flowers is retailing at Rs. 100. "Every flower costs 100 per cent higher now … prices could increase further by Thursday evening and Friday morning," said S. Srinivas, a wholesale flower vendor and member of the City Market Flower Vendors' Association.

"Sampige and jasmine are now selling for Rs. 400 a kg and Rs. 200 per arm-length. Sevantige, Sugandha Raja and Kanigle flowers cost Rs. 200 per kg while the stringed cost Rs. 50 per arm-length," Mr. Srinivas added.

"Dutch roses, Gerbera and Coronation are grown in protected cultivation in 400 hectares in Dodballapur, Nelamangala, Tumakuru, Chickballapur and Hosur belt, the highest in the country. Nearly 4,000 roses are grown in every hectare. While the total number of roses grown this season that is sent to every part of the country is approximately 16 lakh, Bengaluru consumes 30 per cent of this," said Mr. Jayaprakash Rao.

Veggie prices fall

"The prices of vegetables have dropped considerably compared to last month," said B. Krishna, Managing Director, HOPCOMS. Tomato is currently sold at Rs. 10 per kg; ladies finger Rs. 29; cluster beans Rs. 28; cucumber Rs. 35; green chillies Rs. 55 and bajji chillies Rs. 57.

Trade group accuses e-tailers of flouting FDI norms on discounts

Companies like Amazon and Flipkart have been placing huge ads in the last three days, said CAIT

The Confederation of All India Traders (CAIT), the apex body of traders in the country, said it has filed a complaint with the Department of Industrial Policy and Promotion (DIPP) against some leading e-commerce players alleging that they are flouting the Foreign Direct Investment (FDI) norms.

E-commerce companies, including Amazon, Flipkart and Snapdeal, have been, in the last three days, placing huge advertisements announcing discounts on their e-platforms in violation of the FDI norms, according to CAIT. FDI guidelines on e-commerce state that ‘e-commerce entities providing marketplace will not directly or indirectly influence the sale prices of goods or services and shall maintain a leve- playing field.’ The discounts on the e-platforms of these e-commerce firms amount to influencing the sale prices of goods or services, thereby flouting the FDI policy. The FDI policy comes under DIPP’s ambit.

NITI panel

The complaint comes in the backdrop of the government’s decision to set up a panel headed by NITI Aayog CEO to study all e-commerce-related issues and suggest measures to boost the sector.

The panel has representatives from the department of electronics & IT and DIPP, as well as States including Karnataka and Maharashtra.

CAIT had in May filed a similar complaint with the DIPP.

According to the traders’ body, some companies, through advertisements, are inviting consumers to register themselves at their (marketplace) online platforms for the purchase of items at a discounted price, thereby violating FDI norms.

CAIT wanted DIPP to take cognisance of such advertisements and take action. When contacted, U.S.-based online retailer Amazon said in an email statement,

“We continue to be compliant with PN3.” PN3 stands for press note no.3, which is the set of guidelines issued by DIPP for FDI in e-commerce. Flipkart and Snapdeal declined to comment.

Tata Chemicals sells urea business to Yara Fertilisers

Tata Chemicals-Yara Fertilisers transaction does not include specialty products and complex fertilisers. File Photo used for representational purposes only.

The Norwegian company has entered into an agreement to acquire the Tata Chemicals plant and business in Uttar Pradesh for $400 million.

Tata Chemicals has entered into an agreement with Norwegian company Yara International ASA to sell its Babrala urea plant and distribution business in Uttar Pradesh for $400 million (Rs.2,670 crore).

The company was trying to exit this business for nearly two years due to delayed payment of subsidies. The proceeds will be invested in other growing businesses of the company its Managing Director R. Mukundan said.

This is the first time that Yara is investing money in an asset in India though it has been operating in India through its Indian subsidiary since 2011. It sold specialised fertiliser worth Rs.180 crore in Maharashtra and South Indian markets last year.

Growth strategy

“This acquisition represents another significant step in our growth strategy, creating an integrated position in the world’s second-largest fertiliser market,” said Svein Tore Holsether, President and Chief Executive Officer, Yara International.

“India has strong population growth and increasing living standards, and significant potential to improve agricultural productivity.”

The plant has an annual production of 0.7 million tonnes ammonia and 1.2 million tonnes urea and generated revenues and EBITDA of $350 million and $35 million respectively in the financial year ended 31 March 2016.

The plant was commissioned in 1994 and is one of the most energy efficient plants in India, with energy efficiency on a par with Yara’s best plants.

“We are impressed with the world-class operations we have seen in Babrala. The workforce is committed to high HESQ standards and has a solid safety track record. This well-operated plant and its highly skilled employees will make an excellent addition to Yara’s global production system,” Mr. Holsether said.

Larger footprint

“Our growth in India can be further accelerated with this acquisition, creating a larger market footprint for Yara and enabling increased premium product sales in particular,” said Terje Knutsen, SVP and Head of Yara Crop Nutrition. “We will place great emphasis on successful integration of the operations, and will put in place an integration team consisting of highly experienced TCL and Yara employees, the latter from both our existing India operations and our regional management.”

The agreement is subject to regulatory approvals and sanctioning by the relevant courts in India, a process which is expected to take 9 to12 months after which closing of the transaction can take place.

As per the agreement, Yara would get receivables of more than Rs.1, 500 crore towards pending subsidy payment by the government. It will acquire all the plant and machinery at Babrala and retain the entire workforce of 425 people. Tata Chemicals' Haldia plant and brands are not part of this deal.

The Indian EXPRESS
JOURNALISM OF COURAGE

Rainfed farming: A watershed moment

A Pulses Revolution is possible even in the most backward districts, as a PPP project in Bundelkhand has shown.

Zahim Khan and his fellow farmers at their urad field in Somkheda village of Damoh, Madhya Pradesh.

Zahim Khan has two major worries, as he surveys the urad (black gram) crop on 14 out of the 20-acres land being jointly cultivated by him with 13 other farmers.

The immediate concern is rains. Damoh district in Madhya Pradesh's Bundelkhand region, of which his village Somkheda is part, has received 1,111.5 millimetres (mm) of rainfall in the current monsoon season fromJune 1 to August 10. That is 71 per cent above the normal average for this period.

"We first planted on July 1, but had to re-sow on July 15 as there was water-logging from too much rains. It has rained quite a lot even since then, but thankfully not in the last two days," says Khan, who has pooled his 1.5 acres with others — they include Santosh Patel, Mansingh Thakur and Jeeva Rajak, all from different communities — to create a consolidated 20-acre plot.

The second worry has to do with prices. Khan and his fellow cultivators planted urad on 14 acres — the balance six is under paddy — encouraged by the returns from the summer moong or green gram, which they had sowed on their entire 20 acres on April 1 and harvested over the second week of June.

With yields at 4-6 quintals an acre and average realisations of Rs 5,000-5,500 per quintal, there was something to smile about.

But urad could turn out different. MP has seen 10.02 lakh hectares (lh) planted to urad this time, up from 8.31 lh last year, with its total kharif pulses area, too, rising from 15.10 lh to 18.55 lh. The higher sowing — mainly at the expense of soyabean whose acreage has dropped from 58.07 lh to 53.61 lh — has prompted fears of prices crashing when the crop is harvested towards end-September/early-October.

"It happened with onions, which we grew on six acres in the last rabi season (sowing in early-November, transplanting in mid-December and harvesting in March). Prices had reached Rs 4,000 per quintal in August-September, only to crash to Rs 300-400 levels by April-May. What's the guarantee this won't take place in urad?", asks Khan.

Chana being sorted at the Damoh Agriculture Produce Market Committee mandi.

The same concern is voiced by farmers about 7 km away in Rageda village, where some 450 hectares have come under urad and arhar (pigeon-pea), as against 250 hectares last year. “We have stopped growing soyabean, as it can neither survive water-logged nor drought conditions.

Also, realisations are just Rs 3,200-3,400 per quintal, compared to Rs 5,000-6,000 for urad and Rs 9,000 for arhar,” notes Govind Singh, who has sown arhar on three and urad on two out his five acres. Both were planted on July 15, with arhar being a 170-180 day crop and urad maturing in 75-80 days. Singh is, however, aware that the high rates for pulses need not be repeated this year.

“We know that from onions. In 2015, our village produced 9,000-10,000 quintals and we got around Rs 3,500 per quintal. This rabi season, we produced 18,000 quintals and they fetched Rs 300-400. The same thing cannot be ruled out for urad and arhar,” he admits.

The striking thing about farmers in both Somkheda and Rageda is their willingness and capacity to experiment with a range of crops. This has primarily come from access to irrigation, courtesy the Integrated Watershed Management Programme (IWMP), making intensive cultivation possible even in regions such as Bundelkhand.

The problem in Bundelkhand — at least the districts falling in MP — is not lack of rains. Damoh's normal annual rainfall of 1,180.6 mm, for instance, is close to the all-India long period average of 1,186.2 mm. But out of the 1,180.6 mm, 1071 mm or 91 per cent is received in just the four monsoon months of June-September. This time, the district has already got 1,111.5 mm by August 10!

"The real issue isn't rains as much as the thin soils that cannot hold water for too long. The average soil depth in Damoh is between 60 and 300 cm, below which it is all hard strata comprising sedimentary rocks: shale, limestone, slate and sandstones. So unlike in, say, Bhopal where soil depths can be 1,000 cm and more, there's little scope for groundwater recharge or digging deep tube-wells here," explains Waman Kulkarni, manager (Watershed Management and Sustainability) at Mahindra & Mahindra Ltd.

The poor soil depth, texture and permeability means that much of the yearly rainwater, delivered within a short time span, is subject to surface runoff. Rather than recharging the aquifer, the monsoon rains merely end up recharging the rivers – the Bearma and Sonar, which further feed into the Ken, a tributary of the Yamuna. The only alternative, then, is to focus on surface water management with a view to control runoff and associated soil erosion.

M&M, in partnership with the MP government, has implemented a project under the IWMP aimed at harvesting of surface water on 9,960 hectares covering 32 villages of Damoh. It has basically involved digging continuous contour trenches and building gully plugs along the hill slopes (to slow down water flow); construction of earthen percolation tanks, rock-filled wire mesh gabions and farm bunds in the middle catchments; and stop dams in low-lying areas.

The effects have been palpable. Between 2011-12 (before the project started) and 2015-16, the cropped area under paddy in the 32 villages went up from 1,936 to 2,214 hectares, while rising from 1,692 to 2,692 hectares for wheat, from 2,855 to 3,093 hectares for chana (chickpea), from 583 to 1,948 hectares for urad, from 291 to 546 hectares for kharif moong, and from 52 to 630 hectares for onion and other vegetables.

Most significant, though, has been summer moong, which no farmer had grown previously. Last year, the coverage under it touched 281 hectares. “We could never imagine raising a third crop, as there was no water after January and even wheat could be given only 2-3 irrigations. But now, even after 4-5 irrigations for wheat, we can take a summer moong crop in April-June by giving water through sprinklers,” points out Govind Singh, a four-acre farmer from Deori Jamadar village.

With irrigation, farmers have also been incentivised to plant certified (as opposed to local non-descript) seeds from improved publicly-bred varieties – for instance, ‘Megha’ and ‘Samrat’ moong or ‘Type-9’ urad from the Indian Institute of Pulses Research, Kanpur.

In Somkheda, which is in the edge of the Nauradehi Wildlife Sanctuary, Khan and his comrades have even put up a common fence to protect their standing crop against wild boars, nilgai, chital deer and stray cattle.

The cost of the wire for this, around Rs 1 lakh, has been funded by the project.

For a state with an already developed rural roads network and mandi infrastructure to enable farmers bring their produce – visible even in a backward district like Damoh – a Pulses Revolution should not be difficult.

Assured government procurement and access to irrigation through watershed management can make this all the more possible.

Crop insurance scheme: Bihar agrees to implement PMFBY

This came hours after Bihar's Cooperative Minister Alok Kumar Mehta said in Patna that the crop insurance scheme will be implemented in its present form for the Kharif season.

Union Agriculture Minister Radha Mohan Singh

Union Agriculture Minister Radha Mohan Singh Wednesday took a dig at the Bihar government after it agreed to implement the Pradhan Mantri Fasal Bima Yojana on an experimental basis.

"Bihar government made lot of false statements on PMFBY in the last few days. Today, it announced to implement the scheme. I am not being able to decide whether I should congratulate the Bihar government or god, who gave good sense (sadbuddhi) to it," said Singh.

This came hours after Bihar's Cooperative Minister Alok Kumar Mehta said in Patna that the crop insurance scheme will be implemented in its present form for the Kharif season.

Mehta, however, made it clear that the scheme was being implemented on a trial basis with a view to assess whether it actually helps farmers or ends up benefitting insurance companies.

Maharashtra: 'Climate-smart' farming to offset drought

A senior state official said that the objective would be on environmental training focused on protecting water resources, preventing deforestation, safer pesticide use, and mitigating impacts of extreme climatic condition on farm produce.

The Maharashtra cabinet gave its nod for an ambitious project of training farmers in 4,900 villages in drought ravaged Marathwada and Vidarbha belts in farm practices that are more adaptable and sustainable to climatic changes.

After facing three severe drought spell in four years, Maharashtra has decided to embrace climate-smart agriculture. On August 10, the state cabinet gave its nod for an ambitious project of training farmers in 4,900 villages in drought ravaged Marathwada and Vidarbha belts in farm practices that are more adaptable and sustainable to climatic changes.

A senior state official said that the objective would be on environmental training focused on protecting water resources, preventing deforestation, safer pesticide use, and mitigating impacts of extreme climatic condition on farm produce.

“The end objective is that the cropping pattern and produce should be climate resilient,” said a senior official.

The World Bank has decided to fund the pilot initiative, which will be replicated in other parts of the state if successful, sources revealed. The Cabinet on Wednesday approved a project for setting up the project’s management cell in Mumbai. A project report and the implementation roadmap will soon be readied, sources revealed.

The state agriculture department has also decided to undertake research for measuring greenhouse emission on farm lands in drought-prone areas as part of the pilot initiative. Meanwhile, in another decision, the state cabinet decided to set up a district-level Mining Foundation, to be headed by the Guardian Minister, for taking up development activities for mine-affected people in their respective belts.

According to this proposal, mining license holders in this district will be asked to contribute 10-30 per cent of royalty paid by them for activities of the Mining Foundation in each district. The government has claimed that the public exchequer will end up saving Rs 250 crore due to the initiative. The Cabinet also raised transportation allowance for fair price shop owners in the meeting on Wednesday.

Govt and NAFED to procure 50 per cent onions each

A detailed proposal will be submitted by Chief Minister Devendra Fadnavis to union Minister of Agriculture Radhamohan Singh.

The Maharashtra government and National Agriculture Cooperative Marketing Federation (NAFED) will each procure 50 per cent of the onions from farmers and the financial implications are still being worked out.

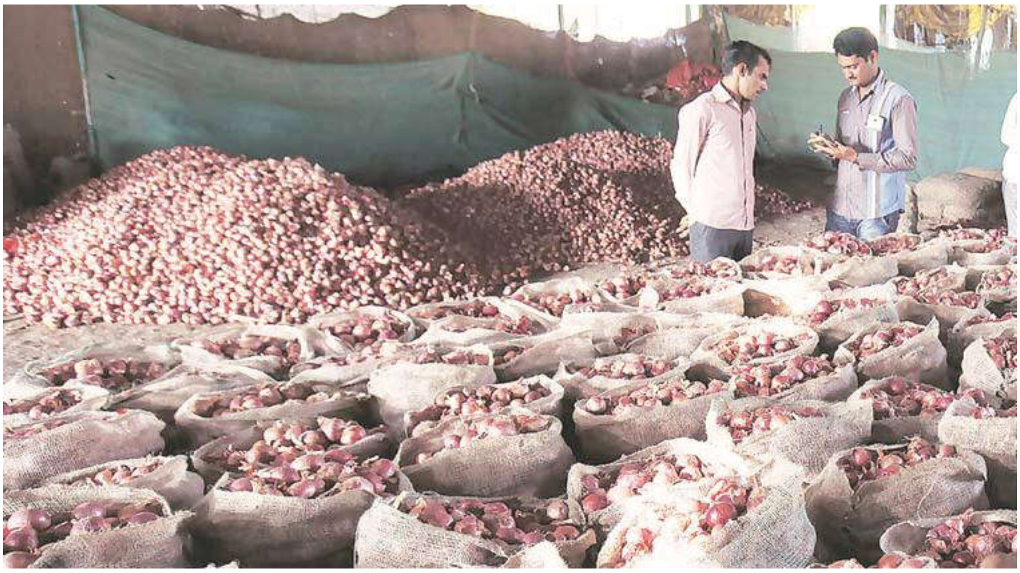
The state government will send a formal proposal to the Centre on procurement of onions to provide relief to farmers along with better remunerations. The Maharashtra government and National Agriculture Cooperative Marketing Federation (NAFED) will each procure 50 per cent of the onions from farmers and the financial implications are still being worked out.

A detailed proposal will be submitted by Chief Minister Devendra Fadnavis to union Minister of Agriculture Radhamohan Singh. On Wednesday, union Transport Minister Nitin Gadkari convened a meeting to discuss the onion crisis. Radhamohan Singh, Nationalist Congress Party (NCP) president Sharad Pawar and state agriculture minister Pandurang Phundkar, among others, were present at the meeting.

Last week, Fadnavis had written a letter to Radhamohan Singh apprising him about the surplus stock of onion in market. In the letter, Fadnavis urged the Centre to direct NAFED to expedite the process of onion procurement.

Pune: Onion trade to resume after 10 days

Jaydutt Holkar, chairman of the Lasalgaon market committee, said that traders have asked for the intervention of both the central and state governments to address the issue of low prices which has been plaguing the market since last year.



Low prices have been plaguing onion trade for several months. This year the kharif season saw 40 per cent less sowing.

Onion trade in Nashik is all set to resume following a meeting organised by Union agriculture minister Radhamohan Singh in New Delhi on Wednesday. Jaydutt Holkar, chairman of the Lasalgaon market committee, said that traders have asked for the intervention of both the central and state governments to address the issue of low prices which has been plaguing the market since last year.

After delisting fruits and vegetables from the Agricultural Produce Market Committees (APMCs), traders across the state went on the war path. While other traders had withdrawn their strike, those from Nashik continued it.

Traders from the onion heartland had said that delisting vegetables would mean loss of business for them. Onion growers continued to suffer as traders wanted to buy sorted produce.

which growers were unable to comply with.

Holkar said that the meeting was also attended by Union ministers Nitin Gadkariand Subhash Bhamre, and state minister Subhash Deshmukh. “Onion prices have been stagnant for many months. In order to tide over the crisis, we have requested the government to intervene,” he said.

The intervention would see both the state and central government wading in to buy onions from the open market. Another intervention that Holkar demanded was the payment of subsidies to farmers for the losses they acquired due to the closure of the market. “Back in 2008, the government had given such subsidy and we have asked for the same to be repeated. This time around, we have asked for a subsidy of Rs 500 per quintal for farmers,” he said.

The main issue which had held up trade was the refusal by traders to deal in loose onions. The market committee had started issuing new licenses to counter traders but the move could not pick up. Only 11 new licenses were issued. Lasalgaon is the largest onion market in the country and sets the price for the bulb.

Low prices have been plaguing the onion trade for several months. This year the kharif season saw 40 per cent less sowing, which many say was due to negative sentiments of the market.

Devendra Fadnavis urges Centre to modify loan guidelines

The state government has at least ten mega projects worth over Rs 1 lakh crore to be implemented and completed in next three years.

Devendra Fadnavis, Maharashtra CM, requested the Centre to modify or relax guidelines to enable the state government to seek higher borrowings for completion of mega-projects in Maharashtra.

Chief Minister Devendra Fadnavis August 10 requested the Centre to modify or relax guidelines to enable the state government to seek higher borrowings for completion of mega-projects in Maharashtra. The government is confronted with technical glitches, though international companies are willing to provide loans seeking state government guarantee as mandatory.

The state government found itself in a dilemma as Japan International Cooperation Agency (JICA) which has offered Rs 15,000 crore loan for the MTHL, or ADB /World Bank funding of Rs 14,000 crore for Metros 7/ 2A/ 2B have indicated that state government should stand guarantor instead of MMRDA. The state government's maximum loan ceiling is Rs 64,000 crore, which has been exhausted. To stand guarantor, it would have to seek higher loan ceiling and permission from the centre.

The argument is that when the state has cash-rich autonomous authorities like MMRDA, CIDCO and MSRDC it would not be advisable for the state government to become guarantor. Apart from exhausting its sizeable loan component, it has to keep part loan availing prospect on hold for emergencies ahead, especially related to rural and agriculture sector.

Fadnavis held a telephonic discussion with officials of the union ministry of economic affairs. The chief minister informed the centre that they should provide some way to tackle technicalities.

The state also conveyed that Mumbai, and Maharashtra, is all set for major infrastructure projects in the next three years and the funds would be raised through international private firms for which it should allow the respective authorities like MMRDA, MSRDC, CIDCO to stand guarantor instead of the state government. The centre has agreed to consider the state's concern.

The state government has at least ten mega projects worth over Rs 1 lakh crore to be implemented and completed in next three years. The project cost of Metro 7, 2A, 2B, 4 and MTHL works out to Rs 30,000 crore.

The Nagpur-Mumbai Samrudhhi Corridor is worth Rs 30,000 crore. The nine elevated railway projects are Rs 23,000 crore.

According to sources, "Fadnavis emphasised with the centre the mammoth infrastructure investment plans project wise which cannot be kept on hold." Secondly, it was pointed out that Rs 67,000 crore loan ceiling cannot be practical as each infrastructure project is worth Rs 30,000 crore upwards and public-private partnership cannot be overlooked to raise funds. Also it was stressed that majority of autonomous bodies like MMRDA, CIDCO and MSRDC have the repaying capacity as they have huge land holdings.

According to state Finance Minister Sudhir Mungantiwar, "Any attempt to raise loan borrowing ceiling beyond Rs 64,000 crore would upset fiscal discipline. Each project's guarantee will have to be given by respective authorities like MMRDA or CICDO for projects undertaken in their jurisdiction."

Citing an example, he said, "During Congress-NCP government, they raised loans for power sector making Maharashtra State Electricity Board as guarantor. The loan was taken from the open market at a high interest rate of 12.5 per cent."

Tuber troubles: Punjab’s potato growers fume over minimum export price condition

Timing of Centre’s move to impact the state’s farmers who supply two-thirds of India’s seed potato requirement.

Potato farmers in Punjab are an angry lot, ahead of the main rabi crop planting season starting early October. The trigger for it is the imposition of a $360 per tonne minimum export price (MEP) on the starchy tuber by the Centre, effective from July 26.

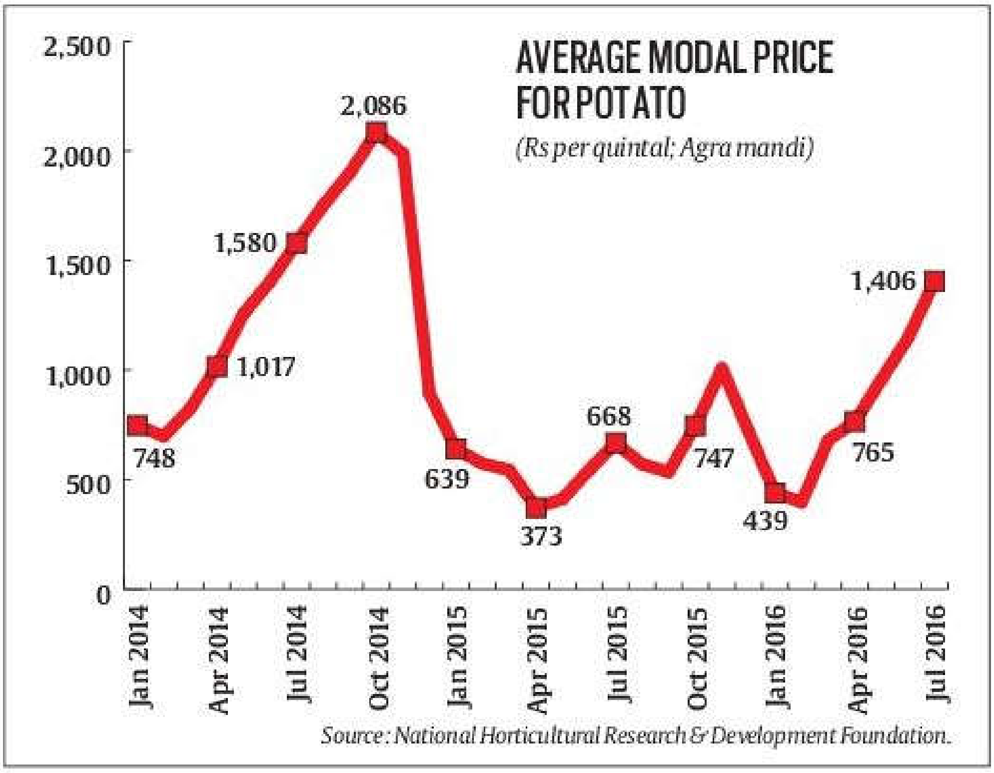
The restriction — not permitting exports of potatoes at a price below Rs 24 per kg from the point of shipment after adding loading costs — is seen to hit Punjab hard. The reason for that is not because it is a big producer — the state has a less than 5 per cent share in India’s annual potato output of 48 million tonnes (mt) — but on account of being a major supplier of the crop used as ‘seed’ by farmers in Uttar Pradesh, West Bengal, Bihar, Madhya Pradesh, Gujarat and elsewhere.

Potatoes are mostly propagated by vegetative methods; the ‘seeds’ that growers use are the tubers having nodes or ‘eyes’ from which the stems (sprouts) grow into new plants. Out of Punjab’s total 2.2 mt production, as much as 1.5 mt comprises seed potatoes. This 1.5 mt, produced in 90,000-odd hectares in the four Doaba region districts of Jalandhar, Kapurthala, Hoshiarpur and Nawanshahr, meets nearly two-thirds of the country’s seed potato requirement.

(About 150 kg of seed tuber is required for production of 1,000 kg of regular table potatoes, which, for 48 mt, works out to 7.2 mt. Since farmers need to use fresh seeds only once in three years in any given plot, the actual requirement is 2.4 mt, of which 1.5 mt or 62.5 per cent comes from Punjab)

“The MEP reduces the quantity of potatoes that can potentially go out, thereby creating a surplus crop in the domestic market and impacting overall price sentiment as well.

It also lowers demand for our seeds because when prices fall, farmers choose to use their unsold crop itself as seed, even if this leads to less output," notes Jaswinder Singh Sangha, general secretary of the Jalandhar Potato Growers' Association.



The current government at the Centre had earlier clamped an MEP of $450 per tonne on potato shipments on June 26, 2014, when domestic prices were on the rise. But with prices crashing on the back of a bumper crop — production rose from 41.56 mt in 2013-14 to 48.01 mt the following year — the MEP was removed on February 20, 2015.

It is back again at even lower levels (making exports all the more restrictive), as prices have resumed their upward climb since April following a poor crop. That, in turn, has resulted from farmers planting less area on account of low producer prices through 2015 and early 2016.

"You'll see the same cycle now repeat itself. Farmers were enthused to sow more this time because of higher prices, but the latest MEP imposition will dampen that. We will be particularly affected, as the orders for our material are mostly placed during August-September," adds Sangha.

Jalandhar is home to large seed potato producers like Sangha Farms, Bhatti AgriTech and JS Farms, each cultivating them on a few thousand acres of both owned as well as leased land.

Sowing of the tubers happens during early-October and harvesting towards February-March, after which they are put in cold stores. At 8-10 tonnes per acre, seed potato yields are below the 12-14 tonnes for normal table potatoes. But while the latter sell at Rs 1,000-1,200 per quintal, seed potatoes fetch rates of Rs 2,500-3,000 for branded and Rs 1,800-2,000 for unbranded material.

According to JS Minhas, head of the Central Potato Research Institute's regional station at Jalandhar, the deep sandy loam soils of the Doaba belt, which falls between the Sutlej and Beas rivers, are best suited for seed potato cultivation.

"The period from October to December is also relatively free of aphid attacks. In December, the leaves of the potato plant are cut, even while the tuber remains inside the earth. That further reduces the possibility of infection from any virus from outside," he states.

Some of the bigger farmers are even growing the seeds in net houses and through tissue culture, which allows for production of practically disease-free material.

"During the mid-nineties to the early 2000s, other states stopped taking our seed. They sought to develop seeds from their own crop, the seeds for which we had supplied.

But those experiments proved unsuccessful and they went back to procuring seeds from us," claims Sangha. But for now, Punjab's seed potato growers are feeling the heat. The viability of their operations rests on realisations for regular potatoes being above Rs 1,000 per quintal. When there is not much demand for their material, as farmers in other states cannot afford to plant new seeds, growers in Punjab have no option but to dispose of these at huge loss. "You cannot keep the crop in cold stores when the monthly rentals are Rs 22-23 per quintal. And where will you keep the next crop if the previous stored crop is not emptied?", quips Sangha.

Punjab has some 560 cold stores, from where about 1.1 mt of seed are dispatched to other states and 0.4 mt used by table potato growers within the state. There was some hope for seed growers when regular potato prices were beginning to firm up after a more than year-long slump.

But the latest MEP imposition seems to have put paid to that.

THE HINDU BusinessLine

‘Cover all crops under insurance’

Parliamentary report suggests credit, crop,livestock health insurance package for all farmers

Crop insurance coverage needs to be enlarged and made universal by including all crops and insuring major risks that may lead to crop failure, a report by the Standing Committee on Finance has suggested.

It has also recommended an integrated and comprehensive credit-crop-livestock health insurance package for all farmers to promote integrated farming.

Farmers who have not availed institutional credit including tenant farmers and share croppers, too, need to be brought under the ambit of crop insurance by popularising the schemes in various ways, the report on 'state of rural/agricultural banking and crop insurance' added.

The report described the Pradhan Mantri Fasal Bima Yojana, launched in the on-going kharif cropping season, as a "path-breaking" scheme which aims to provide insurance coverage against losses due to natural calamities, pests and diseases and stabilise the income of farmers.

While farmers who avail credit are covered under crop insurance schemes by banks providing the loan, the report suggested that wide publicity needed to be provided about the schemes through electronic media, mobile phones and Krishi Vikas Kendras, so that the scheme became popular among the entire farming community and confidence is instilled about the efficacy of the scheme.

Pointing out that merely 20 per cent of sown area is insured in the country, the Standing Committee said that efforts needed to be made to increase it.

It highlighted the need for a comprehensive credit-crop-livestock health insurance package pointing out that there was a need to increase the risk-bearing capacity of farmers by promoting integrated farming (comprising livestock, animal husbandry, fish-breeding in land-locked areas, pisciculture) and associated crop insurance.

Karnataka coffee growers turn jittery over erratic monsoon

A rainfall deficit of up to 30 per cent, this monsoon so far, in some of the key coffee growing regions of Karnataka — the top producing State — has left the growers worried about crop prospects for the next two seasons starting October.

Besides, the erratic rains are seen aiding the emergence of pests such as the white stem borer (WSB), mainly in Kodagu that could hurt the production, growers said.

However, the Coffee Board sought to downplay the rain-deficit stating that lower-than-normal rains would not impact the output this year.

(Departure from Normal in %)

Rainfall in Key Coffee Regions

District	June	July	August (1-10)	Season so far (June 1-Aug 10)
Chikmagaluru	3	-34	-19	-20
Kodagu	-13	-41	-33	-30
Hassan	36	-17	-1	2

Source: Karnataka State Natural Disaster Monitoring Centre

Deficit in some areas

While monsoon across the country this year has by far been normal, several coffee growing regions in Western Ghats such as Kodagu and Chikmagaluru have witnessed a deficit.

"The monsoon has largely failed in Malnad region of Karnataka. We are staring at a third consecutive drought this year, unless it rains in the days ahead," said Baba PS Bedi, Chairman of the Karnataka Planters Association, the apex body of planters in the State.

A deficit rainfall that impacts the water table could hurt the output during the next season and may hurt the prospects for the 2017-18, he said.

Output dip

The Coffee Board has predicted an 8 per cent decline in output for the 2016-17 season starting October at 3.2 lakh tonnes (lt) on prolonged dry spell and delayed blossom (pre-monsoon) showers.

The Board in its initial or post-blossom estimates had pegged the robusta output about 10 per cent lower at 2.2 lt and arabica at 3.38 per cent lower at around 1 lt. "We expect the decline in crop size to be higher than what the government has predicted," Bedi added.

Taking note of the erratic and deficit rains in the Malnad region, the State government is contemplating taking up cloud seeding in parts of Western Ghats. “We are planning to approach the government on this issue,” Bedi said.

“As of now, the deficit rainfall is not likely to have any impact on the coffee output for 2016-17 season,” said Y Raghuramulu, Director of the Balehonnur-based Central Coffee Research Institute.

Also, the break in rains this year is likely to result in the early ripening of the coffee berries, advancing the harvest season, Raghuramulu added.

WSB menace

Meanwhile, growers in parts of Kodagu are worried over the emergence of the white stem borer (WSB), a major pest affecting the Arabica variety of coffee that could potentially shrink the output further in the region.

“In some areas such as Chettalli, Suntikoppa and Polibetta, the rainfall has been erratic, resulting in a deficit of around 30 per cent. The dry spell created by the break in rains has made the environment conducive for the white stem borer to take off. The WSB is seen emerging in some of these areas,” said N Bose Mandanna, a planter-based in Suntikoppa. Besides coffee, pepper is also being impacted by the erratic rainfall, which has delayed flowering in some areas, he said.

WSB, a pest that affects the arabica variety, has been a major cause of concern for growers in India as there is no effective solution to combat this pest. WSB has two flight periods in a year — during April-May and in October-December —where the beetles come out from the Arabica plants and spread to newer plants.

Nishant Gurjer, a planter in Chikmagalur, said the current deficit in rainfall was unlikely to have an impact on the forthcoming crop. However, if this dry spell prolongs for a long time impacting the water table, it could dampen the prospects for the 2017-18 crop.

North-West, Eastern India drenched; Met forecasts more rains

Passing vehicles trigger water jets on a road in Powai, Mumbai, on Tuesday. Heavy rains, accompanied by thunder and lightning, have been lashing the city since Monday Mukesh Trivedi

Tuesday's depression over East India and adjoining Bangladesh intensified into a deep depression (just one step below cyclone status) on Wednesday and is in the process of moving entirely into mainland India.

It will do a round of the rain-deficient North-Eastern States of India before bouncing back into Gangetic West Bengal-Odisha-Chhattisgarh-east Madhya Pradesh belt over the next few days.

May weaken

It may let out some steam in the process and weaken, but will bring heavy to very rain over North-East India, East India and adjoining Central India during this period.

Meanwhile, a hyperactive low-pressure area located to the North-West India relented after the comparably stronger deep depression established dominance over the monsoon scheme of things.

No two systems can hold on to their strength when they operate as parts of a concurrent monsoon except under rare circumstances brought about by exceptionally strong flows.

During the 24 hours ending on Wednesday morning, the monsoon was in ‘vigorous’ condition over west Rajasthan and ‘active’ over Uttarakhand, Gangetic West Bengal, Odisha, Jharkhand, east Rajashtan and Gujarat, an update from the India Met Department said.

Heavy rain

Heavy to very rain with extremely heavy fall was reported from Jharkhand; heavy to very heavy over Rajasthan and Gujarat; and heavy over Punjab, east Madhya Pradesh, hills and plains of West Bengal, Sikkim, Odisha and Madhya Maharashtra.

The rainfall surplus over North-West India has run up to 10 per cent as on Wednesday while that over Central India has raced to 15 per cent, the Met said.

But the North-East slipped deeper into a deficit of -16 per cent while a persistent dry run in parts of the South Peninsula is slowly building a deficit that stood at -2 per cent.

Current prognosis doesn’t signal any drastic change in the state of affairs in the South with the rain-generating systems being located too far away to the North-East for comfort.

South hopeful

The European Centre for Medium-Range Weather Forecasts, however, signal some respite after five days under the influence of a favourably-posited typhoon (cyclone) in the South China Sea.

This phase is likely to see the generation of a fresh low-pressure area, fourth in the current series, over the Bay of Bengal, off the Odisha coast.

Projections by the Met too shows a ‘low’ operating in the area around this time and driving the monsoon to a fresh peak over North-East India, East India and adjoining Central India.

But the typhoon, being the stronger system, would likely drag the monsoon flows across from the Arabian Sea into the South Peninsula, which might bring some much needed rainfall into the region.

Poor offtake crushes castorseed

Castorseed prices moved down on slow demand and expectation of good sowing followed by normal rains at the producing belt. Traders said that due to weak export demand in castor oil and good rains in producing belt, prices decreasedat the spot market. It is also expected that area of castorseed may increase and this may further bring down the price. About 10,000-12,000 bags arrived in Gujarat and prices moved down by 5 to 680-690 per 20 kg. About 800-850 bags arrived in Saurashtra region and prices declined by 5 to 660-670. Castor oil lost 2 to 708/10 kg.

Volume dips at Coonoor tea sale

For Sale No: 32 of the auction of Coonoor Tea Trade Association to be held on Thursday and Friday, a volume of 15.44 lakh kg has been catalogued.

This is as much as 1.28 lakh kg less than last week’s offer.

Of this, 10.61 lakh kg belongs to leaf grades and 4.83 lakh kg, dust grade.

As much as 13.83 lakh kg belongs to CTC variety and only 1.61 lakh kg, orthodox variety. In the leaf counter, only 1.01 lakh kg belongs to orthodox while 9.60 lakh kg, CTC.

Among the dusts, only 60,000 kg belongs to orthodox while 4.23 lakh kg, CTC.

Quotations held by brokers last week indicated bids ranging 78-81 a kg for plain leaf grades and 100-130 for brighter liquoring sorts.

They ranged 80- 83 for plain dusts and 110-145 for brighter liquoring dusts.

From farm-to-biz: Crofarm to expand supply chain operations to 10 cities this year

Encouraged with a $1.5 million (Rs. 10 crore) funding recently, agri-tech firm Crofarm, a farm-to-business (F2B)) startup, plans to expand its technology-based supply chain operations from three cities now to 10 cities in the next one year.

The four-month-old firm, which procures produce directly from many of nearly 10,000 farmers it has networked access to, and delivers via faster transit to organised and unorganised retailers in Delhi-NCR, Mumbai and Bengaluru, would expand to all major cities across India, networking around one lakh farmers, Varun Khanna, Co-Founder and CEO, Crofarm, told *BusinessLine*.

He, however, declined to say more about fundraising at this stage.

“We aim to create a dependable supply chain—and eventually expand to a cold supply chain—across India that supports farmers and provides retailers with the freshest and affordable farm produce, mainly fruits and vegetables, in an efficient manner, said the IIT-Delhi alumnus. This would, evidently, eliminate the multi-layered middlemen and intermediaries and the antiquated system followed by the mandis, that shoot up the price at which the produce is sold to the consumer.

He said the Gurugram-based Crofarm’s does not undertake contract farming but procures produce at decent prices directly from farmers at collection points and delivers it to organised players like Big Bazaar, Reliance Retail, Grofers, Big Basket, Metro and Food Works, which are all its clients.

“For this supply chain, we procure bigger vehicles from local organized transporters and deliver the produce directly to organized retailers. We also deliver produce at distribution points in smaller vehicles for unorganized players who control a whopping 90-95% of the total market.”

Incepted in May 2016 by serial entrepreneurs Prashant Jain and Varun Khanna, Crofarm’s revenues come from commission ranging from nearly 5% of the price in case of less perishables like potato and onions, to 15% of the price of green vegetables to 20-25% in case of fruits and exotics.

He said Crofarm procures products with a longer shelf life from national sourcing zones and other products from regional sourcing zones.

Khanna said Crofarm’s work was made easier by the access the younger generation of farmers now have to technology such as 3-G and government initiatives like the Aadhar Card and Jan Dhan accounts.

Penetration of smartphones and Aadhar have paved way for disruption in agriculture sector, making it easier for leveraging technology.

“Now we get messages via social media, such as WhatsApp, about produce and prices.”

Agriculture, which employs the highest number of working hands, contributes 13% to the country’s GDP, worth a farm market of USD 250 billion.

If India can prevent post-harvest loss of crops, at 20 million tons a year, it can feed the whole of Australia.

Due to various constraints, mainly those of supply chain and multiple handling, India loses 10 per cent of its 200 million tons of crops, a substantial loss for a nation with 20% of its population being undernourished.

Business Standard

Centre may buy more onions to protect farmers

The Centre, along with the state governments, is planning to intervene in the market to purchase onions directly fromfarmers in Maharashtra and other places where prices have slumped sharply in the last few days due to bumper harvest.

Officials said a decision to this effect was taken a high-level meeting attended by Transport Minister Nitin Gadkari, Agriculture Minister Radha Mohan Singh, Food Minister Ram Vilas Paswan and a host of top politicians from Maharashtra, including former agriculture minister Sharad Pawar.

After the meeting, it was decided that agriculture ministry would prepare a blueprint for purchasing onions directly from farmers and the expenditure on damages would be shared equally between the Centre and state governments.

The food ministry had purchased 15,000 tonnes of onions directly from farmers out of a target of 20,000 and is wary of buying more as there are no takers for the purchased crop. Onion prices in the wholesale markets of Nashik, Nagpur and Pune along with some other parts of the country have dropped by around Rs 90 per quintal in the past one month to around Rs 500-550 per quintal due to bumper supplies.

THE TIMES OF INDIA

Karnataka Bank to lend 6,120 crore for agriculture sector

Karnataka Bank has earmarked Rs 6,120 crore to the agriculture sector during the current fiscal. This is mainly because around 58% of rural households here depend on agriculture as their principal means of livelihood and about 16% of gross domestic product is being contributed by the sector, noted P Jayarama Bhat, MD and CEO.

Inaugurating the agriculture business conference of the bank at its head office here, he added that the rural sector also has tremendous potential for employment generation and capital deployment. He was addressing agriculture field officers, branch heads of agriculture development branches, green branches and regional heads from across India. Bhat said rural development initiatives hold key for real and sustainable development in India, adding that the bank would take all necessary steps to promote agriculture-related activities throughout the financial year.

Mahabaleshwara M S, chief general manager, said agriculture lending is a national priority. "Agriculture field officers should rise to the occasion in extending timely and adequate credit to farming sector, besides focusing on end use and timely recovery so as to keep up the health of agriculture portfolio," he said.

Raghurama, GM, advised the agriculture field officers and branch heads to achieve the agriculture credit target on quarterly basis.

Water crisis looms large, govt decides to bar water use for agriculture purpose

Karnataka is staring at serious water crisis with the cabinet on Wednesday deciding to ban the use of water for agriculture purpose in southern and coastal parts of the state.

Briefing the media, law minister T B Jayachandra said the cabinet has resolved to stop the release of water for other than drinking purpose in southern interior Karnataka and the coastal districts.

"We have received a very bleak report from the Meteorological department, which says the state may not receive a good monsoon in the coming months. As a result, water from the dams across the south and coastal parts has been stopped for agriculture purpose," said the minister.

He said the cabinet has given four important directions to the administration, including that of embarking on cloud seeding in the south and coastal parts of the state.

"Barring Almatti and Narayanpura, where water is overflowing, we are seeing a deficit in all other dams. The rains received this monsoon are lower than what was expected and cloud seeding will begin shortly," said Jayachandra.

Between June 1 and August 8, the state received 503 mm of rainfall on average, as opposed to the expected 537 mm of rainfall. While north Karnataka had a decent rainfall, the Malnad and coastal regions of the state has received more than 50 per cent less than what was anticipated.

The ban for releasing water for agriculture purpose has been imposed in the Kaveri catchment area, with the Krishna Raj Sagar (KRS), Harangi and Kabini reporting a deficit in water storage. Ban has also been imposed in the Krishna and Tungabhadra basin as well.

The cabinet has asked the agriculture department to mobilise the requisite demands for suggesting alternative crops to farmers, which are less water intensive. It has also asked the RDPR and agriculture department to give more impetus to the Mahatma Gandhi Rural Employment Generation (MNREGA) scheme to generate employment.

More importantly, the cabinet has asked the agriculture department to begin cloud seeding by earmarking close to Rs 30 crore for the purpose.

While it is estimated that the actual cloud seeding will cost around Rs 10 to Rs 12 crore, the setting up of radar stations to identify the locations will cost Rs 20 crore.

"Even in this case, the estimation of success in achieving rainfall is at 30 per cent after cloud seeding," said law minister Jayachandra.

The minister said directions have been given to administration to hold meetings with the irrigation councils at the district levels and reach out to the farmers via Irrigation Consultative Committees (IRCC) to discuss the release of water on a bare minimum basis.

Farmer producer cos to cultivate nutmeg, pokkali

To help farmers increase the quandity of their produce and market it efficiently with profit, farmer producer companies are being initiated. Two farmer producer companies have registered in Ernakulam with the registrar of companies under the ministry of corporate affairs (MCA).

The companies with 50 farmers each, will soon start functioning at Kothamangalam and Ernakulam. Periyar Valley Farmer Producer Company (PVFPVC) has members cultivating nutmeg and other spices grown in the highranges while the second company is Pokkali Farmer Producer Company which will have farmers cultivating pokkali and organic rice.

Anybody, who is a farmer, can become a member of the company but he/she will not be allowed to sell the shares to another and despite the number of shares will have one vote only.

An initiative of the central government, the companies will function under the Krishi Vigyan Kendra (KVK). The initial grants for starting the companies will be funded by NABARD. "We have received a grant of Rs 9 lakh for this initiative. KVK will guide the companies for three years after which they have to function on their own," said Shinoj Subramanian, project coordinator. He said that there would be a ten-member director board and KVK would appoint a CEO.

Joseph T K, a farmer member of PVFPVC said that the company would help the farmers in producing additional products, export and also marketing and branding of the nutmegs. "They have medicinal value, used in food and also as a digestive."

He said that as of now, nutmegs were being brought by traders in Kalady and Erattupetta. "If the nutmeg is not picked afresh just when it falls, it catches fungus. Then it cannot be used for medicine. So a good amount of nutmegs get lost in this process leading to huge losses. We hope to address these issues as a cluster. Professional advice can be sought and if any solutions are needed, expenses can be shared," he said.

Farmers' markets to open within one month

The Maharashtra state agriculture marketing board (MSAMB) will begin to set-up outlets in the city for the farmers to sell their produce directly to the consumers.

The demand for 'Shetkari Bazaar' from the farmers in the district has been rising since the government's decision to delist the fruits and vegetables from the regulations of agriculture produce marketing committee (APMC). The outlets will be set up in a month at each of the towns in the district.

Additional manager of Agriculture Technology Management Agency (ATMA) Bhaskar Patil, said, "The outlet for direct selling of the farm produce is the need of the hour as it will help increase the revenue of the farmers and at the same time the consumers will get farm produces at cheaper rates compared to the retail outlets. There is a need for a structured system for the success of such Shetkari Bazaars and requires discipline and continuity for effective functioning. The farmers need to be trained to sell their produce. They should have enough knowledge to grade their produce and fix the prices."

Patil further said that the farmers need to have patience to sell their produce. In the last few years, over 30 such outlets have already been opened in Pune and Pimpri Chinchwad. The outlets are open only for two to three days in a week. At APMCs the farmers are charged hefty commissions from the wholesale traders and moreover their produce are brought at the lowest possible rates.

NBRI signs MoU with farmers' body of Nadia

National Botanical Research Institute (an institution under the Council of Scientific and Industrial Research) has signed a memorandum of understanding with Nadia Zilla Farmers Development Organisation. Acting director of NBRI DK Upreti signed the MoU with NZFDO represented by Pradeep Das, Bhamuder Bagachi and Dilip Sen in Kolkata, for a joint collaborative study for assessing the potential of myco-remediation (bio-remediation through fungi) based bio-augmentation approach to mitigate arsenic uptake from contaminated soils by paddy.

CSIR-NBRI is also working on arsenic contamination mapping in irrigation groundwater and agricultural soils along with its mitigation in the middle and lower Indo-Gangetic Plains, including West Bengal for the last 8-9 years. The bio-remediation through microbial interventions is a cost-effective and eco-friendly option to reduce arsenic toxicity and uptake from contaminated soils to paddy crop. CSIR-NBRI recently surveyed arsenic prone blocks of Nadia, North 24 Parganas and Murshidabad covering 30 villages in West Bengal.

The study will be conducted as "on-farm" trials using novel soil fungal consortia formulation in the boro- and aman- seasons of paddy cultivation for a period of three years in the selected sites of villages Gotera and Ghetugachhi of

Chakhdah Block of Nadia and village Pipli of North 24 Parganas. The study is supported by the Department of Biotechnology, Government of India.

Now, state govt to implement crop insurance scheme

The Bihar government on Wednesday announced that it will implement thePradhan Mantri Fasal Bima Yojna (PMFBY) in its present format on a trial basis for the ongoing kharif season, thus ending its stand-off with the Centre on the issue of rate of premium and naming of the scheme.

Around 16.5 lakh farmers out of a total 162 lakh in Bihar will be benefited under the scheme, as per an official estimate.

"We have decided to implement the scheme keeping in mind the spirit of 'cooperative federalism', but Bihar government will continue to raise its objections," state's cooperative minister Alok Kumar Mehta said after an official meeting.

To a question, Mehta said the scheme would be implemented on the rate of 14.92% average weighted premium fixed by insurance companies, which Bihar has been opposing on the plea that it was higher than many other states, including neighbouring Uttar Pradesh and West Bengal. The UP's average weighted premium is 4.09%, West Bengal 3.25%, Odisha 7.61% and Jharkhand 13.82% of the insured amount.

He said the PMFBY was being implemented "purely on a trial basis", with an aim to evaluate in future whether the scheme actually helped farmers or ended up benefiting the insurance companies.

"After kharif season, we will also review what share of the premium amount paid by the state government and the farmers are being paid to the farmers as compensation in case of loss of their crops," Mehta said.

The last date for joining the scheme in Bihar is August 15. The farmers who have taken agriculture loan from any bank have already joined the scheme as their premium amount has been deducted by the banks concerned. The farmers who have so far not taken any loan can join the scheme by paying their premium before August 15, cooperative department's principal secretary Amrit Lal Meena said.

Asked whether the remaining three working days were sufficient to cover all farmers under the scheme, the minister said the number of non-loanee farmers was very low in Bihar. He said the state government would request the Centre for extending the last date for Bihar, if required.

PAU imparts training in pest management in kharif crops

A training programme on "Integrated Pest Management (IPM) in Kharif Crops" was organized by the Punjab Agricultural University (PAU) in the village Rattowal. The department of extension education, PAU, organized the training under the guidance of Jaswinder Singh Bhalla, professor and head of the department.

Ravinder Singh Chandi, assistant entomologist, discussed the harmful effects of various types of insects and pests infesting kharif crops, especially, paddy and basmati. He also explained the cultural and chemical control/management of the insects and pests of kharif crops. He stressed on the farmers, "Do not use unrecommended pesticides and adopt right spray technology for effective control of insects/pests."

Earlier, while welcoming the farmers, Pankaj Kumar, assistant extension specialist, highlighted the role of IPM in pest management and advised the farmers to adopt IPM practices to maximize their returns from various crops.

Dharminder Singh, assistant extension specialist, urged the farmers and rural youth to acquire scientific skills for various subsidiary occupations. He also motivated them to take part in trainings on bee-keeping and mushroom cultivation for enhancing their farm income.

THE ECONOMIC TIMES

Maharashtra sugar co-ops demand restructuring of the Rs 3273 crore soft loan

Sugar prices have increased by more than 40% during the 2015-16 sugar year.

PUNE: sugar millers from Maharashtra have demanded restructuring of their soft loans. With government trying to control rising sugar prices, millers say that their financial position has not improved yet to start the repayment of the Rs 3273 crore soft loan they had availed during 2013-14 and 2014-15.

Sugar prices have increased by more than 40% during the 2015-16 sugar year. However, mills claim that they have yet not been able to benefit of the rise in rates. However central government has claimed that sugar mills from Maharashtra have been holding sugar in anticipation of rise in prices.

"Sugar prices increased from February. But many mills had sold sugar much below its production cost from October 2015 to January 2016. Government stopped the export incentives scheme. With raids on traders, there is fear in the market and prices have fallen by about Rs 2/kg," said Shivaji Nagawade, chairman, Maharashtra State Co-operative Sugar Factories Federation (Sakharsangh).

The central government had kept a moratorium of two years on repayment of the interest free loan, while the mills had to repay the loan during the next three years. Instead of a total repayment period of 5 years, mills have demanded extension of the repayment period to 7 or 9 years.

Dairy companies woo cattle farmers for steady supply

Industry players say mid-sized diary firms have of late been spending Rs 8-10 crore every year on farmer centric schemes.

HYDERABAD: Private dairy producers are wooing cattle farmers with higher remuneration, interest-free loans and animal healthcare facilities to ensure steady supply of raw milk.

Industry executives and analysts say the share of the organised dairy segment in the Indian dairy industry is expected to improve from about 19 per cent last year.

Private dairy firms including Prabhat Dairy, Heritage FoodsBSE 0.86 % and Sterling Agro have been giving monetary advances and animal healthcare facilities, among others benefits, to attract more farmers into their network.

Experts say the strategy is working as annual milk procurement has increased by 10-15 per cent.

Kishore Nirmal, director of Prabhat Dairy, said, "We have been able to bring in as many as 4,500 farmers under our fold in Ahmednagar and Raigarh districts of Maharashtra in the past couple of months by providing monetary advances without interest and making prompt payments by way of Vodafone M-pesa's business correspondents."

Prabhat Dairy recently tied up with M-pesa to facilitate payments to its 85,000 dairy farmers who supply milk to its plant in Maharashtra. The dairy firm procures 70 per cent of its milk requirement from regular farmers and the remaining from loose milk suppliers, who are farmers not committed to any dairy firm, private or cooperative, and mostly sell milk in the open market.

"With advances, farmers are able to buy more cows or buffaloes, resulting in an increased production," said Kuldeep Saluja, managing director of Sterling Agro Industries, which sells milk under the brand name 'Nova'. "Also, it helps the company to make optimum utilisation of the funds invested in logistics or milk processing."

According to Saluja, earlier, a truck with a capacity of 2,000 litres of milk, used to carry 800 litres, resulting in higher expenditure, but with the farmer support initiatives, dairy owners are able to make the economics work favourably.

Akshay Chitgopekar, director at rating agency CrisilBSE 0.35 % Ratings, said, "One of the main reason for farmers to move to organised dairies is better price realisation as it eliminates intermediaries (agents)." The other reasons are fair compensation and skill development and support activities such as advice on cattle management, veterinary services and animal feed provision, he said.

Industry players say mid-sized diary firms have of late been spending Rs 8-10 crore every year on farmer centric schemes, which include providing cattle feed at discounted rates.

However, dairy associations believe that the scale of such initiatives is very small. Jaipal Reddy of Progressive Dairy Farmers' Association, said, "Firstly, the scale of such initiatives is very small and don't reach majority of the farmers. Also, it won't have much of an impact as only high remunerative prices will attract the farmers."

India is the world's largest milk producer, accounting for a fifth of the global output, according to national Dairy Development Board (NDDB) and Crisil estimates. The organised dairy segment's revenues are estimated at about Rs 75,000 crore in fiscal 2014-15, or 19 per cent of the overall domestic dairy market of Rs 4.3 lakh crore, a report by Crisil Ratings said.

The revenue share of the organised segment is expected to go up to 25 per cent by fiscal 2017-18 on the back of a shift in consumer preference and growing demand. Further, the report said, the organised channel is expected to invest about Rs 15,000 crore by 2018 to shore up processing capacities.

SOPA urges government to increase import duty on Soyabean oil

At a time when the entire oilseed processing industry, particularly the soybean processing units are in great distress and facing closure because of cheap oil imports.

KOLKATA: The Soybean Processors Association of India (SOPA) has urged the Narendra Modi government to increase duty on imported crude soybean oil to 37.5% and 45% on refined soybean oil, which is the WTO bound rate. This will check large scale import of cheap soybean oil and enable the domestic industry to start soybean meal exports again. It will also encourage soybean and other oilseed growers, the association feels.

In a letter to the Prime Minister, SOPA chairman Davish Jain has said that the soybean processing industry has been going through one of its toughest periods for the last 3 years and many of the units have had to close down.

The major reason for this is large scale import of cheap edible oils including soybean oil at low rate of duty which has pushed up our prices of soybean meal and made us uncompetitive in the world market.

Our exports have fallen from a high of Rs. 15000 crores to just Rs. 1500 crores during the last four years. The attached table and graph clearly show that as the soybean oil imports went up, soybean meal exports went down correspondingly and from a net foreign exchange earning of Rs. 6545 Crores in 2012-13, there was a net foreign exchange outflow of Rs. 19419 Crores in 2015-16. The net impact of increased soy oil import alone would be Rs. 25664 Crores.

"The burgeoning import of soybean oil which has increased several fold from a mere 10.55 lakh tons per annum (average of 2011-13) to 40 lakh tons (likely import in 2016) is also detrimental to the interest of oilseed cultivation in the country and will take us toward being totally dependent on imported oil as our own production of oilseeds may further go down," the letter adds.

At a time when the entire oilseed processing industry, particularly the soybean processing units are in great distress and facing closure because of cheap oil imports, the lobby of a handful of large importers and refiners have taken the opposite view in their own self-interest and have asked the government for reduction in duty on crude edible oil. This move has created a clear demarcation between the interests of business, led by importers versus the industry which is striving hard to survive.

The decision to maintain a duty differential of 7.5% between refined and crude oil was taken after careful consideration and a thorough investigation by the Tariff Commission (Ministry of Finance) into all aspects of oil refining. The cost of crude oil refining is not more than 5% at current prices and the 7.5% duty differential adequately protects the interest of crude oil importers. The demand for higher differential duty is, therefore, totally unjustified.

Right now when the very survival of the indigenous crushing industry is at stake, any reduction in duty will only mean more sickness, moving away of farmers from soybean cultivation and further increase in our dependence on imports. If the foreign suppliers were to take advantage of the situation and increase edible oil prices, the story of pulses may get repeated in edible oils also, Jain said in the letter.

Maharashtra sugar co-ops demand restructuring of the Rs 3273 crore soft loan

Sugar prices increased from February.

PUNE: Sugar millers from Maharashtra have demanded restructuring of their soft loans.

With government trying to control rising sugar prices, millers say that their financial position has not improved yet to start the repayment of the Rs 3273 crore soft loan they had availed during 2013-14 and 2014-15.

Sugar prices have increased by more than 40% during the 2015-16 sugar year. However, mills claim that they have yet not been able to benefit of the rise in rates.

However central government has claimed that sugar mills from Maharashtra have been holding sugar in anticipation of rise in prices.

"Sugar prices increased from February. But many mills had sold sugar much below its production cost from October 2015 to January 2016.

Government stopped the export incentives scheme. With raids on traders, there is fear in the market and prices have fallen by about Rs 2/kg," said Shivaji Nagawade, chairman, Maharashtra State Co-operative Sugar Factories Federation (Sakharsangh).

The central government had kept a moratorium of two years on repayment of the interest free loan, while the mills had to repay the loan during the next three years. Instead of a total repayment period of 5 years, mills have demanded extension of the repayment period to 7 or 9 years.